

# Insights from New Generation Garment Management

## Technology Management and New Business Paradigms

**HMG** Group is a garment manufacturer that produces high quality apparel products. It all started in 1982 when it opened its first factory in Hong Kong. This factory quickly became a reputable garment manufacturer along with an expertise in producing men's bottoms and the support of many famous American brands. This year HMG Group steps into its 25<sup>th</sup> anniversary. Conventionally, Garment industry is all about quality, pricing and punctuality. However, with the increasingly competitive global market, the new generation of management requires to outshine competitors in order to capture market share.



### From the very Bottom

Betty Tse, Vice President of HMG Group, was raised and educated overseas. After getting married in 1999, she came back to Hong Kong and participated in her husband's family business – HMG Group. Due to her lack of knowledge for both the Chinese language and the garment industry, she was asked to work on the factory floor at the Wage and Salary Department. Traditionally speaking, the use of “paper tickets” for calculating wages was very common. Factory workers would cut out a section of the “paper ticket” when they had finished processing. The line supervisors would then collect the “paper tickets” from time to time and workers would get paid accordingly. Betty was surprised by the fact that sometimes workers would get angry and demand a re-check when the factory's calculations did not meet their own calculations. In the first three years of her career, she only handled the work of the basics on the factory floor. Though this may seem trivial, she treated her job very seriously. She worked her way up from the very bottom and created a solid foundation in the garment industry which she could build on.

### Strive and Excel

A typical Hong Kong manufacturer's operations includes product development, order allocation, sample approval, material and trims purchasing, management of bulk production including pattern making, cutting room, work-in-process(WIP), finishing and packaging, delivery and export. Needless to say, it also includes daily administration, human resources, finance and accounting. The new generation lacks the experience and the time to fully understand the whole operation process. Therefore, they have to learn to solve the problem as it happens. Betty is one of them. Betty's first realization of the garment industry was that “The truth is deeper than you think.” She soon understood that different people have different approaches towards a common problem. Therefore, she would ask all her employees to gather and individually explain their problems. By doing so, not only she could gain different perspectives in order to understand the situation and effectively provide a fair solution, she could also get to know her employees.

## Passion and Positive Mindset

After familiarizing herself with the basic operation procedures, Betty was promoted and was given a higher level of responsibility. In recent years, the garment industry has become more competitive than ever. Facing the low-priced orders, inflating labor cost, shortage of labor, and RMB appreciation, many garment manufacturers took a hard hit. But how would the new generation, like Betty, manage to struggle through when all odds were staring them straight in the face? Betty, with a great passion towards garment industry, utilizes her expertise of management psychology and her principles in fairness in order to establish a successful relationship with customers and employees. HMG group now has over 1500 workers and plans to expand in the near future. Betty, currently the Vice President of HMG Group, has established goals to improve efficiency as well as to strengthen information management and Betty believes that implementing new technology and consulting professionals can do the magic.

## Basics: System, Information, Data and Management.

After succeeding the last Vice president, Betty has sought advice from MSC's professional consultants. She came to the realization that HMG Group needed a revolutionary system that can carry out her goals:

**[M]** Multi-cultural: Multi-cultural means breaking the barriers between different countries, and also the barriers between different areas within a country (e.g. Hong Kong and China). The leaders of the new generation are required to establish a new management system that is tolerant to different cultures in order to advance in this increasingly global world.

**[S]** Simplification: Simplification is the key to alacrity. No matter if you are a big corporation or just a small company, it is essential to respond quickly to this ever-changing world. Along with the right people for the work and a fair system, simplification can improve the competitiveness and alertness of the company. Betty believes that this is one of the keys to her success.

**[C]** Communication: Communication is one of the basics of management. In some levels, this is also one of the main areas that the leaders of the new generation need to master. Through good communications, leaders can significantly influence their employee's attitude in reaching their goals.





After understanding the importance of technology, Betty responded swiftly and chose MSC ERP and RFID solution. This system provides:

- ✓ Accurate and real time data tracking: MSC's solution utilizes the use of technology to record replacing the traditional paper recording. Based on the same concept as paper recording, MSC's solution reduces admin cost yet improves operational responsiveness. MSC ERP solution allows apparel companies to standardize workflow, process and track orders and communicate from any location in the world. MSC RFID solution employs a low radio frequency technology to capture and gain access to real time product information throughout the production process. It can also increase production rate, reduce defect rate, and standardization and simplification of production management process.
- ✓ Effective technology at low cost: MSC R&D department not only perfects WIP RFID technology, but makes it economically viable, simple to install and use, time-efficient and suitable for factory environments as well. All in all, MSC RFID solution is a revolutionary technology at a low cost.

## Future Hopes

"How Ming is known for its creativity and fine craftsmanship. We have been receiving orders from many famous denim brands. Along with the good name and customer loyalty, HMG Group provides the most updated market news and the best price to our customers." says HMG Group's management team. HMG Group implemented MSC ERP system into its production process last year. Stepping into its 25<sup>th</sup> Anniversary, HMG Group also employed MSC RFID factory system this year. "The successful implementation brings HMG Group into a whole new level. We have high hopes for the future and therefore it is necessary for us constantly change and upgrade."



**In a recent Hong Kong industry forum, a guest speaker stated that "There is no such thing as sunset industry. But, there is 'sunset' management which could lead to 'sunset' enterprises." Determination, quick responsiveness, and decisiveness are crucial in our demanding global market. With the help of cutting-edge technology, leaders of new generation can effectively enhance the communication and data flow within the company. This can improve the company's operation procedures, allow them to understand customers' needs, and also gain customers' respect and loyalty.....And that is the key to success!**