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**TDC/EED
TRADE DEVELOPMENT CENTER PROGRAM
EXPORT ENTERPRISE DEVELOPMENT
PROJECT**

**READY MADE GARMENTS
RMG 2000**

**Prepared For:
USAID/Cairo
Contract No.263-0226-C-00-3095-00**

**Submitted by:
Ray Iwanesky
CHEMONICS INTERNATIONAL INC.**

1994

Scope of Work for Stage I of The Egyptian Garments Strategy

OVERALL OBJECTIVE:

The concept plan for the Egyptian ready made garments industry which will lay the foundation for long term sustainable growth, in a competitive international environment, into the year 2000.

OBSTACLES:

1. Egyptian Import Regulations - A problem area is the draw back system which enables the factories to import raw materials without paying duties as long as these materials are re-exported in the finished product. This draw back system is cumbersome and is a problem particularly for smaller companies since they currently must post a letter of guarantee. This freezes up this amount of money (in an interest bearing account) until the goods are re-exported. Another major problem is a shortage of piece goods, particularly woven. Not enough good quality spinning, weaving, and dyeing is available. A third problem is value added taxes which are included in the cost of materials. These taxes can increase the cost to the manufacturer up to 18%.

2. Trained Employees - a lack of qualified individuals (skilled labor) in sufficient numbers for the following tasks:

Production- Although Egypt has an abundant quantity of engineers, mechanics, and machine operators, it lacks middle and upper management training programs, policies, and controls to provide the necessary production engineering, maintenance programs, quality control systems, product design and precision grading and inspection. What is in very short supply are top quality technicians (system engineers) who can problem solve production, improving productivity and quality control.

Management and Administration- The majority of middle and upper management is unaware of new quality control methods (as well as for the need for an extensive quality control program), new production technologies available to them, as well as new management techniques. Factories have faced little competition in the past since importation of garments into Egypt was prohibited (or very heavily taxed, as to pose no competition). Many Egyptian factories have exported to Russia and Eastern Europe who also have no quality control standards and who accepted poorly made merchandise. Because of these factors, many factories are inadequately prepared to face serious competition, and do not have proper standards for exporting into more demanding countries.

3. Adverse Internal Market Conditions - A major problem that all factories face is yarn instability. Yarn is allocated by the Egyptian government, based on factory size, capacity, and past use. The majority of yarn supplied to the factories is not first grade (which is exported). There is a misconception that Egyptian yarns are of superior quality and thus

should be more expensive. This quality advantage has changed due to the advent of better spinning and weaving techniques which exist in other countries, as well as the general improvement of cotton quality worldwide. Yarn prices are increased without warning, thus disrupting existing orders. This situation obviously makes long term planning and commitment difficult.

Most other countries support factories in export programs. Egypt does not. Egyptian factories are at a disadvantage due to the high price that they must pay for yarns and fabrics in particular (of which there are a shortage, especially in wovens) Most developing countries cooperate in the price of cotton and yarns.

SOLUTIONS:

TDC will present solutions to the above obstacles to the Egyptian Ready Made Garment Exporters Association, other invited individual manufacturers, and to the Federation of Egyptian Industry. TDC will highlight key problem areas that the participants face (as specified in this document) and propose solutions. In depth discussions will be necessary for getting the top management motivated to send their BEST mid management people to the training programs and seminars outlined in this document. TDC will propose a course of action, courses to be offered at the design center, courses to be offered on site at the factories, suggested number of employee participants, long term membership ideas, and how TDC will interact with the above and continue long term support and services.

TDC will place emphasis on educating middle and upper management to new methods, new production technologies, as well as in new management techniques available to them. Emphasis will be placed in the following areas:

- a) Marketing
- b) Personnel Management
- c) Management Training
- d) Finance
- e) Production Management
- f) Quality Control
- g) Product Design
- h) Purchasing, Warehousing and Distribution
- i) Communication and Information Systems

Solutions and alternatives to the lack of government support will be presented.

Examples of this would be:

- a) Investigating a futures market to eliminate the price uncertainty of cotton yarn and fabric.
- b) Investigating sourcing of raw materials for importation of less expensive yarns, fabrics, accessories, and findings.

THE PROGRAM:

A three phased plan of action presented to the invited factories, will be organized and conducted by TDC in cooperation with the Federation of Egyptian Industry, and in conjunction with the Egyptian Ready Made Garment Exporters Association. Introductory courses will be offered to the general workers emphasizing acceptable and unacceptable standards. Basic and advanced specialized courses will be offered to middle management. Advanced seminars will be offered to senior management.

Emphasis will first be placed on training middle and upper management since they must be fully behind this program for it to succeed. Upper management will be invited by TDC to a major presentation (outlined below) to be made at one or several major hotels (depending on the number of respondents, and their locations). Upper management's support is crucial as they will set the policies that set into motion the success or failure of this plan.

Presentation of the Plan

TDC will present this plan to the invited manufacturers, making them aware of the fundamental problems that they will soon be facing (i.e., how GATT could possibly cause major closings of factories in Egypt). This plan will show what TDC is offering and what TDC can do for them. In addition, TDC will offer details of services that they will provide after the training portion is completed. This full presentation will last approximately three hours. Topics covered would be:

- a) How GATT will affect them. What indirect effect NAFTA will have on them.
- b) The types of businesses and customers that would be available to them, since some may not have a realistic idea as to the size and timing of the export market and how it works (i.e., many customers will place orders 6 to 12 months in advance).
- c) Comparisons of quality standards. Management must be convinced that quality is a problem. They will be given examples of competition that they face, and what they MUST do to survive. An example of the poor state of Egyptian "showrooms" (and samples) will be made, with a prerequisite that the factories commit to upgrading them to join this program. The demands of export customers, with vivid examples of attempted export programs by Egyptian factories, and why they failed, will also be discussed. TDC's providing of production specialists to help the factories will be discussed here, and will be of great interest to the participants beginning with the use of a diagnostician and proceeding

onward to specialized technical assistance in precise multiple applications..

d) The availability of the following TDC services:

1. Production (productivity and quality) review by a production specialist from the States who will make an analysis report for each participating factory. This (one time only) analysis will be done without cost, as an incentive for TDC participating clients.
2. On going TDC service features of technical assistance for those who complete the program, for a modest fee, in finance, marketing, garment industry computer systems, design and pattern grading.

With prior USAID approval, a sourcing office (for 1995) which will locate sources of: fabrics, yarns, accessories, findings, hang tags, woven labels, and printed bags, will be elaborated on.

A proposal will be discussed with USAID for a quality control lab that will be set up at the Moda center. Services will be available to TDC clients for a modest fee. This lab will also serve as a model for factories interested in having one. TDC will be available to help these factories set up a lab for a moderate fee.

One of the main objectives of this meeting will be to motivate top management into sending their BEST mid management people for the training outlined in Phases I and II below. Factories will find it very difficult to send their best people for the proposed 8 week training programs unless they are convinced of its worth.

PHASE I, BASIC TRAINING COURSES:

General Workers

1. Introductory courses will be offered to the general workers, in Arabic, emphasizing acceptable and unacceptable standards of quality. These courses, which will be repetitive by design, will focus on:

- a) Quality Control - why it is important. Graphic examples will be illustrated.
- b) Initial Buyer's Impressions - maintaining a clean work environment is important. Examples will be given as to the many other countries that buyers can buy from. A general outline will be presented showing how large companies place orders. Emphasis will be placed on gaining the

confidence of these companies.

- c) Basic Communications - resolving problems before they get out of control. Workers will be shown that they can do a lot to help prevent larger quality problems from developing.
- d) Equipment Maintenance - routine course emphasizing correct use, maintenance schedules, spare parts, and improving work flow.

Middle Management - Entrance Level

2. Introductory courses of basic concepts will be offered to middle management, emphasizing basic management concepts. This course is a prerequisite for those wanting to take the specialized courses. This course, which will be repetitive by design, will focus on:

- a) Basic Management- Basic concepts, especially relating to international business, customs, and methods. The idea is to train mid management to be more export oriented. It will stress productivity, quality control, timing of orders, communication, problem identification and solving.
- b) Planning- Basic scheduling, resource management, basic production flow and charts, follow-up systems, with emphasis on proper gathering, analysis, and use of internal data.
- c) Quality Control- Specifically why this is such a problem in Egypt, and what can be done to minimize this problem. Graphic examples will be illustrated.

PHASE II, ADVANCED COURSES:

Middle Management

1. These courses will be attended by a higher caliber individual. Training courses will be conducted by experts in their various fields and will be related to the garment business as much as possible. Courses include:

- a) Production Management - including production engineering; cost management; time and motion; maintenance scheduling; spare parts allocation. Presentation of new equipment relating to productivity will be discussed here. New equipment relating to quality control (or improving quality) will be discussed below.
- b) Quality Control - including sampling; setting up a quality control lab; quality management; new equipment available to monitor quality and to

- improve it (i.e., a Bierribe cutting machine which precisely cuts fabric into exact dimensions (utilizing die cuts).
- c) Purchasing and Warehousing - including contracts, distribution, customer shipping forms, draw back system, and inventory control.
 - d) Communication - including teaching technical English; receiving and working with buyers; continued customer dialog; price discussions; proper use of forms; how to present and send samples - including cover letter, tickets, swatches; and preparing customer presentation materials.
 - e) Management and Administration - development of effective management techniques and skills; organization management; basic accounting and record keeping; personnel management - motivation systems, incentives that work; and research information available and its proper use.

Senior Management

2. Special senior management seminars will be held which will cover previously discussed subjects in more depth. They will provide related case studies as examples of how new techniques work. New topics (i.e. advertising / promotion and public relations) will be presented. These seminars will be conducted by IESC experts in their various fields. Topics included are:

- a) Marketing and Merchandising - including advertising / promotion; public relations; trade fairs (how to properly set up exhibits in conjunction with TDC); knowing your customer and their customs; how and where to gather data; how to analyze it. Merchandising - how to set up a showroom; how and why to use the Pantone system; samples; swatches; detail sheets; pricing (this is a very weak area here in Egypt, most showrooms are dingy, many are unkempt, they are poorly lighted, samples are old and dirty, swatches are non existent). The value of first impressions must be reinforced.
- b) Personnel Management - including training programs; affirmative action; how to handle problem employees; incentive programs; turnover problems; recognition and development of management skills; setting up training programs for production and management.
- c) Finance - including cost management; capital investment; making business plans; strategic planning; determining borrowing needs; finance sources available; keeping proper accounting records; managing the drawback system; and incentive packages.
- d) Communications and Information Systems - advanced computer software and hardware - for organization, for design, for grading, for fabric utilization, for patterns; merchandising systems; network systems; E-mail

and how to access it; how to gather and analyze relevant statistical data (in conjunction with TDC); and the merits of doing so.

These courses will be attended by up to four participants from each manufacturer dependent upon the actual make-up of the course itself. The owners of the factories will be strongly encouraged to attend these courses with their management to be able to receive "refresher" courses on their present management styles.

PHASE III, UNIFIED INTERNATIONAL APPROACH (November 1994 onwards):

With the unified group membership (active TDC client list for the garment industry), we will begin an international campaign to announce the goal of a country wide quality approach for Egypt in the garment industry. The first areas of interest will be the markets of Europe and the Middle and Near East.

Specific goals are:

1. Promotion and Marketing - led by TDC:

- a) Export Enterprise Development - specifically improved buyer recognition of Egypt will be a goal. TDC will promote a new awareness of Egyptian quality and delivery standards to buyers, retailers, and importers. "Dressed by Egypt" will be the theme of this campaign.
- b) New Markets Penetration and Expansion - competition strategy; exhibitions; and promotions. Public and trade relations will be the areas of concentration within the above activities.

2. To obtain more government support, or impact existing laws or regulations. Led by TDC in the above activities the client list will also turn its attention to the identification and interaction of common interest issues such as Egyptian and foreign government policies that will negatively effect the business environment.

- a) Egyptian Government
- b) Foreign Government Regulations and Restrictions

3. Continuous Services Offered:

- a) Technical Assistance - diagnostics; production and quality control; finance; marketing; public relations; computer systems; design; and equipment up-dates.

- b) **Quality Control Lab** - In depth discussions will take place with the client list for a proposed fully functioning Q/C lab to be set up at the design center, providing services to all members for a moderate fee. Among basic tests that will be performed are - crocking, color fastness, shrinkage, tensile strength, fading, fabric blend analysis, and flammability.
- c) **Inspection Services** - The set up of a service organization led by TDC to provide a recognized service which would include the signing of a certificate of inspection, as is required by most customer's L/C's.
- d) **Promotional Information** - TDC will assist in the preparation of promotional brochures; exhibitions at trade fairs; and organizing trade missions for its client list.

PARTICIPANTS:

Listed below are the proposed candidates, of which we estimate that we will sign up 20 members for this first session. Based on the effectiveness of this overall session a second session will be organized to include the other suggested participants. It is to be understood that only those manufacturers whose main market of export is Europe will be allowed to participate.

- | | | |
|-------------------------|--------------------------------|-----------------------|
| 1. Nile Clothing | 2. Aboul Enein Group | 3. Messiri |
| 4. Mediterranean | 5. Suez | 6. Elstico |
| 7. Fabulous | 8. Helbawi | 9. Utex |
| 10. Samir Riad | 11. Union Garment | 12. Arab Clothing |
| 13. Norma | 14. Dantex | 15. Mizran |
| 16. Farhouri | 17. Alex Ilc | 18. Randolina |
| 19. Leina Textiles | 20. Bella Donna | 21. Dyetex |
| 22. Zafarani | 23. Shamsi | 24. Swiss Co. |
| 25. Yasmina | 26. Nounou Bros. | 27. Giza |
| 28. Palmtex | 29. Egyptian Knitting
Fact. | 30. Sojic |
| 31. Tarek El Sahwy | 32. Goldentex | 33. Fayrouz |
| 34. Dolphin | 35. Effective | 36. Golden Dragon |
| 37. El Nile Tricot | 38. El Shafei | 39. Arabian Socks Co. |
| 40. Egyptian Syrian Co. | 41. Dima | 42. Rocky Trading |
| 43. Cairo Cotton Center | 44. Egyptian Clothing
Co. | 45. Tennis |

PROPOSED COSTS:

PHASE I

Basic Training Courses

The cost of employee participants will be borne by the garment manufacturer. Organization costs are to be funded by TDC. On-the-job training sites and facilities will be donated by members of the client list. Where the Moda building is used its premises and facilities will be donated. The cost of foreign instructors will be borne by a participating agreement with TDC, who will fund up to 70% of the associated costs.

PHASE II

Advanced Mid Management Courses

The cost of employee participants will be borne by the garment manufacturer. Organization costs are to be funded by TDC. On-the-job training sites and facilities will be donated by members of the client list. The cost of foreign instructors will be borne by a participating agreement with TDC, who will fund up to 70% of the associated costs.

Advanced Senior Management Seminars

The cost of the facility will be funded by TDC depending on the final venue. If the Moda building is decided upon as the best vehicle for the designed course or seminar, then its premises and facilities will be donated. The cost of foreign instructors (details as above) will be borne by the same participating agreement with TDC.

PHASE III

Unified International Approach

TDC is offering the following services to enable the clients to compete on a global scale. These services will help the clients achieve more local government support, and will help the clients to combat foreign government regulations and restrictions.

1. The cost of the trade fairs, exhibitions, and trade missions will be participatory, but will be majority funded by TDC.
2. Exhibition brochures will be majority funded by TDC.
3. Organizational costs of the PHASE III program will be funded by TDC.

4. Marketing, promotion, public and trade relations and information services will be on a fee-for-services basis with TDC, dependent on the services contracted for as to selected campaigns (these fee-for-services rates will also be subsidized).

POINTS OF INTEREST:

1. TDC will be assisting at each stage, in all phases, the individual firm for their immediate needs and will formulate firm specific plans for their future needs.
2. TDC is to be understood as the long-term catalyst and implementor for these listed activities of these organizations (client list). It will assist and lead where warranted in the creation, planning, organization, implementation and on-going leadership role in the following areas: training courses to be offered, technical assistance, seminars and workshops, on the job training coordination, trade missions, trade fairs and exhibitions, marketing, information systems and services, promotions, public and trade relations and buyer liaisons.

TIMING:**Timetable - Stage I Concepts Strategy**

1. May 16th, 1994, Invite 30 or more factories for TDC's planned 3 hour presentation. Coordinate with IESC.
2. Course scheduling for Phases I and II, based on the assumption that TDC will sign 20 participants, and that the factories can be combined into 4 geographic groups (teams) of factory participants, for in factory training. Moda training will involve all participants at one location, which obviously facilitates the training.

Week	Week of:	Team 1	Team 2	Team 3	Team 4
1	May 16 th - Plan presented				
4	May 23 to 26- Training 1	T/C 1	T/C 1		
5	May 30 to June - Training 1			T/C 1	T/C 1
6	June 6 to 9- Test, Training 1	T/C 1 (test)	T/C 1 (test)	T/C 1 (test)	T/C 1 (test)
7	June 13 to 16- IESC arrives				
8	June 20 to 23 - Training 2	T/C 2- 1	T/C 2- 1	T/C 2- 1	T/C 2- 1
9	June 27 to 30 - Training 2	T/C 2- 2	T/C 2- 2	T/C 2- 2	T/C 2- 2
10	July 4 to 7 - Training 3	T/C 3- 1	T/C 3- 1	T/C 3- 1	T/C 3- 1
11	July 11 to 14 - Training 3	T/C 3- 2	T/C 3- 2	T/C 3- 2	T/C 3- 2
12	July 18 to 21 - Training 3	T/C 3- 3	T/C 3- 3	T/C 3- 3	T/C 3- 3
13	July 25 to 28 - Training 3	T/C 3- 4	T/C 3- 4	T/C 3- 4	T/C 3- 4
	No courses in August				
14	Sept. 5 to 8 - Seminars	T/C 4- 1	T/C 4- 1	T/C 4- 1	T/C 4- 1
15	Sept. 12 to 15- Seminars	T/C 4- 2	T/C 4- 2	T/C 4- 2	T/C 4- 2
16	Sept. 19 to 22- Seminars	T/C 4- 3	T/C 4- 3	T/C 4- 3	T/C 4- 3
17	Sept. 26 to 29- Seminars	T/C 4- 4	T/C 4- 4	T/C 4- 4	T/C 4- 4

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Factory		Middle Management Advanced Workshop						Middle Management Advanced Workshop						Senior Management Workshop					
		Sat	Sun	Mon	Tue	Wed	Thur	Sat	Sun	Mon	Tue	Wed	Thur	Sat	Sun	Mon	Tue	Wed	Thur
		15-Oct	16-Oct	17-Oct	18-Oct	19-Oct	20-Oct	22-Oct	23-Oct	24-Oct	25-Oct	26-Oct	27-Oct	29-Oct	30-Oct	31-Oct	1-Nov	2-Nov	3-Nov
Abouienein-Ismalia						MM Workshop						MM Workshop							SM Workshop
Alex Ilc	alex					MM Workshop						MM Workshop							SM Workshop
Arab Aust.Co.	10th					MM Workshop						MM Workshop							SM Workshop
Bella Donna			MM Workshop						MM Workshop						SM Workshop				
Dalydrasa																			
Dyetex	alex					MM Workshop						MM Workshop							SM Workshop
Egypt.-Span.Co.	10th					MM Workshop						MM Workshop							SM Workshop
Egyptian Clo.			MM Workshop						MM Workshop						SM Workshop				
Fabulous	sho		MM Workshop						MM Workshop						SM Workshop				
Giza Textile	pyr		MM Workshop						MM Workshop						SM Workshop				
Heina Tex	10th																		
Monetex			MM Workshop						MM Workshop						SM Workshop				
Nile Clothing Co.			MM Workshop						MM Workshop						SM Workshop				
Randolina	alex					MM Workshop						MM Workshop							SM Workshop
Samir	sho		MM Workshop						MM Workshop						SM Workshop				
Sogic	alex					MM Workshop						MM Workshop							SM Workshop
Swiss Co.	10th					MM Workshop						MM Workshop							SM Workshop
Union Garment	pyr		MM Workshop						MM Workshop						SM Workshop				
Zaafarani			MM Workshop						MM Workshop						SM Workshop				

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1. General Worker Training Courses - Certificate Course

7/2 - 7/24 Initial Buyers Impressions

includes maintaining a clean work environment and pride of workmanship. Examples will be given as to the huge selection of merchandise, and customers, that buyers can place orders with. A general outline will be illustrated showing how foreign customers place orders, and the general mechanics involved. Basic Communications includes receiving and communicating with buyers, identifying and resolving problems before they get out of control. Workers will be shown that their actions have more impact than they realize.

T/C 1- 13 hrs. AN

Quality Control & Equipment Maintenance

includes how to achieve Q/C in Egypt, as well as the importance of Q/C. Graphic examples will be used comparing Egyptian production to that of other countries. Maintenance procedures and schedules will be discussed, as well as the importance of having them and following them.

T/C 1- 23 hrs. AN

7/25 - 7/31 Course Test (given at the end of basic communications)

It is required that the workers pass a test to continue into the more advanced courses. This test will be true & false and multiple choice, dealing with only relevant information that the workers should know.

1 hour

2. Middle Management Entrance Level - Certificate Course

9/3 - 9/14 Basic Management & Planning

Teaching basic concepts relating to international business, its customs and its methods. Teaching middle management to be more export and quality oriented. Teaching basics of productivity, quality control, timing of orders, communication skills. Teaching basics of problem identification and solving. Teaching planning basics of scheduling, resource management, basic production flows and charts, follow-up systems, gathering, analyzing, and using internal data.

T/C 23 hrs. 1

Quality Control

Teaching basic concepts relating to quality control. Teaching the importance of quality control in the relationship to ones job. Teaching how markets have changed in the last 5 years, making the necessity of quality control that much more important.

1 hrs.2

3. Middle Management Advanced - Certificate Course

9/18 - 9/21 Management, Administration, & Communication

Teaching how to develop effective management techniques and skills. Teaching organization management. Detailing the various basic accounting and record keeping systems (including software packages) that would be helpful for the factories to use as well as the necessity for their use. Teaching important technical English terms relating to business. Teaching how to receive and work with buyers, i.e., how to present and send samples, including cover letter, price tickets, color swatches, as well as how to follow up with the customer. Teaching how to present prices to customers. Teaching how to prepare professional presentation materials.

T/C 3- 110 hrs.1

Advanced Quality Control

Teaching advanced concepts of quality control. Teaching the Japanese style of utilizing work teams to control quality. Detailing Marks & Spencer or JC Penneys detailed inspection methods prior to allowing a shipment to be made.6 hrs.2

9/25 - 9/28 Production Management

Teaching production engineering. Teaching cost management. Teaching how to conduct and utilize time and motion studies. Teaching maintenance scheduling and procedures. Teaching spare parts allocation and control. Describing new production equipment that is available in the ready made garment field. Teaching how to use the design, presentation, pattern making and grading software available through the Moda center. Describing new software & hardware available, which is especially designed for the ready made garments industry.

T/C 3- 210 hrs.2

Export Enterprise Development Project
Contract No. 263-0226-C-00-3095-00

Scope Of Work
Quality Control Training Specialist

A. BACKGROUND

USAID/Egypt has funded the Export Enterprise Development (EED) project with the stated goal to "promote Egypt's economic growth through expanded foreign exchange earnings," and with the purpose to "increase non-traditional exports produced by Egypt's private sector". In the document prepared by Chemonics International for USAID/Egypt, titled Strategy and First Annual Work Plan, "Ready made garments" are targeted as one of the priority products for export promotion and development actions. A plan developed by TDC for the Egyptian Garments Industry will attempt to lay the foundation of long term sustainable growth in the Egyptian garment industry in a competitive international environment into the year 2000. The training program of this plan will initiate Stage I of this long term strategy.

B. STATEMENT OF WORK

This short-term assignment will provide TDC with the implementation in Egypt of the teaching of middle management specialized ready made garment courses as outlined below under specific duties. This assignment will also provide detailed lesson plans prior to the teaching of these courses. These lesson plans will be reviewed by the TDC Ready Made Garment Specialist (Ray Iwanesky) to be made into presentation materials to assist in the teaching of these courses.

C. SPECIFIC DUTIES

c1. Design and implementation of the general worker training courses Basic Communications & Creating Positive Impressions and Quality Control & Equipment Maintenance, as well as designing and implementing a one hour test. These teaching courses, which will be taught in Arabic in each of the twenty participating factories, are part of the RMG 2000 program, and will start on July 3 and finish on July 30, 1994.

2. Design of the following courses, specific topics outlined below, in close collaboration with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

a. Basic Communications & Creating Positive Impressions (a three hour course)

This basic course should include:

1. Teaching how to receive and how to communicate with buyers.
2. Teaching how to identify problems, and how to solve them before they get out of hand.
3. Teaching the importance of a clean work environment and how to achieve it.
4. Teaching how foreign buyers place orders, illustrating the many choices a buyer has in buying from many other countries and factories.
5. Showing examples of other factories and showrooms.

b. Quality Control & Equipment Maintenance (a three hour course)

This basic course should include:

1. Teaching why quality control is so important, offering graphic examples of the enormous selection that European and American customers have on a retail level.
2. Teaching a different way to look at items to recognize potential quality problems.
3. Teaching how to handle quality problems once they are recognized.
4. Teaching the importance of work groups that work as a team to analyze an items properties.
5. Teaching maintenance procedures and schedules, as well as the importance of maintaining equipment to achieve better quality standards.

c. One Hour Test

This test will be true and false questions, as well as multiple choice. The test will be straight forward, to determine if the workers have a grasp of the essential facts. It will be required that workers pass this test in order to advance to the middle management courses.

D. PLACE OF WORK

Based in Cairo with travel to Alexandria and Port Said, Egypt.

E. DURATION OF ASSIGNMENT

One Month

F. REPORTING RESPONSIBILITIES

Report directly to and coordinate with the Chief of Party of the EED project, John R. Miller as well as with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

G. PROPOSED CANDIDATE

Ahmed Nawar, who has over 10 years of experience as a quality control specialist..

Export Enterprise Development Project
Contract No. 263-0226-C-00-3095-00

Scope Of Work
Ready Made Garment Management Specialist

A. BACKGROUND

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B. STATEMENT OF WORK

This short-term assignment will provide TDC with the implementation in Egypt of the teaching of middle management specialized ready made garment courses as outlined below under specific duties. This assignment will also provide detailed lesson plans prior to the teaching of these courses. These lesson plans will be reviewed by the TDC Ready Made Garment Specialist (Ray Iwanesky) to be made into presentation materials to assist in the teaching of these courses.

C. SPECIFIC DUTIES

1. Design and implementation of the middle management entrance level course Basic Management & Planning as well as the middle management advanced course Management, Administration, & Communication. In addition, this specialist will visit each of the participating (20) factories and assist them in the implementation of any necessary changes according to the course outline. These teaching courses are part of the RMG 2000 program, and will start on September 3 and finish on September 20, 1994, with the balance of time utilized visiting the factories.

2. Design of the following courses, specific topics outlined below, in close collaboration with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

a. Basic Management & Planning (a three hour course)

This basic entrance level course should include:

1. Teaching basic concepts relating to international business, its customs and its methods.
2. Teaching middle management to be more export and quality oriented.
3. Teaching basics of productivity, quality control, timing of orders, communication skills.
4. Teaching basics of problem identification and solving.
5. Teaching planning basics of scheduling, resource management, basic production flows and charts, follow-up systems, gathering, analyzing, and using internal data.

c

b. Management, Administration, & Communication (a ten hour course)

This advanced level course should include:

1. Teaching how to develop effective management techniques and skills.
2. Teaching organization management.
3. Detailing the various basic accounting and record keeping systems (including software packages) that would be helpful for the factories to use as well as the necessity for their use.
4. Teaching personnel (human resources) management.
5. Teaching important technical English terms relating to business.
6. Teaching how to receive and work with buyers, i.e., how to present and send samples, including cover letter, price tickets, color swatches, as well as how to follow up with the customer.
7. Teaching how to present prices to customers.
8. Teaching how to prepare professional looking presentation materials.

*** END-OF-MESSAGE ***

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a. Finance & Accounting (a five hour course)

This senior management workshop should include:

1. Teaching cost management,

*** END-OF-MESSAGE ***

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D. PLACE OF WORK

Based in Cairo with travel to Alexandria and Port Said, Egypt.

E. DURATION OF ASSIGNMENT

One Month

F. REPORTING RESPONSIBILITIES

Report directly to and coordinate with the Chief of Party of the EED project, John R. Miller as well as with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

G. PROPOSED CANDIDATE

As agreed with I.E.S.C. but the candidate should have experience in these fields within the ready made garment industry.

H. REMUNERATION

To be agreed with USAID projects officer Mr. Fred Kirschstien and I.E.S.C. Regional Director Mr. Conrad Peterson.

Export Enterprise Development Project
Contract No. 263-0226-C-00-3095-00

Scope Of Work
Ready Made Garment Production & Quality Control Specialist

A.BACKGROUND

USAID/Egypt has funded the Export Enterprise Development (EED) project with the stated goal to "promote Egypt's economic growth through expanded foreign exchange earnings," and with the purpose to "increase non-traditional exports produced by Egypt's private sector". In the document prepared by Chemonics International for USAID/Egypt, titled Strategy and First Annual Work Plan, "Ready made garments" are targeted as one of the priority products for export promotion and development actions. A plan developed by TDC for the Egyptian Garments Industry will attempt to lay the foundation of long term sustainable growth in the Egyptian garment industry in a competitive international environment into the year 2000. The training program of this plan will initiate Stage I of p(Z.H-|| ong term strategy.

B. STATEMENT OF WORK

This short-term assignment will provide TDC with the implementation in Egypt of the teaching of middle management specialized ready made garment courses as outlined below under specific duties. This assignment will also provide detailed lesson plans prior to the teaching of these courses. These lesson plans will be reviewed by the TDC Ready Made Garment Specialist (Ray Iwanesky) to be made into presentation materials to assist in the teaching of these courses.

cC. SPECIFIC DUTIES

1.Design and implementation of the middle management entrance level course uality Control. Design and implementation of the middle management advanced courses: Advanced Quality Control, roduction Management, and Purchasing & Warehousing. In addition, this specialist will visit each of the participating (20) factories and assist them in the implementation of any necessary changes according to the course outline. These teaching courses are part of the RMG 2000 program, and will start on September 3 and finish on September 28, 1994, with the balance of the time utilized in visiting the factories.

2.Design of the following courses, specific topics outlined below, in close collaboration with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

a.Quality Control (a one hour course)

This basic entrance level course should include:

1. Teaching basic concepts relating to quality control.
 2. Teaching the importance of quality control in the relationship to ones job.
 3. Teaching how markets have changed in the last 5 years, making the necessity of quality control that much more important.
- b. Advanced Quality Control (a six hour course)

This advanced level course should include:

1. Teaching advanced concepts of quality control.
2. Teaching quality control management
3. Teaching the Japanese style of utilizing work teams to control quality.
4. Detailing Marks & Spencer or JC Penneys detailed inspection plans prior to allowing a shipment to be made.

c. Production Management (a ten hour course)

This advanced level course should include:

1. Teaching production engineering.
2. Teaching cost management.
3. Teaching how to conduct and utilize time and motion studies.
4. Teaching maintenance scheduling and procedures.
5. Teaching spare parts allocation and control.
6. Describing new production equipment that is available in the ready made garment field.
7. Teaching how to use the design, presentation, pattern making and grading csoftware available through the Moda center.
8. Describing new software & hardware available, which is especially designed for the ready made garments industry.

d. Purchasing & Warehousing (a six hour course)

This advanced level course should include:

1. Teaching how to set up a warehouse, including describing useful hardware and mechanization.
2. Teaching how to use purchase orders, contracts, shipping documents, misc. customer forms.
3. Detailing new computer and scanning systems available, including how to use inventory control software and hardware.
4. Teaching how to control inventory and shrinkage.
5. Describing new packaging and ticketing equipment.

D. PLACE OF WORK

Based in Cairo with travel to Alexandria and Port Said, Egypt.

E. DURATION OF ASSIGNMENT

One Month

F. REPORTING RESPONSIBILITIES

Report directly to and coordinate with the Chief of Party of the EED project, John R. Miller as well as with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

G. PROPOSED CANDIDATE

As agreed with I.E.S.C. but the candidate should have experience in these fields within the ready made garment industry.

Export Enterprise Development Project
Contract No. 263-0226-C-00-3095-00

Scope Of Work
Marketing & Merchandising Training Specialist

A. BACKGROUND

USAID/Egypt has funded the Export Enterprise Development (EED) project with the stated goal to "promote Egypt's economic growth through expanded foreign exchange earnings," and with the purpose to "increase non-traditional exports produced by Egypt's private sector". In the document prepared by Chemonics International for USAID/Egypt, titled Strategy and First Annual Work Plan, "Ready made garments" are targeted as one of the priority products for export promotion and development actions. A plan developed by TDC for the Egyptian Garments Industry will attempt to lay the foundation of long term sustainable growth in the Egyptian garment industry in a competitive international environment into the year 2000. The training program of this plan will initiate Stage I of this long term strategy.

B. STATEMENT OF WORK

This short-term assignment will provide TDC with the implementation in Egypt of the teaching of senior management specialized ready made garment workshops as outlined below under specific duties. This assignment will also provide detailed lesson plans prior to the teaching of these workshops. These lesson plans will be reviewed by the TDC Ready Made Garment Specialist (Ray Iwanesky) to be made into presentation materials to assist in the teaching of these courses.

C. SPECIFIC DUTIES

1. Design and implementation of the senior management workshop course Marketing & Merchandising. In addition, this specialist will visit each of the participating (20) factories and assist them in the implementation of any necessary changes according to the course outline. This workshop is part of the RMG 2000 program, and will start on October 2 and finish on October 5, 1994, with the balance of the time utilized in visiting the factories.

2. Design of the following workshop, specific topics outlined below, in close collaboration with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

a. Marketing & Merchandising (a nine hour course)

This senior management workshop should include:

1. Teaching basic advertising, public relations, and promotion.

2. Teaching how to properly set up exhibits at trade fairs for maximum impact, including promotional materials required.
3. Teaching how to properly set up a showroom- including lighting, fixtures, samples, swatches, Pantone colors, detail sheets, presentation of prices, and necessary promotional information.
4. Teaching how to gather, analyze, and use data, both internal and external.
5. Teaching how to get customer information regarding their customs and buying patterns.
6. Teaching how to send and receive E-mail. Teaching how to utilize the Internet to gather and use relevant statistical data.
7. Teaching how to set up and use computer networks.

D. PLACE OF WORK

Based in Cairo with travel to Alexandria and Port Said, Egypt.

E. DURATION OF ASSIGNMENT

Two weeks

F. REPORTING RESPONSIBILITIES

Report directly to and coordinate with the Chief of Party of the EED project, John R. Miller as well as with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

c

G. PROPOSED CANDIDATE

As agreed with I.E.S.C. but the candidate should have experience in these fields within the ready made garment industry.

H. REMUNERATION

To be agreed with USAID projects officer Mr. Fred Kirschstien and I.E.S.C. Regional Director Mr. Conrad Peterson.

Export Enterprise Development Project
Contract No. 263-0226-C-00-3095-00

Scope Of Work
Personnel Management Training Specialist

cA.BACKGROUND

USAID/Egypt has funded the Export Enterprise Development (EED) project with the stated goal to "promote Egypt's economic growth through expanded foreign exchange earnings," and with the purpose to "increase non-traditional exports produced by Egypt's private sector". In the document prepared by Chemonics International for USAID/Egypt, titled Strategy and First Annual Work Plan, "Ready made garments" are targeted as one of the priority products for export promotion and development actions. A plan developed by TDC for the Egyptian Garments Industry will attempt to lay the foundation of long term sustainable growth in the Egyptian garment industry in a competitive international environment into the year 2000. The training program of this plan will initiate Stage I of this long term strategy.

B. STATEMENT OF WORK

This short-term assignment will provide TDC with the implementation in Egypt of the teaching of senior management specialized ready made garment workshops as outlined below under specific duties. This assignment will also provide detailed lesson plans prior to the teaching of these workshops. These lesson plans will be reviewed by the TDC Ready Made Garment Specialist (Ray cIwanesky) to be made into presentation materials to assist in the teaching of these workshops.

C. SPECIFIC DUTIES

1.Design and implementation of the senior management workshop course Personnel Management. In addition, this specialist will visit each of the participating (20) factories and assist them in the implementation of any necessary changes according to the course outline. This workshop is part of the RMG 2000 program, and will start on October 2 and finish on October 5, 1994, with the balance of the time utilized in visiting the factories.

2.Design of the following workshop, specific topics outlined below, in close collaboration with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

a.Personnel Management (a two hour course)

This senior management workshop should include:

1. Teaching recognition and development of management skills.

2. Teaching how to set up training programs for production and management employees.
3. Teaching how to prepare an employee handbook.
4. Describing various worker incentive programs.
5. Describing methods to reduce employee absenteeism and turnover.
6. Teaching how to work with problem employees.
7. Teaching how to make workers feel part of a work family.

D. PLACE OF WORK

Based in Cairo with travel to Alexandria and Port Said, Egypt.

E. DURATION OF ASSIGNMENT

Two Weeks

F. REPORTING RESPONSIBILITIES

Report directly to and coordinate with the Chief of Party of the EED project, John R. Miller as well as with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

c

G. PROPOSED CANDIDATE

As agreed with I.E.S.C. but the candidate should have experience in these fields within the ready made garment industry.

H. REMUNERATION

To be agreed with USAID projects officer Mr. Fred Kirschstien and I.E.S.C. Regional Director Mr. Conrad Peterson.

Export Enterprise Development Project
Contract No. 263-0226-C-00-3095-00

Scope Of Work
Finance & Accounting Training Specialist

A. BACKGROUND

c

USAID/Egypt has funded the Export Enterprise Development (EED) project with the stated goal to "promote Egypt's economic growth through expanded foreign exchange earnings," and with the purpose to "increase non-traditional exports produced by Egypt's private sector". In the document prepared by Chemonics International for USAID/Egypt, titled Strategy and First Annual Work Plan, "Ready made garments" are targeted as one of the priority products for export promotion and development actions. A plan developed by TDC for the Egyptian Garments Industry will attempt to lay the foundation of long term sustainable growth in the Egyptian garment industry in a competitive international environment into the year 2000. The training program of this plan will initiate Stage I of this long term strategy.

B. STATEMENT OF WORK

This short-term assignment will provide TDC with the implementation in Egypt of the teaching of senior management specialized ready made garment workshops as outlined below under specific duties. This assignment will also provide detailed lesson plans prior to the teaching of these workshops. These lesson plans will be reviewed by the TDC Ready Made Garment Specialist (Ray Iwanesky) to be made into presentation materials to assist in the teaching of these workshops.

c

C. SPECIFIC DUTIES

1. Design and implementation of the senior management workshop course in Finance & Accounting. In addition, this specialist will visit each of the participating (20) factories and assist them in the implementation of any necessary changes according to the course outline. This workshop is part of the RMG 2000 program, and will start on October 2 and finish on October 5, 1994, with the balance of the time utilized in visiting factories.

2. Design of the following workshop, specific topics outlined below, in close collaboration with Ray Iwanesky, who is the TDC Ready Made Garment Specialist.

*** END-OF-MESSAGE ***

ITINERARY
MR. MARTIN WIMBS
WOVEN EXPERT
JUNE 16 - July 5, 1994
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<i>June 16, 1994</i>	<i>Alex L.L.C. (Free zone - Alexandria)</i> <i>Mr. Ashraf Swellam</i>
<i>June 19, 1994</i>	<i>Randolina S.A.E. (Free zone - Alexandria)</i> <i>Eng. Nadia Saleh</i>
<i>June 22, 1994</i>	<i>Bella Donna (Giza - Cairo)</i> <i>Mr. Fouad Hodroj</i>
<i>June 23, 1994</i> <i>8:00 am</i>	<i>Dalydress (El-Zaweya Elhamra - Cairo)</i> <i>Mr. Maher Shamssy</i>
<i>June 26, 1994</i> <i>9:00 am</i>	<i>TDC Office</i>
<i>June 27, 1994</i> <i>8:00 am</i>	<i>Giza (Pyramids-Cairo)</i> <i>Mr. Mohamed Marzouk.</i>
<i>June 28, 1994</i> <i>8:00 am</i>	<i>Ismalia (Aboul Enein)</i> <i>Mr. Mahmoud Fouad</i>
<i>June 29, 1994</i>	<i>IESC Office</i>
<i>June 30 , 1994</i> <i>8:30 am</i>	<i>Samir factory (Shoubra el-kheima/ cairo)</i> <i>Mr. Asharaf</i>
<i>July 3, 1994</i> <i>8:00 am</i>	<i>Nile clothing (El-badrashine / Cairo)</i> <i>Mr. Mohamed El-Yan</i>

July 4, 1994
8:00 am
(Our Driver)

Egyptian Clothing co. (Helwan / Cairo)
Mr. Sami El-shafei

July 5, 1994
8:30 am

Swiss co. (10th of ramadan / Cairo)
Mr. Khaled kandil

- P.S. * Mr. Wimbs will start in each factory at 8.30 o'clock
* The transportation wii be arranged by each factory
* Mr. Wimbs is staying in Ramses Hilton (CAIRO) in Room # 1609

**ITINERARY
MR. MAGIDAY
KNIT WEAR EXPERT
June 29 - July 26, 1994**

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<i>June 29, 1994</i>	<i>TDC Office</i>
<i>June 30 - July 3, 1994</i>	<i>Bella Donna (Pyramids - Cairo) Mr. Kazem Hodroj</i>
<i>July 4 - 5, 1994</i>	<i>Giza (Pyramids - Cairo) Mr. Mohamed Marzouk</i>
<i>July 6 - 7, 1994 8:30</i>	<i>Lonetex (El-Kalaa / Cairo) Dr. Hassan El-Bana</i>
<i>July 10, 1994 8:30</i>	<i>Arab Austrian co. (10th of ramadan / Cairo) Mr. Sherif</i>
<i>July 11, 1994</i>	<i>TDC Office</i>
<i>July 12 - 13, 1994 8:30</i>	<i>Egyptian Spanish (10th of ramadan / cairo) Mr. Mahmoud Fouad</i>
<i>July 14 - 17, 1994 8:30</i>	<i>Leina tex (10th of ramadan / Cairo) Mr. Samir Kafrawy</i>
<i>July 18, 1994 8:30</i>	<i>Fabulous (Shoubra el-keima / Cairo) Mr. Joseph Wassef</i>
<i>July 19, 1994</i>	<i>TDC Office</i>

July 20, 1994
8:30

Fabulous (Shoubra el-keima / Cairo)
Mr. Joseph Wassef

July 21 - 24, 1994
10:00

Zaafarani (Dar el-salam)
Eng. Mostafa Khazaway

July 25 - 26, 1994
8:30

Union Garment (Pyramids / Cairo)
Mr. Omar Cheikh el-Ard

- PS. * *Mr. Magiday will start in each factory at 9.00 o'clock*
 * *The transportation wii be arranged by each factory*
 * *Mr. Magiday is staying in Ramses Hilton (cairo) Room # 2313*

Date: 12-7-94 (Nevine)

ITINERARY
MR. MAGIDAY
KNIT WEAR EXPERT
July 27 - Aug. 1, 1994
=====

July 27 - 28, 1994
1:00 am

Dyetex (El Siyouf - Alex)
Mr. Bassem Sultan

July 31- Aug. 1, 1994
10:00 am

Sogic (Moharam-Bek / Alex)
Mr. Salem

PS * The transportation wii be arranged by each factory
 * Mr. Magiday is staying in Ramada Hotel (Alex) Room #

Date: 12-7-94 (Nevine)

WOVEN

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Current revenue of export		Name of company	No. of factories	Area	No. of Employees
U.S.A	EUP.				
-	100%	Randolina *	1	Amiria-free zone / Alex	150
-	100%	Alex Ilc *	1	free-zone Alex	120
-	100%	Dalydress	1	El-zaweyaEl-hamra	700
80%	20%	Giza	1	Kafer hakim pyramid	2200
70%	30%	Samir factory	1	Shoubra El-khema	1300
75%	15%	Swiss co.	1	10th of ramadan	1770
35%	45%	ABOUIENEIN Ismalia	1	Ismalia	1826
90%	10%	Nile clothing	1	El-Badrashine	3000
100%	-	Egyptian clothing co.	1	Helwan	1500

* CMT

KNIT WEAR

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Current revenue of export		Name of company	No. of factories	Area	No. of employees
U.S.A	EUP.				
10%	90%	Dyetex	1	El-siyouf / Alex	400
30%	70%	Sogic	1	Moharm-bek/Alex	400
5%	95%	Zaafarani	1	Dar-Elsalam/Cairo	350
5%	95%	Bella Donna	1	Maryutia-Haram Cairo	300
80%	20%	Union Garment	1	pyramids/ Cairo	300
-	75%	Arab Austrian co.	1	10th of ramadan Cairo	55
80%	20%	Fabulous	1	Shoubra El-keima Cairo	247
50%	50%	Leina tex	1	10th of ramadan Cairo	300
70%	30%	Lonetex	1	El-kalaa / Cairo	540
80%	20%	Giza	1	Kafer-Hakim pyramids/ cairo	2200
32%	47%	ABOUL ENEIN Egypt.Spanish	1	cairo	865

Trade Development Center
21, Giza Street, Nile Tower
24, Floor
12211 Giza, Egypt

19 June, 1994

Eng. Nadia Saleh
Managing Director
Randolina S.A.E.
Amriya Free Zone
Alexandria, Egypt

- 1) Training of Prod. Mgr
" of Engineers, Q/C Supervisors } 4 weeks
" of Management Techniques }
2. Methods & Time Study Engineer - 6 weeks
3. Basic Sewing M/C Repair/Adjustment
Local Course?

Dear Eng. Saleh:

Thank you very much for the hospitality you showed me during my visit. I appreciate very much getting to visit your factory and meeting your people. It was nice of you to receive me on such a short notice.

While it is fresh on my mind I want to list some of my observations and things we discussed. Please remember these are not to be taken as criticism in any way. The intent is only to help you.

I am listing them as I think of them and they are not in any sequence or priority. Each paragraph is numbered for reference in case you have any questions or want to make reference to them.

1. First I was shown the new building housing two sewing production lines. All work in process was on clamp trucks which allows you to process large quantity bundles.
2. Each sewing line was laid out in a "U" shaped line with the machine tables in a straight sequence. The process started and finished at the front entrance end.
3. Seam busting, topping and legging operations were along the right side of the building.
4. We stopped and inspected some pants production in process. One of the operators was not matching the outseam notches and this could result in a twisted leg after washing. If the patterns and cutting are correct then the notches must be matched by the operator.
5. The front notches for matching fronts and pockets were much too deep. These notches are only sight notches to insure proper matching of joined parts. If notches are too deep they may show below the band or fray during the wash cycle.
6. The overedging threads were much too long on the corners. Long threads waste money and must be trimmed off at a later operation. The overedge operator can turn the corners without a leaving long threads.

7. I am concerned about the thread usage and waste as the total thread required is approximately nineteen percent of your direct sewing labor. If you waste thread then the cost will be higher. You may want to verify this by comparing your thread cost and sewing labor for last year.

8. I commented on the fact that one of the sewing lines was not using a second cone of thread to wind bobbins while she is sewing. When it was necessary for her to wind a bobbin she had to unthread the needle, wind the bobbin and then rethread the needle. The time required to wind the bobbin was lost production time and can not be regained. Production time lost is not only excessive costs but delayed shipping time.

9. You replied to my comment by saying that the contractor sent enough yardage but not enough cones to properly thread all of your machines. The operators were having to use one cone for both top and bottom thread.

10. The buyer should either allow enough thread to properly thread the machines, allow additional money for labor lost or allow you to substitute colors on the bottom thread. In many cases the inside thread can be natural or even another color.

11. I believe you have a thread winder in your factory where you could wind smaller cones for the bobbin thread. A person waiting for work could wind small cones cheaper than the cost for the operator to stop, unthread and wind a bobbin.

12. To remove an empty bobbin from the case, change bobbins, put a full bobbin in the case and start a new bobbin takes approximately fifteen seconds. Compare this time with what it now costs where the needle thread must be used.

13. Periodically your mechanics should check all bobbin winders to see that they are winding evenly and to full capacity, but not overwound. The difference in a properly wound bobbin can amount to as much as three percent of you total single needle labor time.

14. The polybagged finished garments are taken across the parking lot and hung on pipe racks until they are loaded on an export container.

15. When I entered the warehouse the first thing I saw was the fabric storage. There were some rolls of fabric standing on end. Rolls of fabric that are dropped or stored on end will damage the fabric. Never let rolls be dropped or stored on end as this will cause the selvage edge of the fabric to stretch. The stretch in the selvage is what causes the selvage edge to be wavy after the fabric is spread on the table.

16. After cutting the wavy selvages will cause the outseams and notch locations to be uneven in length. This for example could be one of the reasons the notches were not matching in the sewing department.

17. After you use your automatic spreader to spread the fabric on the table the entire spread is manually pulled down the table to another table for cutting. This allows you to use one table for spreading and the other for cutting. The operators must use caution and enough help in moving the spread so that the fabric is not stretched or distorted.

18. We discussed the cutting machine heights, two had 8" standards and one had a 10" standard. We agreed that a 6" standard would be ample for the heights you are cutting. If you spread fabric too high the cutting quality from top to bottom deteriorates. The shorter standard will not give as much cutting variation in top to bottom as the swaying and bending of the standard is less. The total cost of cutting blades and sharpener belts would be approximately twenty percent less on a 6" standard height as compared to a 10" standard.

19. The shade markers are numbering all cut parts. This will allow you to maintain shade integrity in the garment and process large quantities in the bundle.

20. The flies and fly linings were being shade marked. I would check with my buyers to see if these parts need to be color matched. After all these parts are inside the garment and not normally seen from outside when the garment is worn. You would save money on labor if you could discontinue numbering these parts.

21. It may be that the numbers on these fly pieces are used to make it easier to match the front panels but you can find a suitable location to place the front numbers.

22. There are several good brands of zipper feet available, for both single and two needle machines. A zipper foot on the sew zipper to left fly would allow the operator to sew the zipper to the left fly without having to stop and move the slider. It is now taking more time to move the slider than it takes to sew on the zipper.

23. All zippers, flies and fronts should be matched even at the top. Any variation on the flies and zippers should be at the bottom. There should not be any trimming of these parts after sewing. When the nylon continuous chain zipper is used it should be even at both top and bottom of the fly.

24. In the new building I saw one operator trimming off the top of the left front after the fronts were joined and the flies sewn down. I did not check to see the reason for the trimming. There should never be any trimming of a sewn piece. Find the reason for pieces not fitting and correct before sewing.

25. Thread is expensive and the usage must be monitored very carefully. Cones of thread not being used on the machine should be stored in a readily accessible bin or cabinet until it is ready to be used. I saw cones of thread on the floor, on machine tables and in open boxes. If a cone of thread is stepped upon or crushed then it is worthless.

26. One of the operators was safety stitching front white pockets closed and was finishing at the bottom corner of the pocket. A chain stitch (federal stitch type 401) seam will ravel back only from the finishing end. If the operator finishes on the corner then the stitching will ravel back if the finishing threads are cut short. To prevent ravelling the operator should start at the corner and the end where she finishes will be secured by the side seam stitching.

27. There were several bundles of cut work stacked along the wall where the actual cutting is done. Judging from the dust on the bundles these bundles have been cut for some time. I don't know the reason for the bundles being there but something went wrong. Either work was started without all trim components being in stock or else a new contract was processed over the top.

28. Too many times I have seen garments stopped in process because zippers did not arrive as promised. A very good rule is never to start any work unless the cut parts can be completed with trim items already in hand. Regardless of what is promised there are too many things that can go wrong beyond the control of the person making the promise. You can't sew promises.

29. I was surprised to learn that you have two electrical generating system and are supplying your own electricity. You have personally done a good job in planning for your needs.

30. The above is only part of our discussion and is listed only for reference. Maybe some of this will help you to save material and labor. Now that Mr. Rudger is working for you he can relieve you of many of the production details. This should allow you to work on things that you need to do. I don't know how you have been able to handle all of the details thus far.

31. During our meeting you said you would like to have some technical help from TDC. You and I agreed the following help is needed.

32. You would like to have a factory executive to help train your new production manager, engineers, quality control supervisors, and line supervisors in supervisory and management techniques.

33. Since your production manager, Mr. Rudger, is new with your organization this training would help to get all of your mid-management group started with the same objectives and procedures. The volunteer executive would help everyone have a better understanding of their responsibilities and means of improving their performance.

34. This training session and follow up period should take four weeks. The training sessions would not take so long but daily follow up is required until work habits become automatic.

35. You have requested a methods and time study engineer to train some of your staff.

36. You do not have written methods for supervisors to use in training new operators and auditing what is being done. Proper methods must be established in order to achieve acceptable quality and optimize production. Methods must be established before time studies can be made. *

37. Once methods have been established time standards must be set. Time standards will be used to set operator quotas, factory layouts, work sequences, machine requirements and possibly an incentive pay program.

38. Most important you need time standards in order to accurately compute your labor costs for new products. Fixed and variable costs can be added as a percentage to direct labor costs once you have standards.

39. I would estimate six weeks to select, train and follow up on methods and time study training. This would require full concentrated attention by the individuals selected.

40. We agreed that a good basic sewing machine repair/adjustment course for the line mechanic would be helpful. This could be a community college type course held in some available location.]

41. The sewing machine mechanics would learn how to set the machines to factory standards. Once the machine is in the sewing unit it would have to be set to the special requirements of the style and product being sewn. The thing you want is to be able to start from a factory setting when all else fails.

42. The mechanic orientation course would take two weeks.

Again, thanks for your hospitality. I wish you the best in your endeavour. My best regards to Mr. Rudger.

Yours truly,

Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Party, Trade Development Center (TDC)

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Trade Development Center
21, Giza Street, Nile Tower
24, Floor
12211 Giza, Egypt

23 June, 1994

Mr. Maher Shamsy
Dalydress
6, El Sherifen St.
Cairo, Egypt

1) Overall Egypt Layout & Manpower Needs
Systems Engineer
2) Methods & Time Study Engineer

Dear Mr. Shamsy:

Thank you very much for your hospitality during my visit. I appreciate you personally taking the time to give me a tour of your factory and explain what you are doing.

While they are fresh on my mind I am going to list some of the things we discussed during my visit. These are not in any sequence or importance but just as I remember them. Please remember none of this is intended as criticism but as suggestion that may help you. I have numbered these simply to make it easier for us in case you want to question me about any thing I have listed.

1. Our first stop was the "Lectra" plotting room. You are making a miniature of the layout for the approval of the department manager before you make the full size marker. I personally would review this to see if this is really necessary. The marker maker and the department manager should agree upon the procedure for layouts and then the utilization decision should be the marker makers.
2. When we went into the first pants unit we stopped at the cutting table. The full size marker which supposedly was checked by the marker maker and the cutting supervisor was being remarked. One front and some small parts had been cut out of the marker and were moved to a different location. This should not occur.
3. The ground rules for marker making should be defined and the marker maker should follow them. If the pattern shapes or sizes are correct in the "Lectra" system then they should not be changed in the cutting department. The net effect of changing the marker in the cutting department was that the marker was increased approximately 15mm. Fifteen mm times 50 ply would be 75cm of extra cloth used in the spread.
4. You are making small markers, approximately 1.5 meters, due to the quantity and size of the garments. You now have a loss of fabric on each end of the spread. If you were to spread two bundles end to end you could save at least one meter of cloth for each spread.
5. The iron inverted mushroom type weights used to hold the fabric while spreading should be replaced with a long bar type. this would eliminate a lot of lost labor in handling the weights and hold the fabric better.

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6. Your cutting tables are short by cutting standards. Most tables are at least twenty meters in length. If your cutting orders will allow it you should always cut longer markers. For your information a six bundle marker is the most efficient. I mention this because the fabric represents approximately sixty percent of your total garment cost.

7. You are now spreading the fabric by pulling it from rolls on stands at the end of the table. This practice is time consuming and causes some distortion in the fabric. You should seriously consider purchasing a small manual spreading machine. One of the larger automatic machines would be too expensive and would not allow you to spread as efficient as the manual machines.

8. A very good cloth spreading machine and one that I would buy is made in Hong Kong. This is a copy of a machine that was made in the U.S.A. several years ago before the automatic machines. The spreading machine is model NS-51 for fabric widths 45" to 70". Contact the following for a price if you are interested.

Ngai Shing Engineering Manufactory
52-54, Wing Hong Street, G/F
Cheung Sha Wan
Kowloon, Hong Kong.
Fax 3-7853149.

9. It would help your cutters if you would install a wire over the center of the cutting table with rollers to hold the electrical cord for the cutter. Your cutter is familiar with this concept and can install it with your approval.

10. We discussed the heights of the Eastman cutting machine. You said you were using the 8" standard because you cut large wale corduroy in this height. First I would convert to a 6" standard to reduce blade and sharpener belt cost and reduce the cutting variation due to -- bending of the standard while cutting.

11. An eight inch spread of fabric is too high for accurate cutting. There is too much variation in the size of the top piece and the bottom piece after cutting. I know each ply is shade numbered and the number one top plys will be sewn together. Due to the cutting height the bottom plys will not fit together without sewing adjustment and distortion. Whether it is pants or shirts you should not cut heights of fabric more than four inches to get a good fit.

12. You are shade marking each piece using a "Meto" shade marking machine. This is a good system but I question if it is necessary to shade mark the fly and fly lining pieces. Since these parts are inside the garment, supposedly out of sight, a slight shade variation should not matter. I suggest you discuss this with your buyers to see if this would be acceptable.

13. The belt loop strips coming from the cutting department should never be less than 31 mm or whatever cut width you need to make a good loop. The strips should never be tapered on the ends where they are less than the minimum required width. The narrow strips you are using are not wide enough for a loop and results in lost time and thread.

14. The waist band buttons can be sewn on the band with concealed bottom stitching if the band is pinched as I demonstrated. You fold the inside band and place the button half off and half on the fold and the bottom stitching will not show when the band is straightened. Attaching band buttons in this manner will eliminated ripping the banding stitching open and sewing on the band as you now do.

15. We discussed putting in 100% final inspection so that any defective work can be repaired while the garments are still in the sewing unit. If combined with the trim thread operation the inspection labor is free as the seams are inspected as the threads are trimmed.

16. When an operator in the pants section finishes with a operation the pants panel is double folded and stacked aside. The next operator must unfold the panel before they can do their operation. A lost of production time is lost due to this folding and unfolding of the panels. The bundles should be processed with the pieces left unfolded.

17. As you know I could continue with more suggestions. We discussed some others and am sure you will also consider them in reevaluating your manufacturing process.

18. First I suggest you request further technical help. There are so many simple ways you can improve your quality and profitability. We are willing to help find some one to help you.

19. I suggest you request someone who can take a look at your overall departmental layout and manpower needs. This person would evaluate your production planning, "Lectra" system, fabric storage, cutting department, sewing departments, finishing departments, washing, warehousing and distribution. Each of these departments is in need of guidance and direction.

20. Since your product mix is so varied, from ladies panties, dress trousers, skirts, dresses, and tee shirts to lined jackets, the whole factory should be analyzed and a procedure devised to co-ordinate the work flow and production.

21. Due to your product mix and physical layout the technical advisor should plan on being in your factory for a period of eight to ten weeks. This would allow time for an analysis, operational plan and follow up.

22. To assist in determining time standards for costing, production potential and control, line layouts, machine purchasing and possibly pay incentives I recommend a methods and time study expert. This person would help select and train people in correct methods installation and time study procedure. Several trainees would be required for training in order to maintain cost controls and time standards in each department.

23. As you will have several methods/time study people to train and follow up will be required the time study engineer should plan spending at least two months in your factory.

The two people recommended above would be of great help to you in getting your factory in a competitive position. As you know there is much work that could be done to get the system operating profitably.

Once the two people have started their work they will find needs for other technical people to be recruited. I am not recommending anyone else at this time because I think the volunteer executive should make his recommendations after he has done a full evaluation of the factory and defined the various departments.

If you have any questions on the above or need any further help from me please let me know. Again thanks for your warm hospitality.

Yours truly,

Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Party, Trade Development Center (TDC)

Trade Development Center
21, Giza Street, Nile Tower
24, Floor
12211 Giza, Egypt

22 June, 1994

Mr. Fouad Hodroj
Chairman
Bella Donna
Kerdassa St., Turaat Al, Maryotia
Giza, Egypt

Local prog. only

Dear Mr. Hodroj:

Thank you very much for allowing me to visit your pants factory. It was a pleasure to meet your people and see what you are making.

I saw several things while I was there that may be of interest to you. I'm sure you have had a full report by now but will list them as an additional record. These are intended to be of help to you and in no way should they be considered as criticism. These are numbered just in case you have a question and would like to refer to the number.

1. The first thing we saw was the operators trimming the pockets after they were sewn. Patterns should be checked to be sure they are correct and the parts are cut correctly. Then the operators should be trained to sew correctly. There should never be any trimming after cut pieces are sewn together.
2. Small hand snips should be used to clip threads at the machine after the sewing operation. The snips should be held in the hand at all times so the operator does not stop, reach for scissors, cut threads, return scissors to table and then regrasp the sewn piece. The operators are losing a lot of time when they must pick up the scissors.
3. When the operator cuts the finishing threads they should cut the thread close to the garment so the thread does not have to be cut clean at trimming. There is no reason to have to cut the same thread twice.
4. The trimming operation should be incorporated with a 100% final inspection. You now have four girls trimming finishing threads or thirteen percent of your labor force.
5. Since the trimmer must handle every seam when she trims she should be trained to inspect the finished garment. There is no reason for another operator to again handle each seam. If there are any defects then the garment can be repaired before it leaves the sewing area.
6. The hand press used to apply the hooks and bars on the waistband closure should be replaced with a production type press. There are air operated models that would give a consistent pressure and securely attach the hooks.

7. The hook/bar press used is manual and worn out. It is impossible to the girl to consistently apply sufficient pressure to attach the hooks. Some of the hooks on your present finished garments are bent and some are not securely attached. Some of these hooks will come off before the garment has served a useful life. In other words, the application is unsatisfactory.

8. Some of the operators, overlocking in particular, are leaving long threads between the garments. Not only is this a loss of expensive thread but these threads get into other seams and are difficult to trim at the trimming operation.

9. Thread cones should be stored in a safe accessible place to prevent damage to the cones. There was a cone of thread on the floor and others sitting on the machine tables. Thread is expensive.

10. The single needle machine operators did not have extra bobbins to be used to wind thread while sewing. The labor for winding bobbins while sewing is free. At present the operator must unthread the needle and use the needle thread to wind the empty bobbin. When the bobbin is wound the needle must be rethreaded. This is a loss of production time. The operators must be given extra bobbins.

11. I could list many other things to reduce your operating costs, improve quality and increase productivity but will save this for someone else.

12. When I visited your factory I was under the impression you were exporting woven garments to Europe. At the factory I was informed all of your pants production was for the local market. *

If you decide at a later date that you would like to export woven production to Europe I suggest you contact Mr. John R. Miller at the TDC office for assistance. The TDC office can find a good production manager to help organize your factory to make it much more efficient and profitable for you.

Thank you very much for your time and hospitality. Best regards to you sons and daughter.

Yours truly,

Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Party, Trade Development Center

Trade Development Center
21, Giza Street, Nile Tower
24, Floor
12211 Giza, Egypt

27 June, 1994

Dr. Maged Marzouk
Giza Garment Company
162, Gohar El-Kaid Street
Darrassa
Cairo, Egypt

Mid. Mgmt Training Exec. - 2 mos
Cutting Dept. Mgt. - 6 weeks
Expert Sewing M/C Mechanic

Dear Dr. Marzouk:

Thank you very much for letting me visit your factory. It was a pleasure to meet with you and your people.

While the visit is fresh on my mind I would like to comment on my observations and some of the things we discussed. These are listed as I think of them and are not in any sequence or priority order. Each paragraph is numbered to make it easier for reference in case you have a question or need clarification on anything.

1. While I was waiting in your office I took the liberty of looking at your samples. I suggest you have someone familiar with quality to inspect each garment to make sure they represent the quality you want your buyers to see. In addition to the shirt collar button that was not securely sewn on there was a shirt with a raw bottom hem. *

2. When we first started our tour in line "B" I noticed a cone of thread on the floor. I mention this because thread is expensive and if the cone is stepped on it will be worthless. All thread not being used should be stored in an accessible safe storage cabinet. Thread should not be placed in work bins or left on the machine table.

3. In "C" section the shirt collars are being cut about 1" (25mm) longer than necessary. The operator is marking the correct size on the fused collar lining so the collar can be trimmed to size. If you feel that the cutters in the cutting room can not cut accurately enough then I would place a sized metal template on the bundle and cut the correct size collar with the band knife.

4. You have one K&R and two Rimoldi band knives that could be used to accurately cut the small parts. Cut a piece of thin tin or brass from your master pattern and simply cut around it with your band knife.

5. At many operations I saw operators using scissors to cut pieces to shape after sewing. No trimming should be done in the sewing department especially after they have been joined to another piece. If the pieces are not of the proper size check your patterns and then the cutting.
6. In the "D" section operators are hand folding and pressing the shirt center pleat using a paper template and a hand iron. After pressing the fronts go into the sewing unit where the crease is stitched down. This is a lot of manual folding and pressing and the fronts are handled at least two times.
7. This operation should be done as a regular sewing operation. Enclosed are photo copies of some folders and a puller that can be attached to a two needle machine to do this operation. These folders can be made to your own specifications.
8. The shirt pockets were also hand folded and pressed to shape using a pressing iron. By pressing over a template all pockets will be the same size and shape. There are some simple pressing machines that can be used to press pockets. A photocopy is enclosed to show one model of creaser.
9. The top pocket hem was hand folded and pressed then folded another time and pressed when the pocket was pressed (number 8 above). After pressing the pockets were taken to a single needle machine where the top sides of the pocket were folded back and the pocket hem was sewn down. After sewing the sides were refolded as they were originally done by ironing.
10. The tops of the pockets should be hemmed using a folder and a machine before they are pressed. If a folder is used the folding and sewing is one operation.
11. Only the sewing machine needle makes garments. Everything else that is done is part of your overhead cost. Trimming, marking, restacking, assistants, etc. do not make production. Every person on your pay-roll should have a definite responsibility and requirement defined. If a supervisor can not make a written job specification for a worker and justify the need then we should use the worker elsewhere where a definite need exists.
12. I don't believe in terminating a person but simply assigning them to a necessary job where there is a potential for them to make a contribution. I am mentioning this because I saw several incidences where people were waiting, trimming or doing unnecessary work.
13. There were a lot of operations where long threads were left at the start and finish of each seam. Not only is this a waste of thread and sewing time but the long threads will get sewn into other seams and make it difficult for the final thread trimmer to remove.
14. On some operations the following operator was cutting off the long threads before she started her seam. In this case we are allowing one operator to leave threads for the subsequent operator to trim. Each operator should start and finish their operation without leaving long threads.

15. The final thread trimming operation should be combined with a 100% final inspection.
16. The operator trimming threads in now handling each operation and cleaning off any unnecessary threads. As she trims she is looking at each operation and is actually doing an inspection. I suggest you put competent people on the trimming operation who can make a good evaluation of the quality of each operation. As the garment is trimmed it is inspected.
17. If a garment is defective it is rejected by the inspector to the responsible operator. Yes, I would even reject entire bundles to the responsible operators if she has left too many long threads on her work. Garments can be repaired by the operator and even returned to the same bundle. Rejected garments must be repaired immediately.
18. Garments that are classified as "irregular" by the inspector are given to a designated person for a final inspection. In this manner all "irregular" garments are audited by the same person who knows what can be repaired into a "first" or remain as a "irregular".
19. The largest money loss is in the cutting department. There was one cut of canvas that I would estimate had thirty meters of fabric loss. Approximately sixty percent of your cost is in fabric. Any improvement in the fabric utilization is immediate money saved.
20. At present the worker is spreading the fabric without knowing the exact length of the marker. In fact, the marking is done on the fabric after the cloth is spread.
21. The markers that I saw had wasted areas in the spread and wasted fabric on the sides and ends. Patterns must be laid as tightly as possible with the actual pieces touching each other. When two pieces are laid adjacent and do not touch each other then you are losing fabric (money).
22. When marking, the marker should have a pattern for each piece that will be cut. The correct procedure is to lay the patterns on the fabric in the most efficient manner to utilize the fabric. The marking person will inspect the layout and move patterns to further utilize the fabric. Only after they are satisfied that the patterns are laid as tightly as possible do they mark around the patterns. Whenever possible there should only be one line between the pattern pieces. For example, if two straight edges are laid side by side then there is only one line separating them.
23. Some people are better at making markers than others. You need a good analytical mind with some imagination. It is similar to working jigsaw puzzles. Some are better than others with puzzles.
24. With the proper training you can teach some people to lay all markers. Another person with good training can then make the marks around the patterns and make the marker.
25. No fabric can be spread until the marker has been completed. The actual marker is then placed on the spreading table and a mark is made on the table at each end of the marker. These end marks must be exactly the length of the marker, no more, no less.

26. When the fabric is spread it is laid to cover the end marks but no more than 13mm (1/2") longer than the marks. Just 13mm on the end amounts to one meter loss on a normal spread.

27. You may need to set up a table somewhere for making markers. The table does not have to be in the cutting department but somewhere where there is good lighting.

28. Most large factories are buying computerized marking systems. There are several good systems such as "Lectra", "Microdynamics", "Gerber", "Invincia", etc. If you purchase one make sure you can get local training and service. Once you get a system you must have service available.

29. The fabric utilization obtained using a computer system or manually using a full size set of patterns as mentioned in number 22 above will be approximately the same. With either system the actual pattern must be manually moved into position.

30. The computerized system will grade patterns from one size you load into the system. After loading and grading you can have as many patterns in the system as you like. With all patterns available you will make your marker as described in number 22 above except you move a stylus to move a pattern.

31. The computerized system will make you conform to set guide-lines that you request. For example some parts can only be laid parallel with the selvage and your plaid shirt pockets can only be laid at a forty-five degree angle.

32. The computerized system will give you a constant readout of your internal utilization percentage. This will allow you to check one layout against another to determine the best layout.

33. Once the layout meets your approved standards you can save it on disk. When you need a marker you simply push a button and your marker is printed on paper. The marker then goes to the cutting department and is used to mark the spread length on the table. After spreading the marker is stapled to the top ply and the cutter follows the marker lines to cut out the pieces.

34. We discussed the way the fabric is being manually spread by pulling the fabric along the table. If it were me I would purchase a small light weight manual machine for spreading. The best one that I have seen is now made in Hong Kong but is a copy of one made in the U.S.A. years ago. The address of the manufacturer is:

Ngai Shing Engineering Manufactory
52-54, Wing Hong Street, G/F
Cheung Sha Wan
Kowloon, Hong Kong

Fax: 3-785-3149

Spreader model: NS-51 45"-70"

35. Ngai Shing also makes other types of simple machinery such as rivet and button machines, washing machines, etc. You should request a catalogue from them.

36. A small box on caster and approximately 50cm x 60cm and slightly lower than the cutting table should be used by the cutter to dispose cut scraps in. As the waste clippings accumulate on the table the cutter simply wipes the scraps into the box without having to pick them up or throw them on the floor to be picked up by someone else. This will reduce your factory labor and make a cleaner place to work.

37. I would reduce my Eastman cutting machine standard heights from 10" down to 6' whenever it is necessary to replace the machine standard. This will improve your cutting quality as the machine will not have as much sway and cost of blades and sharpener belts will be reduced as much as thirty percent.

Now, to the purpose of my visit. After seeing your factory and meeting your people I agree with you that some outside temporary training help should be requested

I recommend you get an apparel executive to train your mid-management personnel in correct management techniques. An unbiased outsider could act as a catalyst to help mold your staff into a team where every one has the same objective. This executive would not only cover the duties and functions of management but would follow up to see that they are actually performing according to the instructions given.

Based upon the complexity and layout of your operation I think the executive should stay six to eight weeks in your factory. This should allow enough time for training sessions and auditing of the trainees.

Also, after looking at the savings potential in your cutting department I feel an experienced cutting expert should be requested for six weeks. The cutting expert would set methods and procedures for the cutting department with emphasis on quality, fabric utilization and productivity.

We also discussed the need for an expert sewing machine mechanic to train your mechanics in the proper method of adjusting machine to production standards. I don't feel that your mechanics realize the importance of proper machine adjustments for the operator's use. You said you could provide the classroom for group classes if needed.

I personally tried to sew on two of the machines in the operator training room but could not get them to sew as expected. I did find one machine which I used to write my name but it was not in production condition. All machines should be maintained at all times in top production condition. We can not expect an operator to learn to sew and produce quality work unless we provide them with good equipment.

The types and models of the machines you have are good even if they are old. The problem is that they are not in production adjustment. The supervisors and mechanics should periodically personally sit down at the machine and sew to see if the machine is adjusted correctly. If they can not sew then it stands to reason the operator does not have a chance to achieve her potential.

The last machine in the line in the operator training room was being repaired. There was oil on the machine, machine table, on the floor and an oil streak down the back of the operator standing in front of the machine. Never have I seen so much oil at a work place. The only oil required is than in the machine reservoir and that should be kept within the oil level marks on

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the machine. If oil is used outside of the reservoir one drop only is required. Oil and garments do not mix. Oil makes irregulars out of good garments.

Thanks again for your hospitality and my best regards to all.

Yours truly,

Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Party, Trade Development Center

Trade Development Center
21, Giza Street, Nile Tower
24, Floor
12211 Giza, Egypt

28 June, 1994

Mr. Samy Khodeir
Deputy Chairman and Managing Director
Ismailia Company for Ready Made Garments
P.O.Box 107
Ismailia, Egypt

Highly regard training exec. 2 MCE
Methods time study Tr. - 2 MCE.
Sewing 4 - mechanic

Dear Mr. Khodeir:

Thank you for allowing me to visit your factory and meeting your people. It was a most enjoyable visit and one that I will always remember.

Attached are some things we discussed in your factory. These are some simple things that I personally would change or do to help reduce the material and labor cost. These are intended to help Eng. Sokkary and is in no way should they be interpreted as criticism of him or his people. Overall I think they are doing a good job.

After discussing the production problems we saw Eng. Sokkary, Dr. Fouad, Mrs. El-Sokkari and I agreed some additional outside training help should be provided. We agreed that an outside executive should be recruited to conduct mid-management training for the section leaders, engineers, supervisors, mechanics, and others selected by Eng. Sokkary. This executive would act as an unbiased catalyst in unifying management into a team.

One of the problems I have found in the past is that too many people take the attitude that "it is not my job" or "it is not my problem". This attitude is counter productive. We hope the executive will be able to show that we are "all one" and everyone is involved. We should be team players and self motivated to do every thing we can to make our company the best.

The training executive should work at least two months to train the mid-management group and follow up to see that they are actually conforming to the outline set by the executive. Unless proper follow up is done the initial training will be lost.

Additionally, a methods/time study engineering executive should be requested from the Trade Development Center. The engineer should stay in your factory for a period of two months.

The engineer should train your engineers and mid-management personnel in how to select the best method for meet acceptable quality standards, achieve the maximum productivity, and lowest cost. Methods selected be documented and used for training and method auditing.

After the methods are finalized time studies may be made. Time studies are worthless unless a method has been established. The Engineering executive can then train the engineering group in the best method of conducting time studies. All methods/time study personnel will be audited in follow up sessions to see that their techniques are compatible and consistent.

The mechanical staff needs training and direction. Mechanics must know how to adjust the machines for mass production requirements. Unless a machine is properly set the operator can not achieve her potential. Frankly, the machines I tried to sew on were not set for production.

I recommend your production manager request a master sewing machine mechanic to conduct training courses for your mechanics. Your mechanical staff is large enough to justify an in-house training course. Once the master mechanic has conducted these courses you should continue with your own training program. Mechanics require the same indoctrination and training as supervisors and operators.

These courses would first show the mechanic how to adjust the machine to the factory settings and then how to vary these settings to allow for style and fabric differences. All machines must be adjusted to the product requirements.

All production equipment must be adjusted to the individual operator's needs. Unless the machine can be easily and comfortably used by the operator you are not going to get quality production.

Thanks again for your hospitality shown by you and your people. You have good people who are a pleasure to work. I hope we shall meet again, En Shaa Allah.

yours truly,

Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Party, Trade Development Center
Dr. Mahmoud Fouad, Engineering Advisor, Aboul Enein Group, Dokki
Mrs. Halla El-Sokkari, Information Technology Manager, Dokki
Eng. Abdala El Sokkary, General Manager, Ismailia Co. for Ready Made Garments

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The following are some of the items we discussed and listing them simply for your reference. They are listed for you help and reference. They are not in any sequence or priority, only as I remember them.

I have numbered each paragraph so that if you have a question for me or need clarification you may use the paragraph number for reference.

1. I would review my marker making techniques to see if I could reduce the fabric consumption. I mention this as we saw some markers that had spaces in the marker and some where the pieces were not laid close enough to the other to touch. All pieces should be laid so close that they touch.
2. We should lay markers several different ways in the computer until we achieve the highest utilization or within set standards. Each style should have an "accept or reject" utilization percentage.
3. All markers should be laid as efficiently as possible regardless of the number of sizes in the marker, type fabric used or length of the marker. Time used in marker making usually is less than the fabric saving potential. Since approximately sixty percent of your total cost is in material we should always strive to be as conservative as possible with our fabric.
4. When a cutting order is issued with the fabric requisition the required amount of fabric needed should be selected. All rolls and bolts should be measured for width and the widths of the required fabric should be selected to be as similar as possible.
5. The cuttable width of the fabric selected should be determined and furnished to the marker maker. No marker should be made unless the actual cuttable width of the narrowest roll of fabric selected for the cut is known. This will insure maximizing your utilization.
6. All markers should have one line drawn perpendicular across the each end of the marker. These lines should be as close as possible to the longest part extending at the end of the marker. If room permits within the marker move pattern pieces away from the line to reduce the possibility of short pieces if a ply of cloth is not spread long enough. Do not try to place all end pieces adjacent to the line just to square up the end and make the marker look "pretty". All things being equal move the part away from line to insure better cutting quality.
7. Chalk marks, narrow pieces of tape or some other means should be used to make a narrow mark on the spreading table showing each end of the overall length of the marker. When the fabric is spread it should not extend more than thirteen millimetres (1/2") beyond each mark. Fabric must be cut straight across the width whether done with an electric knife or done with scissors; the quality standard is the same.
8. The selvage edge of the fabric must be kept perpendicular on one side of the spread as the cloth is spread. All variation must then be on the back side of the table. This will allow the marker to be used to utilize the maximum width of the fabric.
9. On some styles it is possible to actually use part of the selvage as part of the cut piece. The styles and fabric should be reviewed to see if this is possible. Since some seams are as much as 9 mm the small selvage trim will actually be hidden inside the seam. Before you make any changes make sure that you will not have any quality problems on the finished product.

10. I have picked marker making and spreading as a starter as the potential for saving money is greater in this area than any where else. What we are talking about is simply techniques and does not involve any extra labor or additional equipment. Fabric saved is profit!
11. I would train my cutters, male or female, to do all notching with the Eastman straight knife cutting machine. In this manner the notches can be made without moving or distorting the bundle.
12. At present some of your cutting machines have been dropped on the bottom plate and the standards are not vertical. This not only results in poor cutting quality but makes it impractical to start doing the notching at this time.
13. As mentioned on the cover letter you need good mechanical help. The cutting machines should be repaired at once and kept in production condition.
14. When the cut pieces are bundled in the cutting room they should be ready to put into production. When we went by the pocket welting machine in the jacket unit we observed the operator having to search for and sort the pocket the welts. This amounted to an idle machine and lost operator time. The bundling system should be reviewed.
15. All sewing machines should be production ready at all times. When an operator sits down at a machine it should be in perfect condition. The age or color of the machine is not important. What is important is "can the operator use it for production".
16. I could not sew on the first two single needle machines that I tried. The treadle, clutch and knee lift would not operated correctly. I don't know how the operator could do any work regardless of quality needs.
17. I tried the machine used by the operator sewing the labels on waist band and was able to write my name. This machine was better but not adjusted as I would like for an operator.
18. Line supervisors and mechanics should periodically personally sit down at each machine and sew to see if it is in production condition. If the supervisor or mechanic can not easily use the machine properly then it should be adjusted. If the supervisor or mechanic can not use the machine then the operator should not be expected to use it. The guidance comes from the supervisor/mechanic.
19. I put line supervisors and line mechanics in the same category. Both are essential and responsible for quality and production. Either one can compliment or sabotage the other. Only when they put the best interest of the operator first will the unit be successful. Yes, I would include my mechanics in mid-management training and future planning for new products and changes.
20. Two of the machine tables has oil on the right end of the machine table. I don't know where this came from or how it go on the table. I do know that oil will get on garments and make irregulars and will ruin the operator's clothing. The only oil that is used should be in the machine oil reservoirs and at the specified level. If used elsewhere only a drop should be used. There is no excuse for saturating a machine table in oil.

21. We saw a lot of sewing thread left on the garments at various operations. This extra thread is a waste of money and causes problems with subsequent operations. The long thread will get sewn into other operations and will have to be picked out of the seams and trimmed off by the final trimmer.

22. When an operator finishes a seam and clips the thread she should cut it close to the garment to prevent it being sewn into the following seam or clipped later. On the overlocking operations the operator should turn the corners so that there are no long threads. Each operation should be analyzed to determine the best way to eliminate long threads. This is where a good methods expert is required.

23. The belt loop tacking machines should have the thread cutting knives to cut the threads. We are wasting as much thread as is being used plus the fact the thread must be trimmed off later. I'm not sure but I think the machines had knives but they have been removed.

24. You have a thread trimming group that goes over the garment completely looking for thread to trim. The garments are then give to another person for final inspection.

25. Since the thread trimmer handles each seam I would include the inspection responsibility with this trim operation. The inspection part would be "Free" since no additional labor is required to inspect. By combining these two operations you will have one person totally responsible for trim/inspect.

26. In walking through the sewing department we saw a cone of thread on the floor. All thread should be kept in a readily accessible storage bin or cabinet so the thread is protected. Thread is money. If a cone is stepped on it can not be used.

27. Quality is an attitude. We must think quality at all times and expect it of others. Thread on the floor, oil on machines, scraps of cloth on the floor, etc are evidence of poor house-keeping. I mention this to emphasise the fact that all of this has a direct influence on quality. You must be quality conscious in all areas. and each of us must do our part.

28. In cutting we saw the cutter take a handful of cutting scraps and toss them in the round disposal cart. Each time he had to pick the scraps up and move them to the disposal truck. If you had a rectangular box on casters and just slightly lower than the table the cut scraps could be simply wiped or brushed into the box. The cutter would not have to pick up the scraps. The truck could be moved along the table with body motion while the cutter is cutting the spread.

29. I suggest you purchase a good manual spreading machine to use in laying the spreads. One of the best and most practical I have seen is made in Hong Kong. This is a copy of a machine made in the U.S.A. years ago before everyone though they had to have an automatic machine. For your type of work I would not have an automatic. The address of the Hong Kong spreader is :

Ngai Shing Engineering Manufactory
52-54, Wing Hong Street, G/F
Cheung Sha Wan
Kowloon, Hong Kong
Fax: 3-7853149

Also ask for a catalogue of other items they sell.

30. Your computer could make bundle tags for your bundles of production. We discussed this and you said you did not have a printer suitable for this. When you have your time study engineer training I suggest you get the equipment required to print bundle coupons.

31. When you have studied rates you can then consider printing incentive pay coupons or at least showing time allowed for each operation. This will at least assist in tracking your labor efficiency.

32. I think a loading ramp or dock would help speed up your container loading and make it easier to load. At present you must hand up each garment and then walk all the way up the trailer to hang each garment. A ramp would allow you to move a full truck or rack load directly into the container where they will be hung.

33. It appears to me that you have an excessive amount of inventory in the sewing units ready for pressing and finishing. This may be normal or necessary but I would try to get all of this on hangers and bagged as soon as possible. The sooner you get this bagged and in the container the less chance there will be of getting this damaged. In fact, the sooner it is loaded the sooner you get paid for the finished garments. Garments in process are a liability and dead money.

34. I would set up my finishing /pressing unit to keep up with the sewing unit. The pressing unit should be like a vacuum and tend to pull everything out of the sewing up. At present the pressing unit looks more like a "bottle neck" retarding production.

35. The small hands snips should be used in lieu of scissors by the operators to cut finishing threads after each operation. The snips can be held in the hand and used to cut the thread in one smooth motion without the hand leaving the work area. When scissors are used the operator must stop work, reach for the scissors, cut the thread, return the scissors to their location and then return to grasp the piece being sewn.

This is all I can remember at the present. It is noted for your use. Again I am not trying to be critical but helpful.

Trade Development Center
21, Giza Street, Nile Tower
24. Floor
12211 Giza, Egypt

June 21, 1994

Eng. Nadia Saleh
Managing Director
Randolina S.A.E.
Amriya Free Zone
Alexandria, Egypt

Dear Eng. Saleh:

Thank you very much for the hospitality you showed me during my visit. I appreciate very much getting to visit your factory and meeting your people. It was nice of you to receive me on such short notice.

While they are fresh on my mind I want to list some of my observations and things we discussed. Please remember these are not to be taken as criticism in any way. The intent is only to help you.

I am listing them as I think of them and they are not in any special order or sequence. Each paragraph is numbered just in case you have a question or want to make reference to it.

1. First I was shown the new building which housed two production lines. All work in process was on the clamp trucks which allowed you to handle large size bundles.

2. Each line consisted of approximately fifty operators, laid out in a straight line and making a "U" turn at the end of the building.

3. The seam busting, topping and legging ~~was~~ done along the side of the unit.

4. One of the operators was not matching the outseam notches which could result in twisted legs after laundering. Notches must be matched if they are placed correctly in the markers and by the cutter.

5. Also, the set front pocket notches were much too deep. These notches should only be sight notches. If they are too deep they may show below the waistband.

6. The overedging threads were much too long on the corners. The operator can turn on the corner with a minimum of thread.

7. Thread is a big cost item, approximately nineteen percent of your total direct labor cost. If you will compare your direct labor costs to your thread costs you will find an average that you can use in computing your selling cost.

8. I commented on the fact that one of the sewing lines was not using two cones of thread on the single needle machines. When the operator needed to wind a bobbin she had to unthread the needle and stop sewing while she wound her bobbin. This resulted in increased production time but more critical it increased your delivery time.

9. You answered this by saying that the contractor furnished enough yardage but not enough thread cones to properly thread all machines. The operators were having to use one cone for both top and bottom threads.

10. The buyer should allow you additional money to cover your production loss, furnish more thread or allow you to substitute another thread for the bobbin. In many case the inside thread can be natural or even another color.

11. Didn't I see a cone winder in your factory? If you have a winder then I would wind several small cones to be used for the bobbin usage. A helper could wind cones into smaller cones cheaper than the operator having to unthread and wind her bobbins.

12. To remove an empty bobbin from the machine, put a full bobbin in the case and start the bobbin winder takes about fifteen seconds. This time does not compare with what the operators were doing.

13. Periodically your mechanics should check all bobbin winders to make sure they are winding properly. The operator loses time and production, if the bobbin is not wound correctly.

14. The polybagged finished garment were taken across the parking lot to the warehouse and hung on racks to be held until a container load was accumulated.

15. Upon entering the warehouse the first thing I saw was the piece goods storage. There were some rolls of fabric standing on end and this practice will damage the fabric. Never let rolls be dropped or stored on end as this will cause the edge of the fabric to stretch and you will get wavy selvages when the fabric is spread.

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16. After cutting the wavy selvages will cause problems in sewing as the outseams will be uneven in length. This could also be the reason the side notches were not matching.

17. You are using an automatic spreading machine to spread the fabric. You are spreading the fabric on one table and then manually pulling the entire spread to another table. Are you having any fabric stretch or distortion by moving the cut after spreading?

18. We discussed the cutting machine heights, two were 8" and one was 10". We agreed that a six inch standard would be ample for the spread heights you are cutting. The shorter standard would save approximately twenty percent in blade and sharpener belts costs. The six inch standard would not allow as much sway or distortion in cutting as the ten inch does.

19. They were shade marking all cut parts. This will allow you to maintain shade integrity in the garment and process larger quantities in the bundle.

20. The flys and fly linings were being shade marked. I would consider discontinuing shade marking these two parts as they are inside the garment where a small shade difference should not matter.

21. It may be that the fly lining and fly were shade marked to make it easier to match fronts. You should be able to find a suitable location for the front shade stickers to allow easy matching of the fronts.

22. There are zipper feet available for the two needle machines. They would allow the operator to sew the zipper to the fly without stopping to unzip and move the slider. I believe the time for sewing the zipper to the fly is around 1.85 seconds.

23. All zippers and flys should be matched even at the top. If the zipper were to extend below the fly it should not cause any problems. Of course with the nylon zipper tape the zippers should be even at top and bottom.

24. In the new building I saw one operator trimming the top of the left fronts after they were joined and the fly sewn down. I did not check to see what the reason was.

25. Thread is expensive and the usage must be monitored. Cones of thread should be stored in a readily accessible bin or cabinet until it is ready to be used on the machine. I saw cones of thread on the floor, on machine tables and in open cartons. If a cone is stepped on or crushed it is worthless.

26. One of the operators was safety stitching white pockets closed and finishing on the bottom corner of the pocket. A chain stitch (type 401) will ravel from the end in which the sewing stops. The pockets where the sewing finished on the bottom corner will ravel back if the thread is cut short.

27. There were several bundles of cut work stacked along the wall by the cutting table. Judging by the dust on the bundles these bundles had been there for some time. I don't know why these were there but many times we start production without all trim items being available. Too many times I have seen bundles of work go into process and then stop at set zippers because the zippers did not arrive when they were promised.

28. On good rule is to never ever release for cutting any garment that can not be completed for lack of trim. I don't care what you are promised there are delays beyond the control of the person making the promise.

29. I was surprised to learn that you have two electrical generating units and were supplying your own electricity. You have done a good job in planning your requirements.

30. Again the above was listed as suggestions to help you get your costs lower and quality improved. Now that Mr. Rudger is with you he can take part of the details of plant operation from you. I don't know how you have been able to handle everything by yourself.

31. During our meeting you said you would like to have some technical help from the TDC. Help you have requested is:

32. One person to help train your new production manager, engineers, quality control supervisors and line supervisors in supervisory and management techniques. Since your production manager, Mr. Rudger, is new with your company this training session would help him to get a better understanding of your people and the way they think.

33. This management training should take somewhere around four weeks. The actual training may not take so long but the daily follow up in your factory would help to insure that the procedures and instructions would be followed.

34. You also would like to have a person to help train a methods and time study person(s).

35. You do not have written methods for trainers and supervisors to use in instructing operators in the best way to perform the operations. Proper methods must be established in order to achieve acceptable quality and optimize production.

* NO*
+ - 11/15/52

35. Once methods have been established time standards must be set. Time standards will be used to set operator quotas, factory layouts, equipment requirements, work sequence and possibly an incentive pay program.

36. Most important you need time standards in order to accurately compute your direct labor cost for new products. Fixed and variable indirect costs can be added as a percentage to the indirect labor once you have a sound time standard base.

37. Once you have valid time standards you can work cost estimates for adding or removing a pocket, pleats, cuffs, etc. so costs can be done while the buyer is present. You can also sell your labor by the minute as the time will include all overhead.

38. I would estimate that to train the person(s) you select will take at least four weeks. This would include indoctrination and daily practice by the individual(s). *

can this be done utilizing the equip. mfg.

39. We agreed that a good basic sewing machine repair/adjustment course for the line mechanics would be good. This could be held in a central location with mechanics from other factories as machines are the same.

40. The sewing machine mechanics would learn how to set the machines to factory standards. Once the machine is in the sewing unit it would have to be set to special requirements of the product and fabric. The thing you want is to be able to start from factory setting when all else fails.

41. Again I would say at least four weeks for a full basic course.

Thanks again for your hospitality. I wish you the best in your endeavor. Please give Mr. Rudger my best regards.

Yours truly,

Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Party, TDC

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Trade Development Center
21, Giza Street, Nile Tower
24, Floor
12211 Giza, Egypt

June 21, 1994

Mr. Ashraf Swellam
Alex L.L.C.
P.O. Box 23512 El Ameria
Alexandria, Egypt

Dear Mr. Swellam:

Thank you very much for allowing me to visit you on such a short notice. I realize I came earlier than you had been told but I was the one who encouraged the earlier visit. It was an enjoyable visit and I was impressed with your factory.

Some of the things we discussed that should be reevaluated or changed are listed below. These are simply some of my observations and suggestions. These should in no way be considered as criticism but simply as another way of looking at the same problem by an outsider.

I have listed these as I remember and are not in any priority or subject sequence. Each section is numbered in the event that you have a question and want to refer to the section.

1. At present you have time standards, in units, for each sewing operation. These times are used to set daily production quotas for each operator. These time standards are printed in sequence on "pay" coupons which accompany the bundle and the respective coupon is clipped by the operator for her record.

2. You have six sewing lines of fifteen to seventeen operators in each line. You have a line supervisor for each line plus one "floating" supervisor who helps in a line when you are starting a new construction. This is a total of seven line supervisors.

3. The line supervisor checks the production of each operator every two hours. She records the total garments produced and the total units allowed. These figures are recorded on the master daily record sheet and the "pay" coupons destroyed.

4. The best part of these production checks is that it brings the supervisor and each operator into face to face contact several times daily. If there are any personal, quality, or production problems the supervisor should be able to detect them at this time.

5. The production recording takes approximately half of the supervisor's time with the balance left for training and moving baskets of work in process. You should make sure that supervisor's are correctly checking for quality and spending enough time training operators.

6. The units per garment is a figure that is used as the basis for production planning, costing and line layout. Accurate time standards are necessary.

7. Your labor costing is done by adding the units for each operation on a style. This is correct but in your present layout it is not the total cost. Your "pay" tickets are printed in job sequence and the total time for each shown.

8. Your actual time of production is closer to the time of the longest operation times the number of operators. For example if one operation's time is 3.6 units and the following operation is 1.8 units then the second operation's actual time will also be 3.6 units.

9. You said your operators were cross trained so they could switch from one operation to another when they needed to balance. This is necessary in order to keep the cost down but very difficult to do on a unit of only fifteen operators. It requires very close supervision to keep the line balanced.

10. If the supervisors are spending half of their time re-recording production then when do they balance or control the flow of work? Good trained operators know when it is necessary for them to transfer or do other operations without the attention of the supervisor. This may be the way your operators are trained but I did not watch them close enough to know.

11. The point I'm trying to make here is that we must know the standard units per style and the actual time it is taking us. You are basing all of your cost on you your direct labor costs and this is common practice but our direct labor cost must be valid.

12. We discussed the way the fabric is spread by shade. At present you are putting a sheet of kraft "butcher" paper between the each roll of fabric to keep the shades separated. First this is expensive as "butcher" paper cost money.

13. For example: on cut #1137 you spread 50 ply and used eight rolls of fabric. This used seven pieces of kraft paper 11.22 meters long or seventy-eight meters which was cut up and thrown away. If you feel it is necessary to separate these colors then a cheaper paper should be used.

14. Cut #1137 was divided into eight bundles of two to nine pair each. These are not shade marked but each bundle put into a plastic tote box along with the necessary zippers, labels, etc. Each box is then moved from operation to operation in production.

15. The problem with processing the two pair bundle is that the handling time, make "pay" coupons, clip coupons, record production, etc. will exceed the sewing time.

16. I would seriously consider shade marking the pieces, eliminate the paper dividers, and process the bundles in at least twenty-five pair bundles. This would be half of a cut. This may require some different type of bundling handling but will bring your overall cost down.

17. At present you are concerned with keeping your inprocess quantity low. This is very good but again I would look at the overall costs of what you are doing.

18. I discussed with Mr. Park the trim and inspect procedure. There are operators in each line who go over each operation on the garment and trim off the long strings. Then the inspector goes over the same garment and inspects each seam.

19. I would have the inspector do the trimming so the garment operations would only be handled once. Inspection is free as the inspection is done as the threads are cut. Inspectors are trained to look for a perfect garment so that if there is any variation she will immediately notice that there is something wrong.

20. You have many brands of sewing machines in operation. Although they are all good and compatible I would try to standardize on one or two types. This would allow you to maintain a good inventory of spare parts for these specific brand/class of machine. It is difficult to keep spare parts for so many different machines.

21. Overall you have a production manager, Mr. Park, who has been with you for five years, two assistant production managers and seven line supervisors. You have six sewing lines of fifteen to seventeen operators each or approximately ninety-six operators. This is one line supervisor for each fourteen operators. There are no production helpers.

22. You also have three mechanics, two fabric spreaders, two cutters, one marker, two supply clerks, one secretary and one time standard person. There are janitorial workers and some other miscellaneous help.

23. If it were me I would try for a supervisory loading of one supervisor per twenty-five operators and one production manager. This would reduce your indirect costs and make you more competitive.

24. To summarize our meeting you have requested:

25. One person to train your supervisors and production managers in management and supervisory techniques. You would like to have this person in your sportswear factory for a period of four weeks.

26. One person to train supervisors how to select, train and motivate operators. This would also be for a period of four weeks.

27. It is possible for one person to handle both assignments.

* (28. Another request, that is also universal, is for sewing machine mechanic training. This could be a "community college" classroom type where mechanics are taught basic machine repair.

29. Although machines must be adjusted for the special production of each factory they need to know how to adjust the machine to the original settings. If they are taught basis settings and repairs then they can modify the machine for their own special needs.

Again, thanks for allowing me to visit your factory. I wish you much success in your venture.

Yours truly,

Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Party

Trade Development Center (TDC)
21, Giza Street, Nile Tower
24, Floor
12211 Giza, Egypt

3 July, 1994

Mr. Mohamed Ellyan
Factories General Manger
Nile Clothing Co. S.A.E.
26 July Street
Building #11
Mohandessen, Egypt

*Management training expert - 5 weeks.
Industrial engineer - 6 to 8 weeks
Cutting Dept Mgr. - 6 to 8 weeks*

Dear Mr. Ellyan:

Thank you very much for allowing me to visit your Badrashein factory. I appreciate you taking the time to give me a tour of your manufacturing facilities.

I will comment on some of the things I saw and offer these as comments only to help you. None of the following is to be interpreted as criticism of anyone, only suggestions to help your people. The paragraphs are numbered for reference in the event you have questions or comments you want to make.

1. I think you have made a lot of improvement in the four years since I was here. The new offices on the ground floor look much better than the old offices and are much more conveniently located. The overall housekeeping is much better.
2. When we went through the cutting room I observed some rolls being spread that had wavy selvages. This made me wonder if we were handling the rolls correctly in the warehouse. Later Engineer Abdel Kader and I watched the men unloading rolls of fabric from a trailer to see how they handled the rolls. I was pleased to see them handle the rolls as if they were handling babies; very carefully and without dropping them. You have made progress in the fabric handling area.
3. While walking through both sewing units I saw cones of thread on the floor and on machine tables where they could be damaged. Thread is expensive, probably fifteen percent of your direct labor cost.
4. The old jeans inspection area has been changed to a much more efficient and cleaner area. The storage bins have been removed allowing more light from the windows.

5. The jeans inspection tables and the packing section inspection for washed garments now have lights on the tables. These lights should be raised about one meter higher so the inspector can have the light on the garment. At present the light is so close to the table that the inspector must pull the garment toward her because the garment is hidden by the light reflector and out of the light range. Also, when she pulls the garment toward her the light reflects on the white table top and tends to blind her. Raising the light fixture will help.
6. In the jeans and shirt units many of the operators are not winding their bobbins while sewing. One single needle machine in the shirt unit did not have a bobbin winder. If all bobbins were wound full, evenly and while the operator was sewing on her regular work the total sewing efficiency could be increased one to two percent.
7. In the two shirt units downstairs and the upstairs shirt units the continuous sleeve facings had been joined and were being sewn on as binding. You have added an operation just to join facings. The facings have been cut too long which is a waste of fabric and sewing labor and they must be cut to length after sewing.
8. I am enclosing a photocopy of one type of sleeve facing folder that can be used to sew individually cut strips that are cut exactly to length. The two corners of one end of the facing should be clipped off in the cutting department to facilitate folder loading. I noticed you are using a folder in the upstairs unit to sew the wide sleeve facing.
9. Engineer Abdel Kader and I looked at the fold and tack sleeve facing vent and feel the method should be changed. At present the operator places the two ends of the welts under the pressure foot and folds the facing vent. She then removes the facings from under the pressure foot, rotates the work ninety degrees, places the vent under the pressure foot and boxes the vent. The facings and vent should be placed almost to the sew position, vent folded and then boxed without all the handling now being done.
10. We reviewed the method of tying cuffs and other small parts. All bundle tying should be done using a bow knot so the bundled can be untied. Bundles should not be tied with a "hard knot" so that they must be cut with scissors.
11. We looked at the training section for new operators. The machine I tried to sew on was not adjusted for production. The knee lift was not set in the right place, the clutch was not adjusted so the operator could start and stop without a lot of foot motion and the machine would stitch correctly.
12. I believe all machines should be set properly so the operator can sew and maintain complete control without excessive effort on her part. Both the mechanic and the supervisor should sew on the machine and make sure it is in perfect production condition before an operator is assigned to the machine. Remember the new operator does not know how the machine should function but is expected to make her quota of quality production.
13. All of your operators in the shirt and jeans units are facing in the same direction in the line. Generally the work comes to the needle from the left side and is disposed to the left. If this is correct then half of the operator's work tables should be turned one hundred and eighty degrees so the left end of the machine table is toward the work rail.

14. We observed some operators picking the garment up and rotating it before placing it in her lap. This would not be necessary if the machines were placed in the correct relationship to the line.

15. Another example is set cuffs. At present the set cuff operator is placing the body of the shirt next to the handwheel and the cuffs to the left of the needle. I would place the cuffs on the machine table toward the handwheel, the body and sleeves to the left of the needle and sew cuff to sleeve with the cuffs to the right of the needle.

16. Operators in both units are leaving thread chains too long. Sewing too far between garment pieces leaves long chains that must eventually be clipped off. This requires clipping labor, loss of thread and sewing labor. These long threads may be sewn into subsequent seams where it is difficult for the trim thread operator to remove the thread without damaging a good seam.

17. Engineer Abdel Kader and I watched a bottom hem shirt operator clip the long threads from the safety stitch side seam operation before she hemmed the bottom. This illustrates my point that we are not saving time by leaving long threads but simply passing the job to another operator. Garments should be string free when they leave each operation.

18. I noticed the shade marking machines and the numbers being used. If it would cause less confusion with your people there are shade mark machines that show "Arabic" numbers instead of the "English" numbers you are using. If your present numbering system is working then don't change it. Yes, I know both sets of numbers are "Arabic" but I don't know how else to refer to them.

19. When we set up the number six jeans line (Mash) four year ago we attempted to set this up in operation sequence. We did not complete the sequence because the last two operations were out of sequence. The idea was to set the line in sequence and balance the line so all production continued to move in a balanced flow.

20. Today the finish band end operation was behind with production. They were tacking belt loops before the bend ends were finished. If the finish band end operator finds problems with the bands and they must be removed then all of the belt loops will have to be removed and it is possible the garment will be damaged. Never let one operation get ahead of the other, but use the additional personnel to supplement the operation that is behind.

21. If you let one operation get out of sequence then it will only be a matter of time before the secondary operation is out of work and you have not really accomplished anything. When you have a problem correct it without changing anything else.

22. Four years ago I suggest a simple light weight inexpensive spreading machine that would allow you to do a better quality job of spreading cloth. The home made machines will not do a satisfactory job. The best and only machine that I have seen that I would personally buy is one made in Hong Kong. It is a copy of a machine that was made in the U.S.A. before everyone started using automatic machine. I would not buy an automatic at this time.

23. In case you are interested in the Hong Kong machine the address is:
Ngai Shing Engineering Manufactory
52-54, Wing Hong Street, G/F
Cheung Sha Wan
Kowloon, Hong Kong
Fax: 3-7853149 Spreader model: NS-51 45"-70"

24. When you spread plaid that is not pinned I would cut across the start of the cloth in a straight line following the stripe. I would place the stripe straight across the table and keep the stripes straight across as the cloth is spread. The stripes should be straight across the end of the spread at the end. Cut straight across following the stripe and again place this end straight across at the beginning of the spread. If the cloth is straight at both ends, start and finish, and kept straight down the table then you may get by without pinning on some cloth.

25. The supervisors have returned to the old practice of putting the bundles in plastic bags. We reviewed this four years ago and said that the bag/unbag practice was costing as much labor as the actual sewing in some cases. We started a system of handling the inprocess without the bags. I feel you should review this once again.

26. The spare machine parts department was excellent. All of the folders were hung on the wall where they can be seen and dispensed as needed. The door was kept closed and only parts were issued through the windows.

27. I did not see any sewing machine needles on the floor. When I was there before the floor was littered with needles and most of them were good needles.

28. The purpose of my visit was to see if there was a need for any type of technical assistance you needed for training or production. After tour of your factory we discussed your situation.

29. You and I agreed that an expert for mid-management training would be of great help to you. This expert would work with your six managers, four assistant managers and twenty-five senior or head supervisors. This trainer would be an experienced manager who would spend the time teaching the advanced techniques for management and follow up to see that they were actually following the procedures.

30. The mid-management training expert should spend approximately two months in your factory. This will allow him time to know your people, train them and follow up to insure they understand their responsibility and are implementing what they have learned.

29. An Industrial Engineer experienced in apparel methods should be requested to train your people in determining, documenting and installing methods that will insure acceptable garment quality and maximum production.

30. The Industrial Engineer should spend six to eight weeks training and auditing the work of the personnel selected to work on methods.

31. An expert cutting department manager should be recruited to update your cutting department. This expert would show how to reduce the waste in marking and spreading, how to be more efficient in spreading, cutting, shade marking and bundling.

32. The cutting department manager should plan on spending six to eight weeks in your cutting department. This time should enable him to instruct and audit the people doing the operations.

33. The people cutting the spreads of material are still sharpening their knives too often. It is apparently a nervous habit or else they want to be doing something while they are looking at the marker to see where and how they will cut next. All of the sharpening they are doing is not necessary. Correct sharpening should double the life of the blades and sharpening belts.

34. The laundry and stone washing department looks much cleaner and efficient. You have installed a lot of new equipment since I was here.

Again, thanks for your hospitality. It was good to see so many familiar faces again. I wish you the best in your endeavours.

Yours truly,

Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Party, Trade Development Center (TDC)

Trade Development Center (TDC)
21, Giza Street
Nile Tower
24, Floor
12211 Giza, Egypt

4 July, 1994

Eng. Samy Hassan El Shafey
General Technical Manager
Egypt Clothing Co. S.A.E.
Helwan-Kafr El Elwa
Cairo, Egypt

Mid suggest. training expert 2 mos.
Industrial Engineer 2 mos
Cutting Dept. Mgr. 2 mos

Dear Eng. El Shafey:

Thank you very much for showing me the factory. I was impressed with the size and complexity of the operation. I certainly appreciate you personally taking the time to visit each department with me. I understand now how you are so familiar with each operation.

We discussed several things during our tour and I will list some of what I remember in hopes it will help to make the production easier and more efficient. Please understand that none of this is intended as criticism of any person or procedure but is offered only to help.

I am numbering each paragraph to make it easier for reference in case you have a question or want to comment.

1. The first shirt marker we saw in section #2 could have been laid out more efficiently. Any time you see holes or places where the patterns do not actually touch another piece we should question our layout.
2. On the end where the cuffs were laid we could have moved a few cuffs and shortened the length of the marker.
3. You have drawn die cut allowances on each die cut part to allow sufficient margins for the die. This is good for one part. If you place two die cut parts do you need two allowances or is one allowance good enough? I only question this as anything we can do to save yardage is profit.
4. In some cutting rooms you are die cutting and in unit #2 you are die cutting. We should set allowances for each cutting system to make sure we allow enough, but no more.
5. The above marker in unit #2 was much narrower than the spread fabric. I would personally requisition sufficient total fabric for the spread. I would measure the fabric widths and give the marker maker the minimum usable width of cloth to be used to in that particular spread. When the fabric is spread and the marker placed on top there will not be any selvage width loss.

6. If I had enough cloth in inventory I would measure each roll and select rolls of the same width for cutting. One cut may be 1.60 meters and the next cut may be 1.68 meters wide but at least I would fully utilize my fabric width.

7. You marker maker should make the most efficient layout possible. The extra time required does not compare with the fabric savings. Utilization standards should be set for each style and this standard should be used to check each marker. Each time a marker is made this standard should be the minimum acceptable standard. Keep trying to raise the utilization percentage.

8. I suggest that you order a factory made spreading machine to spread fabric. The best spreading machine that I know of is a simple light weight manual machine made only in Hong Kong. This machine is a copy of the old Ajax model B made years ago in the U.S.A. before every one started making automatic machines. I would not buy an automatic machine at this time due to cost of purchase and maintenance. If you purchase the machine listed below two girls can spread better quality and more efficiently than at present or with an automatic.

9. The spreading machine is made by the same company that makes some of your folders.

The address of the company is:

Ngai Shing Engineering Manufactory

52-54, Wing Hong Street, G/F

Cheung Sha Wan

Kowloon, Hong Kong

Fax: 3-7853149

Spreader model: NS-51 45"-70"

10. I would only buy the spreader and length of track needed. I would not buy the end hooks as they are used only for endless spreading and everything you spread is face side up. You can actually do a better job on endless spreads by folding the ends back and placing the weights by hand than with the hooks.

11. The #2 classic shirt line was neat and clean. This unit should be the minimum standard for the other two units to follow. Units #1 and #3 house keeping did not come close to the Classic unit.

12. Housekeeping is very important if you want to have quality garments. Quality is an attitude! We must stress Quality at all levels and in every thing we do. If the floors are not clean you can not expect your operators to think Quality.

13. Many of the operators do not have bobbins on their bobbin winders. I saw one operator borrowing a wound bobbin from another operator. The bobbins that were being wound were not properly wound. Bobbins that are not fully wound require more frequent bobbin changes and a loss of production. Bobbins that are overwound must have some thread stripped off before it can be placed in the bobbin case and is a loss of labor and thread.

14. We saw two bobbins that were damaged and should be replaced. Bent or cut bobbins cause improper stitching or cause thread breaks.

15. I suggest that you use narrow selvage strings to tie the bundles in unit #1. Strings are free and are more secure than rubber bands. If you sell your cloth clippings to people who use them for paper making the rubber bands will not process through the paper making process.

16. I would review the method for setting cuffs and let the cuff be on the right side of the needle when the cuffs are set. This would allow the shirt to be on the machine table to the left of the needle.

17. In the #2 unit we looked at the sew on centerpleat and agreed that the two machine heads should be flush with the table. This will allow the front to be slide to the folder without having to pick it up and hold it during the sew operation. The machine sitting on top of the table requires more time and effort from the operator.

18. You should keep reducing the length of the center pleat until an acceptable relationship is found between the centerpleat length and the front length. At present the centerpleat is much longer than the front and wastes fabric.

19. I would have the two corners on one end of the centerpleat clipped in the cutting department to make it easier for the sew on centerpleat operator to load the folder.

20. There was an operator in the Classic unit cutting all sleeve facings to length after they had been sewn on. Can we reduce the facing length to eliminate after sewing trimming?

21. I would rework all of the electrical cords over the cutting tables which are used by the cutters. I would use hangers with rollers to secure the cords to the cable instead of the rings now being used. This would make it easier for the cutter to move his machine along the table. The distance between the hangers should be as long as possible without allowing the loops to hang down in the way of the spreading machine.

22. I would use a short extension cord between the cutting machine and the overhead electrical cord. This would keep the electric connection above the spreading machine height and low enough for the short extension to be connected.

23. I would move the brackets that are above the second cutting table holding the air line to the support post. This would allow the electrical cords to be moved the full length of the table without the cutter having to disconnect his machine and move the cord.

24. The pins used for pinning the plaid spreads are much too large. The large pins damage the cutting table and tear holes in the cloth. You can get small pins that can be inserted into the table and removed with a hand clamp instead of an electric drill.

25. When spreading and pinning plaids the cloth should be spread and pinned without a lot of tension on the cloth. At present some the cloth actually tears at the pin. A small pin will allow the cloth to be used in production as the pin hole will close up.

26. All electrical cords and air hoses should be tied up or arranged so they do not drape in the aisles. All aisles should allow free access and movement without cords being in the way.

27. Any inspector that is at a stationary inspection station should have adequate lights. It is difficult to see stitching and defects on some fabrics unless there is good lights.
28. Sewing machine heads or the right end of the sewing machine table should never be used for garment storage. Even the oily lint from the machine will cause oil spots on the garment. We saw two examples of this where the operator had placed garment pieces on the machine. Oil spots are the biggest cause of irregular garments.
29. Cones of thread not being used on the machine should be stored in accessible racks or cabinet. When an operator needs another cone of thread she gets it from the nearest cabinet. Cones of thread on the floor can be damaged and will be worthless. Thread is expensive and is equal to approximately fifteen percent of your direct labor cost.
30. The job descriptions you have prepared for each of your management staff looks good. We agree that all employees must know what their responsibilities are and performance should be audited against these standards.
31. Since you have so many people and other responsibilities it is my recommendation that you get someone to train your mid-management staff in management techniques. This training expert would not only instruct but would follow up to see that the trainees are applying the this to actual practice. Instructing without follow up is a waste of time and management potential.
32. The training would be conducted in the various departments within your factory. The time allocated for this training should be two months.
33. We also agreed that the services of an Industrial Engineer experienced in methods training and time studies should be requested. This Engineer would train your managers and supervisors in ways to identify, select and document the best methods to achieve quality, productivity and reduce operating costs.
34. The time to train and implement the training will require about two months. During this time some time study training can be done.
35. When we looked at the cutting department we found several areas where the procedures and methods should be changed. The cutting department is very important and needs constant attention to scheduling, fabric utilization, cutting, and preparation for the sewing department. I strongly recommend that you request the services of a cutting department expert to train your people in the best cutting department methods and techniques.
36. The time to allocated for this in house training and follow up should be two months.

Thanks again for your hospitality.

Yours truly,

Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Staff, Trade Development Center (TDC)

Trade Development Center (TDC)
21, Giza Street, Nile Tower
24, Floor
12211 Giza, Egypt

*Miqat Training Expert - 2 MCS
Industrial Engineer
Cutting Dept. Mfg. - 2 MCS*

5 July, 1994

Dr. Alaa Arafa, C.E.O.
Swiss Co. For Textiles And Garments (S.T.G.)
2, Opera Square
Cairo, Egypt

Dear Dr. Arafa:

Thank you for allowing me to visit your factory and to meet your people. It was a very informative tour.

Enclosed is a list of some of the things we saw and discussed during my visit. I know Dr. Kandil and Mrs. Hashem made notes of our conversation but will list these just for reference. These comments are listed as suggestions and not as criticism. The sole purposed is to help make the work easier and better for your people.

Each paragraph is numbered for ease of reference in case you have a question or want to comment on it.

After reviewing your factory I suggest that first you request a person to conduct management training for your mid-management staff. This person would instruct your people in good sound management techniques, follow up with them in their respective units, and audit their applications of principles taught. Before we can impliment good quality control procedures and motivate our production we must have a united management team.

*

The management training expert should plan on working with your staff for a period of two months.

I also recommend that you request an Industrial Engineer with experience in apparel methods and time study. This methods expert should train your managers and supervisors how to select, document and implement the best methods to achieve acceptabel quality, maximumize productivity and reduce operating costs.

Once good methods are established then the timestudy training could begin. Good acceptable methods must be installed before rates for costing and pay purposes are considered.

I am going to recommend you consider a third person to help improve your productivity, improve quality and lower your operating cost. The services of a cutting department manager should be obtained. This expert would instruct your managers on how to maximize fabric utilization, achieve quality cutting, get the best manpower utilization, etc.

The cutting expert should plan on working for two months in your two cutting departments. This should give him ample time to train and audit the performance.

Again, thanks for your hospitality and making me feel welcome.

Your truly,

Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Party, Trade Development Center (TDC)
Dr. Khaled Kandil, Technical Director, Swiss Co. For Textiles & Garments (STG)

Comments based upon my visit of 5 June, 1994

1. The marker maker is drawing two parallel lines across each end of the paper marker. The second (longer) line should not be used as the spreader is using this line as the target. Only use one line and use it for the target.
2. With proper training the straight knife cutters can place notches correctly in the cut bundles as they cut. This will allow better quality as the bundled can be notched before the bundle has been moved. At present you have another operator using a hand operated notching machine to place the notches.
3. The markers should be laid using patterns for all of the pieces required in the spread. After all of the pieces have been laid as closely as possible then the marking is done.
4. Some fabric was being spread on the table before the actual marker was made. This is a waste of fabric as we don't know exactly how long to spread the fabric and there will be an end loss.
5. Some of the small spreads were made from short pieces left over from a long spread. The fabric utilization of these small cuts should be audited and controlled as you pay the same price per meter whether it is used in a long spread or in a short spread.
6. All of your cutters, straight knife and band knife, should be required to wear the steel mesh gloves. Gloves can be purchased in various sizes from a child's size to a large man's size. If the glove fits the operator's hand they are more likely to wear it.
7. The jacket unit is more orderly and cleaner but all units need to emphasize good house-keeping .
8. There are rejected garments laying throughout the sewing units. They are spare machine heads, section rails, on the floor, etc.. Any garment returned to an operator must be repaired immediately to prevent it being soiled and returned to the inspector. By returning it to the inspector the garment will stay with the other garments of the same style/size.
9. Small cabinets for thread cone storage should be strategically located throughout the sewing units where they are accessible to the sewing machine operators. All thread not being used on the machine should be placed in the bin where it is safe from damage and can be inventoried.
10. There were many cones of thread on the floor and some were not usable due to damage.
11. Belt loops for the jeans should be made, cut to length, and inspected before going into the sewing department. We saw loop strips that were sewn but not usable, loops cut too long, and loops with skipped stitches.

12. Operators in the line were cutting the loops to various lengths. The loops were sewn on the garment, basted to the back with a single needle machine, folded and sewn to the band using a paper template to get the correct fold, and the excessive length cut off at the trim thread operation. This procedure is a waste of time, thread, belt loop material and production labor.

13. The belt loop should be cut to a standard length. The first end will be inserted under the band 3/8" (10mm) when the band is sewn on. At the bartack operation the loose end of the loop is simply folded under 3/8" and tacked to the band. The operator uses her thumb to slide down the loop, removing fulness, and folding the loop at the bottom. The folded loop is then tacked at the bottom.

14. All bartack machines should be repaired and brought up to production standards. Several of the bartack machines do not cut the finishing threads. The thread between the bartacks and at the finish is greater than the amount of thread required in the tack. All of the attached threads must be removed manually at the thread clipping operation.

15. Long strings are being left on many garments, upstairs and downstairs units. The operators should sew in a manner that will not allow long starting and finishing threads.

For instance, the overedging operations upstairs leaves long threads on the corners where they sew off and then back on the garment at the corners. The operator should stop and turn on the garment without sewing off.

16. The operators should sew the pieces close together, without chaining off too much. When the parts are clipped apart with only one clip there is not any long threads extending beyond the garment.

17. Since the final inspectors and the thread trimmers are both looking at and handling the same piece these two operations should be combined. As the garment is trimmed the piece being trimmed is inspected. When this is done the inspection operation is free. Also, you will eliminate the problem of trying to balance between these two operations.

18. A large percentage of the operators do not have bobbin winders on their machines, do not have extra bobbins, are not winding bobbins while sewing, have defective bobbins which cause thread breaks, or bobbin winders are not set to properly wind full bobbins. Production by the sewing machine operators and quality can be improved by simply correcting the bobbin winders.

19. You are attaching the left fly to the front before sewing the individual zipper to the left fly. In this manner you are having to handle the whole front to sew on the zipper. I would sew the individual zipper to the small fly and then attach the fly to the front. This would make handling easier.

20. In the cutting department I would make a small lightweight box 18" x 24" and slightly lower than the cutting table to hold the waste cuttings from the marker. As the fabric scraps are cut from the spread the cutter simply wipes them into the box. The cutter moves the box along the table by bumping it with their body and does not have to stop cutting to move the box or to pick up the waste scrap.

21. I would train the person cutting the waist bands apart, after the banding operation, to simply rotate her scissors forty-five degrees and slit open the end of the band. She already has the band and scissors in her hand and in a position to slit the band. This method would eliminate the finish band end operator from having to pick up their scissors and slit the band end before it can be folded and finished.

22. There are several operations in the jeans/pants units where someone is taking a template and pencil and marking a seam margin or location. All of these marking operations should be reviewed. It may well be that the reason this marking was started no longer exists. Since marking is not adding to the value of the garment or is considered production we should find a way to eliminate this practice.

GIZA
PROJECT 26132
GRADING BY CRITERIA FOR TDC

The following is a grading matrix:

Name of Firm: **GIZA**

1.	<u>Production</u>	35%	
1.1	Machine level in general		4
1.2	Efficiency of use		3
1.3	Quality control		4
1.4	Costing methods		3
1.5	Yarn & raw suppliers ability		3
1.6	Plant and facilities		3
1.7	Costing dept.		2
1.8	Specialized machinery		4
1.9	Use of computerized systems		2
2.	<u>Product</u>	30%	
2.1	Finished appearance		5
2.2	Relative value		4
2.3	Design / creation ability		4
2.4	Presentation, marketing		4
2.5	Product depth and mix		5
2.6	Already sold in export		5
2.7	Ability to meet market demands		4
3.	<u>Commercial</u>	20%	
3.1	Costing methods		3
3.2	Sales ability in other markets		2
3.3	Order procedures and follow up		3
3.4	Business plan		2
3.5	Know-how		5
4.	<u>Personnel</u>	15%	
4.1	Ability overall		3
4.2	Sufficient for expansion		4
4.3	Training methods		2
4.4	Desire & care; middle management		3
4.5	Desire & care; workers		3
4.6	Loyalty		3

Note:

- 1 = Very bad, no change potential
- 2 = Not efficient, incorrect, but due to situation, and can be improved
- 3 = Reasonable level, basically on track and able to strengthen
- 4 = Fully functioning, good scope to aid/expand; good know-how
- 5 = Optimum, and equivalent to other country standards.

. 92
TOTAL GROSS = 2.72

GIZA - July 4-5, 1994

Mr. Magued Marzouk
Mr. Mohamed Marzouk

TYPE: Spinning, Weaving, Dye, Garment Knit / Woven
CATEGORY: Mass volume US chains / Discount, 80% or more

I. Survey

Giza has already established a significant potential through its extensive machinery in place; its 2000 workers overall; its handling of very large US chain stores and discounters (all very demanding); and its worldwide contracts. The 2 brothers are well aware and ready for any combination of effort - or association in any regard, to transform the industrial mentality from the current base through to a more upgraded entity for the future.

Facilities - 70 sewing pants & tops
110 sewing T-shirt types
45 knitting (jersey, interlock, fleece, ribs, etc.)
+20 weaving (and many others waiting parts, twill, sleetings, blends)

plus big spinning / splicing facilities
plus dye & finish - from 200 to 500k, wash from yarn to greige to garments

II. Project Topics

A) The Dye house (obviously limits garment production to output capacity, is well under 50% efficiency. Whether through excessive seconds, or bad match redye to black, or lost material - the added cost loss for cutting delay through to shipping stopped as chains want pre-assorted pack - all combines to frustrate and waste the mass production base of manufacture throughout. The mix is too varied and planning in lines, already strained, is slowed.

By upgrading the output, Giza could even sell to other factories (yarn or greige), and could double their volume.

B) Training -

(i) good men are promoted to "merchandiser" but some have not sufficient 'feel' of dye/customer/factory supply areas that must integrate to enable delivery on time.

(ii) a "pusher" is required - to work with merchandisers (and train), also to work with supervisors even in small jobs like cleaning or changing needles, up to line planning and QC. This need is to avoid having the 2 brothers do everything. I suggested also a three-man team since spinning/weaving expertise is varied from the others. Thus three sections of work, daily meetings of the three, all equally expert with same mentality, and divide up the enormous varied vertical entanglements in order to gain individual section competitiveness and realize the total potential.

C) Computer work-in-process software: With great ease, an already existing software package that we know of, will track from dye batch through to shipping; will cost analyze each section, and assist in mixing. Very unsophisticated and basic package will enable all information to

be input and tracked by order - versus the current lack of system or analysis - that 'might' provide the cost or analysis only after shipment has left.

[Example: an order for 48000 pieces or 4000 dozen in 6 colors may split into 4 cuts - say 1000 each. That requires 6 kilo of fleece (perhaps) 50 6000 grams means 1000 per each color. This requires 5 batches into dye (doing 200k per dye batch) and all are lost, delayed, or varied as per my point II A., in addition to the vast amounts of other orders going through at the same times.]

III. General

With up to 50% of VS quota, Giza has supplied Family Dollar, K Mart, Robbins in the US due to their inability to get sufficient in other countries. Quantities ordered in Europe have been too small and lower cost - since ordering low priced items from Pakistan for example in cheaper cotton from the start. Thus though ready to expand in non USA markets, their transformation will not only be attached on technical subjects but must be structured into a business plan with research and strategy for the markets more suitable for TDC support.

Both brothers seem willing to accept this principle even in any kind of joint cooperation with larger firms. Thus a commercial/marketing study is indicated as well.

TDC - EGYPT

TRADE DEVELOPMENT CENTER - EGYPT

July 18, 1994

Mr. Maher Shamsey
General Manager
Dalydress
Fax#: 2830840

Subject: Ready Made Garments 2000 Program

Dear Sir;

Enclosed is a letter addressed to you from Mr. Martin Wimbs, who as you know visited your factory with the express purpose of doing production diagnostics. In doing the diagnostics in your factory, Mr. Wimbs has also made notes on problem areas that he feels could be improved immediately, thus saving you money and improving your productivity. It would be in your interest to discuss his recommendations with the appropriate people in your company. Mr. Wimbs has 40 years experience in this area, his valuable comments are at your disposal.

Mr. Wimbs is also recommending several areas of your operation that could use long term technical assistance in order to improve your overall quality, productivity and profits. TDC is especially well equipped to provide this service. TDC will bring in from the United States precise technical experts from the R.M.G. industry to work with you specifically. These experts may spend up-to 8 weeks in your factory, depending on the particular assignment as recommended by Mr. Wimbs to work in the areas that will help you the most. There will be a proportionate charge for this service, which is only a fraction of its actual cost as USAID contributes substantially to this program.

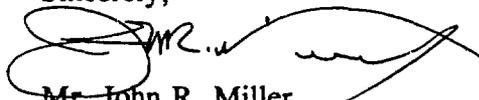
As you know, identifying a problem is only part of the overall solution. The more difficult and time consuming task is spent in the solving of the problem. The communications from now on are critical as everyone in your organization who is involved in resolving problems must understand the necessity for the changes proposed, and must agree as to their need. People are naturally resistant to change. They often feel that their job or their importance will be threatened. Our assistance is directed to implementing these changes, and in insuring that they remain in place once we are finished.

Please keep in your mind that all of our other training courses and workshops will be adding to our ability to help you, and to make sure that everyone in your organization thinks and works as a team.

We are interested in your feedback, positive or negative, our goal is to help you. We look forward to speaking with you soon, we will phoning you within the next few days.

Thank you very much for your valuable cooperation and assistance.

Sincerely,



Mr. John R. Miller
Senior Advisor, Trade Development Center

TDC - EGYPT

TRADE DEVELOPMENT CENTER - EGYPT

23 June, 1994

Mr. Maher Shamsy
Dalydress
6, El Sherifen St.
Cairo, Egypt

Dear Mr. Shamsy:

Thank you very much for your hospitality during my visit. I appreciate you personally taking the time to give me a tour of your factory and explain what you are doing.

While they are fresh on my mind I am going to list some of the things we discussed during my visit. These are not in any sequence or importance but just as I remember them. Please remember none of this is intended as criticism but as suggestion that may help you. I have numbered these simply to make it easier for us in case you want to question me about any thing I have listed.

1. Our first stop was the "Lectra" plotting room. You are making a miniature of the layout for the approval of the department manager before you make the full size marker. I personally would review this to see if this is really necessary. The marker maker and the department manager should agree upon the procedure for layouts and then the utilization decision should be the marker makers.
2. When we went into the first pants unit we stopped at the cutting table. The full size marker which supposedly was checked by the marker maker and the cutting supervisor was being remarked. One front and some small parts had been cut out of the marker and were moved to a different location. This should not occur.
3. The ground rules for marker making should be defined and the marker maker should follow them. If the pattern shapes or sizes are correct in the "Lectra" system then they should not be changed in the cutting department. The net effect of changing the marker in the cutting department was that the marker was increased approximately 15mm. Fifteen mm times 50 ply would be 75cm of extra cloth used in the spread.
4. You are making small markers, approximately 1.5 meters, due to the quantity and size of the garments. You now have a loss of fabric on each end of the spread. If you were to spread two bundles end to end you could save at least one meter of cloth for each spread.
5. The iron inverted mushroom type weights used to hold the fabric while spreading should be replaced with a long bar type. this would eliminate a lot of lost labor in handling the weights and hold the fabric better.

6. Your cutting tables are short by cutting standards. Most tables are at least twenty meters in length. If your cutting orders will allow it you should always cut longer markers. For your information a six bundle marker is the most efficient. I mention this because the fabric represents approximately sixty percent of your total garment cost.

7. You are now spreading the fabric by pulling it from rolls on stands at the end of the table. This practice is time consuming and causes some distortion in the fabric. You should seriously consider purchasing a small manual spreading machine. One of the larger automatic machines would be too expensive and would not allow you to spread as efficient as the manual machines.

8. A very good cloth spreading machine and one that I would buy is made in Hong Kong. This is a copy of a machine that was made in the U.S.A. several years ago before the automatic machines. The spreading machine is model NS-51 for fabric widths 45" to 70". Contact the following for a price if you are interested.

Ngai Shing Engineering Manufactory
52-54, Wing Hong Street, G/F
Cheung Sha Wan
Kowloon, Hong Kong.
Fax 3-7853149.

9. It would help your cutters if you would install a wire over the center of the cutting table with rollers to hold the electrical cord for the cutter. Your cutter is familiar with this concept and can install it with your approval.

10. We discussed the heights of the Eastman cutting machine. You said you were using the 8" standard because you cut large wale corduroy in this height. First I would convert to a 6" standard to reduce blade and sharpener belt cost and reduce the cutting variation due to bending of the standard while cutting.

11. An eight inch spread of fabric is too high for accurate cutting. There is too much variation in the size of the top piece and the bottom piece after cutting. I know each ply is shade numbered and the number one top plys will be sewn together. Due to the cutting height the bottom plys will not fit together without sewing adjustment and distortion. Whether it is pants or shirts you should not cut heights of fabric more than four inches to get a good fit.

12. You are shade marking each piece using a "Meto" shade marking machine. This is a good system but I question if it is necessary to shade mark the fly and fly lining pieces. Since these parts are inside the garment, supposedly out of sight, a slight shade variation should not matter. I suggest you discuss this with your buyers to see if this would be acceptable.

13. The belt loop strips coming from the cutting department should never be less than 31 mm or whatever cut width you need to make a good loop. The strips should never be tapered on the ends where they are less than the minimum required width. The narrow strips you are using are not wide enough for a loop and results in lost time and thread.

14. The waist band buttons can be sewn on the band with concealed bottom stitching if the band is pinched as I demonstrated. You fold the inside band and place the button half off and half on the fold and the bottom stitching will not show when the band is straightened. Attaching band buttons in this manner will eliminated ripping the banding stitching open and sewing on the band as you now do.

15. We discussed putting in 100% final inspection so that any defective work can be repaired while the garments are still in the sewing unit. If combined with the trim thread operation the inspection labor is free as the seams are inspected as the threads are trimmed.

16. When an operator in the pants section finishes with a operation the pants panel is double folded and stacked aside. The next operator must unfold the panel before they can do their operation. A lost of production time is lost due to this folding and unfolding of the panels. The bundles should be processed with the pieces left unfolded.

17. As you know I could continue with more suggestions. We discussed some others and am sure you will also consider them in reevaluating your manufacturing process.

18. First I suggest you request further technical help. There are so many simple ways you can improve your quality and profitability. We are willing to help find some one to help you.

19. I suggest you request someone who can take a look at your overall departmental layout and manpower needs. This person would evaluate your production planning, "Lectra" system, fabric storage, cutting department, sewing departments, finishing departments, washing, warehousing and distribution. Each of these departments is in need of guidance and direction.

20. Since your product mix is so varied, from ladies panties, dress trousers, skirts, dresses, and tee shirts to lined jackets, the whole factory should be analyzed and a procedure devised to co-ordinate the work flow and production.

21. Due to your product mix and physical layout the technical advisor should plan on being in your factory for a period of eight to ten weeks. This would allow time for an analysis, operational plan and follow up.

22. To assist in determining time standards for costing, production potential and control, line layouts, machine purchasing and possibly pay incentives I recommend a methods and time study expert. This person would help select and train people in correct methods installation and time study procedure. Several trainees would be required for training in order to maintain cost controls and time standards in each department.

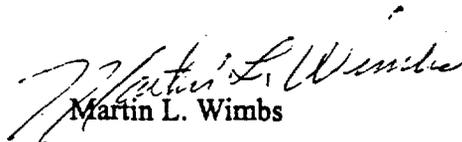
23. As you will have several methods/time study people to train and follow up will be required the time study engineer should plan spending at least two months in your factory.

The two people recommended above would be of great help to you in getting your factory in a competitive position. As you know there is much work that could be done to get the system operating profitably.

Once the two people have started their work they will find needs for other technical people to be recruited. I am not recommending anyone else at this time because I think the volunteer executive should make his recommendations after he has done a full evaluation of the factory and defined the various departments.

If you have any questions on the above or need any further help from me please let me know. Again thanks for your warm hospitality.

Yours truly,


Martin L. Wimbs

cc: Mr. John R. Miller, Chief of Party, Trade Development Center (TDC)

TDC - EGYPT

18 July, 1994

Mr. Maher Shamsey
General Manager
Dalydress
Fax#: 2830840

Dear Sir;

There appears to be some confusion regarding our long term technical assistance program. We heard that some of you are surprised that there is a charge for this service.

To clarify, TDC will provide the following services as part of the basic package (LE 2500 fee) for RMG 2000:

1. **Specialized Diagnostics.** TDC has brought in two highly experienced specialists from the States - Martin Wimbs as the woven specialist, Ken Magiday as the knitwear specialist. Mr. Wimbs and Mr. Magiday have already visited most of you, and have written out comprehensive reports indicating areas (both immediate and long term) that could use improvement. This report, detailing a plan of action, will be provided to you.
2. **Training Courses.** TDC is providing courses for general workers as well as for middle management personnel, from basic to advanced levels. General worker course titles are: Initial Buyers Impressions; Basic Communications. Middle management course titles are: Quality Control & Equipment Maintenance; Basic Management & Planning; Quality Control; Management, Administration, & Communication; Advanced Quality Control; Production Management; Purchasing & Warehousing. These middle management courses will be conducted by foreign specialists having many years of experience in the specific areas that they are teaching in. Certificates will be provided by TDC to those satisfactorily completing these courses.
3. **Senior Management Workshops.** TDC is providing workshops in the following areas: Marketing & Merchandising, Personnel Management, Finance & Accounting, Local Financial Plans, Needs, & Sources. These workshops will be conducted by foreign specialists.
4. **Short Term Technical Assistance.** In addition to teaching these courses and workshops, most of the foreign instructors will spend time in your factory, working with the middle or senior management person who attended his specific course or workshop. These instructors will help you in the specific areas of their expertise to correct any problems that our course attendees have identified. The instructor will spend up to two or three days in each factory if necessary.

The following area is NOT included in the basic fee (LE 2500 fee) that you agreed to.

Long Term Technical Assistance. As there are so many variables involved in the implementation of the plan of action (as submitted by Mr. Wimbs or Mr. Magiday), as to the time required or to the number of experts needed, that including this assistance as part of the package is simply not practical or feasible. Many of the diagnostician's recommendations are for two or three experts EACH to spend extended time in a factory. Our goal is to insure that these changes are effective, and PERMANENT. It is important that everyone in your organization understands and agrees to the approved changes, or they will not remain in place. Because of this, six to eight weeks is usually required to affect these changes in operations, and in attitudes.

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Please note that the fee charged to you by IESC for this long term technical assistance is heavily funded by USAID. You are paying a fraction of what the actual cost is. IF you were to bring in people of this caliber yourself, the ongoing consultants fees in the States are \$500 to \$800 per day, plus expenses (food, lodging, & travel). Even at these low IESC rates, TDC will endeavor to assist you further at the conclusion of the first phase of this program in November/December with a long-term technical assistance proportional rebate based on the satisfactory completion and your implementation of all stages of the RMG 2000. This further rebate will vary from factory to factory, depending on many factors. TDC will work with you on a case by case basis. If you should have any further questions please call me.

Thank you,

Ray Iwanesky - TDC / RMG Consultant

95

August 4, 1994

RMG-2000 STATUS

1. Twenty (20) factories participated in this project (stage 1), 11 knit + 9 woven, (stage 2) still to be determined.
2. New Palmtex was cancelled as per their request.
3. Mr. Wimbs made his diagnosis for nine (9) factories, all of his reports were sent to the respective factories also copies were given to TDC management.
4. As per Ray, Mr. Wimbs is currently doing the Technical Assistance for Swiss Co., he will finish Aug. 15 at which time he will return to the Sates (will not work in any other factory).
5. On July 28, Nevine received a complaint from Dalydress (woven) concerning their refusal to continue the project claiming the following three reasons:
 - a) Mr. Wimbs is not efficient
 - b) His report is of no use to them
 - c) They are not interested in this project
6. Nevine conveyed message from Dalydress to Ray, Ray's answer attached, and was passed on to Dalydress.
7. Dalydress kept refusing to continue, **NEED HELP ON THIS ONE.**
8. Received the following checks representing contribution fees from only four factories, checks delivered to R. Dimitri as per attached memo.

Check #	Factory	Bank	LE
109543	Union Garment	CIB	2500
23322059	Lonetex	National Bank of Egypt	2500
211843	Fabulous	CIB	2500
743205	Dyetex	Export Develop. Bank of Egypt	2500

9. Outstanding payment with 16 factories, made several calls and several follow-ups, but still unpaid, now as per Mr. Dimitri's memo attached, he will personally take care of collection.
10. Regarding Exporting to Europe vs. the States, still need reply from: Egyptian clothing, Nile clothing and Samir factory. Again several calls and several follow-ups were made. **NEED HELP ON THIS.**

11. RE. Questionnaire (as requested by Ray), no answer from the following factories in spite of several follow-ups - **NEED HELP ON THIS.**

- | | | | |
|----|-------------------|-----|------------------|
| 1- | Sogic | 7- | Samir Factory |
| 2- | Arab Austrian Co. | 8- | Union Garment |
| 3- | Leinatex | 9- | Egyptian Spanish |
| 4- | Giza | 10- | Dalydress |
| 5- | Ismailia | 11- | Nile Clothing |
| 6- | Egyptian Clothing | | |

12. The workers course had to be stopped because of Ahmed Nawar's illness (heart attack), according to his wife, he will not continue the course) Ray advised to call him and ask him to recommend someone else, we have to start the course on 21 Aug. 1994.

13. Re. workers certificates, still pending, will be needed in Aug. according to Ray.

14. Re. Mid. management course Nevine thinks it had to be in Arabic, since probably Ken Magiday will be the speaker we will need to secure an interpreter.

15. Mr. Magiday will tentatively finish his reports on Monday for only the factories he had already seen, he is still to diagnose one factory and discuss his comments with another one.

16. During a visit to Leinatex on July 28, they expressed their refusal to continue the project and claimed the following:

- a) Mr. Magiday is not efficient
- b) Mr. Samir doesn't trust Ahmed Nawar
- c) He needs experts from Taiwan or Hong kong

17. Conveyed this complaint to Ray and his reply is attached.

Attached are different correspondences regarding RMG 2000.

6 August, 1994

E-mail for Ken Magiday

Dear Ken,

1. Please see Nevine, she has a proposed revision of the schedule. If we were to have you teach a course, it would probably be from September 18 (Mid Management Entrance Level, at the factories) through October 20 (doing Mid Management Advanced Workshops at the Ramses Hilton on Oct. 16-17, and Oct. 19-20). I don't know how this fits in, but it's probable the best we can do with the scheduling. I'll need to discuss this schedule with Rick when he returns.
2. Re. Marks and Spencer, if we change the schedule, the new dates that we would need him would be on October 19 and 20, the same Mid Management Advanced Workshops at the Ramses Hilton. Would IESC bring this person in from England, or must the person be from the States? I'll need to discuss the budget with Rick to see if TDC could do it otherwise.
3. Re. the fax that you and Martin sent to Rick on August 3, I sent a reply to Pete Cross who I felt could reach both of you, especially with some of my questions- especially relating to Martin. Unless I misread this fax, it seems that both you and Martin are planning to return to the factories as part of the diagnostics, which really was not part of the plan. Even if we wanted this, the time is not there to do so. TDC will need to do the follow-up at this point, with IESC, to sign up these factories for the proposed technical assistance recommended by you and Martin.
4. Your concerns regarding the scheduling have been taken into account as my revised schedule
5. shows.
6. It seems that Leina Tex is upset that you only spent 5 to 10 minutes on the diagnostics in the factory, and according to Nevine they want to cancel their participation in RMG 2000. Please see Nevine to get more details and advise me how you think we should respond to them.

Please let me know your thoughts on the above.

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6 August, 1994

E-mail message for Nevine

Dear Nevine,

1. I just called the hospital, who informed me that Ahmed Nawar died two days ago. This is a shock. If the hospital gave me incorrect information, please let me know. A possible replacement for Ahmed Nawar is Mohamed El Abd who is at Prime Time consulting, which is run by Hani El Kolaly. Rick Miller has the phone numbers. I will send them a fax, with a C.C. to you, at which point I would like you to make an appointment to meet Mr. Mohamed El Abd so you could give me your honest appraisal of him. If you have any other ideas for replacements please let me know.
2. I sent Rick a detailed fax today, with a revised schedule that I propose. Please review both and let me know your comments. Following is the text of the fax that I sent Rick, you will need to get the 4 page schedule from Raghda. Keep the information of the fax confidential.
3. Re. Leina Tex, please answer my questions from my 2 August e-mail to you so I can send them a response.
4. Re. Ken Magiday, please call some of the factories that he was in, getting feedback as to how effective he was, how well he communicated, what their impressions were, etc. Ask people that you trust if they would recommend him as a teacher. I'm not sure that we will use Ken yet. If we did he would need to be available from Sept. 18 until Oct. 20, which I'm not sure he will do. I will also send him a fax or e-mail soon, indicating that you have a copy of the proposed revisions, which you can give him a copy of (obviously, make sure he doesn't see the fax). Please make sure that I get a copy of Ken's diagnostic reports as soon as you receive them.

Hang in there, let me know your comments as soon as possible.

Best regards,
Ray

(following is a copy of a fax sent to Rick Miller today):

Dear Rick:

I hope that you had a great vacation and that you are feeling well. I'm not sure of the exact date of your return, but here is how we stand as of August 6.

1. Dalydress and Leina Tex appear to have dropped out of the program. Nevine has the details of their complaints, and my responses. Note that before responding direct to Leina Tex I asked Nevine to provide me with more details. See my August 2 E-mail message to Nevine. As soon as I get all information I will respond directly to them.

2. Ken Magiday wants to teach course 3, Middle Management Advanced Workshop, Management, Administration, & Communication. The problem that I have with this is that he does not want to do so until October, and this course should be taught by the same instructor that teaches the Basic Management & Planning (course 2, Mid Management Entrance Level), which starts in September. Ken sent a memo to you dated August 3, which was also signed by Martin Wimbs. Please see my response of this memo which I sent to Pete Cross, also dated August 3. I'm not sure what Ken is getting at, my gut feeling is that the purpose of this memo is to push back the dates for his convenience. As you will see, his facts, especially related to Wimbs, are a bit distorted. Unless you disagree, I will send Ken an e-mail message, advising him that if he wants to teach he will need to be available from Sept. 18 until Oct. 20, which is further detailed in my revised schedule mentioned below.
3. Re. scheduling, see the attached 4 pages "RMG 2000 Schedule". As I haven't heard from the IESC people yet (I did ask Pete Cross for contact names, will keep on him until I receive them), it may be safer to push back the schedule a bit. I have the completion of the General Workers portion scheduled from Sept. 3 through Sept. 15. The Mid Management Entrance Level will start Sept. 18, after the population conference and will continue through Oct. 11. Note that I have the two instructors spending a full day in each factory for two purposes: a) not to be rushed, especially since we will need to provide translation, b) to then work with the factory's management on technical assistance in their areas. We would obviously notify the factory of this prior to their arrival so that they could be prepared with questions. Page three shows the middle and senior management workshops, which will run from October 16 through Nov. 3. Page 4 shows the technical assistance that will be provided by the instructors from the workshops. We can not really start them in the factories until all of the workshops are complete. Thus they would visit the factories from Nov. 6 until Nov. 30, which would complete Stage I.
4. Re. Ahmed Nawar, I just called the hospital, who informed me that he died two days ago. This is a shock. I am currently trying to confirm this fact, will advise. I will make contact with Mohamed El Abd who is at Prime Time consulting, and according to Hani El Kolaly will be available. I'll see how much we can do with either e-mail or fax, if that does not work I will return earlier than planned. Please advise if you think the Sept. 3 date for the resumption is OK.

I guess that put into perspective, the problems we are encountering are really not significant, as compared to Nawar's family.

Best regards,
Ray Iwanesky

E-mail for Ken Magiday

RMG .200

10 August, 1994

Dear Ken,

In reviewing the reports that you sent to me, I have many questions.

1. In your cover letter dated 8 August, on line 5, I'm not sure what you mean regarding this cover letter, please explain more fully.
2. Re. the help required for the various factories, could you please indicate more specifically the TITLES of the people required, and the approximate AMOUNT OF TIME that you think these people would need to achieve positive results. As an example, using Estico, are you recommending that we bring in a systems engineer, a master sewing machine mechanic, a mid management training specialist, a personnel management training specialist, a cutting department specialist, and a marketing specialist? Or can we get by with fewer technical assistance specialists? I would like to be able to group all of the technical assistance specialists into specific groupings that we can use throughout (including with Martin Wimb's requests, if appropriate), which would obviously simplify our requests to IESC for these people.
3. Re. Fabulous, I'm surprised by the very low rating. Your rating indicates the #1, "no change potential", rating in- "plant & facilities", "use of computerized systems", "design/creation ability", "business plan", and "personnel loyalty". You also mention that no middle management is really possible. Do you really think that no changes are really possible in these areas? If that is the case, what, if anything, of substance (our technical assistance) can we recommend to Joseph Wassef that would make sense and offer potential of affecting change? Should we start with a personnel manager to help him reduce turnover, and the master sewing machine mechanics course?
4. Related to above, I would like to be able to recommend specifics to all of the involved factories as to what we plan on doing to help them, but I'm having trouble in focusing your excellent observations into specific recommendations of the personnel that you recommend as well as the time frames that they are needed for.
5. Re. Giza Textile, in point "C", I'm confused- does Giza already have this computer system in place but just does not know how to properly operate it? What assistance should we recommend?
6. I notice that a common theme is the lack of a business plan. Should we emphasize this more in our courses as we have "preparing business plans" only in one of our Senior Management workshops. How much time do you estimate we should spend on this topic to be meaningful?
7. Re. Leina Tex, you indicate that they need no technical or machinery help now. What specifically can we offer him, because as you know, this is the factory that wants to drop out?
8. Re. Zafarani, they sound like a total disaster. Is there any potential for help? Again, these people are looking to us for help- what can we offer them to at least get them on the right track?

9. Re. Lonetex, point "e", please indicate what you mean by the last sentence " a library of markers ..."
10. Re. Arab Austrian Co., I never received page 2 of your report so I do not know what, if anything, we can do for them. Does Mr. Sherif have any workers yet?
11. All of the factories expect to receive a written report of sorts. We will send this out from TDC with our cover letter, and recommendations. Do you want copies of your reports to go out "as is", or would you like to edit them?
12. Regarding some of our open points regarding future teaching or technical assistance, I need to discuss this with Rick, who is due back in the office on Sunday I'm told. I'll be back in contact shortly thereafter.

I hope that all of the above is clear. Hope to hear from you soon.

Best regards,
Ray

August 11, 1994

RMG-2000 STATUS

1. Twenty (20) factories participated in this project (stage1), 11 knit + 9 woven (stage 2) still to be determined.
2. New palmtex was cancelled as per their request.
3. Mr. Wimbs made his diagnosis for nine (9) factories, all of his reports were sent to the respective factories also copies were given to TDC management.
4. As per Ray, Mr. Wimbs finished the Technical Assistance for Swiss Co. on Aug. 8, he is going to return to the States today.
5. On July 28, Nevine received a complaint from Dalydress (woven) concerning their refusal to continue the project claiming the following three reasons:
 - a) Mr. Wimbs is not efficient
 - b) His report is of no use to them
 - c) They are not interested in this project
6. Nevine conveyed message from Dalydress to Ray, Ray's answer attached, and was passed on to Dalydress.
7. Dalydress accepted to continue the project (in the exhibition).
8. Received the following checks representing contribution fees from only five factories, checks delivered to R. Dimirty as per attached memo.

Check #	Factory	Bank	LE
109543	Union Garment	CIB	2500
23322059	Lonetex	National Bank of Egypt	2500
211843	Fabulous	CIB	2500
743205	Dyetex	Export Develop. Bank of Egypt	2500
007838	Alex LLC	Arab Bank	2500

9. Outstanding payment with 16 factories, made several calls and several follow-ups, but still unpaid, now as per Mr. Dimirty's memo attached, he will personally take care of collection.
10. Regarding Exporting to Europe vs. the states, still need reply from: Egyptian clothing, Nile clothing. Again several calls and several follow-ups were made.
NEED HELP ON THIS.
* sent a fax to each to accelerate them to reply (today).

11. RE. Questionnaire (as requested by Ray), no answer from the following factories in spite of several follow-ups. **NEED HELP ON THIS.**

- | | | | |
|----|-------------------|-----|------------------|
| 1- | Sogic | 7- | Samir factory |
| 2- | Arab Austrian co. | 8- | Union Garment |
| 3- | Giza | 9- | Egyptian Spanish |
| 4- | Leina tex | 10- | Dalydress |
| 5- | Ismalia | 11- | Nile Clothing |
| 6- | Egyptian Clothing | | |

* sent a fax to each to accelerate them to reply (today).

12. The workers course had to be stopped because of Ahmed Nawar's death (heart attack), Ray recommended Mohamed El-Abd who is an employee of Hani El-Kolaly, WILL call him in few days (attached Ray's fax).

13. Re. workers certificates, still be needed in Aug. according to Ray.

14. Re. Mid. management course Nevine thinks it had to be in Arabic, since probably Ken Magiday will be the speaker we will need to secure an interpreter.

15. Mr. Magiday will tentatively finish his reports on Monday for only the factories he had already seen, he is still to and discuss his comments with one factory.

16. During a visit to Leina tex on July 28, they expressed their refusal to continue the project and claimed the following:

- a) Mr. Magiday is not efficient
- b) Mr. Samir doesn't trust Ahmed Nawar
- c) He needs experts from Taiwan or Hong Kong

17. Leina tex kept refusing to continue until they read Magiday's report.

18. Conveyed this complaint to Ray and his reply is attached

19. As per Ray, the factories which were visited by Magiday were asked if they would accept him as a speaker, and they agreed.

Attached are different correspondences regarding RMG-2000

Nevine

To: TDC
Mr. Emad Razek
Mr. Rick Miller
Mr. Ray Iwanesky
cc: Mr. Peter Cross
Mr. Hatim El-Gamaal

For the record, a few impressions gathered during 7 weeks, which I hope will assist in the diagnosis - but also for your success with the forthcoming scheduling of RMG-2000.

1. Most visits saw the obvious, i.e. - lack of middle management; no time or no skills for worker training; and concentration on extra low cost labor to overcome machinery and methods not functioning at 100%. Thus, I tried not to dwell on these areas, as we and they are fully aware, so if you emphasize these points (between the lines) as they are indicated in my reports, we start with better interpretation. As well, to survey 20-40 circular knit machines does not have much personnel methods to diagnose so that gave a bit more time to explore other company problems for project works. Thus my reports are more reflective of their overall situations and solutions to examine.

2. At the level of total industry impressions - and for direct effort on a more widespread or even governmental approach to really think of major long term changes overall, and not just on an individual factory project - one might consider:

a. A textile garment institute (in Cairo) with standards set to transform many sectors: i) Training on actual machinery for workers ii) Setting training methods for supervisors iii) Machinery and attachment information on current industry levels - a data bank with "hands on instruction\availability information iv) Quality standards plus quality inspection - a certificate for each shipment if clients want, showing compliance v) yarn standards as well in public sector vi) Information on software packages vii) Dye and shading standards - even to getting a common lightbox, or digital shading measure; and I could go on further, (ISO 9000, data bank of clients, etc.).

Even if half the above was funded - a profound long term upgrade in factory ability and overseas confidence will result. This is practical in Troyes, France, Manchester, England - and of course in USA/Japan/etc . While everyone applauds the 2-3 year projects, to be serious about equalizing this local industry means taking larger, longer strides as well.

b. Yarn supply - in at least 3 (or more) visits I can assure that changing methods for line balancing or line feeding will not be effective - due to the lack of supply for high grade fine yarns with standard quality. By exporting too much long staple we now have idle knitting, streaks on dye batch, and higher basic costs (if substitutes are found) and finally are idle machines in production. Through fully realized as a problem, the delay to enforce a solution will negate or delay lots of RMG 2000 effort.

c. Creativity - obviously contract production of a client's T.Shirt is the bottom level of our industry, existing only due to low labor cost and possibly quota availability - the knit sector reflects this more than woven. Creative, own designs will internationalize better - and for example like in Laina Tex will upgrade their ability to

compete in Europe - Mid-East long term. (this specific industry arm could also be part of point 2 (a)).

3. Finance - when Turkey wants to build exports of acetate cloth - (low priced), subsidies on exports were established. Many EEC Textile mills gave up this sector a few seasons later. The knit factories don't use the drawback system (if anyone does) and must wait 100-180 days for payment after yarn purchases, so either export subsidies or some financial assistance is indicated to stimulate capital investment for expanding and exporting. The 10 year tax exemption at 10th Ramdan is an excellent starting point - but needs expansion into the specific industry with more overall help tied to RMG-2000.

4. Certain factories of course will never change - and if a more pointed analysis is needed after reading my reports please let me know. I am certain the following instructor TDC courses will be more beneficial if more directed at those with capability to absorb, or ability to change, rather than offered too generally.

Personal - generally most visits were appreciated, and for me the project was stimulating due to the constant change and diverse types of solutions to diagnos. I am very appreciative for the kind hospitability shown, especially by TDC at all levels.

Yours Sincerely,



Kenneth Magiday

August 16, 1994

Dear Ray;

Today will finalize all reports and distribute. Your advance reading benefits for more explanation - but in any case please feel to keep questions coming even after I get on plane. My departure is early Thursday, and I should be home on Mon. Aug.22. Telephone in Stamford for me is 2039686902 - I suppose some of the talks can be still open for a while so please keep in touch anytime. I was asked to give a project review - scheduled for 10 on Wed.

Following your questions in sequence:

1. 8 Aug. letter line 5 - simply was agreeing with your interpretation - we did not mean to revisit each factory with our reports, so no problem.

2. a) The titles for each will follow

b) The time of a project was so varied for so many that I could not estimate. I thought for example a floor supervisor is in some cases 3 weeks and in bigger problems could be more mechanical and 2-3 weeks, or operational = 4 or more.

Concerning Estico - they took me to dinner as thanks for the stimulus, so now are changing layout/product mix/software startup - and will revamp completely very fast. That's some example of what I hoped to import to TDC about structuring the next steps more to the level of specific participants at this time, rather than making a standard course for many together regardless of their need level, or even ability to comprehend adequately.

For Estico - urgently want a project at once for floor supervisor (have spoken to Hatim), then later after absorbing some changes, a mid-management trainer. Both parts of Aboul Enein could use cutting dept. expert at any time. Specific groupings excellent idea as many factories must get same input, at the lower level of work on the floor, and together with Mr. Wimbs factory points.

3. RE. Fabulous - between you and me, Joseph is in dire need of help but his situation is - as I said - overshadowing for any efforts. Also his personality, and his sister are not now in the best frame of mind for big TDC plans. So perhaps:

a) Quick help at his new dye house (10th Ramadan) - very large thus may be a fast help can solve some potential problems. With a success there he might OK:

b) Training help - sort of a personnel (& psychlogical) type to show how to hold onto girls and use his people better.

4. when the factories receive the reports (except for 2 or 3 that may be better unsend) I feel a follow-up call to focus with them will result in projects. Giza needs a "pusher", Dyetex needs a building specialist -etc. If you want to discuss a couple of "soft" comments with me, we can firm up recommendations together on the couple of reports not focused.

5. Giza software has nothing in place - but with some small startup purchased software they could go much better.

Re. assistance - someone could find industry software - basic and unsophisticated, and start a business for 4-6 of those seen. I am ready to progress this thought with TDC, as I know the need, and have seen the packages in use - both in USA and in France.

6. RE. Business plan - correct !, I am very good on that and I am suggesting to you that you alter course 4 (bottom of page of your courses list) and that you switch it into course 3 if I were chosen for that. I would switch out the QC part to make room.

The concept of a 2 or 3 year plan was appreciated generally and as you know it is integral to anyone who wants to run big business. A small entrepreneur is not wanted at this part of the course, but a Lonetex, UGI, Aboul Enein or Shamsi type group can be helped this way.

7. My Leina tex report should answer - he needs computer systems, and layout/startup review type help.

8. Zafaarani needs to be attacked by a hard nosed approach. The chairman must spend time and be told that his family is not necessarily expert in our trade, and his production unit that I visited is at the bottom of the dozen seen, partly due to the location they work in. Thus - standard measures being unsatisfactory, perhaps a real honest session, perhaps to survey the other factories- and then to consolidate, even elsewhere. As I said - he had no time to meet and the unit visited was below the graph, so I can not target more points as yet.

9. Library of markers means to use the Gerber for getting a lay of 90 or 95% cloth utilization, then using that many times in future - creating a " library" of great markers for continuing use. If sizing ratio changes, use the marker and make a very small cut for the odd balance of sizes needed.

10. Arab Austrian was 1 page resulted in 2 projects given IESC, and good friend. His startup schedule was planned for September.

11. Reports were asked for by Estico (Aboul Enein) and Union Garment and sent already. Reports for Zafaarani and perhaps Fabulous perhaps should not go out - all others are on page 12 and your cover letter (similar but not exact) as sent with Martin Wimbs will

12. I understand and awaiting your talks.

Best regards;
Ken

P.S. Following are 12 pages concluding all official reports.
Please note the open TDC letter.

Mr. Hazem Sultan
Mr. Bassem Sultan
Ms. Layla Farrag - Chairman

TYPE: T-shirts + Polo / Pajayma - mens / Ladies / Children
CATEGORY: Competitive pricing for better level market in basic items, exports are 95% of volume, mostly Europe.

I. Survey

The real name of the Alexandria unit is Lilette. Dyetex is located 60 km further (Borg El-Arb) doing Knit-dye + cut. Thus the specialized Alex group assembles - and with a limited product range plus stable employment, it has obtained a efficiency level hard to match in Cairo. Over 800 employed combined, with a total family management already developing very good mid. management and productive methods, for about 9000 pc per day with exportable quality.

The dye house can do 3.5 tons and that results in some capacity for others. The 9 circular and 14 flatbed do not fill all needs so some greige is done out of Dyetex. As the sewing rooms are nearly full, increased quantity is possible by maximizing dye (to 4 tons which is reachable) to feed the machines sewing more steadily or as well in 1-2 years by expansion into a new factory, already in the consideration stage.

Another topic in consideration is to search for a Licensing Partner, allowing fast Middle-East growth. Thus the potential for a business plan linking licensing to growth and new production facilities, combines with very strong established management, and indicates a solid future.

II. Projects

1. While is the first stages of discussion with a general architect, the layout of a large new plant should be reviewed with an industry specialist type plant manager. Whether to reinforce corners for later expansion into a top floor, or whether to start on two levels with conveyor feeding through a hole in the floor; or reviews with up to date thoughts on floor or overhead socket connections for machines, plus 50 other small points - should be blue-printed by an expert. This step can save or benefit for 10-15 years of growth and consolidate the vertical activities (possible new unit = 110x55 meters).

2. A two week visit by a sewing floor supervisor, well aware of attachments and methods would upgrade the already fast level of productivity. No doubt some of the fastest times achieved, by operators that I have seen in Egypt, are mixed with a few spots of slow procedures (pencil marking - thread cutting by hand - zipper positioning). More up to date methods would complete the line, which already is very efficient and highly incentivized. The mechanical manager has introduced many benefits, the work study has most operations on piece work, so with stable employment and limited product mix - these small "extra" areas of tuneup will not be difficult to correct and absorb.

3. Having established piece work - and excellent tracking records already on

computer; with young (computer friendly) middle/top managers, the stage is set for an industry package of software and a PC network to assimilate costs, standardize procedures, and definitely modernize the financial structure.

By invoicing from Lillette to Dyetex at "market price" the actual control on each on each area of costs is diminished. I can not explain fully in brief - but the financial purchasing managers were aware and agreed to this concept and can review in more detail if this project is started. More analysis to verify, then modifying an industry established simple software package, will link together for the new generation a better means of dealing with clients like current customers Karstadt - C&A, etc.

III. General

This modern thinking family business will change before this decade ends into one with a more streamlined location, run by the two brothers, and with strong developments in Europe and mid.East. Careful planning (perhaps a business plan analysis) and adequate creative attention to developing can make this healthy situation into a more significant and robust future, and not stay too long at the current limited sewing capacity.

DYETEX
PROJECT 26132
GRADING BY CRITERIA FOR TDC

The following is a grading matrix:

Name of Firm: **DYETEX**

1.	<u>Production</u>	Grade/Effective	
1.1	Machine level in general	4	
1.2	Efficiency of use	4	
1.3	Quality control	4	
1.4	Costing methods	3	
1.5	Yarn & raw suppliers ability	5	
1.6	Plant and facilities	4	
1.7	Costing dept.	3	
1.8	Specialized machinery	3	
1.9	Use of computerized systems	3	
			33 = 73%
2.	<u>Product</u>		
2.1	Finished appearance	4	
2.2	Relative value	5	
2.3	Design / creation ability	3	
2.4	Presentation, marketing	3	
2.5	Product depth and mix	3	
2.6	Already sold in export	4	
2.7	Ability to meet market demands	4	
			26 = 74%
3.	<u>Commercial</u>		
3.1	Costing methods	3	
3.2	Sales ability in other markets	3	
3.3	Order procedures and follow up	4	
3.4	Business plan	3	
3.5	Know-how	5	
			18 = 72%
4.	<u>Personnel</u>		
4.1	Ability overall	4	
4.2	Sufficient for expansion	5	
4.3	Training methods	4	
4.4	Desire & care; middle management	4	
4.5	Desire & care; workers	4	
4.6	Loyalty	4	
			25 = 83%

Note:

- 1 = Very bad, no change potential
- 2 = Not efficient, incorrect, but due to situation, and can be improved
- 3 = Reasonable level, basically on track and able to strengthen
- 4 = Fully functioning, good scope to aid/expand; good know-how
- 5 = Optimum, and equivalent to other country standards.

76%
TOTAL GROSS = 102

111

Mr. Mohamed Chourbagui - Chairman
 Mr. Sobhi Chourbagui - President
 Mr. Omar Cheikh El-Ard - Managing Director

 TYPE: T-shirts, mock, ribbed turtleneck - basic large volume garments
 CATEGORY: 100% Exports - large stores with agents or sometimes direct for North America - low to mid level

I. Survey

Recently arrived Mohamed is going to transform UGI and has varied short term project need, plus later on long term involvements - and with the understanding of all three, it is agreed that almost every area can be (and will be) a project for better results. The factor that differs this company from others, is the near excess (in theory) of top management to run - organize - direct the transformation. Starting as a family business, Sobhi has "kept the lid on" as entrepreneur type fighting. Now after 2 years of preparation, Omar is taking over production plus customer contact, while Moe will manage finance/admin/policy. Problems abound but these three can find the solutions - so the first step is to set objectives in every single area; divide and describe the job activities of each; get the finance correct and the mid-managerial team backup on line for each of the top men; and establish UGI as the core, followed by a group to emerge from the extensive other family and partners already in diverse but related business. A rather ageing knit room: lots of upgrading needed in the assembly units, and no modernized communication system are all priorities for the financial plan to develop, yet during the next 6 months an abundance of orders on hand will really be the test for stabilizing, and should be the first step to the corrections. All these must form a task force attitude to maximize profitable & efficient shipments through January. This cutthroat basic industry will not tolerate lost efficiency - either goods will cost too much for the factory to continue, or business will move away if prices inch up. There is really no pricing curve - buyers will insist on basics and pay market levels - thus UGI must eliminate all excesses, and rather quickly, to even come up to cost levels of other (inefficient) Egyptian firms.

II. Projects

a) If fabric delays continue, or if higher cost greige must be acquired continually outside, then margins will shrink further. The already unstructured areas of production will cost more with continued idle spots - so I would recommend eliminating this problem as much as possible, (see below).

b) The knit room has 17 circular but the vintage means some narrow widths and slower output. As well, at least 4 are cannibalized for parts and inoperative. Without lighting - humidity control - and some good workers to technically operate; the lack of competitiveness here will deteriorate further and become more costly. Thus either pay attention to the 10 or 12 best, and keep them going on bread - butter items which are always produceable, and saleable (even if low margins in bad times) in whatever local or export market; or start on a replacement and upgrade policy so that for 1996 equality with

worldwide competition is, in part feasible. My recommendation is for a project to analyze this, early in the development of the overall business plan or objective, for the alternative of continuing to maintain this section in a similar way as today, is bound to reduce potentials overall. The average is 60-70% productive, but I am trying to indicate the need to upgrade on width/ and speed/ and quality. Once a decision is made, the supply of fabric is upgraded, or as well substituted, then the production stabilizes in many ways.

c) Sewing could use a two person team for 2-3 weeks. They could survey antique assembly methods, get folders for hems, thread cutter attachments (as run off thread loss looks sizeable), baskets for tables and worker methods to avoid a few helpers cutting apart, label template marking to avoid cardboard hand measure, etc. The sewing methods fine tuning, plus back up of cut sections waiting due to better supply of yarn - greige would increase productivity by 20-30% (confirmed by Sobhi + Tarek). This of course is vital for maintaining expected sales profits, but is the least to be competing.

d) One of the two person team, who specializes in methods of worker sewing efficiency, should stay on a further 2 weeks to adequately train someone to be head (or floor) supervisor. With no one presently, this ongoing strong control must be learned and maintained - otherwise workers fall back, and if the other steps herein indicated are established, the loop must be closed by someone on the floor - watching methods, teaching and getting to reasonable speed. (Due to lack of work, the speed and flow were not significant during my visit).

e) Optimistically envisioning adequate back up of work to stimulate operators, with better attachments and sewing methods/speed resulting, and good floor supervision maintaining the previously learned disciplines, one might even get one tier of a 3 tier incentive system started this year. After all the most vital ingredient to begin with is in place already - an abundant order level, so fabric should be available in good quantity, one way or another. Only then, either by a line or by the total group (or both) an incentive based on perfect quality, for reaching certain targets would give some history for more detailed individual incentive or piece work systems in 95.

f) The concentration at levels affecting production listed above should be done in any case. However at the same time and for more direct control pinpointed, it is the right time to divide up the situation and make solutions less complex . Thus someone should oversee the future division of effort by the three top men, and form teams for each, with clear understanding of responsibility - flow of information - and authority levels. I do not feel comfortable with the term "policy manual" for a business of this small size and personality. But whatever called - the job and section description plus overall structure, seems vital for clarity right from the top through to finance & production. Otherwise aside from duplication and clashing work, some details will be unthought of till too late. I would incorporate this review into a business plan thinking - admitting to change later on, but use it to accomplish objectives and controlled steps up to the final objective - for all to have the same understanding.

III. General

By adding a couple of well placed mid-managers (one to assist Tarek who is also very capable, and one floor supervisor controller), the already strong diverse top management can section off areas to renovate, and with a strong order book quantity to do, can reverse previous trends to enter 95 more strong, then adding the right software package (slightly personalized) and avoiding continuing drain with the resolved knit area, UGI will stabilize for the future. The varied family involvements within Egypt provide enough scope for the future. Thus a few timed and pinpoint projects with TDC/IESC seem indicated as well as some overview consultancy later on.

**UNION GARMENT
PROJECT 26132
GRADING BY CRITERIA FOR TDC**

The following is a grading matrix:

Name of Firm: UNION GARMENT

1.	<u>Production</u>	Grade/Effective	
1.1	Machine level in general	3	
1.2	Efficiency of use	2	
1.3	Quality control	3	
1.4	Costing methods	3	
1.5	Yarn & raw suppliers ability	2	
1.6	Plant and facilities	3	
1.7	Costing dept.	3	
1.8	Specialized machinery	3	
1.9	Use of computerized systems	2	
			24 = 53%
2.	<u>Product</u>		
2.1	Finished appearance	3	
2.2	Relative value	3	
2.3	Design / creation ability	2	
2.4	Presentation, marketing	2	
2.5	Product depth and mix	3	
2.6	Already sold in export	4	
2.7	Ability to meet market demands	2	
			19 = 54%
3.	<u>Commercial</u>		
3.1	Costing methods	2	
3.2	Sales ability in other markets	3	
3.3	Order procedures and follow up	4	
3.4	Business plan	2	
3.5	Know-how	4	
			15 = 60%
4.	<u>Personnel</u>		
4.1	Ability overall	3	
4.2	Sufficient for expansion	3	
4.3	Training methods	2	
4.4	Desire & care; middle management	3	
4.5	Desire & care; workers	3	
4.6	Loyalty	3	
			17 = 57%

Note:

- 1 = Very bad, no change potential
- 2 = Not efficient, incorrect, but due to situation, and can be improved
- 3 = Reasonable level, basically on track and able to strengthen
- 4 = Fully functioning, good scope to aid/expand; good know-how
- 5 = Optimum, and equivalent to other country standards.

. 56%

TOTAL GROSS = 75

115

Mr. Mohamed A.S. Arafa - Chairman
Mr. Mohamed Salem - Manager

TYPE: T-shirts + typical casual, plus underwear
CATEGORY: Middle level high volume, near 100% Exports - with growing local market potential through new license

I. Survey

Successfully developing contacts through Europe over 20 years with a mixture of exclusive agents and direct sales by extensive travel of both Mr. Arafa and Mr. Salem, gives a sophisticated business approach. This contracts with the internal facilities which are being transformed into a new area, perhaps doubling the area and the potential, which nevertheless gives problems in appearance at this time. Very recently acquired licenses for Scheisser (Germany) and Absorba (France) to produce first for local market and perhaps later to source, testify to their sophisticated approach, but will also require careful effort to initiate; while at the same time also transforming 2 "antique" production rooms into high productive setups as has been started in the third unit, and transforming all other functions into the new space. In addition there are also hopes to expand the one retail Cairo store with a few more local shops, and some connections with other factories in 10th of Ramadan through partnerships. Thus it seems the large appetite and effort will give the potential for a substantial business eventually, and the obvious hope is to avoid overstretching the human resources, as the middle managers seem already fully absorbed.

II. Project

a) The production facilities. The two other rooms of workers could use all help possible, either first in advance of switching to new space - or starting new with basic new methods after setting up the new lines. This includes:

- Layout of machines for smoother flow is insoluble now but the new plan can be formalized.

- Operator training and supervisor training. When visited there were the same number of indirects (helpers + movers) to operators which is proof of costly or less than efficient methods. Outside help will benefit as no time available for now, by the room supervisors to train workers adequately.

- To start automatic pressing rather than only hand ironing

- A centralized cut section (if one intelligent manager recruited) and not 2 or 3 small cutting setups, this to consolidate loading and small lays with separate inspections into one control. Even if bundles have to be distributed to 3 rooms, savings by centralizing might benefit productive profits more than any other project. Later on, this centralization could lead to use of computer marking - but for now I would stop this

consideration until the cutting function is defined and functioning (especially as patterns are rather large and simple rather than tiny and movable).

- When in place, proper line feeding planing will overcome operators waiting for work. A system involved for the high quantity products that differs from the startup licensing products right from the start, is recommended. A project might be helpful to evaluate/plan the two diverse product areas prior to startup.

- A roller table and baskets for each sewer table would organize the flow and reduce movers as extra indirects - should be tested while transforming.

b) The dye house has 7 ton capacity and Sogic uses 2-3 tons so contracting dye for others is also done. 23 circular (will be 28) gives excess capacity to sell but may be more absorbed with Schueiser + Absorba. Though located separately, a two week review should be organized along the line of feeding and planing - to avoid the costly delay potential as well as the new controls/colors that licensors will establish, and which seem also to be expandable.

c) The computer system and the future do not match - a sizeable analysis plus overall commitment on a long term project basis is going to be required. However currently this appears to much to integrate while other priorities proceed. Initial plans and time schedules for such a consideration can never be too early however.

d) Indicating sales locally, then controlling production requirements (forecasts, materials, inventory) may seem manageable, but I would caution that this area of control could use an experienced review - to set up correctly and avoid lost deliveries or internal confusions.

III. General

The awareness of planing/ QC/ technical/ methods is all in place - only the upheaval in the transformation of location, and the new commercial requirements at the same time, give reasons to indicate caution and added expertise in projects as specified. Since the customer mix is becoming more worried about basic product prices, the sameness of product means more need to transform quickly into more productive ways. With the already established level of marketing, this next 6 month change will be crucial to the continued strong development foreseen for Sogic.

More time for analysis might have been helpful as the owner Mr. Arafa was only available for minutes due to some illness and other appointments. However the real short term pressures are so obvious and consuming, along with the forced startup of new business locally, that an extra input would be hard to receive. If the new space + sewing transformation and cutting upgrade can be done at the same time as Schresser - Absorba start a new market approach, I feel the energies of this company will be 120% used. Thus projects for short term work should be very carefully pinpointed with Mr. Arafa and Mr. Salem who seem very receptive and extremely capable for any challenge.

Mr. Mostafa Khazaway- Factory Manager

TYPE: Low price, basic garments.
CATEGORY: Mostly T.Shirts.

I. Survey

The Dar El Salam factory is one of 6 units managed by a family, with overall desire to expand exports (somehow orders obtained by their Cairo office). While currently 75% for local products and, in this factory, with a system that is reflective of the desolation nearby, there is very little industrial mentality, little chance of methods training due to people and product mix, and a financial pressure containing most thoughts. A realistic first impression is of overwhelming difficulties to alter much at this factory satellite unit. There is no centralized information - so this unit is a real "satellite" making jogging through T.shirts, while 10 circular knits in both Alexandria and 6th October feed (with outside dye). With public sector yarn giving defects, and dye shrinkage/shade problems, and low level sewing skills, with control by family relatives, the need diagnosed at this unit seems to be more "revolution" type. A later meeting is planned with the founder to assess the variety of group units that, together, might possibly be considered for future effort.

II. Projects - General

Though the chairman wants to succeed, I was unable so far to meet/discuss - and the local manager is not able to confirm much. I would suggest everything from a new location (or merging some productive units) into a planned line and systems management which eventually could lead to some centralized functions - both production (cutting) and administrative; to forming trained supervisors and middle management. For now however, given the financial and location problems, this group needs a good deal of preliminary steps and lots of basic understanding developed at all levels - which require a real in depth survey and pointed review with the family.

If such a meeting does occur soon, an appendix to this report will be provided. If not possible for the chairman to meet, I submit this for TDC viewing alone.

ZAFARANI - July 21, 1994

V.E. Kenneth Magiday

Mr. Mostafa Khazaway- Factory Manager

TYPE: Low price, basic garments.
CATEGORY: Mostly T.Shirts.

I. Survey

The Dar El Salam factory is one of 6 units managed by a family, with overall desire to expand exports (somehow orders obtained by their Cairo office). While currently 75% for local products and, in this factory, with a system that is reflective of the desolation nearby, there is very little industrial mentality, little chance of methods training due to people and product mix, and a financial pressure containing most thoughts. A realistic first impression is of overwhelming difficulties to alter much at this factory satellite unit. There is no centralized information - so this unit is a real "satellite" making jogging through T.shirts, while 10 circular knits in both Alexandria and 6th October fced (with outside dye). With public sector yarn giving defects, and dye shrinkage/shade problems, and low level sewing skills, with control by family relatives, the need diagnosed at this unit seems to be more "revolution" type. A later meeting is planned with the founder to assess the variety of group units that, together, might possibly be considered for future effort.

II. Projects - General

Though the chairman wants to succeed, I was unable so far to meet/discuss - and the local manager is not able to confirm much. I would suggest everything from a new location (or merging some productive units) into a planned line and systems management which eventually could lead to some centralized functions - both production (cutting) and administrative; to forming trained supervisors and middle management. For now however, given the financial and location problems, this group needs a good deal of preliminary steps and lots of basic understanding developed at all levels - which require a real in depth survey and pointed review with the family.

If such a meeting does occur soon, an appendix to this report will be provided. If not possible for the chairman to meet, I submit this for TDC viewing alone.

Mr. Sherif

TYPE: Socks - varying price levels, up to high brand market.
 CATEGORY: Both local and export, specialist men's socks only, varying designs

I. Survey

About a year ago the founder/owner died, then recently 2 of 8 partners started a competitive firm and took the best employees plus the computer design software. Thus, Mr. Sherif is new - has an empty factory with good machinery (once the computer design is replaced) and optimistic hopes for substantial sales in mid-east. However for now he really has a "start-up" with a handful of remaining workers.

II. Projects

1) An expert on the specific computer system to train both Mr. Sherif and a follow on. (2-3 weeks).

2) An expert on machine maintenance (2-3 weeks).

Machinery: 15 lonatti - 200 needle, 4 inch cylinder
 10 nagata - 200 needle, 4 inch , with 2 cylinders
 2 nagata - 200 needle, 3.5 inch cylinder
 4 nagata - 240 needle, 3.5 inch cylinder

Computer: Autocad - Fuji software

Productive capacity = 200 dozen per day (2 shifts) - can do stripes, jacquard, argyle, cable, and use all yarns possible.

III. General

The urgency of getting started, and with a few contacts already providing orders, has resulted in a visit to IESC and initial information for these two projects taken. Mr. Sherif will know more after July 28 board of directors/shareholder meeting, and experts approval to buy a new computer design system. Then the two projects agreed upon would start, and a large sock factory well established for 1995.

Date: 94-08-08 10:23:44 EDT
From: tdc@intouch.com
To: Zamalek

ARAB AUSTRIAN - July 10-11, 1994
Magiday

V. E. Kenneth

Mr. Sherif

TYPE: Socks - varying price levels, up to high brand market.
CATEGORY: Both local and export, specialist men's socks only, varying designs

I. Survey

About a year ago the founder/owner died, then recently 2 of 8 partners started a competitive firm and took the best employees plus the computer design software. Thus, Mr. Sherif is new - has an empty factory with good machinery (once the computer design is replaced) and optimistic hopes for substantial sales in mid-east. However for now he really has a "start-up" with a handful of remaining workers.

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Mr. Kazem Hodroj, G.M.
Mr. Fouad Hodroj, Owner

TYPE: Various knit sweaters and fashion outerwear, men and women
CATEGORY: High quality, specialized knitwear, mostly local markets and some small exports

I. Survey

The entire family works and controls all the details of every phase - as they are Lebanese with another similar factory there, the local workers are not as capable. Yet the super design software along with top level knitting (flatbed and circular) that use the best Italian yarns to produce a superior range provides for top level product which has EEC potential.

Facilities - 9 stoll flatbed (5 new which can be 16 color - and 4 older for 8 color)
4-5 circular - 2 computerized
1 embroidery 8 head
computer design and machine feed of top level
printing piece patterns manual

II. Project Topics

A) Personnel - various problems continue, from social to work habits. The rural area labor will not maintain instructions nor discipline procedures, which all come from family members. Vivian, in charge of administration and even Kazem, both are not present at each area all the time to ensure compliance. Supervisory training and worker motivation is clearly necessary to upgrade.

B) Work ticket and flow - Noticing 5 different controls for counting, I talked about standard quantity bundles. This would also assist costing. The movement of bundles from cutting - printing - wash - linkage - pack is complicated by many rooms and the possible 400 items per season mixed into 45 day delivery targets, is a huge strain to control, much less to expand into size differentials for other markets required if exports expand.

They can work on wool, angora, alpaca, acrylic, mohair and cottons, plus blends; - have 7 colors all inside this 400 item seasonal group. The confusion is managed by long hours into night by the family, rather than having more defined selling patterns, and standardizing flow, they see conflict between production planning and reality when, for example, washing/setting takes too long. Thus, a real strong mid-manager of knit flow procedures, linked with perhaps barcoding work ticket reporting system - and data processing to give a standard cost system the potential to be correct, is a priority project, if export expansion is viewed.

C) However, initially an effort into a comprehensive business plan would help. This discussion was interesting since their product capabilities are far superior, but their internal handling takes all their effort; so a two-day project to figure out what they want to be in 3 years is worthwhile. An export office/agent/distributor - a marketing research effort - a line planning that is fixed with better defined sales seasons cut-off - all would extrapolate into a financial budget and cash flow analysis plus seasonal, if not monthly, P & L projections and actual costs; all objectives

could be analyzed and targeted - to transform this effective family unit into a commercial entity for expansion.

D) Smaller machine upgrades - include:

- i) Automatic trimmers
- ii) automatic rib attach
- iii) button hole placement attachments
- iv) A print screen study to automate for larger quantity production.

E) Computer system for check register - (into the standard costing overall plan) was requested, and an existing package is recommended after brief analysis.

III. General

Very respective, somewhat more sophisticated Lebanese ability, has captured niche in local market. To upgrade internally, mixed with computer design high ability, would accompany a commercial strategy or plan and allow expansion in near term.

Control of workers and a better quality of mid-managers is essential if they wish to expand (that would be my first subject to verify), which could utilize their superior design and yarn abilities. This is a factory that could transform well, since they start with the most important item needed - a superior product.

BELLA DONNA
PROJECT 26132
GRADING BY CRITERIA FOR TDC

The following is a grading matrix:

<u>Name of Firm:</u>		BELLA DONNA	Grade / Effective
1.	<u>Production</u>		
1.1	Machine level in general	4	
1.2	Efficiency of use	5	
1.3	Quality control	4	
1.4	Costing methods	2	
1.5	Yarn & raw suppliers ability	5	
1.6	Plant and facilities	4	
1.7	Costing dept.	3	
1.8	Specialized machinery	2	
1.9	Use of computerized systems	2	
			31 = 69%
2.	<u>Product</u>		
2.1	Finished appearance	5	
2.2	Relative value	5	
2.3	Design / creation ability	5	
2.4	Presentation, marketing	4	
2.5	Product depth and mix	5	
2.6	Already sold in export	3	
2.7	Ability to meet market demands	4	
			31 = 89%
3.	<u>Commercial</u>		
3.1	Costing methods	2	
3.2	Sales ability in other markets	2	
3.3	Order procedures and follow up	3	
3.4	Business plan	2	
3.5	Know-how	5	
			14 = 70%
4.	<u>Personnel</u>		
4.1	Ability overall	4	
4.2	Sufficient for expansion	2	
4.3	Training methods	2	
4.4	Desire & care; middle management	2	
4.5	Desire & care; workers	2	
4.6	Loyalty	3	
			15 = 50%

Note:

- 1 = Very bad, no change potential
- 2 = Not efficient, incorrect, but due to situation, and can be improved
- 3 = Reasonable level, basically on track and able to strengthen
- 4 = Fully functioning, good scope to aid/expand; good know-how
- 5 = Optimum, and equivalent to other country standards.

-----91

Total Gross = -----67%

124

Subj: ~~None~~
Date: 94-08-08 10:29:38 EDT
From: tdc@intouch.com
To: Zamalek

Bella Donna - June 30 - July 3
Kenneth Magiday

V.E.

Mr. Kazem Hodroj, G.M.
Mr. Fouad Hodroj, Owner

TYPE: Various knit sweaters and fashion outerwear, men and women
CATEGORY: High quality, specialized knitwear, mostly local markets
and
some small exports

I. Survey

The entire family works and controls all the details of every phase - as they are Lebanese with another similar factory there, the local workers are not as capable. Yet the super design software along with top level knitting (flatbed and circular) that use the best Italian yarns to produce a superior range provides for top level product which has EEC potential.

Facilities - 9 stoll flatbed (5 new which can be 16 color - and
4
older for 8 color)

4-5 circular - 2 computerized
1 embroidery 8 head
computer design and machine feed of top level
printing piece patterns manual

II. Project Topics

A) Personnel - various problems continue, from social to work habits. The rural area labor will not maintain instructions nor discipline procedures, which all come from family members. Vivian, in charge of administration and even Kazem, both are not present at each area all the time to ensure compliance. Supervisory training and worker motivation is clearly necessary to upgrade.

B) Work ticket and flow - Noticing 5 different controls for counting, I talked about standard quantity bundles. This would also assist costing. The movement of bundles from cutting - printing - wash - linkage - pack is complicated by many rooms and the possible 400 items per season mixed into 45 day delivery targets, is a huge strain to control, much less to expand into size differentials for other markets required if exports expand.

125

They can work on...
cottons, plus blends; - have 7 colors all inside this 400 item seasonal group. The confusion is managed by long hours into night by the family, rather than having more defined selling patterns, and standardizing flow, they see conflict between production planning and reality when, for example, washing/setting takes too long. Thus, a real strong mid-manager of knit flow procedures, linked with perhaps barcoding work ticket reporting system - and data processing to give a standard cost system the potential to be correct, is a priority project, if export expansion is viewed.

C) However, initially an effort into a comprehensive business plan would help. This discussion was interesting since their product capabilities are far superior, but their internal handling takes all their effort; so a two-day project to figure out what they want to be in 3 years is worthwhile. An export office/agent/distributor - a marketing research effort - a line planning that is fixed with better defined sales seasons cut-off - all would extrapolate into a financial budget and cash flow analysis plus seasonal, if not monthly, P & L projections and actual costs; all objectives could be analyzed and targeted - to transform this effective family unit into a commercial entity for expansion.

D) Smaller machine upgrades - include:
i) Automatic trimmers
ii) automatic rib attach
iii) button hole placement attachments
iv) A print screen study to automate for larger quantity production.

E) Computer system for check register - (into the standard costing overall plan) was requested, and an existing package is recommended after brief analysis.

III. General

Very respective, somewhat more sophisticated Lebanese ability, has captured niche in local market. To upgrade internally, mixed with computer design high ability, would accompany a commercial strategy or plan and allow expansion in near term.

Control of workers and a better quality of mid-managers is essential if they wish to expand (that would be my first subject to verify), which could utilize their superior design and yarn abilities.

This is a factory that could transform well, since they start with the most important item needed - a superior product.

*** END-OF-MESSAGE ***

* Electronic Mail Message Delivered via InTouch OnLine [tm] *

ESTICO - July 26, 1994

V.E. Kenneth Magiday

Part of About Enein Group
Dr. Mahmoud Fouad - Engineering Advisor
Halla El-Sokkari - M.I.S

ESTICO
Mr. Ahmed Sarhan - Chairman
Amin Badawi - Factory Manager
Mostafa Hamdy - Sales Marketing
Mohamed Sarhan - Asst. Manager

TYPE: Mostly Knit + Flannel Shirts, Jackets, also Shorts and all casual types.
CATEGORY: Contractor - for large retailers, USA (now at 100%), volume producer at low prices.

I. Survey:

The Enein Group of 3 factories (Ismalia and Misr France) wants to combine "corporate" style central functions with "satellite" production units. This contemporary group concept will be correct for integrating common functions but needs a revolution approach at this independent production unit to maximize benefits. The Estico unit at 10th of Ramadan is controlled by a team of 4 or 5, continually "fighting fires" - and a step by step overhaul is indicated. The Ismalia factory may be equally challenging, but overhaul has started.

Estico - 800 working, but 450 machines means lots of "indirect" labor; a large product mix strains the mechanical resources - and the bulky supplies like fiberfill strain the layout of line planning, so the casual view is of mass movement, rather than planned flow. Despite the lack of many manual forms and procedures, the sophisticated M.I.S software / hardware \$ 250,000 effort (a very correct and optimistic start) will thus have start-up difficulties while trying to find necessary discipline for the future. The answer to only 60% realization of potential capacity should start with, a new factory layout and system - mixed with more sales control on products required - and minimum quantities respected; but certainly careful attention to controlling the data that must be input, which are not yet fully sufficient for computerizing.

II. Project Topics at Estico:

a) Upgrade in machinery know-how. The low level of technical support, from machinery to hand pressing, and the older equipment mixed with low skills labor, creates one or more auxiliary girl for each 2 machines. Basic and not expensive attachments from pocket application to syringe marking, and to automatic thread cutting; "attachments" is a needed project. Sending the manager to a few Western factories would be helpful and easily arrangeable. Existing computerized servers are not used as workers not trained nor willing. Worker slowdown results and is made worse by changing garments too often.

b) A senior training project (long term) is wanted. Middle managers want to learn how to work together and get efficient results, and workers should be formally and continually upgraded. Now there is no sewing training - a small area, and method of startup instruction is needed. Mr. Nawar has started but a more comprehensive on-line controlled

planning and even patterns. They plan 6 months with the 1800 workers and will repeat their work of 4 years previous. The repetition and expense are necessary because of worker turnover and lack of enforced continual training, so the previous work was dissipated! If this type of intense team work could be applied to Estico and then maintained by a "personnel or training manager" - responsible for in-plant worker upgrading at both Estico and Ismalia locations; probably more production would result immediately.

c) The cutting area is unable to upgrade and may also cause defects or shortages. To mark or tag every piece of cloth of every bundle in order to guide sewers for matching color shades, and manual laying up with markers made after (not before); with fiberfill eliminating whole sections of space; with recuts continually for sewers who lose or otherwise miss pieces; the control over cutting could use a specialist, and coordinate with the sewing trainer to change the mentality of handling by sewing girls. Then to hope for stability of production, a work ticket per bundle and work ticket transfer through control points should be a separate project before computerizing, otherwise the data will not input accurately nor on time. Any new forms will take some time to familiarize and modify for best results, and should be implemented (disciplined) before the exacting work of a software revolution is on line.

d) The commercial strategy deserves attention. Agents give orders as they wish, or have to, but more effort to sell direct can bring added profits by more control on garment and delivery requirements. More control of sales on a direct basis will fitter through to production line benefits. After sales service is critical yet not easy with current problems.

e) Operators travel 60 km in 22 buses - can this time be useful? Can the bus be clean and indicate the kind of effort required by the worker, and some "social" training start here with planned instructions and followup.

f) Layout - a conveyor belt or level roller system should be tried - the larger the garment, the more necessary. A separate area as a test would be beneficial, and a modest work ticket transfer routine tested. Work baskets to catch pieces sewed on some sewing tables, rather than stacked on top of the machine - or on the floor - is indicated. Space problems currently prevent basic changes, yet auxiliary girls and extra operations by hand workers are so extensive, that a factory modernization would find solutions to space needs.

III. Visiting Ismalia; - requested due to group computerization project. Due to previous visit (M. Wimbs) on production, along with the 8 Italians attacking these problems over 6 months, my comments will avoid repetition in that context.

1. There are now 9 managers reporting to the G.M. and a single floor with 1800 workers. For better control various restructuring ideas are being surveyed - and I would add that a dividing of the floor lines into 4 sections (or at the very least - into mens and women) should initiate the restructuring. The current (new) floor manager can not fight fires of this large unit - and 2 (or 3) more like him would re-establish the previous structure of a G.M. production, to also control line planning, etc.

Then the team approach structure can link on an equal basis for the

GM Admin. etc. -and simple things like issuing L/C for proper feeding of supplies would be better coordinated from the team of production through to the other functions.

2. Cutting markers use different software at Estico and Ismalia - quickly this should be integrated into the better software available (or upgraded to Gerber or Lectra) and one location with a highly trained operator doing markers for both locations could save more money on material use efficiency than all the sewing methods work. This concept is agreed already but must be accelerated - and the integration of this into a materials specification list for both inventory control as well as costing information in the forthcoming computerization is very beneficial long term.
3. A work ticket system, and control points for flow control can be established (again), prior to computer input and be ready for the new system. Without this, the module concerned will be ineffective, and it is better to start this on a manual basis to familiarize, essential in all three factories for form, not content.
4. Good planing leads to ample time from order to shipping, but most comments indicated feeding is on a rush basis and changeovers too rapid. The methods improvement now being worked on plus the better planing coordination and floor section division that was desired by all - seems to give confidence that production could increase 33%, even if this is over optimistic, certainly the profit benefit of even a 15 - 20% productive gain is substantial and requires immediate attention.

III. General:

All levels of this powerful group are agreed and committed to upgrade and excel. A private final presentation/discussion is planned for Aug 11 (3 pm) to explain and assist further. The three stages of a group concept (1. acquire 2. consolidate 3. dominate) can be envisioned, and going from 1 to 2 is already being reviewed. Thus, these comments are offered to assist (and not criticize) so the potential and the resulting profits will not be delayed.

ESTICO
PROJECT 26132
GRADING BY CRITERIA FOR TDC

The following is a grading matrix:

<u>Name of Firm:</u>	ESTICO	Grade / Effective
1.	<u>Production</u>	
1.1	Machine level in general	2
1.2	Efficiency of use	3
1.3	Quality control	3
1.4	Costing methods	2
1.5	Yarn & raw suppliers ability	3
1.6	Plant and facilities	3
1.7	Costing dept.	3
1.8	Specialized machinery	1
1.9	Use of computerized systems	1
		21 = 47%
2.	<u>Product</u>	
2.1	Finished appearance	4
2.2	Relative value	4
2.3	Design / creation ability	2
2.4	Presentation, marketing	2
2.5	Product depth and mix	3
2.6	Already sold in export	5
2.7	Ability to meet market demands	4
		24 = 69%
3.	<u>Commercial</u>	
3.1	Costing methods	2
3.2	Sales ability in other markets	3
3.3	Order procedures and follow up	3
3.4	Business plan	2
3.5	Know-how	3
		13 = 52%
4.	<u>Personnel</u>	
4.1	Ability overall	2
4.2	Sufficient for expansion	3
4.3	Training methods	1
4.4	Desire & care; middle management	4
4.5	Desire & care; workers	2
4.6	Loyalty	2
		14 = 47%

Note:

- 1 = Very bad, no change potential
- 2 = Not efficient, incorrect, but due to situation, and can be improved
- 3 = Reasonable level, basically on track and able to strengthen
- 4 = Fully functioning, good scope to aid/expand; good know-how
- 5 = Optimum, and equivalent to other country standards.

-----72
 Total Gross = -----50%

Mr. Joseph Wassef

TYPE: T-shirts, pullovers, shorts & leggings
CATEGORY: Styles based on customer needs, low priced, basic level volume type.

I. Survey

In the most difficult Shoubra area, with extremely low level skills of workers, Fabulous is handled by Mr. Joseph Wassef; his wife and sister for sewing and communication, plus his brother-in-law for the automatic printshop. That is the total management and mid-management; all others (800-900) are workers - and this results in low priced high volume quantities in both local and export markets (perhaps 50-50). The large potential capacity of 21 circular knit machines requires high expense for dye work daily so a large new dye installation at 10th Ramadan is underway - "operative 6 to 9 months" possibly; and the 7,000 to 10,000 pieces per day might then be more secured when not receiving dye shading-shrinkage-lateness routinely from contract dye houses.

Any kind of new effort seems difficult. The factory producing group is well controlled, clean and orderly - but with one day absence by Mr. Wassef or his sister, the quantities reduce almost automatically. In knitting, the machines are under capacity but run based only on yarn availability for orders required. Pricing to customers is based on market levels as well as internal "feeling" of costs. T-shirt printing requires some design, so this area is fairly automated and up-to requirements for T.Shirts with a good look.

II. Projects

a) No doubt - a large dye facility can use an expert on start-up, for both training procedures and use, as well as dye mix (lab dips) through shading standards - to get a smooth ongoing result. The total investment looks like 2 jets x 600k and 3 x 350k. There are 6 others 400-600k and 5 small batch dye, so if the capacity is ever fully realized then 5 tons per shift is potential. With calendaring and finishing as well, this startup should be well reviewed and a specific project result in avoiding many start-up problems.

b) The sewing/knitting at Shoubra suffers from problems related to its location. A rapid turnover loses anyone trained, with remaining people devoid of motivation and discipline. Mr. Wassef "fights fires" yet leaves new machinery unused as no understanding is found. With virtually no middle management, nor none really possible, the overwhelming problem to imagine any benefit from more factory education overshadows any recommendations.

Nevertheless, a good utility sewing person, sitting with the workers could start the upgrade in basic sewing methods. Also, there might be a chance to find a supervisor later on to add to the control needed. Mechanics need help, but I am told a teacher would become frustrated by current ones afraid to lose their position.

III. General

The point of changing worker mentality is as well a cultural problem over the next 5-10 years. However, the planning, knitting, and control is not to be a concern for now. The only real operational effort must be at floor level and based on worker improvement - and if this is done in a small way then the family unit will have a chance to breathe normally. At this time, the conditions are not right for more detailed projects.

**FABULOUS
PROJECT 26132
GRADING BY CRITERIA FOR TDC**

The following is a grading matrix:

Name of Firm: Fabulous

1.	<u>Production</u>	Grade/Effective	
1.1	Machine level in general	2	
1.2	Efficiency of use	2	
1.3	Quality control	3	
1.4	Costing methods	2	
1.5	Yarn & raw suppliers ability	3	
1.6	Plant and facilities	1	
1.7	Costing dept.	2	
1.8	Specialized machinery	2	
1.9	Use of computerized systems	1	
			18 = 51%
2.	<u>Product</u>		
2.1	Finished appearance	3	
2.2	Relative value	3	
2.3	Design / creation ability	1	
2.4	Presentation, marketing	2	
2.5	Product depth and mix	2	
2.6	Already sold in export	3	
2.7	Ability to meet market demands	3	
			17 = 49%
3.	<u>Commercial</u>		
3.1	Costing methods	2	
3.2	Sales ability in other markets	3	
3.3	Order procedures and follow up	3	
3.4	Business plan	1	
3.5	Know-how	3	
			12 = 48%
4.	<u>Personnel</u>		
4.1	Ability overall	2	
4.2	Sufficient for expansion	2	
4.3	Training methods	2	
4.4	Desire & care; middle management	2	
4.5	Desire & care; workers	2	
4.6	Loyalty	1	
			11 = 37%

Note:

- 1 = Very bad, no change potential
- 2 = Not efficient, incorrect, but due to situation, and can be improved
- 3 = Reasonable level, basically on track and able to strengthen
- 4 = Fully functioning, good scope to aid/expand; good know-how
- 5 = Optimum, and equivalent to other country standards.

GROSS TOTAL 58 = 43%

132

Mr. Magued Marzouk
Mr. Mohamed Marzouk

TYPE: Spinning, Weaving, Dye, Garment Knit / Woven
CATEGORY: Mass volume US chains / Discounters, 80% or more is exported.

I. Survey

Giza has already established a significant potential through its extensive machinery in place; its 2000 workers overall; its handling of very large US chain stores and discounters (all very demanding); and its worldwide contracts. The 2 brothers are well aware and ready for any combination of effort - or association in any regard, to transform the industrial mentality from the current base through to a more upgraded association for the future; even to combining with others.

Facilities - 70 sewing pants & tops
110 sewing T-shirt types
45 knitting (jersey, interlock, fleece, ribs, etc).
+20 weaving (and many others waiting parts, twill, sleetings, blends)

plus big spinning / splicing facilities
plus dye & finish - from 200 to 500k wash
- from yarn to greige to garments

II. Project Topics

A) The Dye house (obviously limits garment production to output capacity) is under 50% efficiency. Whether through excessive seconds, or bad match redye to black, or lost material -the added cost loss for cutting delay through to shipping stopped (as chains want pre-assorted pack) - all combines to frustrate and waste the mass production base of manufacture throughout. The mix is too varied and planning in lines, already strained, is slowed. A specialist V.E. for dye work is needed.

By upgrading the output of each section, Giza could even sell to other factories (yarn or greige), and could double its volume.

B) Training -

(i) good men are promoted to "merchandiser" but some have not sufficient 'feel' of dye/customer/factory supply areas that must integrate to enable delivery on time.

(ii) a "pusher" is required - to work with merchandisers (and train), also to work with supervisors even in small jobs like cleaning or changing needles, up to line planning and QC. This need is to avoid having the 2 brothers do everything. I suggested also a three-man team since spinning/weaving expertise is varied from the others. Thus three sections of work, daily meetings of the three, all equally expert with same mentality, and divide up the enormous varied vertical entanglements in order to gain individual section competitiveness, and realize the total potential.

C) Computer work-in-process software: With great ease, an already existing software package, will track from dye batch through to shipping; will cost analyze each section, and assist in mixing. Very unsophisticated and basic package will enable all information to be input and tracked by order - versus the current lack of system or analysis - which 'might' provide the cost or analysis only after shipment has left.

[Example: an order for 48000 pieces or 4000 dozen in 6 colors may split into 4 cuts - say 1000 each. That requires 6 kilo of fleece (perhaps) so 6000 grams means 1000 per each color. This requires 5 batches into dye (doing 200k per dye batch) and all are lost, delayed, or varied as per my point II A., in addition to the vast amounts of other orders going through at the same times.]

d) The spinning of yarn is a low profit industry, thus requires large quantities by full machinery utilization. At Giza many machines are idle, and there seems to be very little ability in fine yarns (of 30 or higher), so the resultant more coarse yarn underproduction could be transformed. Due to public sector lack of quality and lack of quantity; also in view of Japanese importing from Egypt the basics to go into cotton yarn so fine it feels like silk (120 denier), a large investment in time and money should be discussed for specialist spinning at Giza.

III. General

With up to 50% of US quota, Giza has supplied Family Dollar, K Mart, Robbins in the US due to their inability to get sufficient amounts in other countries. Quantities ordered in Europe have been too small and lower cost - since ordering low priced items from Pakistan for example is cheaper cotton from the start. Thus though ready to expand in non USA markets, their transformation will not only be attacked on technical subjects but must be structured into a business plan with research and strategy for the markets more suitable for TDC support.

Both brothers seem willing to accept this principle even in any kind of joint cooperation with larger firms. Thus a commercial/marketing study is indicated as well. Some focus training at top level is important, from business planing through to commercial strategy. When this starts, results may be more organized for 95-96. However it should be coordinated with the addition of specialist managers to develop each segment of this vertical firm - and in each segment they will see large increases - because the basic machine ingredients are already in place. " Getting it done " is the main requirement - and untrained merchandisers mix with very varied business segments so large under-capacity results.

Training of sewing/knitting workers is a standard request of most factories, but here the level is even more basic and therefore more cultural difficult to change in a short time . A floor supervisor from A. U.S. factory could be brought in for at least one month or more.

Both brothers are open and clear - will welcome TDC / IESC further assistance.

GIZA
PROJECT 26132
GRADING BY CRITERIA FOR TDC

The following is a grading matrix:

<u>Name of Firm:</u>	GIZA	Grade/Effective
1.	<u>Production</u>	
1.1	Machine level in general	4
1.2	Efficiency of use	3
1.3	Quality control	4
1.4	Costing methods	3
1.5	Yarn & raw suppliers ability	3
1.6	Plant and facilities	3
1.7	Costing dept.	2
1.8	Specialized machinery	4
1.9	Use of computerized systems	2
		28 = 62%
2.	<u>Product</u>	
2.1	Finished appearance	5
2.2	Relative value	4
2.3	Design / creation ability	4
2.4	Presentation, marketing	4
2.5	Product depth and mix	5
2.6	Already sold in export	5
2.7	Ability to meet market demands	4
		31 = 88%
3.	<u>Commercial</u>	
3.1	Costing methods	3
3.2	Sales ability in other markets	2
3.3	Order procedures and follow up	3
3.4	Business plan	2
3.5	Know-how	5
		15 = 60%
4.	<u>Personnel</u>	
4.1	Ability overall	3
4.2	Sufficient for expansion	4
4.3	Training methods	2
4.4	Desire & care; middle management	3
4.5	Desire & care; workers	3
4.6	Loyalty	3
		18 = 60%
Note:	1 = Very bad, no change potential	
	2 = Not efficient, incorrect, but due to situation, and can be improved	
	3 = Reasonable level, basically on track and able to strengthen	
	4 = Fully functioning, good scope to aid/expand; good know-how	
	5 = Optimum, and equivalent to other country standards.	
		92%
	TOTAL GROSS =	68%

Mr. Samir El Kafrawi and Sons

TYPE: Fashion pullovers, men's knit boxers, innovative look from T-shirts to polo. Knitting to greige

CATEGORY: Up scale garments all for export, new capacity to integrate and grow.

I. Survey

With over twenty years of preparation, with worldwide product/customer awareness, this small unit is poised for doubling in the near short term. At 10th Ramadan there are 24 circular knitting (interlock, fleece, rib, single jersey, terry) and soon to add a second factory for boxer underwear, then perhaps dye as well - all to expand with Mr. Kafrawi's large brand contacts (Cardin, C&A, Claibourne, M&S through Delta) continuing in the better level product area; for the two or three sons to have a substantial business after 3-4 years.

Technical and machinery need no help now - quality level is good and styling very advanced. The expansion in early 95 could be assisted however, but for now other procedures are needed to prepare for expansion and transformation.

II. Projects

a) Bringing underwear up to 150 machines from start-up, adding dye capacity will be well handled by the management (father & sons) over the next 12 months, along with free-lance technical people they now use. I would recommend a quick review with specialists in both sectors - for layout, methods, start-up mentality to review and prevent all potential factors that would create 'bugs' in the operations later on.

b) As a second phase - but integrated easily for the expansion that will inevitably follow, a simple software package is (in our combined opinions) considered essential from now. This package could include standard costing/data analysis through to order tracking (from dye to inventory), and integrate to a basic accounting formula. The current PC can be upgraded, the financial manager is able, but the home-made system should be replaced and make everyone doubly efficient immediately. A more detailed analysis here, and a U.S. package search is recommended (I can suggest where). Mr. Hossam El-Azab wants full automation, but I would start with the basics and provide internal controls that adapt for later applications, all the way to P&L. Financial investment planning is admitted done without sufficient input, and more by intuition.

c. A strategic marketing study could be very helpful, as the entire customer base is now concentrated with Mr. Kafrawi and the quick sudden expansion will strain the already-too-concentrated managing time. The link of ordering from 4-5 countries into production and service will be made easier to track by completing point II B above - but direct contract with customers (now well handled) needs to be professionally and strategically organized for the future so as to feed the growth on the correct mix with the correct amounts/time planned professionally.

This could also be directed to a specific study of securing a brand licensing contract, starting with use as a production source.

III. General

If handled correctly, the fine quality/style ability can associate with substantial customers, and the newly developed facilities eventually efficiently run so that the overall potential is realized with minimum headaches. Due to world competition, I would recommend a serious plan (i.e. business plan) approach to coordinating all elements as soon as possible, avoid any delays, and get financial payback sooner - but for the priority, to add one or two tools to the personal style of Leinatex enabling more rapid transformation, and when the factory doubling is completed an expert look at machine layout, machine attachments and sewing methods, along with some startup worker training - all will be valuable. These projects were surveyed as mentioned, due to the current technical level advised, and the forthcoming complete factory transformation only a few months away.

LEINATEX
PROJECT 26132
GRADING BY CRITERIA FOR TDC

The following is a grading matrix:

Name of Firm: LEINATEX

1.	<u>Production</u>	Grade/Effective	
1.1	Machine level in general	4	
1.2	Efficiency of use	4	
1.3	Quality control	5	
1.4	Costing methods	3	
1.5	Yarn & raw suppliers ability	5	
1.6	Plant and facilities	5	
1.7	Costing dept.	2	
1.8	Specialized machinery	5	
1.9	Use of computerized systems	2	
			35 = 78%
2.	<u>Product</u>		
2.1	Finished appearance	5	
2.2	Relative value	5	
2.3	Design / creation ability	4	
2.4	Presentation, marketing	5	
2.5	Product depth and mix	5	
2.6	Already sold in export	5	
2.7	Ability to meet market demands	4	
			33 = 94%
3.	<u>Commercial</u>		
3.1	Costing methods	2	
3.2	Sales ability in other markets	4	
3.3	Order procedures and follow up	4	
3.4	Business plan	2	
3.5	Know-how	4	
			16 = 64%
4.	<u>Personnel</u>		
4.1	Ability overall	3	
4.2	Sufficient for expansion	3	
4.3	Training methods	2	
4.4	Desire & care; middle management	4	
4.5	Desire & care; workers	3	
4.6	Loyalty	3	
			18 = 60%

Note:

- 1 = Very bad, no change potential
- 2 = Not efficient, incorrect, but due to situation, and can be improved
- 3 = Reasonable level, basically on track and able to strengthen
- 4 = Fully functioning, good scope to aid/expand; good know-how
- 5 = Optimum, and equivalent to other country standards.

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TOTAL GROSS = 76%

Mr. Samir Kamal - Founder - Chairman
Hassan El Banna - V.P. and Shareholder

TYPE: Knitfabrics, dye, and garment production
CATEGORY: Basic products from T-Shirt to Rugby types to Jockey underwear,
large export clients - mass volume category

I. Survey

A company with a lot of potential, partly due to the (1) energy and awareness of the owner Mr. Kamal and very capable associate (H. El Banna), and a midmanagement group of willing capability; but also because of (2) the extensive ability and connections with overseas trading, including a licensing agreement with Jockey USA.

The Cairo factory is extraordinary for visitors and their new location near the airport (Delta) will be exceptional when completed. The product and customer base shows the ability to increase - as 1200 total employed do 10000 pc per day and could increase substantially. USA takes most sales, Germany is a part which could expand and others in Europe follow. (Macy's - AMC and Federal - Mervins - Woolmart are sometimes shipped direct. Agents in Cologne work with B. Barkely, Rosner, Unitex).

Products range from basic T-Shirt/Sweatshirt to Rugby polo and then underwear planned for Jockey range - all varieties of single jersey, rib interlock - piquet - fleece, to fabric dye and garment dye. The 40 circular and 15 flat knitting machines can be a very large production when all running 2 or 3 shifts.

Recently purchased Delta has provided the base for restructure and all knit and dye will centralize there with the Cairo base for wovens. However the complications to absorb the problems found in this acquisition and maintaining the two locations during changeover will give a large work load to a reasonable middle management team. Thus the internal difficulties will have to complete before a stable work plan is developed.

II. Project topics:

a) The dye and finish machinery is extremely potential (even into modern enzyme silicon wash) but, is near 50% of capacity only - thus is too costly and hurting production expansion. A specialist in dye work (not a technician only) could get capacity from its 3.5 - 4 tons up to substantial levels (capacity = 8 tons). New Mayer and new calendaring, plus new dye baths - all give promise to be realized, and the overhaul work is priority (3-4 weeks project needed).

b) The mid management procedures and team in Cairo seem of a better lever than many others. They do need help or support for integrating current work onto software systems from tracking through costing. Systems are in place for a small step into network P.C. software/hardware decision.

However the relocation - the start-up of Jockey - the control of two large producing locations will add to the complications in a way that must be difficult. Thus while a floor supervisor trainer can be recommended in Cairo - and welcomed - the probable project that can be very cost efficient would be a production (multi-functional) manager - to set up controls and methods (or make sure they are in place) and permit the buildup at Delta to takeover many functions done in Cairo, in a setup designed for working efficiency.

Corollary to this should be the careful initiation/training to the workers at Delta as they start-up, so correct habits are learned and kept. If the Jockey work goes well - a large mid-east business is possible and sourcing for the USA parent is probable. However this needs commercial strategy input, and overcoming strained relations with the licensor by starting with expertise and quality.

Thus the needs here are not so much for the detailed on line upgrades - but, the transformation over the next 6 months which can add large volume to this significant firm. The dye house is the exception, and could have a project soon.

c) Worker mentality - industrial concepts, at the right time for Cairo, and on commencement at Delta; also for mechanics, is a project of course - but perhaps on a different schedule from other factories, due to the eventual relocation. As they are bringing in 8 supervisors from Ceylon now, this subject is not so urgently needed and should be timed and analyzed more specifically after the moving dates are fixed.

d) There is no standard cost per type of article - and expenses accumulated at month end etc. My feeling (not substantiated) is that Mr. Kamal has too many functions and could use some integrated information system to better advantage for his obvious future growth potential. The order cost is known at time of shipment and not before - local accounting work is mainly bookkeeping; all means less accurate info and more dependence on Mr. Kamal.

e) Central cutting has just started - an idea would be for central packing next. Auxiliary girls (instead of thread cutting machinery, for example) are too numerous, but function. A new Gerber system is just installed indicating the desire to look forward. A library of markers and implementing review could be a worthwhile project for 2 weeks.

III. Summary

The order quantity of + 5% extra, + 20% for cutting batch and + 10% dyeing /knitting are all safety measures that should be halved - and the Gerber installation should start this concept, through to the relocation/production management systems to enforce it, and maximizing the high potential dye house - To give Lonetex a major role in the future, on a more profitable basis.

The progressive attitude of the two principals that I met is the key asset, but a bit of well directed assistance over the next months can transform expected potential into reality.

LONETEX
PROJECT 26132
GRADING BY CRITERIA FOR TDC

The following is a grading matrix:

Name of Firm: Lonetex

1.	<u>Production</u>	Grade/Effective	
1.1	Machine level in general	4	
1.2	Efficiency of use	4	
1.3	Quality control	4	
1.4	Costing methods	2	
1.5	Yarn & raw suppliers ability	4	
1.6	Plant and facilities	5	
1.7	Costing dept.	3	
1.8	Specialized machinery	4	
1.9	Use of computerized systems	3	
			33 = 72%
2.	<u>Product</u>		
2.1	Finished appearance	4	
2.2	Relative value	5	
2.3	Design / creation ability	3	
2.4	Presentation, marketing	4	
2.5	Product depth and mix	5	
2.6	Already sold in export	5	
2.7	Ability to meet market demands	4	
			30 = 68%
3.	<u>Commercial</u>		
3.1	Costing methods	2	
3.2	Sales ability in other markets	3	
3.3	Order procedures and follow up	4	
3.4	Business plan	3	
3.5	Know-how	5	
			17 = 68%
4.	<u>Personnel</u>		
4.1	Ability overall	4	
4.2	Sufficient for expansion	4	
4.3	Training methods	2	
4.4	Desire & care; middle management	4	
4.5	Desire & care; workers	3	
4.6	Loyalty	3	
			20 = 67%

Note:

- 1 = Very bad, no change potential
- 2 = Not efficient, incorrect, but due to situation, and can be improved
- 3 = Reasonable level, basically on track and able to strengthen
- 4 = Fully functioning, good scope to aid/expand; good know-how
- 5 = Optimum, and equivalent to other country standards.

100
GROSS TOTAL 70%