

## Clothing brands' buying practices influence factory conditions

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### **Good purchasing practices can prevent clothing suppliers violating factory working codes of conduct frequently prompted by order changes and price pressures.**

Such demands lead suppliers to squeeze variable costs such as staff wages, overtime and health and safety conditions.

A report, [Best current practices in purchasing: The apparel industry](#), by not-for-profit organisation As You Sow said: "Many of the compliance violations whose root causes were considered to be in the hands of the factories are now being traced back to corporate purchasing practices."

The researchers identified six practices that significantly undermine manufacturers' ability to comply with codes of conduct. These are downward pressure on prices, increased quality demands, shorter time pressures, changes to orders, cancellation of orders and unstable relationships.

It interviewed seven clothing brands – Gap Inc, Jones Apparel, Levi Strauss & Co, Nike, Nordstrom, Phillips-Van Heusen and Timberland – about how they try to prevent such problems.

The report suggested that companies link supplier factory performance to their own management reviews. One of the companies interviewed, for example, said staff at different levels have social and environmental sustainability targets and they are evaluated on them annually with bonuses and annual increases dependent upon achieving all targets. Levi Strauss is developing a tool that allows suppliers to rate the company's performance, and Nike has created an overtime daily tracking tool which pinpoints overtime peaks and the cause of it.

The need to be on the cutting edge of fashion trends pushes brands to make last minute changes. To tackle this Gap is using simulations in which trainees see the downstream impact of their decisions. Nike has created a palette of standards for designers to avoid every part of a shoe being redesigned each time. It has standardised 50 per cent of each shoe (the parts the consumer might not recognise) which helps Nike and its suppliers save time, money and engineering and reduce waste.