



OLD INDUSTRY, NEW PEOPLE

As the Indian textiles and apparel industry gears up to take on the world in the tumultuous backdrop of fast-changing trade dynamics and sustainability compulsions, it will be up to the next generation, GenNext for short, to take matters into its own hands and lead India into the 2020s.

Subir Ghosh spoke to seven dynamic personalities who have remained in the news for the cutting-edge initiatives they have been taking, bringing about a change in the way business itself is done. Two questions were posed:

- ❶ Has GenNext of the Indian textiles-apparel industry changed the way business is done?
- ❷ How much do you think India's GenNext is ready to change things in the global context?

The responses follow over the next few pages.



OUR ORGANISATION HAS DISCARDED TRADITIONAL SOURCING METHODS



DHIRAJ AGARWAL CEO and Co-Founder CAMPUS SUTRA

Dhiraj Agarwal is CEO and Co-Founder of Campus Sutra. Launched in 2013, Campus Sutra is one of India's leading homegrown fashion brands for men's and women's apparel & accessories. The company employs 120 staff and is regarded as a pioneer in its segment being bootstrapped and achieving profitable growth from the very first year of its operations, while scaling to its present size without any external investment. Under Agarwal's leadership, Campus Sutra has discarded traditional sourcing methods and created an ecosystem of innovation.

1 I strongly believe the newer generation of India's fashion / apparel industry has changed the industry narrative in many ways.

For instance, we have embraced the online business model in a much wholehearted way from the start. Traditionally, the apparel industry (along with other sectors of retail such as groceries) prioritised the offline model and organic growth. The internet changed this and brought about a very visible change not only in the way a business could be established and scaled, but also in the demands that were placed on a business from a customer service / engagement perspective.

From my perspective, at Campus Sutra we envisioned our business as an online-first model and worked with marketplaces such as Amazon, Flipkart, and used our own website and mobile site to establish ourselves. Rather than starting with offline retail, we started online, penetrated MBOs and opened our own stores somewhat recently and have flipped conventional business wisdom on its head. We have also embraced the multichannel way of doing business in a much more

robust manner with our social media handles being an important channel for visibility as well as sales.

One other aspect which is different is the asset-light manner in which we built our business. Although we don't own the manufacturing assets (Campus Sutra apparel and accessories are manufactured in facilities in India, Vietnam and Bangladesh), we have ensured very tight backward integration with our supply chain to ensure full control over costs, quality and delivery.

In addition, we have discarded traditional sourcing methods at Campus Sutra and created an ecosystem of innovation for #fastfashion. This has helped Campus Sutra achieve a 95 per cent sell-through rate, one of the biggest online catalogues in the country with 30,000 SKUs, an inventory churn of 10 per cent per month and inventory throughput of two months—all of which are well above industry standards. We have crunched time from design to availability to three weeks.

Last, we have been profitable from year one unlike traditional retail which takes years of investment to turn a profit. We have tapped into the market opportunity across cities including

in tier 1, 2, 3 and 4 cities thanks to slashing of distribution costs with the advent of e-tail.

2 Rather than blindly copying global designs or practices in the trade, there are several measures that we have taken to establish the "India story" when it comes to apparel and fashion. For example, rather than adopt Western messaging, colours, designs, Campus Sutra apparel and accessories are created against the backdrop of India. Our products are available in the Middle East via MBOs and we are expanding to Southeast Asian markets shortly demonstrating that the appetite for our fashion spans across borders.

Our influence is not only restricted to product availability, even in areas such as design, India is serving as an inspiration for the West. The quality of merchandise we produce has also been widely appreciated. While we are collaborating with suppliers across the world for the latest technology and designs in segments such as athleisure, we are also in a position to share best practices when it comes to sourcing and supply chain operations.

INDIA A HOTBED FOR CIRCULAR STARTUPS



MANISH MANDHANA

CEO

THE MANDHANA RETAIL VENTURES LIMITED

Manish Mandhana serves as CEO at The Mandhana Retail Ventures Ltd and heads the business for Being Human Clothing in India and globally. With a degree in commerce and textiles, he has about 25 years of experience in the industry. He has extensive and rich entrepreneurial experience in diverse areas of marketing, design, merchandising, production and management.

1 Yes, there has been a change in the way business has been done. Companies are investing in new technologies and focusing more on the circular economy where the focus is on minimising waste such as sludge and chemically-polluted waters and making the most of resources. As India is also a hotbed for circular startups, where innovations range from alternative materials to innovative retail models, today we can also see a lot of alliances between corporations and startups. India is a global manufacturing hub for

textiles and apparel, and is also critical in terms of income and employment generation, contributing to 5 per cent of India's current GDP. Companies will have to adapt to the changing scenario which will then help them survive.

2 India's GenNext has entirely a new level of ambition which is also the case on a global level. An increasing number of consumers are also pushing for change with their buying behaviour. The GenNext industry players are preparing

themselves for 'self-disruption' to build a 'circular fashion industry' globally. This would mean building a fashion industry that can phase out substances of concern, increase clothing utilisation, improve recycling and efficiently use resources. This trend has led to an increasing number of industry-led initiatives such as the Sustainable Apparel Coalition, a group of leading brands, retailers, manufacturers, non-governmental organisations, academic experts and government organisations who developed the Higg Index.

WHAT IS NEEDED TODAY IS DISRUPTION



SANJAY JAIN

Managing Director

TT LIMITED

Sanjay K Jain, Managing Director of TT Limited, describes himself as multifaceted, multiperspective person who believes life is a rainbow and it's important to live every colour of life. He devotes 20 per cent time to non-business activities to enrich personally and share what we have with others. An alumnus of IIM Ahmedabad, he is chairman of CITI, and has been associated with numerous industry organisations.

1 Change is a compulsion and no more a choice. What is needed today is disruption. Everything we have done has changed since I joined business, and most of it has been aided by technology leading to ease of business, better reporting and tracking, much faster decisions. However, the biggest change has been of perspective, which has not been easy when the First

Generation has been so successful. We have been relatively lucky as our chairman himself has been a pioneer of new things and always wanted change.

2 GenNext is well-travelled and well-read. Hence, its slowly but surely adapting to global trends and practices. The barrier to change has been broken down and all are thinking

of how to change. However, I don't see Indian brands ready for expanding in any significant way across the borders unless they buy out global brands. We are currently focusing domestically and doing more of private labelling in international markets. I don't see this strategy changing in the next 2-3 years—we have a lot of ground to cover domestically.

INDIA'S GENNEXT WILL HAVE TO OVERCOME CERTAIN DISADVANTAGES



MIHIR PAREKH

Director (Textiles)

GOVERNMENT OF TELANGANA

Mihir Parekh is currently heading the development of the Kakatiya Mega Textile Park in Warangal and coordinates investments in the textiles and apparel sector in the state including complete handholding of investors / companies looking to invest in the state. He has been instrumental in the formulation of the Telangana Textile and Apparel Policy (T-TAP) and is part of the committee driving T-TAP implementation and land allotment for textile projects in the state.

1 The next generation has changed the way the industry does business. One only has to look at the way Kulin and Punit Lalbhai are spearheading their generations-old textiles business at Arvind Ltd into newer areas such as technical textiles, ecommerce, etc. In Telangana, we have Gautam Ganeriwala of Sitaram Spinners, a third generation textile industrialist, who is spearheading a ₹200 crore expansion in setting up an ultra-modern spinning unit which will make them one of the largest manufacturers of core spun spandex yarn in India. Even in smaller companies, the next generation is confidently looking to try out newer technologies and processes in expanding the existing business set up by their parents / grandparents. I recently met a 25-year-old second generation entrepreneur from Coimbatore who wanted to expand the family garmenting business outside of Tamil Nadu and was looking at Telangana. Their family business had always been based in Tamil Nadu, probably for cultural and other reasons, and this new family member to join business is looking to change that.

Not only is this enthusiasm evident on the promoter side, even among corporate employees, I see young individuals holding important portfolios and driving growth for their companies in newer verticals. And due credit must be given to the promoter group / senior management for empowering

these members from GenNext with responsibility coupled with adequate autonomy. I have interacted with young members of the corporate strategy team of the Welspun Group and have yet to come across a more professional and ambitious group of individuals creating value for their customers, stakeholders and society at large.

And due credit must be given to the promoter group / senior management for empowering these members from GenNext with responsibility coupled with adequate autonomy.

2 Today, we, as a country, are well poised to take advantage of the opportunities in the textiles-apparel sector opening up in the global context. Be it the China-US trade war, imminent slowing down of Chinese economy from the hyper-growth years of the early 2000s as well as vacating of low-end manufacturing space by China. Of course, these opportunities are also available for some of the other nations with whom we compete in manufacturing such as Bangladesh, Vietnam and Ethiopia. Nevertheless, the sheer size of the opportunity, and the

scale that only India can provide, can create space for all nations to flourish.

Having said that, India's GenNext will have to overcome certain disadvantages because of the favourable market access that our competitors enjoy. India's GenNext will also have to overcome relatively higher factor costs in India compared to those prevailing in our competitor nations. However, what has been heartening to note is the ease with which some of our GenNext leaders have adopted better technology and processes in order to create higher value-added products. A high percentage of value add can be the only solution to overcome structural disadvantages such as favourable market access and relatively higher factor costs.

The efforts by the Central and state governments to enhance the ease of doing business and reduce the cost of doing business are steps in the right directions and Telangana has been at the forefront in these initiatives at the state level. The results have been very encouraging with proposed foreign investments in the textiles-apparel sector in Telangana and elsewhere in India from companies situated in East Asia, Europe and Latin America. Also, the Indian conglomerates in this sector are ramping up their investments in existing and new projects to take advantage of this window of opportunity. Much more needs to be done but the start looks promising.

HOW SENIORS SEE THEM

THERE IS GREAT ACCEPTANCE OF TECH



RAJESH BHEDA

Managing Director

RAJESH BHEDA CONSULTING

Rajesh Bheda, managing director of Rajesh Bheda Consulting (RBC), is a leading consultant, researcher and educator with over three decades of contribution to the apparel industry. He is known for his celebrated book *Managing Productivity in the Apparel Industry* and inspiring supply-chain collaborations for win-win performance improvement. He was earlier professor at and chairperson of the fashion technology department at the National Institute of Fashion Technology (NIFT).

1 Some of the GenNext have brought in significant changes to the way business is done.

If we look at Arvind Group or Pratibha Syntex, the GenNext working closely with seniors have created seamless supply chains to provide international customers value-added products while addressing concerns around social standards and sustainability. Arvind is also looking at playing the role of an ecosystem creator so that several players with core competency in spinning, weaving and garmenting can join the supply chain to create economies of scale for the customers.

In 2003, progressive minds of seniors and GenNext, some of whom happen to be my ex-students, came together and formed the Okhla Garment & Textile Cluster (OGTC). They had the foresight to anticipate the power of being a collective. They anticipated the challenges industry would face in the post-quota regime and still work together with the guiding principle of “we” as a community. With 110 participants, they have leveraged collective wisdom for mutual learning and engagement with various stakeholders in the supply chain. They, like the stories of a bunch of sticks rather one, or, the small fish coming together to make the form of a big fish named Swimmi, understood the

power of the collective and have been able to achieve better rate negotiations and services from their suppliers as, rather than an individual dealing with any service provider or supplier, it is a cluster conducting the dialogue. Through the OGTC platform, many good initiatives, conferences with think-tanks and dialogues between industry and ministries have been facilitated.

Exporters in Tiruppur have made significant investments in alternative energy like wind and solar energy. Some young and dynamic exporters have taken to such initiatives and associations too act like a binding force and create a strong community.

The garment export sector has seen some positive changes. However, barring exceptions, GenNext seems less engaged as they find the garment export industry to be very demanding, but very low on profitability—as a result, India’s garment exports continue to suffer.

Also, influencing human minds is a challenge and the set-ups that GenNext participates in or inherits, continues to be run by traditional mindsets and people. GenNext do get good international qualifications and education, yet to return to same set-ups and apply radical changes is extremely challenging a task. Bringing in new machinery and infrastructure

is easier, but, changing systems and people is where the pitfalls start.

Many a time, starting with the senior management (fathers / mothers and uncles), the herculean task of mindset change starts for them, further including the whole set of people working for the company, who might tell them “the number of years I have worked in this industry is more than your age.” “This is how it has always been done here” and “your idea would succeed overseas, not in India” is one block to be brought down by the GenNext. Some have succeeded, others would need to work on such change management issues to achieve success.

2 I see following changes:
There is greater acceptance of technology solutions like e-fit simulations, digital printing and real-time shop-floor control systems.

- For the first time in garments, Indian players are making sizeable investing overseas. The main example being Ethiopia, followed by Bangladesh.
- India is expanding its influence in the apparel manufacturing world through its talented human resources in the areas of sourcing, merchandising, industrial engineering, operations

CHANGE WAS CONSTANT



KETAN PISHE

Partner

PN RAO

Ketan Pishe is a third generation businessman at the iconic brand PN Rao. After finishing his MBA, Pishe joined the business as a partner in 2006. A year of research in association with the London College of Fashion to develop new business models using 3D body scanning technology saw him enhance his sense of fashion and business further.

management, quality management, sustainability and textile technology. Indian apparel professionals are playing a key role in the development of the apparel industry elsewhere.

- Whereas the rate of change in the export-oriented industry is slow, companies that are focusing on the domestic market are much more proactive. The use of data analytics and tracking consumer lifestyle and preferences is one area where significant improvements have happened. The e-commerce players and some of the start-up suppliers are looking at the industry with a new paradigm. With growing interest of apparel exporters in the domestic market, this could shape the new industry in India.

In a nutshell, the export-oriented industry is still pre-occupied with expecting the government to create a favourable environment for the industry to flourish. Hence, the overall sentiment is not bullish. At this rate, we may not be able to benefit significantly from the Sino-US trade war. The clear winners would be Bangladesh, Vietnam, Indonesia, Cambodia, Myanmar and to a certain extent Ethiopia.

1 Absolutely. If you look at even the smaller players in the traditional or old or even small markets, like say Chickpet in Bangalore or a town like Ranchi, GenNext has changed the way of doing business. Their adoption of new thought processes is the biggest change I see. Sometimes they are smaller and therefore nimbler and so they get to the market faster than medium or large players.

For us, change had been constant. That is what has carried us through and continues to. Whether it was a change in trend or fashion or the way of doing business, we never shied away. Fashion comes and goes, but we have been very early to adapt to these changes. Then there are certain categories too that come and go (like the trend of designers over formal businesswear), and yet we have been pioneers in adapting to such changes. The third has been the biggest and the toughest—like embracing technology, understanding that the customer wants more customised things; those require a shift in mindset in the way we do business itself.

2 There would be two answers to that. In the fashion sense, India has been slow in the global sense of fashion. There are very small pockets of people who are willing to accept that and that too within those pockets there are differences (like the North is faster and the South is slower). The level of acceptance of that type of global fashion is quite slow, with the

probable exception of streetwear. In the business sense, Indians have their way of finding the spot. And now, because the size of the market is not ignorable, we have to find the way of doing the things that we need to do.

Prices and values are very important aspects in India. So, Indians will find a way of doing things (as fashion requires). From that perspective, there is this new generation who travel a lot and see for themselves what is new and what is not. I see people are making an effort to do that. But specific to textiles, I think we are not doing enough to keep alive India textiles—building fashion from the bottom of the pyramid. Our textiles heritage is the richest in the world. Every hundred kilometres or two, you will find a new textile. No one has said that those cannot become mainstream. In our own small way, we buy some (since it is a small line), but you need a lot of backing to do it on a big scale like what Raymond has done for khadi. That kind of initiative has to come from the ministry of textiles; it cannot come for instance from the weavers of Pochampalli. Every place has a story to talk about, and together it is a big story. That is where fashion should come from, rather than looking outside. People will become followers; khadi has had a good run because of this. We have also bought into that. Plus, I believe in sustainable fabrics, and that is what we have been sourcing.

A GREAT PLATFORM WAS CREATED FOR GEN NEXT BY THEIR PREDECESSORS



SIDDHANT SINHA General Manager INDITECH INTERNATIONAL

Siddhant Sinha is General Manager at Inditech International where he is responsible for marketing activities, brand strategy and business development. He holds an MBA in marketing and strategy, and had started his career as a marketing trainee with Global Wind Power Ltd of the Anil Dhirubhai Ambani Group about a decade back.

1 The GenNext that is already established and even the new ones are changing how business in the Indian textiles industry is done. The primary reason is the great platform created for them by their predecessors. This allows them more freedom to take pragmatic and decisive decisions. Another reason is the greater connectivity of the world because of the internet, a feature not available for a long time for the older generations. They are soaking up information from across the world like sponges and are much better informed about their industry.

One of the best examples I can give of this is Gangwal Group and Balwan Group from Kolhapur / Ichalkaranji, who are primarily in the field of cotton-weaving. The GenNext are young, in mid-twenties; however they are some of the most knowledgeable people in the weaving sector today. Not only do they know where the market will shift, but they also know their weaving looms inside out. Knowing both the ends of the business so well allows them to make decisions on another level. Plus, with the connectivity and network that they have today they will expand their family business much faster than ever before.

The biggest change I have noticed since I entered the industry 8–9 years ago is that across sectors the next generation wants to do something unique. They are ready to take well-calculated risks to expand and add

value to their existing business. Their main focus is innovation. This could be value addition in their current line or exploring new niche market segments.

Being of the same generation, it is exciting for me to see that and be a part of it. Since Welspun Syntex became AYM Syntex I have first-hand seen the new generation's leadership. Their focus has been on innovation and new areas of business. We have partnered with them for their IDY (industrial yarn) technology for a niche sector in the synthetic spinning industry. Most people would be afraid to enter this sector given that the market is too small. However, AYM has done extraordinarily well and are hugely successful. They seized on the first mover advantage and we are very excited to see the heights they will reach.

Another example is that of Sanathan Textiles. When I started at my company, I would go for training to meetings with my father with Sanathan's second generation. Now I go there to meet the third generation. They are very energetic and know every inch of their operations. They move at lightning pace and are aware of every factor that could affect their business. They are driving the growth and expansion initiatives at their company.

Moreover, they form a great team and their cohesiveness is their biggest strength that I have noticed. It is a very

exciting time at Sanathan, and we are glad to be a part of it.

2 This generation is the most prepared to take up global challenges and surpass every expectation. We are living in the digital age where connectivity across the world happens in a heartbeat. Additionally, most from my generation, including me, have spent time abroad for studies at the best universities in the world. This has presented us with a chance to form a unique worldwide network. This generation is more comfortable when it comes to dealing with foreign markets or partners.

For example, we are working with around 20 global textile machinery manufacturers from Japan, Europe and the US. They too are undergoing a transition where the next generation is coming in. From the technology point of view, India's GenNext is forming their own relationships with such partners just like their fathers and founders did before them. However, the context has changed. Today, India is at the top of global revolution where the world is looking at us to lead the way.

China is still very strong, but India is poised to take a big chunk of that business due to several reasons including geopolitics. A major part of the business for our customers is exports. And the young leaders of Indian textiles are better connected to partners

HOW SENIORS SEE THEM

TRADITIONAL IDEAS STILL PREVAIL AND GENNEXT HAS NOT COMPLETELY TAKEN OVER AS YET

and customers digitally and through their physical networks. This allows them to make more informed decisions.

I can speak from the point of view of a technology partner. Earlier, the Indian market had a focus on price when selecting their machinery. Today, although price is still important, the quality of the machinery / plant is what drives a purchase. The GenNext are only interested in the best in the world, and this will allow them to lead India's transformation into a global player.

Personally, my company has always endeavoured to provide the best technology in the world. This has allowed us to partner with the best and biggest companies in India like Reliance Industries, Welspun, Alok, Indorama, Birla Group of Companies and many more. However, I plan on taking this a step further. We are exploring several partnerships in segments like waste management and recyclability. I am always striving to open up new avenues not only for my company but also for our customers. I am also looking at textile segments that are well established in the world, but not in India. The carbon fibre line is something we know that will sooner or later become the next big thing in India. We already have partnerships with some of the world's leading technology manufacturers and are working closely with our customers to introduce them to this new line.



MANOJ SETHIA Joint Managing Director GINZA INDUSTRIES LTD

With over three decades of experience in the textiles industry, **Manoj Sethia** is Joint Managing Director of Ginza Industries Ltd and heads the company's base operations in Surat.

1 The GenNext is certainly more adaptive, innovative and tech-savvy, but we have not seen big changes in the textiles apparel industry as such so far since traditional ideas still prevail and it has not yet been taken over completely by the GenNext. This may turn around perhaps in the next 2-5 years.

There have been big changes in India's trade and industries' environment after implementation of the goods and services tax (GST) and rapid changes / corrections in various laws and procedures, and the process is continuing. This may take some time to settle down, and it seems that optimum use of available technologies and innovations will become indispensable, for the success of businesses, which the GenNext is very well equipped with.

2 The GenNext is adaptive, innovative and serious about work. They are geared up to take any kind of challenges which may come before them. I think that given a conducive regulatory environment for

business and industry, the GenNext can do wonders.

We are still waiting to see India expand its area of operations and make a large influence in the global economy. This is due to steep competition from countries like Bangladesh, Vietnam, Cambodia, etc, that have availability of cheaper labour than India and also enjoy duty concessions in the EU and the US.

Even in India, huge garments import is taking place from Bangladesh without duties because of which a lot of Chinese fabric is entering India after being converted into garments. However, the import of fabric is almost completely curbed due to very high duty on fabrics but unfortunately, after converting that same fabric into garments in Bangladesh, it may come completely duty-free, thus leaving Indian companies in the entire value chain without work, including the numerous ancillary industries. This is a big block for growth of Indian textiles and garmenting and immediate serious steps are required to check this.

WE NEED TO FOLLOW ETHICS THAT MAY BE OLD SCHOOL BUT CAN'T BE IGNORED



ISHAN THAHRYAMAL

Director

THAHRYAMAL BALCHAND

Ishan Thahryamal is carrying forward a legacy of the family business of offering quality-oriented home textiles using a modern yet authentic approach be it designing, marketing or handling present and potential clientele. Being educated at the prestigious Mayo College and having completed his graduation from Brunel University in international business management has helped him into taking steps towards the broader horizon of aesthetic designing in their globally accepted exclusive home textiles.

1 The new generation or so called “GenNext” has been using retro / old school methods combined with the new age technology and thought process to their own advantages in the textiles-apparel industry. Our generation has been witnessing various design tools wherein the final product outcome is visual even before the product is manufactured courtesy the software and applications. The textiles and apparel manufacturers are now understanding the need for continuous innovation and change in their products while having the means of mass production in the arenas of designing, stitching, automation or manual labour. Our generation now has access to shorter timeframes such as quicker transportation / transit times, believes in less paperwork (computer-generated), focusing on design development in terms of hiring textiles-apparel designers (textile professionals) which was in the older generation thought of as an unnecessary expense.

Since the country has such diverse arts and crafts from different states, we have now become driven towards the amalgamation of such varied arts and crafts in ways that were not possible with the earlier generations. All thanks to our rich cultural heritage that there can never be a dearth in new ideas. Coming to manual labour, I have always preferred the old school ways in man management using the

modern technological assets although we now have low dependency solely on manpower compared to the earlier years wherein most of the things were manually done. Communications have played a major role in the way we are now doing business, regular order queries, updates / emails are

Our generation now has access to shorter timeframes such as quicker transportation / transit times, believes in less paperwork (computer-generated), focusing on design development in terms of hiring textiles-apparel designers which was in the older generation thought of just an unnecessary expense.

now responded to within very short timeframes, again thanks to all the technology at disposal. Even design changes and amendments in textiles and apparel are done the same day. Our generation today has been moving forward in some of these ways, although it needs to follow the business ethics that are old school but can never be termed obsolete.

The regular updates / information in the textiles sector from popular magazines like **Fibre2Fashion** itself is helping our generation also to increase awareness in the textiles / apparel industry.

2 The most important concern today is sustaining water. Our generation needs to be aware of how much water is consumed in textile manufacturing/printing or finishing. I would be more than interested in being part of something like a young textile entrepreneurs’ group, which would help in creating and enhancing awareness in our generation which has been lacking diligence due to cut-throat competition in the global markets.

Our generation is well informed all thanks to technology, although the concern remains with the Indian government and its policies which have a major influence in the performance of domestic and export supplies in our trade. Indian exports have had a strong presence globally, but still the major influencing factor remains the policies and initiatives taken by the textiles ministry. The current textile export scenario is going through a major transition which needs to be carefully taken into consideration to sustain in the global markets.**FF**

Subir Ghosh (www.subirghosh.in) is a Bengaluru-based writer and researcher.