

End-to-End: Cross Company Synergy

State of client

Shirt Makers is a manufacturer of T-shirts in Southern California. *Shirt Makers* buys all of its shirts from *SmartShirt Manufacturing* because of a special blended material shirt that they make. *Shirt Makers* then designs, prints, labels and packages the shirts before they are sent out to customers.

Shirt Makers' top customer is a retailer called *Clothes of the World*, which makes its own clothing lines, and sells many other brands, of which its most popular design is the XLT product line, the only line purchased, from *Shirt Makers* which makes up 80% of *Shirt Makers'* total sales.

Shirt Makers was recently informed that the cost of shirts will be going up by 20% from *SmartShirt Manufacturing* and due to the large quantity *Clothes of the World* purchases they demand that the cost of the XLT line does not go up.

Approach for impact:

- Understanding the relationship between business partners
- Acting as an intermediary between companies to work with company specific details and keep information confidential
- Analyzing causes for the cost of shirts going up
- Create solutions based on limitation of the client and client partners

Results

- Shirt creation by *Clothes of the World* was outsourced to *Shirt Makers* allowing the retailer to continue to create shirts at a 15% cost savings
- Greater scale allowed *SmartShirt Manufacturing* to reduce costs of shirts further for *Shirt Makers* and make up for lost business from other major brands switching Vendors.
- *Shirt Makers* increases product mix, and sales to *Shirts of the World* allowing for a 20% increase in revenue and 5% decrease in manufacturing costs