



Executive Summary: Deep Dive Report

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IMPROVING PURCHASING PRACTICES RELATED TO DESIGN, DEVELOPMENT, AND CALENDAR MANAGEMENT

Design, development, and calendar management practices include the range of activities required to develop new products according to a buyer's specifications and produce them within a buyer's timelines. Suppliers infuse this process with their own expertise, contributing their own innovative design ideas and helping to problem-solve tricky design concepts and more efficient processes. Beyond this, suppliers invest significant time and resources into developing samples and confirming specifications to help ensure production runs smoothly and product quality standards can be achieved. Time-and-action calendars then lay out each step of the process - along with deadlines for completion - in order for designs to be produced and shipped during the buyer's desired shipping window.

- Design, development, and calendar management practices are critical in managing financial, social and environmental impacts, including:
 - Poor design and development practices have a domino effect on the rest of production. In addition to increasing suppliers' administrative costs, inaccurate tech packs threaten suppliers' ability to meet the subsequent deadlines required to ship products on time.
 - Increased time pressure due to inaccurate tech packs, last-minute changes, or delayed feedback and decision-making causes increased management and worker stress, and might lead to forced overtime, subcontracting, or harassment of workers in order to meet the buyer's deadlines.
 - A substantial portion of a product's environmental impact is determined at the design stage. Buyers can make intentional choices at this stage to reduce such impacts, for example by choosing environmentally-friendly materials, providing feedback on rejected samples so as to lessen waste in the future, or by incorporating digital technology into the design process.

Better Buying Institute is helping brands and retailers improve their purchasing practices related to design, development and calendar management. At least half of the companies that have engaged with Better Buying™ over two consecutive ratings cycles converted more samples into orders, improved their tech pack accuracy, and increased their adherence to deadlines for critical milestones.

BETTER BUYING™ CHECKLIST FOR IMPROVING DESIGN, DEVELOPMENT, & CALENDAR MANAGEMENT

- ✓ Set target prices prior to starting development - engage with your suppliers to understand whether your target price is reasonable or if your design needs to be adapted.
- ✓ Provide feedback on rejected samples and listen to suppliers' suggestions for how to improve designs or make them more production-friendly.
- ✓ Incorporate improved conversion rates (aim for 80-100%) into your environmental sustainability strategy to reduce sampling waste.
- ✓ Demonstrate partnership with your suppliers by giving them orders for products they develop rather than instigating a bidding war amongst their competitors.
- ✓ Develop a mutually-agreed time-and-action calendar with your suppliers that provides sufficient time for each step. When delays occur, review the timeline with your suppliers and adjust accordingly.
- ✓ Prioritize timely feedback as a way to improve adherence to deadlines; do not put your suppliers in a position where they have to move forward with incomplete or inaccurate information.
- ✓ Invest in tools that will improve the timeliness and accuracy of design-related details. Avoiding mistakes and delays can unlock cost savings and offset the cost of such investments.
- ✓ Subscribe with Better Buying™ to understand the risks and opportunities in your company's performance and identify focal areas for improvement.