

ERP Specification Document for RMG Buying Houses in Bangladesh

1. Buyer Inquiry & Order Confirmation

Workflow

Buyer sends RFQ (Request for Quotation), sample/design details, and negotiates price and timeline. Once confirmed, an order is placed. The buying house manages buyer history, quotations, and approvals before finalizing orders.

ERP Features Needed

- ❖ Buyer database with history (past orders, preferences, pricing trends)
- ❖ Inquiry management (RFQ logging, quotation templates)
- ❖ Style/Design repository with file attachments & versioning
- ❖ Order confirmation with auto-generated contracts/Proforma Invoice (PI)
- ❖ Automated reminders for pending approvals (samples, contracts)

2. Sampling & Approvals

Workflow

After order confirmation, buyers demand samples (Proto, Fit, Size Set, PP) to validate quality and design. Delays in approvals cause shipment delays.

ERP Features Needed

- ❖ Sampling tracker (Proto → Fit → Size Set → PP)
- ❖ Digital sample library (photos, comments, versioning)
- ❖ Automated notifications for pending approvals
- ❖ Quality checklist templates for each sample type
- ❖ Buyer feedback & version control

3. Raw Material Sourcing & Vendor Allocation

Workflow

Factories require timely raw materials (fabrics, trims, accessories). The buying house coordinates with vendors and allocates factories based on capacity, compliance, and buyer requirements.

ERP Features Needed

- ❖ Vendor database & compliance management
- ❖ Raw material requisition & booking tracker
- ❖ Purchase order automation for suppliers
- ❖ Vendor allocation & line booking module
- ❖ Costing & supplier comparison tool
- ❖ Alerts for delays, compliance expiry, vendor overbooking

4. Production Management

Workflow

Factories execute production. The buying house monitors daily progress, inline inspections, and ensures orders remain on track for quality and delivery.

ERP Features Needed

- ❖ Production scheduling & line booking
- ❖ Daily/weekly production progress tracker
- ❖ Inline inspection & QA monitoring
- ❖ Exception alerts for delays/issues
- ❖ Buyer communication portal with live updates
- ❖ Digital evidence management (photos, reports)
- ❖ Vendor/factory performance tracking

5. Quality Assurance & Final Inspection

Workflow

Final inspections ensure garments meet buyer quality standards before shipment. Inline and final inspections are critical checkpoints to avoid rejection and disputes.

ERP Features Needed

- ❖ Inline inspection checklists & defect tracking
- ❖ Final inspection management with AQL scoring
- ❖ Third-party QA integration
- ❖ Digital QA reports & buyer access
- ❖ Corrective action request (CAR) tracking
- ❖ Alerts for failed inspections or pending approvals

6. Shipment & Logistics

Workflow

After QA approval, shipments are booked with freight forwarders. Export documents, customs clearance, and shipment tracking ensure on-time delivery to buyers.

ERP Features Needed

- ❖ Shipment booking module
- ❖ Export document generator (Invoice, Packing List, BL, COO, GSP)
- ❖ Customs & compliance integration
- ❖ Shipment tracking & milestone updates
- ❖ Buyer communication & portal access
- ❖ Cost & freight analytics
- ❖ Alerts for pending documents, clearance delays, missed ETDs

7. Finance & Costing

Workflow

Financial tracking ensures profitability and smooth payment collection. Cost sheets are prepared pre-order, invoices post-shipment, and receivables monitored for cash flow.

ERP Features Needed

- ❖ Cost sheet automation
- ❖ Buyer invoice generation (linked to shipment)
- ❖ Accounts receivable tracker with reminders
- ❖ Profitability analysis (order, buyer, season)
- ❖ Buyer/vendor financial performance reports
- ❖ Integration with accounting systems
- ❖ Alerts for underpriced orders, overdue payments, currency risks

8. Post-Order Analysis & Reporting

Workflow

Completed orders are reviewed for performance. Analysis covers buyer satisfaction, vendor performance, profitability, and lessons learned to improve future operations.

ERP Features Needed

- ❖ Order performance dashboards
- ❖ Buyer performance analytics
- ❖ Vendor/factory scorecards
- ❖ Financial & profitability reports
- ❖ Exception & risk reporting

- ❖ Predictive insights (AI-driven forecasting, risk scoring)
- ❖ Top management dashboards (consolidated KPIs)

ERP for RMG Buying Houses – Prioritized Feature List

1. Core Functionalities (Highest Priority – Must-Have)

These are the backbone features that directly solve the current manual workflow challenges.

a) Buyer & Order Management

- Buyer database with contact history
- Buyer inquiry module (RFQs, sample requests, approvals)
- Order confirmation & contract management
- Style/Design specification management (with attachments & versioning)
- Order tracker (quantity, delivery date, buyer PO link)

b) Vendor/Factory Management

- Factory database (capacity, compliance certifications, past performance)
- Vendor assignment & production allocation
- Subcontractor management (if used)
- Compliance & audit tracking

c) Production & Workflow Management

- Pre-production approvals (fabric, trims, accessories)
- Sampling (proto, fit, size set, PP sample) management
- Production order scheduling (line booking, cutting, sewing, finishing)
- Inline and final inspection checklists
- Shipment readiness tracker

d) Shipment & Logistics Management

- Packing list automation

- Shipment booking & coordination
 - Export documentation (PI, Invoice, Packing List, BL, Customs docs)
 - Shipment tracker with milestones (ex-factory, vessel booking, port clearance)
 - Buyer notifications (status updates, ETD/ETA)
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2. Process Automation (High Priority – Efficiency Boosters)

Designed to eliminate repetitive manual tasks.

- Auto-generate Proforma Invoice, Work Orders, and Commercial Invoices
 - Automated reminder system (pending approvals, shipment deadlines)
 - Email/SMS/WhatsApp integration for buyer & vendor updates
 - Smart document repository (auto-tagging, search, retrieval)
 - Barcode/RFID-based production tracking (optional advanced feature)
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3. Resource Optimization (Medium-High Priority)

Reduces manpower dependency and operational overhead.

- Task management with role-based assignment
 - HR & Payroll (basic version for small buying houses, optional advanced module)
 - Document digitization & template management (L/C, invoices, approvals)
 - Raw material requisition and sourcing tracker (fabrics, trims, accessories)
 - Costing & profitability analysis (per order, per buyer)
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4. Real-Time Monitoring & Reporting (Critical for Management)

Dashboards and analytics to keep leadership in control.

- Order status dashboard (Pending, In Production, Shipped)
 - Buyer performance analysis (on-time delivery %, order value, repeat orders)
 - Vendor performance scorecard (quality %, shipment punctuality, rejection rate)
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- Financial dashboard (order-wise cost, margin, receivables)
 - Exception alerts (delayed orders, compliance expiry, pending shipments)
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5. Integration Capabilities (Future-Proof – Medium Priority)

Ensuring smooth external connectivity.

- Integration with shipping lines & freight forwarders (API-based where possible)
 - Customs clearance & bond management linkage (EDI, NBR system if feasible)
 - Buyer-side ERP/Portal integration (for large global brands)
 - Accounting software sync (Tally, QuickBooks, SAP B1, etc.)
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6. Scalability & Security (Continuous Priority)

The foundation for sustainable adoption.

- Multi-user role-based access control (Admin, Merchandiser, QA, Logistics, Finance)
 - Cloud-based & on-premise deployment options
 - Encrypted data storage & secure communication (SSL, 2FA)
 - Audit trail (who changed what, when)
 - Scalable architecture (support for multiple buyers, factories, orders)
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Recommended ERP Module Breakdown

Here's how the system could be modularized for clarity:

1. **CRM Module** → Buyer & Order Management
 2. **Vendor/Production Module** → Vendor allocation, workflow, quality checks
 3. **Logistics & Documentation Module** → Shipment, customs, export docs
 4. **Finance & Costing Module** → Cost analysis, invoices, profit margins
 5. **Task & Communication Module** → Reminders, approvals, notifications
 6. **Dashboard & Analytics Module** → Real-time insights for management
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7. **Integration & Security Module** → APIs, external systems, data protection

Prioritization for Development

Since buying houses vary in size and maturity, rollout should be staged:

1. **Phase 1 (Must-Have, 3–6 months):** Buyer/Order Mgmt, Vendor Mgmt, Production Workflow, Shipment & Docs
2. **Phase 2 (Efficiency Boost, 6–12 months):** Automation, Costing & Resource Optimization, Dashboards
3. **Phase 3 (Advanced, 12+ months):** API Integrations, RFID/barcode tracking, AI-powered predictive analytics

RMG Buying House ERP Doc

Stage: 1. Buyer Inquiry & Order Confirmation

Workflow Description

This is the **first and most critical step** in a buying house operation. It sets the foundation for the entire order lifecycle.

- ⊗ A foreign buyer (brand, retailer, wholesaler) sends a **Request for Quotation (RFQ)** to the buying house. This typically includes product specifications (style, fabric, trims), expected order quantity, target price, and delivery timeline.
- ⊗ The buying house merchandiser team evaluates the request, checks with potential factories, and prepares a **quotation** for the buyer. This may involve multiple rounds of **negotiations** on price, MOQ (Minimum Order Quantity), shipment mode (air/sea), and delivery timeline.
- ⊗ Buyers often require **sample submissions** (proto or fit samples) before confirming an order. These approvals are vital to avoid disputes later.
- ⊗ Once buyer and buying house agree on terms, an **official order is placed**, and a contract/Proforma Invoice (PI) is issued to formalize the commitment.
- ⊗ Any delay, miscommunication, or missing documentation at this stage leads to disputes, financial loss, or even cancellation of the order. That's why ERP support here is essential.

ERP Features Needed

1. Buyer Database with History

- ✓ Maintain a centralized record of all buyers (brands, agents, retailers).
- ✓ Store **past orders, payment terms, shipment punctuality, and communication logs**.
- ✓ Track buyer preferences: fabric types, trims, preferred factories, compliance requirements.
- ✓ Analytics on **pricing trends** and order patterns to strengthen negotiations.

Impact: Saves time by avoiding repetitive inquiries, gives historical insights for pricing negotiations, and ensures better buyer relationship management.

2. Inquiry Management (RFQ Logging & Quotation Templates)

- ✓ Dedicated module to log every incoming RFQ with details: product, quantity, target price, timeline.
- ✓ Standardized **quotation templates** to quickly prepare and send offers to buyers.
- ✓ Comparison tool to check profitability and feasibility against production capacity and vendor offers.
- ✓ Status tracker: RFQ → Quotation Sent → Negotiation → Accepted/Rejected.

Impact: Eliminates missed inquiries, speeds up response time, and helps management track win/loss ratios of quotations.

3. Style/Design Repository with File Attachments & Versioning

- ✓ A **digital library** for product styles, tech packs, CAD drawings, and buyer comments.
- ✓ Version control for design changes (so latest approved file is always accessible).
- ✓ Tagging system (buyer, season, style number) for quick retrieval.
- ✓ Restricted access (design-sensitive information is only visible to authorized staff).

Impact: Prevents errors from outdated files, reduces confusion in design approvals, and ensures that production always works with the latest buyer-approved specifications.

4. Order Confirmation with Auto-Generated Contracts/Proforma Invoice (PI)

- ✓ Once an order is confirmed, ERP should automatically generate:
 - **Contracts/Agreements** with agreed terms.
 - **Proforma Invoice (PI)** including buyer details, product info, price breakdown, delivery terms, and payment schedule.
- ✓ Link PI with the buyer order record and factory allocation.
- ✓ Digital approval workflow (e-signature or email confirmation) to formalize commitments.

Impact: Ensures legal & financial clarity, avoids disputes, and establishes a binding record between buyer and buying house.

5. Automated Reminders for Pending Approvals (Samples, Contracts)

- ✓ Automatic alerts for:
 - Pending sample approvals (proto, fit, PP samples).
 - Pending contract/PI approvals.
 - Approaching deadlines for buyer confirmation.
- ✓ Notifications sent via email/SMS/WhatsApp to both buyer and internal merchandiser.
- ✓ Escalation system for overdue approvals (notifies senior management).

Impact: Prevents approval bottlenecks, reduces shipment delays caused by late buyer responses, and keeps order flow smooth.

Why This Stage is Critical in ERP

- ✚ **80% of order problems** in buying houses start here — unclear terms, missing approvals, wrong design versions.
- ✚ A robust ERP system ensures **clarity, accountability, and speed** at the inquiry & confirmation stage.
- ✚ By digitizing this step, management gets **real-time visibility** of all active inquiries and confirmed orders, helping them forecast revenue and allocate factory capacity better.

Stage: 2. Sampling & Approvals

Workflow Description

In the RMG buying house workflow, **sampling is the bridge between order confirmation and bulk production**. Buyers want to ensure that the product matches their design, quality expectations, and fit before green-lighting full-scale production.

- ⊗ After receiving an order, the buying house coordinates with factories to prepare **different types of samples**:
 - **Proto Sample** → To check overall design & look.
 - **Fit Sample** → To check size, measurements, and fitting accuracy.
 - **Size Set Sample** → To verify all ordered sizes are accurate.
 - **Pre-Production (PP) Sample** → To finalize materials, trims, and production readiness.
- ⊗ These samples are shipped or digitally shared with buyers for **approval/revisions**.
- ⊗ Buyers may request **multiple revisions** before giving the green signal.
- ⊗ Any delay in approval creates a **domino effect**, pushing back production and shipment schedules.

That's why the ERP system needs strong sampling management features.

ERP Features Needed

1. Sampling Tracker (Proto → Fit → Size Set → PP)

- ✓ Centralized workflow to manage the **entire sampling lifecycle**.
- ✓ Each sample type logged with:
 - Sample request date
 - Factory/vendor responsible
 - Courier/shipment details
 - Buyer feedback & approval status
- ✓ Visual status board (Pending, Under Review, Approved, Rejected).

Impact: Keeps sampling workflow transparent, prevents missed samples, and ensures timely buyer approvals.

2. Digital Sample Library

- ✓ Secure repository to store **sample photos, measurements, comments, and revisions**.
- ✓ Tagged by buyer, season, style number, or factory for quick retrieval.
- ✓ Side-by-side comparison of different versions (before/after changes).
- ✓ Searchable archive (useful for future re-orders of similar styles).

Impact: Reduces dependency on physical files, avoids repeating past mistakes, and creates a knowledge base for future projects.

3. Automated Notifications & Reminders

- ✓ Automatic alerts for:
 - Sample submission deadlines to factory.
 - Buyer approvals pending beyond X days.
 - Internal merchandiser reminders to follow up.
- ✓ Notifications via **email/SMS/WhatsApp** to buyers and merchandisers.
- ✓ Escalation to management if approvals are stuck (to avoid shipment delays).

Impact: Reduces communication gaps, keeps everyone accountable, and speeds up approvals.

4. Quality Checklist Templates

- ✓ Built-in checklists for each sample type (design, stitching, fabric, trims, labeling, packaging).
- ✓ Customizable per buyer (some buyers have strict compliance).
- ✓ ERP-generated inspection reports with pass/fail status.
- ✓ Photo uploads and digital sign-off (by QA team or merchandiser).

Impact: Ensures consistent evaluation standards, reduces rejection risk later in production.

5. Buyer Feedback & Version Control

- ✓ Digital log of buyer's comments for each sample.
- ✓ Version control for revised samples → ensures **only the latest approved sample** is used in production.
- ✓ Document trail (who approved what, when) for accountability.

Impact: Prevents errors due to using outdated or rejected samples, reduces disputes with buyers.

Why This Stage is Critical in ERP

- ✚ Sampling delays are one of the **top 3 causes of late shipments** in Bangladesh's RMG exports.
- ✚ Manual sample follow-ups (via calls & emails) often get lost or delayed.
- ✚ ERP digitization gives **visibility, traceability, and speed**.
- ✚ Buyers also feel more confident when they can track sample status in real time (via a portal/dashboard).

Stage: 3. Raw Material Sourcing & Vendor Allocation

Workflow Description

After an order and samples are approved, the next crucial step is **sourcing raw materials** (fabric, trims, accessories) and allocating the right **factories/vendors** to execute the production.

- ✿ **Fabric Booking:** Buying house coordinates with mills (local or international) for fabric production/booking.
- ✿ **Trims & Accessories:** Labels, buttons, zippers, hangtags, polybags, cartons sourced from specialized suppliers.
- ✿ **Vendor/Factory Selection:** Based on buyer requirements (compliance, capacity, lead time, past performance), a factory is chosen for production.
- ✿ **Material Tracking:** Ensuring timely arrival of fabric and trims at the factory is critical to start bulk production on time.
- ✿ **Compliance Checks:** Buyers often require factories to hold certifications (WRAP, BSCI, Accord, Sedex, etc.). Compliance expiry or mismatch can disqualify a vendor.

Delays in raw material arrival or wrong vendor allocation are **major causes of shipment delays** in Bangladesh's RMG sector.

ERP Features Needed

1. Vendor Database & Compliance Management

- ✓ Centralized vendor/factory database with:
 - Capacity (monthly production ability, machine count, skilled labor availability).
 - Specialization (knit, woven, denim, outerwear).
 - Compliance certifications (expiry dates, buyer-specific approvals).
 - Past performance (on-time %, rejection rate, shipment value handled).
- ✓ Automatic reminders for compliance renewals (e.g., BSCI expires next month).
- ✓ Vendor ranking based on performance KPIs.

Impact: Helps select the right factory instantly, reduces buyer compliance risks, ensures transparency.

2. Raw Material Requisition & Booking Tracker

- ✓ Fabric booking log (with mill, expected delivery, lot numbers).
- ✓ Trims & accessories requisition sheet (buttons, zippers, hangtags, polybags, cartons).
- ✓ Status tracker: Ordered → In Transit → Received → Delivered to Factory.
- ✓ Integration option with bonded warehouse/customs system (for imported fabric).
- ✓ Alerts for delays (e.g., fabric still not shipped after expected date).

Impact: Prevents production delays by tracking fabric/trims in real-time, improves accountability of suppliers.

3. Purchase Order (PO) Automation

- ✓ Auto-generate **POs for raw material suppliers** based on buyer order specs.
- ✓ Templates with buyer style reference, fabric type, trims quantity.
- ✓ Linked with order & vendor module to maintain traceability.
- ✓ Digital PO approval workflow (merchandiser → manager → supplier).

Impact: Saves manual effort, reduces errors in booking, keeps supplier commitments clear.

4. Vendor Allocation Module

- ✓ Match buyer order with best-suited vendor (based on compliance, capacity, specialization).
- ✓ Line booking & production allocation visible to both management and factory.
- ✓ Alerts if vendor is overbooked (capacity exceeded).
- ✓ Option to split orders between multiple vendors (e.g., 50% Factory A, 50% Factory B).





Impact: Optimizes production planning, avoids overloading one factory, minimizes late shipments.

5. Costing & Supplier Comparison Tool

- ✓ Side-by-side comparison of material suppliers (price, lead time, past reliability).
- ✓ Cost sheet updated automatically when selecting vendors.
- ✓ Profitability calculation: Total material cost vs buyer order value.

Impact: Ensures cost-effective sourcing decisions, prevents hidden losses, increases negotiation power.

6. Alerts & Exceptions

-  Fabric not yet shipped 10 days before production start.
-  Trim supplier delayed by 5 days.
-  Vendor compliance expired.
-  Factory already overbooked but new order allocated.

Impact: Gives management early warnings to take corrective action before production is disrupted.

Why This Stage is Critical in ERP

- ✚ **Fabric sourcing alone accounts for 60–70% of garment production lead time.**
Any delay here directly delays shipment.
- ✚ Manual tracking (phone calls, Excel sheets) often misses small but critical updates.
- ✚ Wrong vendor allocation → late shipments, quality issues, buyer dissatisfaction.
- ✚ ERP ensures **transparency, speed, and accountability**, helping buying houses act as reliable partners to buyers.

Stage: 4. Production Management

Workflow Description

Once raw materials are sourced and vendors are allocated, the bulk **production process begins in the factories**. The buying house plays a **liaison and supervisory role** — ensuring that factories stick to the agreed timeline, quality standards, and buyer requirements.

- ⊗ **Line Booking:** Factories allocate production lines for each order.
- ⊗ **Daily Production Tracking:** Merchandisers/production officers follow up daily with sewing, finishing, and packing progress.
- ⊗ **Inspections:** Inline inspections happen at different stages (cutting, sewing, finishing) to catch quality issues early.
- ⊗ **Communication:** Buyers are frequently updated about production status and ETD (Estimated Time of Delivery).
- ⊗ **Delays:** Production bottlenecks (machine breakdowns, labor shortages, fabric arrival delays) are common and need immediate reporting.

Without automation, most of this is tracked via spreadsheets, phone calls, and manual reports — making it **slow, error-prone, and stressful**.

ERP Features Needed

1. Production Scheduling & Line Booking

- ✓ Calendar-based **line booking system** for factories.
- ✓ Assign production lines per style/order with start and finish dates.
- ✓ Visual Gantt chart to track overlapping orders and factory capacity.
- ✓ Alerts if production schedule conflicts with other orders.

Impact: Prevents overbooking, ensures clear visibility of factory capacity, and helps reschedule quickly in case of delays.

2. Daily/Weekly Production Progress Tracker

- ✓ Factory uploads **daily output data** (cutting, sewing, finishing, packing).

- ✓ Planned vs Actual comparison (progress %).
- ✓ Automatic status update on ERP dashboard for buyers and managers.
- ✓ Ability to upload supporting files/photos for transparency.





Impact: Reduces daily follow-up phone calls, gives management real-time progress, and allows buyers to stay informed.

3. Inline Inspection & QA Monitoring

- ✓ Checklists for cutting, sewing, and finishing stages.
- ✓ QA officers record **pass/fail rate, defect reasons, photos** via mobile/tablet.
- ✓ Real-time defect tracking (e.g., 5% defects in sewing → immediate action).
- ✓ Analytics for rejection trends (by factory, by product type).

Impact: Ensures consistent quality, avoids last-minute rejections, and reduces risk of shipment delays due to poor quality.

4. Exception Alerts (Delays & Issues)

-  Fabric not received → production start delayed.
-  Sewing output behind schedule by 15%.
-  Inline inspection failed at 10% defect rate.
-  Worker strike/labor shortage alert reported from factory.
- System sends automatic escalation to senior management.

Impact: Early warnings allow proactive corrective action (e.g., shifting production to another vendor, increasing overtime, or fast-tracking shipments).

5. Buyer Communication & Visibility

- ✓ Buyers can access a **secure portal/dashboard** to see live production status.
- ✓ Automatic weekly progress reports emailed to buyers.

- ✓ Approval workflow for production changes (timeline extensions, quantity adjustments).
- ✓ *Impact:* Builds buyer trust, reduces endless back-and-forth emails, and makes the buying house more professional and transparent.

6. Document & Evidence Management

- ✓ Upload work-in-progress photos, inspection reports, videos.
- ✓ Maintain production file history per order (helpful for disputes).
- ✓ Attach corrective action reports for quality issues.

Impact: Creates a digital audit trail, protects buying house against disputes, improves accountability of factories.

7. Vendor/Factory Performance Tracking

- On-time delivery rate % (order-wise, factory-wise).
- Production efficiency (planned vs actual output per day).
- Defect percentage across different production stages.
- Ranking dashboard (best → worst performing factories).

Impact: Helps management identify reliable vendors and phase out weak ones, leading to long-term efficiency gains.

Why This Stage is Critical in ERP

- ✚ **70% of buyer complaints** come from production delays or quality issues.
- ✚ Manual supervision = high manpower cost + incomplete visibility.
- ✚ ERP ensures:
 - **Real-time monitoring** of output and quality.
 - **Proactive alerts** for problems before they escalate.
 - **Transparency** that boosts buyer confidence and repeat orders.

Stage: 5. Quality Assurance (QA) & Final Inspection

Workflow Description

Before garments are shipped, they must pass strict **quality checks** to meet buyer standards. Any failure at this stage can cause **shipment delays, air freight costs, penalties, or even cancellation of the order**.

- ⊗ **Inline Inspections:** Conducted at cutting, sewing, finishing stages to catch defects early.
- ⊗ **Final Inspection:** Conducted once garments are fully packed, based on AQL (Acceptable Quality Level) or buyer-specific standards.
- ⊗ **Buyer/Third-Party Inspections:** Some buyers send their own QA team or request third-party auditors (e.g., SGS, Bureau Veritas, Intertek).
- ⊗ **Documentation:** Inspection reports are shared with buyers for shipment clearance.

Currently, many buying houses track inspections in **Excel sheets, emails, or handwritten reports** — making it prone to human error and delays.

ERP Features Needed

1. Inline Inspection Module

- ✓ Pre-set **inspection checklists** (stitching, measurements, labels, trims, packaging).
- ✓ Digital defect logging (with defect type, quantity, %).
- ✓ Upload photos/videos as evidence.
- ✓ Real-time defect alerts to merchandiser & factory.
- ✓ Pass/Fail status updated instantly on ERP.

Impact: Catches defects early, reduces rejection at final stage, minimizes rework and wastage.

2. Final Inspection Management

- ✓ Automated scheduling of final inspection (linked to shipment date).
- ✓ AQL-based evaluation (e.g., Acceptable Quality Level 2.5).
- ✓ Digital scoring system: Pass/Fail with detailed remarks.

- ✓ E-signature enabled inspection reports for buyer/QA managers.
- ✓ Auto-generated **Final Inspection Report (FIR)** ready for buyer submission.

Impact: Ensures consistency, speeds up buyer approval, avoids last-minute shipment blocks.

3. Third-Party QA Integration

- ✓ Option to **invite third-party inspectors** via ERP.
- ✓ Share style files, order details, and checklists securely.
- ✓ Third-party reports uploaded directly into ERP (no email chains).
- ✓ Buyer can access third-party inspection results via portal.

Impact: Builds buyer confidence, reduces communication errors, makes ERP a single source of truth.

4. Digital QA Reports & Buyer Access

- ✓ Centralized repository of all QA reports (inline + final).
- ✓ PDF/Excel export for buyers, linked to each order.
- ✓ Secure **buyer login portal** to view inspection outcomes.
- ✓ Trend reports: Defect % by style, by vendor, by season.

Impact: Creates transparency, enhances professionalism, reduces disputes with buyers.

5. Corrective Action Tracking

- ✓ When inspection fails, ERP automatically generates a **Corrective Action Request (CAR)**.
- ✓ Assigns responsibility to factory/vendor.
- ✓ Tracks resolution (e.g., re-sewing, re-packing, trimming correction).
- ✓ Updates status once resolved and re-inspected.

Impact: Prevents repetitive mistakes, improves vendor accountability, ensures timely corrective measures.

6. Alerts & Escalation

- 🚨 Inline inspection failure > 10% defect rate.
- 🚨 Final inspection failed → shipment on hold.
- 🚨 Buyer approval pending > 3 days.
- Escalates to management automatically if issues remain unresolved.

Impact: Keeps management informed before problems escalate into costly shipment delays.

Why This Stage is Critical in ERP

- ✚ Quality is the **#1 reason buyers switch sourcing partners** — one failed shipment can destroy a relationship.
- ✚ Manual QA = inconsistent standards, late reporting, hidden problems.
- ✚ ERP ensures:
 - Standardized QA processes across vendors.
 - **Real-time inspection updates** to buyers.
 - **Digital evidence** for disputes.
 - A **compliance trail** that strengthens the buying house's credibility.

Stage: 6. Shipment & Logistics

Workflow Description

After final inspection approval, the order moves into **shipment preparation**. This involves coordinating with freight forwarders, preparing export documents, clearing customs, and updating buyers with shipping details.

- ⊗ **Booking Shipments:** Arranging space with shipping lines/airlines (often via freight forwarders).
- ⊗ **Export Documentation:** Commercial invoice, packing list, bill of lading (BL), certificate of origin, GSP (Generalized System of Preferences), and buyer-specific documents (L/C-related).
- ⊗ **Customs Clearance:** Coordinating with bonded warehouses, customs, and port authorities.
- ⊗ **Shipment Tracking:** Monitoring goods from ex-factory to vessel loading and final delivery (ETD → ETA).
- ⊗ **Buyer Updates:** Buyers demand real-time updates on shipment status to plan retail launches.

Manual handling often causes **document errors, missed deadlines, and communication gaps**, leading to penalties, air shipments (extra cost), or shipment rejection at destination ports.

ERP Features Needed

1. Shipment Booking Module

- ✓ Record freight forwarder details (shipping line, airline, booking number).
- ✓ Assign shipment mode (Sea, Air, Courier).
- ✓ Reserve space for containers/cargo.
- ✓ Link shipments directly to buyer orders.
- ✓ Dashboard showing upcoming shipments (by date, mode, forwarder).

Impact: Centralizes all shipment bookings, avoids double-booking, keeps forwarder coordination transparent.

2. Export Document Generator

- ✓ Auto-generate all export documents:
 - **Commercial Invoice (CI)**
 - **Packing List (PL)**
 - **Bill of Lading (BL) / Airway Bill (AWB)**
 - **Certificate of Origin (COO)**
 - **GSP, L/C Documents** (if applicable)
- ✓ Pulls data directly from confirmed orders (buyer, style, qty, FOB price, etc.) → reduces manual entry errors.
- ✓ Digital approval workflow for document verification.

Impact: Speeds up document preparation, minimizes human error, ensures compliance with buyer/bank requirements.

3. Customs & Compliance Integration

- ✓ Customs clearance tracker (submission date, clearance status).
- ✓ Integration with **bonded warehouse systems** (if possible, via API/EDI).
- ✓ Alerts for missing customs paperwork.
- ✓ Compliance log for buyer-specific export rules (e.g., EU GSP, US LDP).

Impact: Avoids shipment blocks, reduces clearance delays, ensures smooth compliance handling.

4. Shipment Tracking & Milestone Updates

- ✓ Shipment timeline
 - Ex-Factory → Port-in → Vessel Departure (ETD) → Vessel Arrival (ETA) → Buyer Warehouse.
- ✓ GPS/API integration with forwarders (optional advanced feature).
- ✓ Real-time status updates accessible to buyers via portal.
- ✓ Exception alerts for delays, transshipments, port congestion.

Impact: Gives both buying house & buyers full visibility, reduces “where is my shipment?” calls, strengthens trust.

5. Buyer Communication & Portal Access

- ✓ Buyers receive automated updates on shipment milestones.
- ✓ Access to downloadable export documents from buyer portal.
- ✓ Notification if shipment is delayed or rescheduled.
- ✓ Option for buyers to upload their own shipping instructions (marking/labelling rules).





Impact: Enhances buyer confidence, reduces manual email chains, builds professionalism.

6. Cost & Freight Analytics

- ✓ Freight cost recording per shipment (Air vs Sea).
- ✓ Analysis of **freight cost as % of total order value**.
- ✓ Reports on late shipments, extra costs (e.g., airfreight due to delays).
- ✓ Vendor accountability (if delays were caused by factory or material suppliers).

Impact: Identifies hidden costs, supports negotiation with freight forwarders, improves profitability.

7. Alerts & Exception Handling

-  Export documents pending 3 days before shipment.
-  Customs clearance stuck.
-  Shipment delayed at port.
-  ETD missed, reschedule required.

Impact: Keeps management aware of risks before they escalate into penalties or shipment cancellations.

Why This Stage is Critical in ERP

- ✚ **Export documentation errors** are one of the top reasons for shipment delays in Bangladesh.
- ✚ Miscommunication with freight forwarders → costly air shipments.
- ✚ Without digital visibility, buyers lose trust and may shift orders to other sourcing hubs (Vietnam, India, etc.).
- ✚ ERP ensures:
 - **Accurate documents** generated instantly.
 - **Real-time visibility** of shipments.
 - **Faster communication** with buyers & forwarders.
 - **Early warnings** to avoid last-minute crises.

Stage: 7. Finance & Costing

Workflow Description

Finance in a buying house is more complex than simple income and expenses. It involves:

- ⊗ **Costing Before Order Confirmation:** Buyers request target prices. Buying house calculates fabric, trims, labor, freight, overheads, commissions → to check if profitable.
- ⊗ **Commercial Invoices & Payment Terms:** Once shipment is ready, invoices are issued to buyers (linked to L/C, TT, or open account).
- ⊗ **Payments Tracking:** Managing receivables, due dates, and overdue payments.
- ⊗ **Profitability Analysis:** After shipment, management reviews actual cost vs agreed price.
- ⊗ **Buyer-wise Performance:** Identifying which buyers bring higher margins and which cause financial stress.

Currently, most buying houses prepare costing in **Excel sheets** and track payments manually — leaving high room for **errors, cashflow stress, and weak profitability monitoring**.

ERP Features Needed

1. Cost Sheet Automation

- ✓ Auto-generate order costing based on:
 - Fabric (price, consumption, wastage %)
 - Trims & accessories
 - Labor & overheads
 - Freight & logistics costs
 - Buying house service/commission fees
- ✓ Template-driven, customizable for different buyers.
- ✓ Scenario comparison (target price vs actual costing).

Impact: Prevents underquoting, improves negotiation confidence, ensures every order is profitable before acceptance.

2. Buyer Invoice Generation

- ✓ Auto-generate **Commercial Invoices (CI)** linked to confirmed orders & shipments.
- ✓ Supports multiple payment methods:
 - L/C (Letter of Credit) → auto-match with banking docs.
 - T/T (Telegraphic Transfer).
 - Open account (credit-based).
- ✓ Currency support (USD, EUR, GBP) with exchange rate management.
- ✓ Digital invoice approval workflow (from finance manager).

Impact: Reduces manual errors, speeds up invoice preparation, ensures compliance with banking and buyer requirements.

3. Accounts Receivable Tracker

- ✓ Centralized dashboard of buyer payments:
 - Paid, Partially Paid, Pending, Overdue.
- ✓ Automatic reminders for overdue payments.
- ✓ Buyer credit history (average payment delay, disputes).
- ✓ Integration with shipment & bank records (to match L/C payments).

Impact: Improves cashflow visibility, reduces overdue risks, helps management forecast working capital needs.

4. Profitability Analysis

- ✓ Order-wise profit margin calculation: Buyer Price – Total Cost.
- ✓ Buyer-wise profitability: Long-term value analysis.
- ✓ Factory/vendor contribution to cost vs quality performance.
- ✓ Seasonal profitability reports (e.g., Summer '25 vs Winter '25).

Impact: Helps management identify profitable vs non-profitable buyers, streamline vendor relationships, and focus on high-margin segments.

5. Buyer & Vendor Performance Financial Reports

- ✓ Buyer rating: On-time payment %, profitability, repeat orders.
- ✓ Vendor rating: Cost competitiveness vs quality delivered.
- ✓ Dynamic reporting (pivot-style dashboards).

Impact: Informs strategic decisions on which buyers/vendors to prioritize or avoid.

6. Integration with Accounting Systems

- ✓ Sync with existing accounting solutions (Tally, QuickBooks, SAP B1, Xero).
- ✓ Export finance data (invoices, payments, costing) for external audits.
- ✓ Custom reports for taxation & compliance.

Impact: Ensures smooth audit, regulatory compliance, and accounting standardization.

7. Alerts & Exceptions

- 🚨 Order quoted below cost price.
- 🚨 Buyer payment overdue > 30 days.
- 🚨 Exchange rate fluctuations affecting margins.
- 🚨 Repeated losses on same buyer/vendor combination.

Impact: Protects financial health, prevents risky orders, and strengthens decision-making.

Why This Stage is Critical in ERP

- ✚ Buying houses operate on **thin margins (3–7%)**. One wrong costing can wipe out profit.
- ✚ Manual finance = delayed insights, hidden losses, cashflow problems.
- ✚ ERP ensures:

- Transparent **costing & profitability** before committing to an order.
- Accurate invoices linked to shipments.
- Real-time payment visibility to prevent overdue risks.
- Buyer/vendor financial performance insights → guiding strategy.

Stage: 8. Post-Order Analysis & Reporting

Workflow Description

Once an order has been produced, inspected, and shipped, the buying house must conduct **post-order evaluation**. This stage is not about execution but about **learning, analyzing, and improving** future operations.

- ⊗ **Buyer Review:** Was the buyer satisfied with quality, delivery, and communication?
- ⊗ **Vendor Evaluation:** Did the factory/vendor meet deadlines, quality, and compliance standards?
- ⊗ **Financial Review:** Was the order profitable? Were there hidden costs (air freight, rework, buyer deductions)?
- ⊗ **Management Reporting:** Senior management needs **consolidated dashboards** to see the big picture — which buyers, vendors, and order types bring the most value.
- ⊗ **Forecasting & Planning:** Insights from completed orders help plan for upcoming seasons (Summer/Winter collections, peak months).

Without structured reporting, buying houses struggle to identify **patterns of profit/loss, vendor weaknesses, or buyer risks** — and repeat the same mistakes.

ERP Features Needed

1. Order Performance Dashboard

- ✓ Consolidated overview of each completed order:
 - Planned vs Actual Production Timeline.
 - On-time delivery rate.
 - Quality performance (inspection pass %, defects).
 - Shipment delays (if any).
- ✓ Order scorecard (e.g., Green = successful, Red = delayed/problematic).

Impact: Immediate visibility of how each order performed and where bottlenecks occurred.

2. Buyer Performance Analytics

- ✓ Buyer rating system:

- Average order value.
- On-time payment %.
- Complaint/return rate.
- Repeat orders (loyalty metric).
- ✓ Buyer profitability trends (seasonal, yearly).
- ✓ Reports showing **which buyers strengthen vs drain business**.

Impact: Helps prioritize high-value buyers, renegotiate with difficult ones, and identify new opportunities.

3. Vendor/Factory Scorecards

- ✓ Vendor performance measured by:
 - On-time delivery %.
 - Quality pass rate %.
 - Production efficiency (output vs plan).
 - Compliance status (valid/expired).
- ✓ Vendor ranking (best → worst) with automatic recommendations for future orders.

Impact: Builds a vendor performance database → management can shift orders away from weak vendors.

4. Financial & Profitability Reports

- Order-wise profit/loss statement.
- Buyer-wise profitability analysis.
- Vendor contribution to cost overruns (e.g., late trims causing air shipment).
- Season-based revenue & margin breakdown (e.g., Spring 2025 vs Fall 2025).

Impact: Identifies hidden losses, strengthens costing accuracy for future orders, and supports better pricing strategy.

5. Exception & Risk Reports

- 🚨 % of orders delayed beyond shipment deadline.
- 🚨 % of orders rejected/discounted by buyers.
- 🚨 Recurring issues (e.g., trims delay, quality rejections).
- 🚨 High-risk buyers (slow payments, frequent disputes).

Impact: Creates actionable intelligence for management to fix recurring weaknesses.

6. Predictive Insights (Advanced, Phase 3)

- ✓ AI-driven demand forecasting (predicting buyer order volumes based on history).
- ✓ Predictive risk scoring (vendor reliability, buyer credit risk).
- ✓ Shipment delay prediction (based on past vendor/factory trends).

Impact: Shifts ERP from reactive reporting to proactive decision-making.

7. Management Dashboards

- ✓ One-page view for owners/CEOs with KPIs like:
 - Total Orders This Season.
 - On-Time Delivery %.
 - Total Export Value & Margin.
 - Top 5 Buyers (by value/profit).
 - Top 5 Vendors (by reliability).
 - Delayed Orders (with reasons).

Impact: Empowers leadership with data-driven insights at a glance, without chasing multiple reports.

Why This Stage is Critical in ERP

- ✚ Without structured analysis, **mistakes repeat every season** (same weak vendors, same buyer disputes).

- ✚ Post-order reports ensure **continuous improvement** and help management plan strategically.
- ✚ Buyers increasingly prefer sourcing partners who can present **data-backed performance reports**, which makes the buying house more credible.