

CASE STUDY:

Leading Vietnamese garment manufacturer, Duc Hanh, reduces fabric wastage by almost 2% and obtains full fabric visibility with IntelloCut, from Coats Digital

Waste reduction, real-time planning, fabric optimisation, smarter buying, and BOM savings are the key benefits IntelloCut has delivered for Duc Hanh.

About the customer



Located in Ha Nam province, Vietnam, Duc Hanh Garment Joint Stock Company (hereafter “Duc Hanh”) is a key production partner for prestige brands such as Polo Ralph Lauren and Chaps. With a capacity of 2.2 million pieces a year, and 18 production lines spread across a 32,000m² facility, Duc Hanh specialises in delivering volume without compromising on the quality its customer’s demand.

Challenges and their solutions

1. Limited visibility of cutting room operations

Prior to implementing IntelloCut, the cutting floor at Duc Hanh was coordinated manually, using a homegrown spreadsheet solution that quickly proved unfit for purpose, since it was unable to provide full visibility into the consumption of fabric in cutting operations. As a result, the Duc Hanh teams found themselves unable to accurately forecast fabric requirements. In turn, this led to reduced material yields, comparatively high material wastage, and lost business opportunities.



Solution

Duc Hanh implemented Coats Digital’s IntelloCut, the leading solution for automated, intelligent, closed-loop fabric planning, in 2018, and results followed quickly. By providing complete tracking and full visibility of fabric on the cutting floor, IntelloCut enabled Duc Hanh to almost instantly optimise its operations, reducing wastage to 1.95% soon after implementation. Three years on from that initial implementation, IntelloCut continues to provide a visibility advantage, cutting fabric waste to just 1.7% across the lifetime of the partnership between Duc Hanh and Coats Digital.

These compounded fabric savings have had a direct impact on Duc Hanh’s bottom line: using IntelloCut, the company was able to save 2.2% on its bill of materials and to make better-informed fabric bookings, both of which improved profitability with minimal effort of Duc Hanh’s part.

KEY FACTS

CUSTOMER

Duc Hanh Garment JSC

LOCATION

Vietnam

CHALLENGE

- Limited visibility of cutting room operations
- Disconnected data and time-consuming reporting

KEY BENEFITS

- Fabric wastage reduced to 1.7%
- Significant BOM savings of 2.2%



From a starting point of a heavily manual workflow and very limited visibility, Intellocut quickly enabled us to eliminate the Excel spreadsheets we had been using, providing complete, real-time visibility into the cutting process. As a direct result of implementing Intellocut and partnering with Coats Digital, we can now accurately estimate our fabric requirements, which has allowed us to achieve much higher efficiency and productivity at the same time as cutting fabric waste.

**David Goh, General Manager,
Duc Hanh Garment JSC**



David Goh continued, “And thanks to the data centralisation and reporting capabilities of Intellocut, we can now easily measure our efficiency and material utilisation. We now have enough confidence to buy only the exact amount of fabric that the facility needs – no more, and no less.”



2. Disconnected data and time-consuming reporting

Before Intellocut, Duc Hanh’s teams would routinely gather data manually, and create bespoke reports using Excel – both processes that directly impacted the company’s ability to respond to customer’s demands and confirm orders on time.

Solution

As well as enabling Duc Hanh to correctly calculate its fabric consumption, Intellocut has had added benefit of consolidating and centralising the company’s cutting room data. With the combined power of visibility and a single source of data, Duc Hanh has been able to both automate its data capture – ensuring accuracy – and rapidly produce detailed reports and order confirmations.



Jaya Choudhary, Professional Services Manager at Coats Digital commented, “Duc Hanh is one of Vietnam’s leading garment manufacturers – a position it has achieved and maintained because of its strong investment in modern technology and a cohesive, connected approach to production.”



After implementing Intellocut in 2018, and making extensive use of the solution’s planning automation, visibility, and execution control capabilities, Duc Hanh has successfully kept its fabric wastage to below 2%. We are thrilled to have been a part of that journey, and we applaud the results that Duc Hanh has been able to achieve – positioning it as a forward-looking production partner on the world stage.

**Jaya Choudhary,
Professional Services Manager,
Coats Digital**



Key benefits and ROI



Real-time fabric planning and cutting floor visibility



Optimised fabric utilisation, with wastage well below 2%



Significant BOM savings of 2.2%



Reactive, real-time reporting and rapid order confirmation



Automated data capture and consolidation

CASE STUDY:

Duc Hanh Garment JSC - Intellocut

Intellocut's automated, closed-loop approach to fabric planning reduces the amount of effort and time spent on re-planning, and at the same time maximises fabric utilisation. Backed by artificial intelligence, Intellocut is suitable for fashion manufacturers of all types and sizes. It learns and advances with the cutting floor, delivering an effortless approach to fabric utilisation.

For more information about the features and business benefits of Intellocut, or any of Coats Digital's supply chain solutions, visit: www.coatsdigital.com or email: marketing.coatsdigital@coats.com