

Are You Getting All You Are Paying For?

By Marcy Leskela

Careful retailers in all types of industries spend a lot of time checking in shipments, comparing the shipments against packing slips and order forms. For most retailers, it is a simple matter of count in the number of items shipped to the number of items billed. But the fabric industry isn't that easy. Of course with a shipment of notions, where you are dealing with "eaches", the process is not too complicated or too time consuming. You order 6 books your packing slip says "6 shipped"; you count the 6 that arrived. It's done. But when it comes to fabric, ordered and invoiced by yard units, it gets far more complicated. You ordered a group; each bolt is supposed to have 15 yards; the bolt end says 15 yards; you pay for 15 yards. But are there really 15 yards?

The issue of bolt shortages is an issue all careful fabric retailers deal with. If a bolt that is supposed to have 15 yards has only 9 or 10, that is fairly easy to spot and is worth your time to measure accurately and notify your distributor. However, if the bolt has 14 1/2 yards you may never know if you don't measure. Of course, you have far too many things to do to unroll, measure, and re-roll every single bolt of fabric that comes into your store! If you personally undertake the task, it will eat up the time you need to handle all the other matters that need your attention. If you are paying an employee \$7.00 per hour, it will cost you about \$2.50 for the 20 minutes or so it will take her to unroll, measure, and re-roll the bolt. If you paid \$3.75 for the fabric in question, and the bolt is 1/2 yard short, it will end up costing you 62 cents after you get a credit back from the distributor!

But what if 25% of your total bolt count is 1/2 yard short? If your average cost is \$3.75 and your average bolt count is 2,000, you will pay for 250 yards of fabric you did not receive. That cost is a whopping \$1,875, or \$3,750 in lost revenue! So, what is the solution? Obviously, you cannot unroll, measure, and re-roll every bolt of fabric! Also, equally obvious, you cannot ignore the reality of bolt shortages.

If you are ordering from a new supplier, spot-checking a few bolts would be in order, maybe 3 or 4 bolts in a shipment of 10. If you have ordered a new line or group from a regular supplier, a random check of 3 or 4 bolts in a shipment of 10, would also be reasonable. While you are re-measuring, consider the accuracy of your measuring practices.

Thumbs Up!

Are you measuring very carefully, and not adding a thumb width to each yard? (That could result in a false "shortage" of one thumb width ---about 3/4"---per yard or 3/8 of a yard "shortage" on an 15 yard bolt.) Also, be honest: if two of the three bolts are 1/4 yard short, and one is 1/2 over,(i.e. 15 1/2 yards) there is no "real" shortage. You're getting the amount you paid for.

Should you offset the shortages by increasing your prices? Of course, all costs are passed along to the consumer, including the cost of employees who are spending time re-measuring. The better business practice would be to determine your own "variance tolerance" and have the supplier issue a credit for the amount of shortage. Don't forget ---requesting and tracking credits will also take your time. Establish a reasonable standard; for example, a total shortage of 1/2

yard in 180 yards shipped (.0277% shortage) may not be worth pursuing, especially if it is not a common problem with that supplier.

Everybody's Problem

The problem of bolt shortages is also a big headache for suppliers. If the fabric comes cellophane wrapped, on a manufacturer's board (i.e. V.I.P., Hoffman, Jinny Beyer, Marcus Brothers, Benartex, etc.) the distributor did not double and roll the fabric. The big mills generally employ contractors who put up the fabric according to the manufacturer's specifications (number of yards on a bolt, right side out, etc.). The experience of the roller may affect the degree of accuracy of the yardage stated, the humidity in the plant may cause some shrinkage of the fabric, the tension on the rolling machine impacts the yardage measurement (which is why knits are more likely to be "short" than tightly woven fabrics). It is not an exact science. As an "experiment" in your store, have 3 people measure a bolt of fabric; it is unlikely that each will report exactly the same yardage to the inch.

Many suppliers purchase goods ROT (rolled on tube) with substantial yardage (50-100 yards). The supplier then uses its own equipment and personnel to double and roll in more usable quantity for the independent retailer (10-15 yards). Or, the supplier may purchase the goods from the manufacture on a 25 yard bolt and re-roll into two smaller bolts. Sometimes the supplier also has "bolt shortages". Brewer Sewing Supplies in Tennessee considers a 3-5% variance (over or under) to be within acceptable tolerances. Carol, from the Brewer warehouse said, "Of course, if our customer receives short bolts, they just need to call and we will issue a credit". Brewer has 5 of its own rolling machines which are inspected and undergo maintenance 2 or 3 times a year.

E.E. Schenck, a distributor (and converter) in Portland, Oregon has 6 rolling machines, all "measuregraphs." They process approximately 250,000 yards of fabric each month. Jeff Faulkner, warehouse manager, stated they have very tight inventory controls and have developed internal accounting systems to track accuracy. He explained that the measuring device on the rolling machines is a measuring roll, the circumference of which is exactly 1/2 yard; two complete turns of the roll is one yard. A yardage measuring foot sits on the fabric while the roll is turning; that foot, or "lever" records the yardage. At the end of the piece, the lever drops into a track or notch, and stops recording.

At Schenck, the "roller/cutter" I.D. number is noted on every bolt he processes. "We do our very best to be as accurate as possible; it is to no-one's advantage to do otherwise", Jeff said. Schenck uses "cut sheets" to track "yards in and yards out". If the yards out(sold to their customers) is more than 10% less than the yards in (from the manufacturers) they go back to their vendors for an adjustment. Schneck does not sell "resultant" pieces but actually measures the entire yardage. For example, if a bolt from a manufacture says 25 yards, they do not measure off 12 yards and assume there is 13 yards left; they measure it to be sure it is accurate. Schenck will issue credits to their customers for short bolts or flaws for as little as 1/2 yard.

Mark Santangelo, from Aptex in Seattle, Washington, pointed out the financial drain that would result from any on-going short bolt situation. It costs about \$10.00 for Aptex to issue a credit. If a bolt is a yard short and the cost to the retailer was \$3.75, Aptex still loses \$6.25 and may have an upset customer. "There is absolutely no reason for bolts to be short on purpose," he stated. If a customer wanted a credit on a short bolt that was purchased from Aptex, the credit amount

would be "traded out" against other merchandise if it was a small amount (i.e. 1/2 yard or so). For a very small shortage, the adjustment would more likely be in the form of a free notion of some type. Of course, if the bolt has been cut, it has been "accepted" and no credit would be issued. Aptex's rolling machines are inspected once a year.

In addition, they use an 10 yard piece of fabric, measured exactly in one single, continuous measurement, to periodically check the calibration of the equipment. The single, continuous measurement is the most accurate and is the method Aptex uses if there is a bolt shortage. "No company is routinely short", Mark stated, but "sometimes a whole new collection or group may be short." In those rare instances, Aptex will credit their customers accordingly, and re-mark all bolts from that collection that remain in their warehouse. In such a circumstance, the shortage can usually be traced to a manufacturer's rolling contractor who may have been improperly trained or is using improperly calibrated equipment. Aptex considers a 1% variance to be acceptable, "but will make every effort to keep their customers happy". "It is our best interest to get it right the first time, credits are very expensive for everyone involved," said Mark.

Do Your Own Checks

Shop owners should periodically check the actual yardage on some bolts when the shipment arrives. Evaluate your measuring practices to be sure you are as accurate as possible. Establish a tolerable "variance" for your shop and contact your supplier for an adjustment or credit when the shortage exceeds the variance amount. Do not cut off any amount on any bolt you determine is short until the adjustment has been made. If you have received several bolts of a new group or collection, and find, for example, that 3 of 3 bolts are short, contact your supplier immediately; it may be a problem with the entire collection. If the supplier refuses to issue a credit or provide any type of adjustment, investigate changing to a different supplier. Promptly issuing credits or adjustments for shortages is an indication of the supplier's good faith.