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VICS Establishes the Presence in the Asian Pacific Textile/Apparel Industry for the First Time!!

Textile Industry: Crucial Position in VICS

VICS (Voluntary Inter-industry Commerce Solutions Association) is comprised of North America brand owners and retailers, most of which are global top 500 companies. Since VICS AsiaPacific was established in the end of 2007, it has been progressing with full support from textile/apparel companies and organizations in Greater China Area.

China is the largest textile producing, consuming and exporting country in the world. Take fibre processing for example, its production volume takes up one third of the total volume in the world. Given the increasing number of companies, the priority for Chinese textile industry development is to improve the industry competitiveness and technology. Therefore, VICS, having the most influential textile companies and retailers, becomes their first choice. More than half of the VICS members belong to General Merchandise industry. According to current key projects promoted by VICS, both CMSS (Collaborative Material Standards Specifications) Committee and VICS/AAFA (American Apparel & Footwear Association) Item-Level RFID Committee give priority to textile. Textile industry is a crucial component for VICS.

On June 23rd, 2008, an MOU was made by VICS and China National Textile and Apparel Council (CNTAC) for business cooperation. In addition to two events held in Orlando and Shanghai in 2009, both parties visited important textile companies in China. With concerted efforts, VICS has already gained new members in Asia Pacific including Li-Ning, Fountain Set, Esquel, New Wide, HTT and CNTAC.

Geared to international standards, Li-Ning became the first VICS brand owner member in China

The leading sports brand owner in China: Li Ning (China) Sports Goods Co., Ltd. has its own branding, research and development, design, manufacturing, distribution and retail capabilities. Li-Ning produces athletic footwear, apparel and accessories, all primarily sold under its own Li-Ning brand. The company has established announced to cooperate with Michelin on sports footwear development. The company use Michelin technology in its own brand soles to provide stronger trackholding and abrasion resistance.

Dedicated to promote its brand, Li-Ning has made continued efforts to improve core competitiveness, distribution management; supply chain management, product development and their efforts have paid off. Take footwear of Li-Ning brand as an example, the sales has seen a growth of 81.9% comparing to last year, while garment a growth of 45.8% and accessories, 40.4%. What most

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important is that Li-Ning has committed itself to the improvement of its supply chain efficiency since the beginning of 2006, taking CPFR as guideline, building the supply chain model pulled by demand and quick response, and realizing quick replenishment every 7 days. Moreover, some of its measure like integrating production merchandising processes and improving supply chain efficiency definitely match with the VICS guidelines and standards. Particularly, VICS has accumulated outstanding experiences in supply chain improvements and collaboration for brand owners and have assisted companies for many years. VICS hope Chinese brand owners can also apply VICS guidelines so that it will build best practices suited for Chinese companies and operating models. So Li-Ning' s membership in VICS will enable them to further the collaboration and communication efficiencies in the future.

Significant projects like “Textile industry CMSS Platform” and “Textile Industry Material Numbering Standards Establishment” are about to kickoff!

After the CMSS roundtable meeting on June 19th, VICS is making efforts to drive the communication and code standards of raw material for textile and apparel companies in Greater China Area. In August, VICS CMSS committee set up Asia Pacific workgroup, and according to the participating companies, there are three sub-groups: Process & Standard Sub-group, Technology & Collaboration Sub-group, Technology & Collaboration Sub-group and Fabric Functions, Performance and Quality Assurance Sub-group. GS1 HK is presently invited as one of conveners by Process & Standard Sub-group; eBizserve is invited as one of conveners by Technology & Collaboration Sub-group; CNTAC is invited as one of conveners by Fabric Functions, Performance and Quality Assurance Sub-group. Later, other conveners will be invited after each sub-group work details are determined. In the following days, Process & Standard Sub-group will send invitations to companies and develop relative business.

Recently, VICS is taking initiatives in helping China Fabric Coding Standard (CFCS) led by CNTAC to be established as global industry standards. In order to achieve this goal, National Merchandise Coding Standard Technology Committee set up Technology sub-committee, a standard technology organization led by Standardization Administration of the People' s Republic of China (PRC). With China Textile Information Center (CTIC) being its secretariat, this sub-committee will be planned and created by National Merchandise Coding Standard Technology Committee. CFCS is of great significance to help the Chinese textile and apparel companies to create uniform and standardized textile numbering standards and system, providing companies and buyers with information concerning production, sales, market trend, consumer demands, product price index, and build fabric huge real and virtual data so as to create bran-new production and business model for global textile and apparel industry. VICS will throw itself into this project and expect that this type of code can become a global fabric coding standard shared by all textile and apparel companies through VICS in the future.

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Asian brand owners and retailers play an important role in VICS!

VICS is comprised of the largest buyers and brand owners (most of them are in top 500, total turnover reaches 2.3 billion dollars!). Currently, besides said textile and apparel companies, VICS AsiaPacific is contacting retailers in Greater China Area. As the huge market with 1.3 billion people, the consumption power is increasing which brings the great opportunity of market development. Different from European and America supermarkets, Chinese convenience stores have emerged every street corner in each city, representing that retail network is ranging from large cities to middle and small cities and that merchandises of suppliers could penetrate into every place. On the occasion of the 30th anniversary of China's reform, VICS upcoming guidelines and standards will be popular in Chinese retailer companies. Now, some industry associations express their interest in the collaboration with VICS. Meanwhile, VICS would like to share its members' experience in North America retail system developments and improvements with Asia's.

VICS AsiaPacific Executive Committee will invite local important brand owners and retailers to join us for the implementation of VICS standards and guidelines

With the increasing of VICS AsiaPacific members, VICS AsiaPacific is setting about the VICS AsiaPacific Executive Committee, which will include buyers, brand owners and manufacturers from all industries, and other industry organizations and academic institutes. The members in this committee will act as leader of its industry, and develop collaborative strategy for the VICS business improvements in the future. Currently, CNTAC and other domestic important textile and apparel companies will be invited. Additionally, large retailers and brand owners also will be invited. By virtue of the interaction opportunities with Asian Pacific members, VICS has full confidence in sharing supply chain improvements developed for many years with member companies and in creating new collaborative models with VICS global members.

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Who we are

VICS, the Voluntary Interindustry Commerce Solutions Association, is a not-for-profit association made up of international major retailers and brand owners such as Best Buy, Dillard' s, FedEx, Guess, HP, Hitachi, IBM, JCPenney, Johnson & Johnson, Kimberly-Clark, LG, Liz Claiborne, Macy' s, Maersk, Motorola, Nestle, Nike, P&G, Panasonic, Polo Ralph Laurent, Samsung, Sony, Target, Unilever, Wal-Mart and others (for a full listing of the company, please refer to <http://www.vics.org/about/roster/>).

Our mission and success

VICS' vision for the future is a world in which products move through the Global Supply Chain, seamlessly and efficiently, maximizing value for manufacturers, retailers and suppliers. To achieve this, we engage communities of interest to sit in open, safe forums to develop standard business guidelines based on real-world needs and processes. As a not-for-profit association, its mission is to take a global leadership role in the development of business guidelines & specifications; facilitating implementation through education and measurement, resulting in the improvement of the retail supply chain efficiency and effectiveness, which meet or exceed customer and consumer expectations.

VICS AsiaPacific was set up!

VICS has established an office in Beijing for the purpose of engaging the Asia Pacific business community in the development and implementation of voluntary guidelines to create more effective business processes, increase supply chain efficiencies, and generate more mutual benefits. Here's what you can expect from VICS Asia Pacific community –

- Learn from best-in-class case studies of western retailers and suppliers on all aspects of supply chain practices
- Gain valuable net working opportunities while co-working with western business partners on various ground breaking supply chain guidelines

VICS AsiaPacific next steps...

- Gather trade partners from AsiaPacific for a community where you could collaborate with your existing western business partners on different guidelines;
- Provide a new way for more mutual benefits. Guidelines focus on:
 - Collaborative Product Development to shorten the lead-time and simplify the communication process
 - Collaborative Planning, Forecasting and Replenishment (CPFR®) to gain more accurate production forecast and plan out your manufacturing resources more effectively

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- Global Logistic Management to establish a standard set of messages that your business can utilize to minimize your logistic costs and risks

VICS AsiaPacific is sincerely looking forward to your participation and input. For more information, please contact us:

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