

The Structure and Job Analysis of Apparel Buying Office in Korea

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Abstract

In this study, the business structure and characteristics of buying offices used by buyers for apparel productions through global sourcing were analyzed in specifics. Data were acquired through in-depth interviews of twelve merchandisers at representative apparel buying offices. The results of this study can be summarized as following. The business structure of a buying office varied depending on the functions, the item characteristics of products to be manufactured or the characteristics of the major buyers who were the customers. Overall, teams were formed by brands or organizations were formed by functions. Functional teams were divided within each brand team when business teams were divided by brands and personnel was divided by brands occasionally within each functional team when business teams were divided by functions. Business teams were composed of MR which managed the overall business about orders such as factory sourcing, price decision and production management and teams with various specialized skills. The teams with specialized skills were composed of Technical team, Fabric Development team, Colorist team, Quality Assurance (QA) or Quality Control (QC) team, Logistics team, Factory Audit team, and etc. For the future directions on the improvements, ways to increase international competitiveness of buying offices need to be researched and many expressed the opinion that it would be effective to move the offices to countries close to buyers or manufacturing locations as most buyers demand lower prices and shorter lead time than before and it is increasing trend for buyers and factories to do business directly without buying offices in the middle.

Key words : buying office, apparel production, global sourcing.

I . Preface

The active stage for many corporations today is expanding with no regional limit and fashion merchandises are manufactured overcoming the national boundaries. Such trend is a general phenomenon for small corporations as well as multinational large corporations and is intensifying as the market competition becomes fiercer. Globali-

zation means that the viewpoint observing the global market and the corporate organization consolidate globally.¹⁾ That is, it is to recognize all regions in the world as the sources of the acquisition or the production of goods and the market trading goods at the same time.²⁾ Global sourcing is to globally utilize the suppliers capable of providing necessary resources most effectively³⁾ and is more complicated and expanded concept than the simple import and export.⁴⁾

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1) R. Johns, "The Global Reach of the UK Clothing Sector: Part 1," *Journal of Fashion Marketing and Management* Vol.2 No.2 (1998), pp.137-152.

2) G. I. Kunz, *Merchandising: Theory, Principle and Practice* (N.Y.: Fairchild, 1998), pp.241-242.

3) Hodgetts and Luthans. *International Management* (Massachusetts: McGraw-Hill, 2000).

Global sourcing in fashion corporations began as apparel products were manufactured in low wage countries to lower manufacturing costs. Western buyers would invest capital and provide manufacturing technologies and marketing knowledge to manufacture products maintaining a certain level of quality set by them at a relatively low cost in less developed countries through global sourcing.⁵⁾ They used methods well to determine the suppliers providing fabrics, finished apparel products and process capabilities with most effective price within the desired quality and the service level.⁶⁾ However, there is a recent rising viewpoint that various factors like time must be considered and emphasizing only the advantages of manufacturing cost reductions be must stopped.

Various points must be considered in forming a global sourcing strategy.⁷⁾ Specifically, it has to be assessed whether manufacturing costs can be reduced, quality control can be performed accurately, low wage labor forces can be provided abundantly, lead time can be reduced, language and cultural barriers are not high, stability exists in foreign currency and politics and the financial level of counterpart corporation is stable and trustworthy. Buying offices are corporations supporting buyers to be able to professionally conduct global sourcing while considering such various factors. However, papers or prior researches that have systematically researched the characteristics of the structure and the job of fashion buying offices are extremely lacking.

Therefore, it is intended to examine in this study the structural characteristics and the job characteristics of buying offices active in the international business environment.

II. Theoretical Background

I Work of the Buying Office

Buying offices are corporations that perform tasks of directly discovering manufacturers and factories scattered worldwide and requesting production on behalf of leading brands. Buying offices perform tasks of controlling and managing the supplies and demands of the buyers ordering merchandises and vendors manufacturing and supplying the merchandises. Especially, agents are occasionally used in case of the merchandise being manufactured overseas and exported. The agents perform the role of relaying the businesses between the supplying company and associated company. The agents perform the role of producing and supplying merchandises using domestic or overseas manufacturing plants. The agents are the locals of the manufacturing country. The locals are hired as the agents because they are well aware of the types of merchandises, capable output levels and quality levels of the associated businesses active in the local countries. In general, the agents receive about 5% of the product costs as a commission. Corporations that established a firm overseas manufacturing foundation sometimes manage the local manufacturing plants by establishing corporate owned offices or subsidiaries instead of using agents.⁸⁾

Fashion companies all over the world look everywhere in the world to discover vendors capable of manufacturing desired products with minimum costs. However, overseas manufacturing cannot be performed successfully without sufficient information on the social and economic environment of the target region. Therefore, help is necessary from an expert that will perform such tasks on their behalf.

Buying offices introduce suppliers capable of manufacturing excellent quality products at a low cost to apparel companies or distributors that

4) R. J. Trent and R. M. Monczka, "Pursuing Competitive Advantage through Intergrated Global Sourcing," *Academy of Management Executive* Vol.16 No.2 (2002), pp.66-80.

5) K. G. Dickerson, *Textiles and Apparel in the Global Economy*, 3rd ed. (NJ: Prentice-Hall, 1999).

6) R. Glock and G. Kunz, *Apparel Manufacturing*, 2nd ed. (NJ: Prentice-Hall, 1995).

7) K. G. Dickerson, op. cit. (1999).

8) G. I. Kunz, op. cit. (1998), pp.258-259.

want product manufactured and performs such task. The reason buyers use buying office is that they can responsibly perform manufacturer selection or manufacturing management that meet the buyers' requirements on their behalf because they possess information on various associated businesses and factories. There are relatively large foreign buying offices such as Li & Fung, GAP, MAST and AMC and small individual buying offices active in Korea.

Merchandisers in buying offices introduce appropriate manufacturers to buyers by matching the order requirements set forth by the buyers (design, color, material and quantity). While the domestic companies refer to merchandisers as "MD", the buying offices refer to them as "MR". MR is personnel that performs and is in charge of comprehensive businesses from manufacturing and shipping the ordered products. In addition, they manage overall business to maximize profits for both buyers and exporters by preventing product shipping and sales by taking the role of communication channel between the buyers and the vendors as the Market Representative of the buyers.

2. Role of Fashion Merchandisers

The ultimate goal of the merchandising job is to satisfy consumers' needs and desires and maximize the profits of the companies. The jobs of fashion merchandisers expand to fairly broad range such as forecasting fashion trends and demands, product planning, sales and promotions.

American Marketing Association (AMA) defined merchandising as "the planning involved in marketing the right merchandise or service at the right place, at the right time, in the right quantities, and at the right price."⁹⁾ Merchandising jobs in

fashion companies are largely classified into apparel merchandising and retail merchandising.¹⁰⁾ The apparel merchandising consists mainly of product planning tasks and the retail merchandising jobs perform jobs such as buying, sales, promotion and inventory management.¹¹⁾

Apparel merchandisers at apparel manufacturers are classified into planning merchandisers that perform production and product planning jobs and sales merchandisers that perform sales and marketing jobs. The number of sales merchandisers is increasing compared to past as the importance of distribution in the fashion market is highlighted but the job processes of the apparel merchandisers are generally discussed around planning. Retail merchandisers in retail distributors such as department stores, discount stores and home shoppings are occasionally referred to as buyers.¹²⁾

The apparel merchandisers in domestic companies and the apparel merchandisers in buying offices have different working areas.¹³⁾ The apparel merchandisers in buying offices specialize in manufacturing export goods and exporting the entire quantity and perform jobs by cooperating with overseas manufacturers and the buyers from distributors.

Textile and apparel industry in Korea achieved a large growth quantitatively while taking an important role in the economical development beginning in 1960s. Since 1970s, Korea had been referred to as "Big Three" along with Hong Kong and Taiwan and taken the role of major sourcing base of the global apparel export. However, the labor cost has increased since late 1980s due to the development of mechanical and electronics industry. As the result, American buyers

9) S. H. ChJang, "Organizational Structure and Fashion Merchandising Process of the Apparel Firms," (Ph.D Dissertation, Kon-Kuk University, 2003), p.26.

10) P. Nystrom, *Fashion Merchandising* (N.Y.: Ronald Press, 1932).

11) S. H. Won, "A Study on Job Content of Fashion Merchandising in Korea," (Master's Theses, Dongduk Women's University, 2001), pp.6-9.

12) B. S. Hong and M. J. Choi, "A Analysis of Merchandiser's Operation Process of Women's Character Apparel Firms," *Home Economic Research Journal Chungang University* Vol.19 (2004), pp.85-106.

13) S. H. Won, op. cit. (2001), pp.10-11.

who were the largest customers of Korean apparel exporters reallocated the global sourcing regions to China, Thailand, Malaysia, Philippines, Saipan, Centraland South Americas that provided even lower labor costs¹⁴⁾.

The situations that the Korean apparel industry which has been a global sourcing region for western companies in the past needs to manufacture overseas as the domestic production plants close due to high labor costs. Korean apparel companies manufacture apparel in China and Southeast Asian region to import and sell them. Therefore, it is critical to perform researches that will assist in accumulating the skills in overseas manufacturing management.

III. Research Method

In this research, focused interviews were conducted with experts to identify the characteristics of the buying office jobs. Subject research companies were foreign buying offices (n=2) stationed in Korea, Korea sourcing branches (n=4) and domestic buying offices (n=3). One person per company was selected as an interviewee and the merchandiser for four brands (Kohl's, Carters, Reebok, Russell) was interviewed for Li & Fung which was the largest company (Table 1). Interviewees were set as experienced personnel above

manager level with seven years or more of merchandising job experience in buying offices. Interviews were conducted in between April 25, 2006 and May 25, 2006.

Referring to prior researches, the research categories were divided into three parts which were the general characteristics of the company, the organization structure and the job process. Established year of the company, the annual revenue, the main production items and interviewee's title, experience and responsible jobs were studied for the general characteristics. In addition, the main global sourcing region, the vendor selection standard and organization structure and job characteristics of the buying office were analyzed. Opinions on the future development direction of buying offices were also studied.

IV. Results and Discussion

I. Characteristics of Interviewed Subject Companies

Establishment years in Korea of the interviewed buying offices were 1970s (n=4), 1980s (n=2) and 1990s (n=3). The annual revenues varied between about 800 million dollars to 15 million dollars. Categories of apparel were shown to be concentrated in men's, women's and casual wear. The interviewees had experiences between 7 years

<Table 1> Interviewee Buying Office

Type	Name of Company (Brands)	Country
Foreign Buying Office, Korean Branch	AMC (Target Store)	U.S.A
	GAP	U.S.A
	The Levi Strauss	U.S.A
	Ann Taylor	U.S.A
Foreign Buying Office	MAST(Limited)	U.S.A
	Li & Fung (Kohl's, Carters, Reebok, Russell)	Hong Kong
Domestic Buying Office	PBMS	Korea
	TK International	Korea
	G&G	Korea

14) J. A Rosenau and D. Wilson, *Apparel Merchandising: The Line Starts Here* (New York: Fairchild, 2001), p.317.

<Table 2> Characteristics of the Interviewee Companies and Subjects

	Owner Country	Companies				Subjects	
		Major Production Item	Business Starting Year	Number of Employee	Gross Trade Dollar/Year	Status*	Job Experience Year
A	Hong Kong	Children's	1988	450	\$ 8 hundred million	GMM	20
B	Hong Kong	Men's Women's	1988	450	\$ 8 hundred million	GMM	15
C	U.S.A	Men's Women's	1971	120	\$ 7 hundred million	DMM	10
D	U.S.A	Men's Women's	1976	100	\$ 2 hundred million	DMM	7
E	Hong Kong	Men's Women's	1988	450	\$ 8 hundred million	GMM	14
F	U.S.A	Men's Women's	1975	240	\$ 4 hundred million	DMM	7
G	U.S.A	Women's	1998	35	\$ 1 hundred million	GMM	11
H	Hong Kong	Men's Women's	1988	450	\$ 8 hundred million	DMM	8
I	U.S.A	Men's Women's	1993	22	\$ 2 million	DMM	7
J	Korea	Men's Women's	1997	20	\$ 2 million	GMM	25
K	Korea	Men's Women's	1984	7	\$ 1.5 million	GMM	18
L	Korea	Women's	1976	120	\$ 3 hundred million	GMM	17

* GMM: General Merchandising Manager, DMM: Division Merchandising Manger.

and 25 years and held titles from a manager to a director, above managerial level (Table 1).

English was used as a business language as the buyers used English and frequent business cooperation was required with the headquarters in Hong Kong or the United States. There were overwhelmingly more females among merchandisers. Excel was used for computer programs and in-house developed programs were also used. The programs were mainly used for email exchange, entering order statuses, checking production statuses and checking shipping statuses.

2. Characteristics of Global Sourcing Regions

Most companies mainly manufactured in Asia and Central and South Americas and many companies were manufacturing spread out in three to seven regions. They were China (75%), Guatemala, Indonesia and Vietnam (each 66%), Korea (41.66%), Cambodia (33.33%), and Honduras and Bangladesh (each 25.00%) in order (Table 3). The answer to the reason why China is used much was because of excellent quality and quantity of the labor force. It is answered that manual pro-

cesses such as embroidering and crochet are possible and variety of apparel manufacturing is possible with relatively excellent quality. In addition, it is answered that the supply of the raw materials such as fabric, yarn and trims is smooth as mills, sewing factories and embroidering factories have vertically integrated structures in large scale. China is assessed to be politically stable but it is assessed that weaknesses in competitiveness in manufacturing cost start to show due to the recent steep increase in the wage.

The fact that abundant low wage labor forces are available is assessed to be the biggest advantage of Vietnam. In addition, it is assessed as strength that the Vietnamese government has plans for investments in industrial infrastructures such as the development of large scale harbor facilities required for export. However, it is assessed that Vietnam lacks supply functions for raw and sub components compared to China or Indonesia. In addition, it is assessed to have geographical weakness of having a long shipping time for export to Americas. This is because the products manufactured in Vietnam were often transported to

〈Table 3〉 Global Sourcing Country of the Interviewee Buying Office

Buying Office Country	A	B	C	D	E	F	G	H	I	J	K	L	Total
Guatemala	○	○	○	○	○	○				○		○	8
Honduras		○	○		○								3
Nicaragua			○										1
Turkey							○						1
Korea							○	○	○	○		○	5
China	○	○				○	○	○	○	○	○	○	9
Hong Kong							○						1
India							○						1
Malaysia	○												1
Burunei	○												1
Laos	○	○			○	○							4
Tailand	○												1
Indonesia		○	○	○	○	○	○	○		○			8
Vietnam		○	○	○	○	○	○		○	○			8
Bangladesh		○			○						○		3
Saipan				○								○	2
Philippines				○		○							2

Singapore or Taiwan by feeder vessels and then transported to the United States by mother vessels due to the lack of harbor facilities.

It is researched that manufacturing is active in Central and South Americas based on the benefits from various trade treaties. It is mentioned that apparel exported to the United States is manufactured actively in the Central and South American regions like Guatemala and Honduras due to the benefits from CBTPA (Caribbean Basin Trade Partnership Act) that exempts customs on the products manufactured in the Caribbean coastal countries using American yarn. CAFTA (Central America Free Trade Agreement) has been in effect in addition to CBTPA since 2005. Additionally, the short shipping time to the United States due to the short geographical distance is mentioned as the biggest merit. However, there is a limit on manufacturing complicated styles or with luxury fabric as the level of manufacturing skill is not yet high and unstable political condi-

tion is also pointed out as a weakness.

Stable and consistent productivity with high quality based on skilled technology is the merit of manufacturing in Korea. Relatively short shipping time which is three to four weeks for the exports to the United States by boat and well established export infrastructure facilities were also assessed as merits. However, high wage and insufficient supply of manufacturing labor were assessed as the limitation.

3. Vendor Selection Standards

It is answered that the vendor selection standards of buying offices are affected by the characteristics of the buyer and the corresponding apparel category. The factory selection standards were the scale or manufacturing capacity, the main production item and the factory audit pass status from an internationally accredited agency. However, the most important factor was the price. It was not possible for the factories not being able

<Table 4> Production Lead Time (days)

Buying Office Country	A	B	C	D	E	F	G	H	I	J	K	L
Lead Time	75-90	75-90	90-120	60-70	90	120	42-60	75-90	70	45-90	60-90	90

to match the price set by the buyer to be selected even if the various standards were met for satisfactory production.

The trend was increasing for the buyers to generally demand low cost, high quality and short lead time. Therefore, increasing cases are for the buying offices notto source fabric or subcomponent suppliers, vendors or factories in the same country in order to satisfy the optimum condition the buyer wants. As a result, merchandisers from buying offices are constantly searching for companies with low price and good quality.

In general, the product manufacturing time in the case of global sourcing varies by the characteristics of the order such as the quantity and the design. The production lead times of the interviewed companies were between 45 days and 120 days (Table 4). Company G, the shortest among the interviewed companies responded that the production lead time is reduced by prompt manufacturer selection and plan establishment as the annual order plans are received promptly and accurately compared to the other companies.

4 Organization Structure of Buying Offices

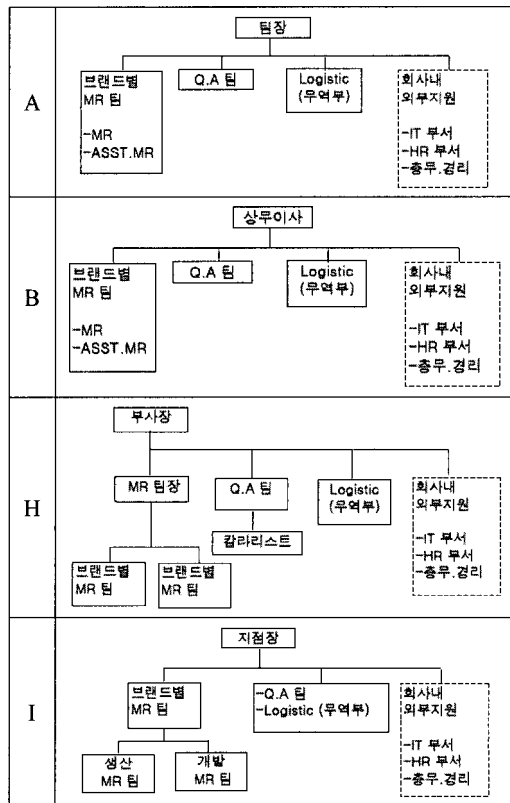
Jobs of merchandisers in buying offices consist of information analysis jobs and product manufacturing jobs. The information mainly analyzed is corporate environment, fashion trends, market information, related company information and distribution task information and the product manufacturing jobs were product developments, cost calculation and order contracts and product manufacturing and shipping management.

The comparisons of interviewed buying offices showed that the teams are organized and operated by the functions and the brands. Commonly organized functions were MR (Merchandiser) team, QA (Quality Assurance) team and Logistic team. In addition, there were Information Technology

Service (ITS), Human Resource (HR), general affairs and accounting as the administrative support teams.

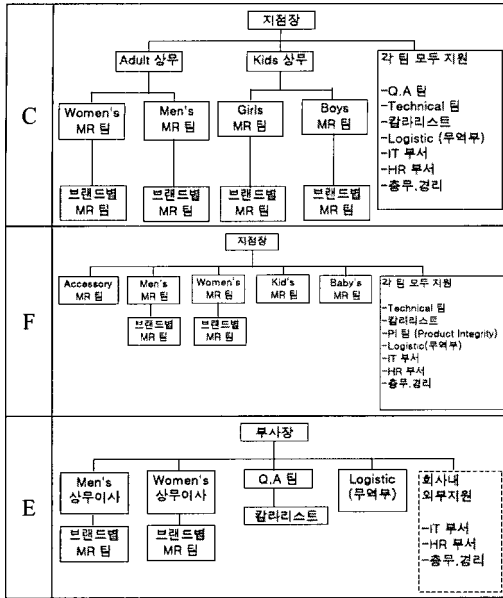
The MR team managed the overall jobs about orders such as the factory sourcing and the price decision. The main jobs of the QA team were the manufacturing plant management and the product quality inspection. The most important job of the Logistic team was managing Letters of Credit (L/C) and account payments or deliveries related to each team were managed.

The job organization of the interviewed companies varied by the characteristics of the com-

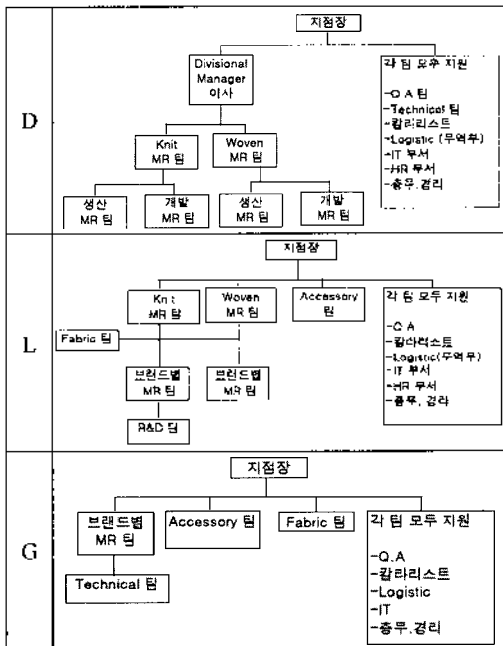


<Fig. 1> Structure of Buying Office : Brand Management Type.

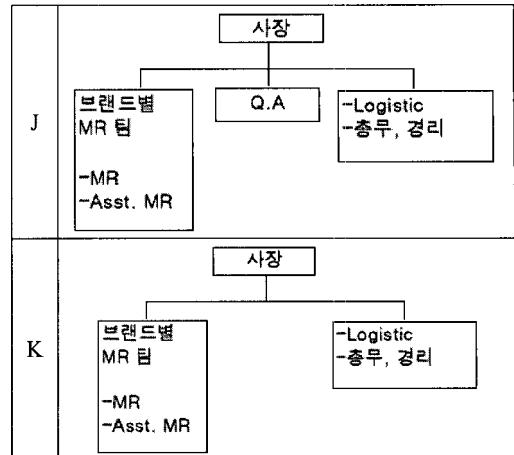
pany buyers. The MR teams were organized by the brands (A, B, H, I) or apparel items (e.g.



<Fig. 2> Structure of Buying Office : Apparel Products Type.



<Fig. 3> Structure of Buying Office : Functional Management Type.



<Fig. 4> Structure of Buying Office : Small Business Type.

Men's wear, Women's wear, Children's wear, etc.) (C, D, E, F, G, L). The QA team and Logistic team showed the characteristic of supporting the MR team task. The IT and HR teams were occasionally outsourced. The companies conducting the businesses by dividing the teams by the apparel items divided the teams by the items, within which the teams were categorized by each brand and the businesses were conducted. They were the companies processing the orders from the large scale buyers that order items from various apparel categories. Especially in D and L companies, the Knit team and the Woven team were first divided and each team was again organized into sub-teams by the brands. J and K companies were small scale buying offices and the merchandisers traveled to directly perform the production management and inspection in overseas manufacturing situation as no separate Q.A team existed overseas (Fig. 1-4).

5. Job Characteristics of Buying Offices

Depending on the company, MR teams are divided into an MR responsible for Production Development (PD) and an MR responsible for Production Management (PM) to process the corresponding jobs with the expertise or one MR occasionally processed the both jobs simultaneously. While the each MR can work with more expertise

and focus when the jobs of the DM and the PM are independent, occasional problems occur where the details are not conveyed accurately in the process of transferring tasks from the development team to the production team and problems of shifting the responsibility would occur in incidents. The flow of the tasks is smooth and it is convenient to identify the cause in an incident if one MR conducts the DM and the PM jobs simultaneously as everything from the start to production and shipping is managed for each order.

58% (n=7) of the companies had colorists and MRs performed the jobs of colorists in the rest of the companies. Two companies (C, D) had both the technical team and the QA (Quality Assurance) team and the QA team also performed as a technical team in the rest of the companies. Most buying offices normally advanced the development of fabric and style by following the standards supplied by the buyers. However, a separate R & D (Research & Development) team was organized in L company and new fabrics and apparel designs were internally prepared and developed and presented to buyers about twice a year.

Jobs of each team are summarized as following after collecting the research results.

1) Merchandiser (MR) Team

Overall jobs such as the factory sourcing and the price decision are managed. Depending on the company, the merchandisers might manage only the production or be responsible for fabric developments and sample inspections in addition. In general, MR needs to know the overall progress of the orders in detail and performs a leading role under close cooperation with related teams.

2) Technical Team

It is responsible for the technical jobs at the development stage. Technical aspects of the production of fit samples made for pattern development and Pre Production Samples (PP Samples) made before starting the main production are managed. The main production can begin when the PP Sample is confirmed perfectly. Technical

aspects are advised after the confirmation of orders. Especially, the manufacturers are advised to produce exact patterns by sizes. The buyers generally provide the style and size specifications but the detailed corrections in the sample production stage are directed by the technical team.

3) Fabric Development Team

A new product development starts with a fabric development. Material development and the issues related to the material are resolved converters and other items are managed. Generally, the manufacturing order is made after researching price, quality, manufacturing time and etc from various countries after receiving a reference fabric swatch from the buyer. The confirmed fabric with the buyer's final decision goes through various physicochemical tests at certified testing agencies. The fabrics passing the tests are used as the final production fabrics. Additional physicochemical tests are performed by lot to ensure the consistent quality of the final production fabric. Lastly, random quality inspections are conducted again before sending the fabrics to sewing factories.

Multinational cooperation would take place to manufacture the fabrics with the optimum condition. For example, American yarns would be purchased to be knitted at Honduras and dyed at Guatemala. In such cases where the fabric is manufactured through multiple countries, each factory needs to be individually managed and the quality check needs to be performed meticulously.

4) Colorist Team

When an order is confirmed, B/T (Beaker Test) or Lab/Dip (Laboratory Dip) is conducted in which fabric is dyed in a small scale beaker test size to produce the color confirm swatch to prepare raw and sub materials wanted by the buyer. Three or more colors are dyed in the test size and they are inspected in a Color Inspection Box for dyeing one color fabric. The final color confirm is done either by the colorist at the buyer or the colorist at the buying office with

the delegation. When the main production fabric is dyed with the confirmed color, the colors are again compared and inspected by lot (unit dividing fabrics by dye amount) as multiple units of dye may be used depending on the order quantity. Colorists also color confirms subcomponent colors.

5) Quality Assurance (QA) / Quality Control (QC) Team

Factory management and quality inspection are performed. Manufacturing conditions are checked to prevent mistakes in production by discussing the line plan and design with the factory before the start of the actual work in the manufacturing line when the main production begins. After identifying issues in the processes and the products by cutting, sewing and finishing about a hundred pieces through a pilot test prior to the main production, the main production begins after correcting the identified issues. Checklist documents for the inspection (QC file) are pre-organized and made into one file by MR. QC files are described accurately and concisely. The TOP sample (Top of Production Sample) manufactured first in the main production after the pilot test is final checked by QC at the factory. Some company hires locals as QC at the manufacturing location by each country or the job is performed by those dispatched to the location from the buying office. The most important task of QC is to inspect the final quality and confirm shipping after the completion of the main production. Quality inspections are done according to the international standard of AQL (Acceptable Quality Level)¹⁵⁾ and the shipping is done after the inspection report is written and the final quality inspection pass report is given to the manufacturing plant.

6) Logistic

Account payments or deliveries related to each team are managed in this team. Shipping docu-

ments required for the shipping are checked and the letters of credit (L/C)¹⁶⁾ required for account payments between companies are managed.

(1) AQL (Acceptable Quality Level)

International standard used for quality inspection. There are levels from 0 to 6.5 and different companies have different levels. The levels are determined by the number of rejects out of the number of inspections. One can say that lower the level, tighter the inspection standards are.

(2) Letter of Credit (L/C)

Document issued when the importer's bank provides credit to outside and guarantees the reception or payment of the bill issued by the exporter according to the agreed amount, period and condition or has the bill issued to the bank and promises to receive or pay the bill.

7) Others

The expertise of accessories team is in developing scarves, brooches, belts and bags for women's apparel. Most buying offices approve the main production only for the factories that passed a certain audit standard and the Factory Audit team performs the job of managing this. The manufacturing can only be done in the factories that passed the audits from the internationally certified factory audit agencies (e.g. CSCC, ITS-Intertek Testing Services, Wrap-Worldwide Responsible Apparel Production, etc) selected by the buyers. It is generally difficult to pass all audit items in the first audit. A Corrective Action Plan (CAP) is submitted that states when and how the unsatisfactory items would be corrected and the additional factory audit is received. Such progress statuses are managed at the Factory Audit team.

Other teams include Information Technology Service (ITS) team which performs jobs related to the computer hardware and software and Human

15) AQL = Acceptable Quality Level : Level 0-6.5, Lower level means Better Quality.

16) L/C = Letter of Credit : A letter of credit is a letter written by a bank authorizing another bank of pay someone a sum of money. Letters of credit are often used by importers and exporters.

Resource (HR) team which performs personnel management within the company and develops and runs employee education programs.

V. Conclusion and Suggestion

In this study, the business structure and characteristics of the buying offices necessary in the globalization process of fashion industry were identified in detail. Focused interviews were conducted on twelve merchandisers in the representative fashion buying offices domestically located for data acquisition.

The result of this study is summarized as following.

The jobs in the buying offices were divided by functions or the characteristics of the items to be manufactured. In addition, teams were organized by brands or organizations were formed by functions depending on the characteristics of the major buyers who are the customers. Functional teams were divided within each brand team when business teams were divided by brands and personnel was divided by brands occasionally within each functional team when business teams were divided by functions. Main jobs were composed of MR which managed the overall business about orders such as factory sourcing, price decision and production management and teams with various specialized skills.

The teams with specialized skills included the Technical Team responsible for the technical jobs in the development stage, the Fabric Development Team resolving the issues related to material development and material, the Colorist team supporting the production of the raw and sub materials with the color the buyer wants and the Quality Assurance (QA) or Quality Control (QC) team responsible for factory management and quality inspection. The Logistics team was responsible for the administrative jobs related to exporting. As American and European buyers strictly applied standards on the technology and management of factories and only the factories passing certain inspection standards were approved for the main production, the job of managing

these were performed by the Factory Audit team.

It was pointed out in the focused interviews that efforts is necessary to inspire confidence in the buyers by promptly and accurately analyzing changing corporate environment information in the international trade market and also analyzing and providing to the buyers fashion trend information and the market conditions of the competitions of the buyers' brands. For the directions of the future improvements, there were many opinions that it would be effective to move the office to the country or manufacturing location close to the buyers as the most buyers demand lower cost and shorter lead time than before and that efforts need to be made to develop new sourcing options by increasing know-how in the sourcing jobs. In addition, there were many opinions that the merchandisers at buying offices need to try to provide the services with improved expertise in the manufacturing field as it is increasing trend for buyers and factories to do business directly without buying offices in the middle.

It is the limit of the study result of this research that the number of the interviewees was not sufficient. However, it is believed that they are representative as the recognized buying offices in terms of the revenues are interviewed. The result of the study showed what job preparations are required for the domestic companies pursuing overseas manufacturing in order to successfully conduct the overseas manufacturing.

In follow up researches, the study should be conducted to prepare detailed job manuals for overseas manufacturing by specifically identifying the characteristics of the conducting the jobs of buying office merchandisers.

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