



The European e-Business  
Market Watch

[www.ebusiness-watch.org](http://www.ebusiness-watch.org) \* [info@ebusiness-watch.org](mailto:info@ebusiness-watch.org)

## e-Business in the Textile and Clothing Industry: Supply Chain Integration and Interoperability Standards

An *e-Business W@tch* Workshop  
in cooperation with Tex-Weave at ATI-Textileitaly  
Milan, 14<sup>th</sup> October 2005

### Background

The *e-Business W@tch* workshop on "Supply Chain Integration and Interoperability Standards in the Textile Industry" was held on 14 October 2005, in Milan. The event was organised in cooperation with the Tex-Weave initiative and hosted by Textileitaly and ATI, the Italian Textile and Clothing industry Associations.

Tex-Weave is a standardisation initiative of CEN (the European Committee for Standardisation), promoted by EURATEX (the European Apparel and Textile Association). The aim of Tex-Weave is to define a common reference model for data exchange and enterprise networking in the European textile and clothing (T&C) industry.

### Presentations and discussion

Two issues were addressed and discussed during this *e-Business W@tch* workshop:

- Impacts of electronic business on supply chains: the case in T&C, based on the respective *e-Business W@tch* sector study, presented by **Elena Gaboardi**, from Databank.
- Interoperability standards and their relevance to the T&C industries, presented by **Henry J F Ryan**, from Lios Geal Consultants.

► Ms. Gaboardi introduced the *e-Business W@tch* and briefly presented its goals, methodological approach and results. Then, she presented results from the recent sector study on e-business in the T&C industry, which highlighted a **gap in ICT adoption** and e-business activity in the textile industry, **compared to other manufacturing sectors**. This gap was particularly relevant for micro and small firms. Overall, digital integration of processes along the value chain was found to be quite limited in this sector, which is characterised by many, diverse operational phases and a high frequency of supply chain operations. Ms. Gaboardi also presented evidence of the e-business potential for cost savings, indicating that there is still **untapped potential** in this industry.

- ▶ Results of the e-Business Survey 2005 also indicate that, since 2003, e-business **activity has increased among large companies** while the economic crisis has hampered innovation among small firms. Ms. Gaboardi identified the increasing adoption of more sophisticated solutions, particularly Enterprise Resource Planning (**ERP**) systems, as one of the most interesting trends among this industry's large firms. This allows them to gain competitive advantages, represented by cost savings, quick reaction to market changes and more bargaining power towards business partners and distribution.
- ▶ The **lack of shared communication standards** was frequently indicated as a main barrier to further e-business adoption in T&C, together with costs and the complexity of technology, which is often not affordable for smaller businesses. Measures aimed at developing necessary skills and integrating e-business in every day operations were, therefore, recommended for e-business policy initiatives.
- ▶ Henry Ryan presented the results of the recent *e-Business W@tch* special report on **standards and interoperability**, focusing on their relevance for the T&C industry. The subsequent discussion made it clear that interoperability is **not only a narrow 'technical' concept**; instead, it should be regarded from a "holistic" perspective: it encompasses the broad ability of both business processes and ICT systems that support them to exchange data, thus enabling the sharing of information and knowledge. In the T&C industry, especially among its many micro and small firms, attention should be given to the **improvement of interoperability** for e-business exchanges with companies and organisations **within** the sector, as well as from other sectors.
- ▶ In summary, presentations and discussion highlighted that **integration along the value chain is a key issue** in this industry. Many **large firms have taken the lead** towards supply chain integration and online trading with business partners. The question now is how small firms will cope with the situation and manage the challenge, as they are forced to follow due to pressure from their larger business partners.

### Further information

Workshop proceedings (agenda, presentations, list of participants) are available for download at the **e-Business W@tch** website ([www.ebusiness-watch.org](http://www.ebusiness-watch.org), 'events' -> 'proceedings'). For further information, questions and input you are welcome to address:

European Commission, DG Enterprise & Industry Unit D-4 'Technology for Innovation / ICT industries and e-business' Fax: +32-(0)2-296 7019 <a href="mailto:entr-innov-ict-ebiz@cec.eu.int">entr-innov-ict-ebiz@cec.eu.int</a>	empirica GmbH Oxfordstraße 2, 53111 Bonn, Germany Fax +49-(0)228-98530 12 <a href="mailto:info@ebusiness-watch.org">info@ebusiness-watch.org</a>
--	---