

# The Pros and Cons of Producing an Adaptive Clothing Label in Australia

Ever wondered what goes on behind the scenes when a company decides to start offshoring some of its production? Adaptive clothing label Christina Stephens shares some of the considerations and surprises they encountered taking elements of their production line overseas.

The Brisbane-based clothing label exclusively designs clothing for women with disabilities, so there are different aspects to consider compared to an able-bodied designer.

Founder Jessie Sadler says that one of the biggest challenges the label has faced since launching last March 2020, is balancing the costs and quality assurance of producing garments onshore vs offshore, and then managing these expectations with increasingly savvy shoppers.

“While most of our customers rave about our clothes, we do get questions on pricing, and why we price the way we do,” Jessie says.

“We also get a lot of customers telling us that they love the fact that we’re Australian made, so we’ve had to consider many aspects in how we ramp up our production, while still holding true to our values and sustainability philosophy.”

## Quality assurance

With one of Christina Stephens’ founding philosophies being exceptional quality, it’s unsurprising that this features high on the list of considerations about moving production offshore.

“Being able to touch and feel the finished pieces, see the production line in action and have that peace of mind, knowing that your ideas are coming to life at your fingertips, has definitely been important during our first year of operations,” Jessie says.

“But now that we have established production systems, we’re open to exploring new production facilities, provided that the quality is maintained. That’s something we will never compromise on.”

In addition to quality control, the other major factor when considering moving production offshore, are language barriers.

Even with the best intentions from both parties, communication breakdowns can happen, and can have a big impact on production runs, to sourcing materials, to the last stitch of a garment.

## Economies of scale

The quantity of materials you need, the demand for your stock, and the warehousing facilities you require may also determine where your base of operations will be. And the more you produce, the more you start inching towards economies of scale, where things like warehousing costs and raw materials become cost efficient.

Finding that sweet spot where you start reaping the cost advantages of all that ramped up production, is not an easy accomplishment, and doesn’t come overnight.

For instance, at Christina Stephens, in the lead up to releasing their extended sizes range, wastage became a focal point. While they’ve always wanted to cater for bigger and smaller sizes, they can’t always ensure the most efficient use of fabric.

The traditional way of approaching “marking” is to fit as many different sized pieces on one run of material, to get the most out of it. Kind of like using cookie cutters - trying to use every last skerrick of space before you have to reroll the remaining dough.

“With the introduction of bigger sizes, we’re using more material, and getting less space to play with,” says Jessie.

“So while we love that we’re able to cater for more women who need us by offering a larger size range, from a purely logistical standpoint, we’re still brainstorming ways to make the process more efficient.

“We’d love to offer an even more extensive size range from 6-24, and we won’t rule it out yet, but for now, we have to draw a line where we’re balancing efficiencies with demand. While our mid-sizing sells, it’s the smaller and larger ends of the size range that’s in most demand, which means getting the most out of each metre of fabric becomes less achievable.

“It’s quite a different landscape to able-bodied fashion, where mid-sizes sell the most, so they can achieve economies of scale quicker.”

#### Operational costs

And of course there’s the traditional costs of producing tangible products - warehousing, materials, staff, utilities, dispatch, software, subscriptions... the list seems endless. Keeping 100% of operations onshore can be a costly exercise, which is why companies have increasingly sourced part of their administrative expenses offshore.

According to one recent study, the market for business process outsourcing in Australia has tipped \$37b, with almost 37,000 businesses outsourcing part or all of their business processes.

Media scrutiny of this practise has seen the likes of Commbank and Telstra vow to bring their call centres back to Australia, but for many businesses, offshoring partial operations is the only feasible option.

On top of operational costs, companies must determine an advertising and marketing budget, to actually get their products in front of their customers.

AdNews reported that companies spend a combined \$15.4 billion in advertising in Australia in 2020, and that digital advertising represents 64% of total ad budgets.

Without a physical storefront, Christina Stephens relies heavily on social media and digital advertising, as well as traditional exhibition, catwalks, trade and expo participation, to ensure they stay relevant, and front of mind to our customers. A sentiment felt by many companies last year during COVID-19, which saw a shift and re-prioritisation of channels that supported ecommerce.

Many people assume that businesses take a cost plus approach to their pricing strategy, but advertising and marketing, along with all the aforementioned expenses, require much higher cost plus margins to support the running of a ‘good’ business.

And then of course, there’s the significant variance of labour costs onshore versus offshore. In Australia, the average hourly rate is AU\$44.00. In other developing countries like the Philippines, the average hourly rate is closer to AU\$6.96.

So the question at large is how much do you value Australian made vs Australian design and offshored? And are you prepared to pay more?

Christina Stephens believe they have found a good balance, underpinned by their core principles of quality, timeless style, effortless to wear and sustainably produced, but they’re always open to feedback. Contact them at [hello@christinastephens.com.au](mailto:hello@christinastephens.com.au) or visit their website <https://www.christinastephens.com.au/>

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