



The 'Cost' of Stuff

Mapping the Cost of Stuff

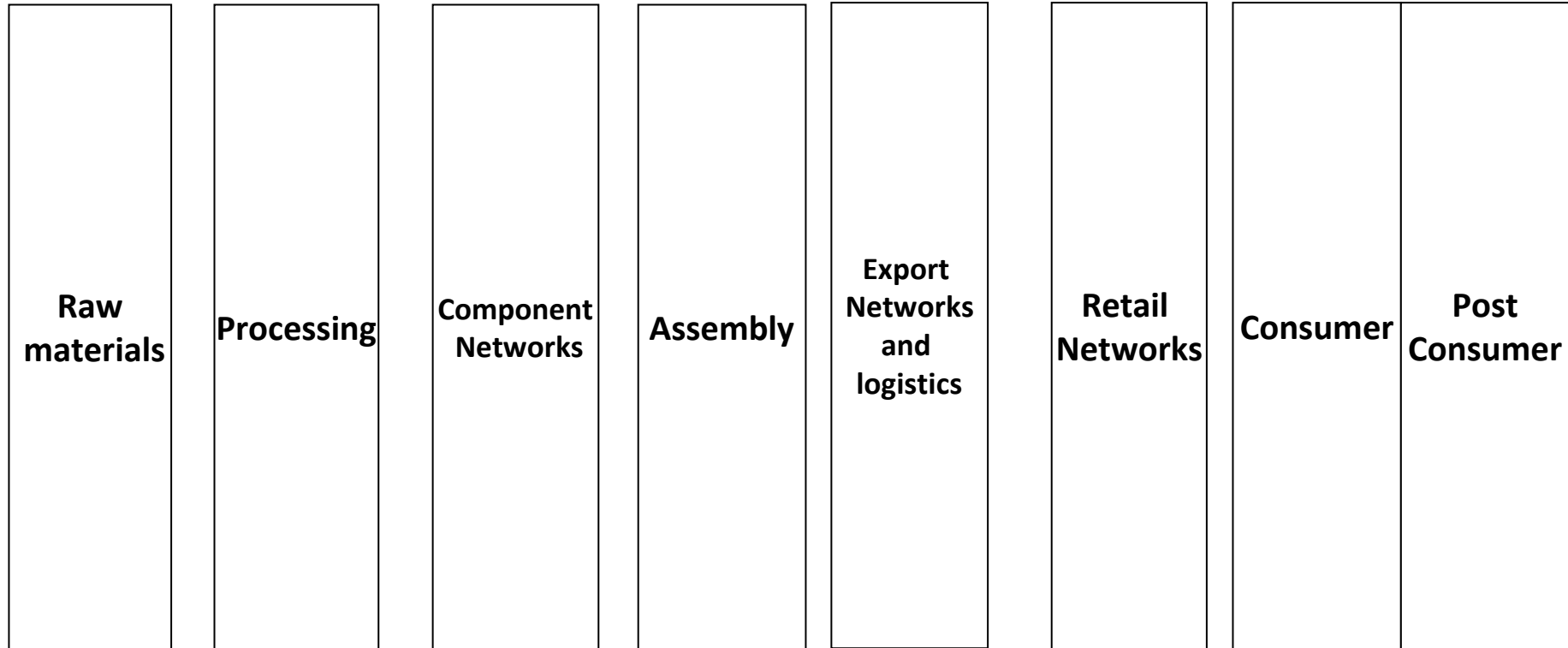


- Mapping the production network – **who does what?**
- Mapping the Geography of this network – **where in the world?**
- Mapping the Value Chain – **who gets what from the price?**
- Mapping the cost – **economic/human/environmental**

Who does what?



STUFF



Where in the world?

STUFF

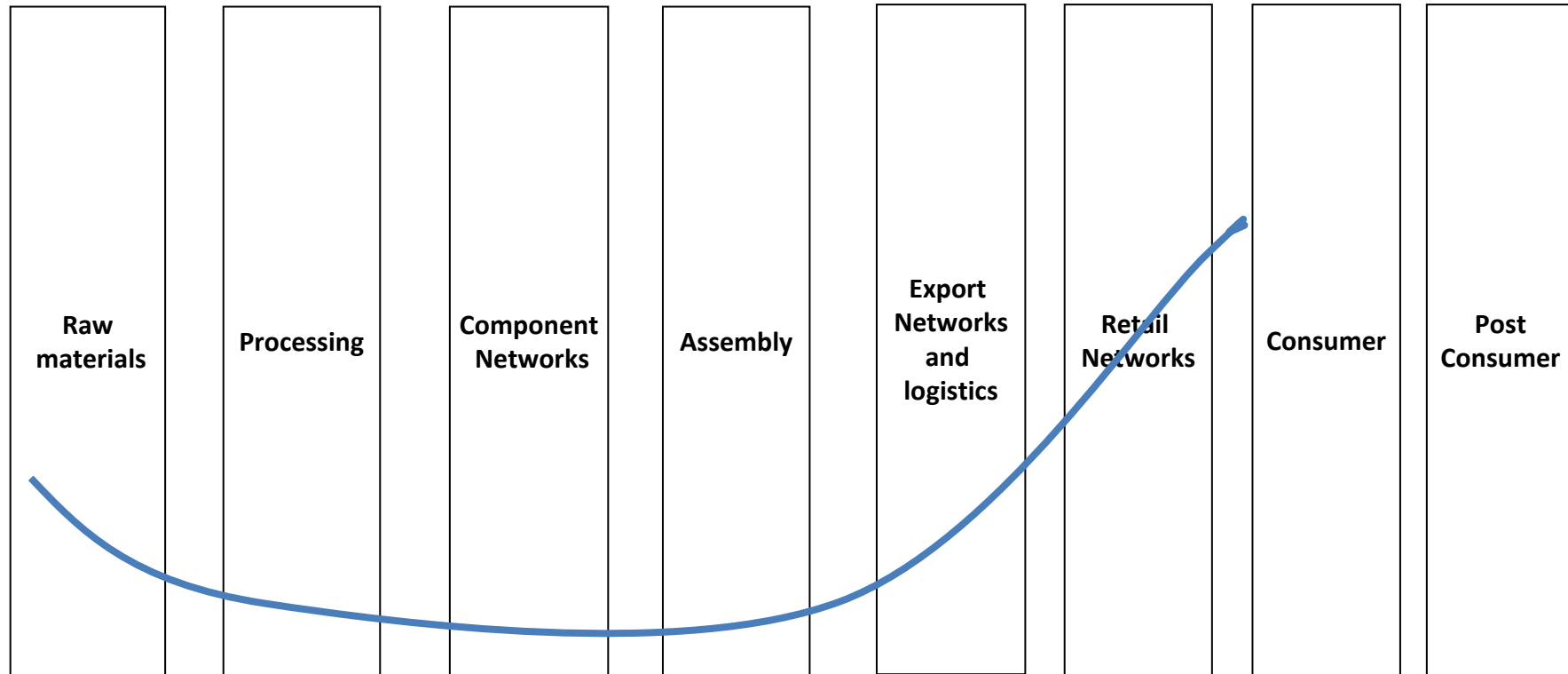


The Cost of Stuff or...

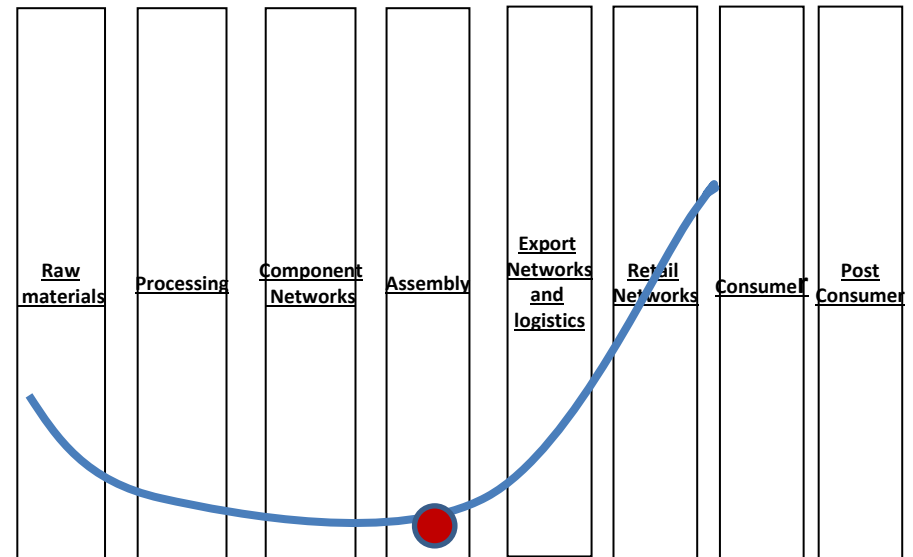
Where does the value lie?



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Getting down to the nitty gritty.....



Style Report - Costing

Date printed :- 10/03/2010

<p>Style File Number QMTS001 Style Number / Title Mens T Shirt Style Description Includes Cutting Room operations Tacked sleeve seam ends</p> <p>Customer Season Product Ref. Order Quantity Comments</p>	<table border="1"> <thead> <tr> <th></th> <th>S.M.V.</th> <th>@ Eff.</th> <th>Act. Local Cost</th> </tr> </thead> <tbody> <tr> <td>Cutting</td> <td>0.996</td> <td>1.327</td> <td>0.113</td> </tr> <tr> <td>Machining</td> <td>6.537</td> <td>8.717</td> <td>0.618</td> </tr> <tr> <td>Examination</td> <td>1.111</td> <td>1.481</td> <td>0.098</td> </tr> <tr> <td>Pressing</td> <td>0.863</td> <td>1.150</td> <td>0.076</td> </tr> <tr> <td>Packing</td> <td>1.058</td> <td>1.411</td> <td>0.093</td> </tr> <tr> <td>Outwork</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> </tr> <tr> <td>Total</td> <td>10.565</td> <td>14.086</td> <td>0.999</td> </tr> </tbody> </table>		S.M.V.	@ Eff.	Act. Local Cost	Cutting	0.996	1.327	0.113	Machining	6.537	8.717	0.618	Examination	1.111	1.481	0.098	Pressing	0.863	1.150	0.076	Packing	1.058	1.411	0.093	Outwork	0.000	0.000	0.000	Total	10.565	14.086	0.999	<table border="1"> <tbody> <tr> <td>Factory Overheads</td> <td>%</td> <td>0.000</td> <td>0.000</td> </tr> <tr> <td>Fabric Range Variance</td> <td>%</td> <td>0.000</td> <td>0.000</td> </tr> <tr> <td>Learning Curve Allowance</td> <td>%</td> <td>0.000</td> <td>0.000</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><i>Weighted Cost</i></td> </tr> <tr> <td>Contract Washing Minutes</td> <td></td> <td></td> <td style="text-align: right;">0.000</td> </tr> <tr> <td>Contract Decorative Mins</td> <td></td> <td></td> <td style="text-align: right;">0.000</td> </tr> <tr> <td>Total Production Cost</td> <td></td> <td></td> <td style="text-align: right;">0.999</td> </tr> </tbody> </table>	Factory Overheads	%	0.000	0.000	Fabric Range Variance	%	0.000	0.000	Learning Curve Allowance	%	0.000	0.000				<i>Weighted Cost</i>	Contract Washing Minutes			0.000	Contract Decorative Mins			0.000	Total Production Cost			0.999
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T SHIRT LABOUR COST = 2.2 PENCE

T Shirt SMV = 10.565

- Available Minutes In A Month = 12480
- Minimum Wage is 3210* Taka per month
- 1 Minute Currently = $3,210 \text{ Taka}^*/12480 = .257 \text{ Taka} = .0036 \text{ US Cents}$ or **.22 pence x 10 = 2.2 pence or 3.6 cents**

**A GRADE 6 SEWING MACHINIST
EARNS 3210 TAKA PER MONTH AS
BASIC - HOW FAR DOES THIS GO?**

House rent:	1000/1500
Transport:	300
Children (education):	700
Food:	1700 (700 for rice, 350 Vegetables 450 fish/meat 3 x a week (oil) 300)
Cosmetics/soap:	250
Clothing:	200
Medical:	100/150...usually avoid
Mobile:	250

Courtesy: Fairwear Foundation

Plan A Commitment 2010-2015

Implement a process to ensure our clothing suppliers are able to pay workers **a fair living wage** in the least developed countries we source from, starting with Bangladesh, India and Sri Lanka by 2015. **We will achieve this by ensuring that the cost prices we pay to our suppliers are adequate to pay a fair living wage** and by rolling out our ethical model factory programme to ensure the cost price benefits are paid to workers.