

# A Study on Preparedness of Key Institutions to Advance Inclusive Growth for Small & Medium Producers of The Boutique Fashion Industry in Bangladesh

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## Abstract

Boutique Fashion of Bangladesh is an iconic industry with potential to take Bangladeshi cultural heritage to the global domain. It is a fast-growing industry that historically has portrayed the characteristics of a developing country where labour intensity, artisan approach, small and medium entrepreneurship, and local heritage have played a huge role. Despite the industry's potential to advance inclusive growth, its players, mostly small and medium enterprises (SMEs), are largely neglected. This raises the question of institutional preparedness to support this industry. This study deploys the Triple Triangle Framework (TTF) to first summarize SME competitiveness priorities along nine dimensions of three TTF domains. Later, institutional preparedness has been assessed keeping eight relevant organizations in focus. The study is based on extensive literature review and top-level depth interviews. The finding suggests, despite its potential impact, the industry does not rank high in the list of government's priority sectors/interventions. While the boutique industry leaders will be able to craft an action-agenda based on the findings of this research, government agencies too will be able to formulate necessary policies and promote institutional arrangements.

**Keywords:** SME, Boutique, Fashion, Inclusive Growth, Facilitating Institutions, Preparedness

## 1.0 Introduction

### 1.1 Background of The Study

The history of Boutique Fashion Industry of Bangladesh goes back thousands of years. Our cultural festivals, art and festivities and crafts of our rural artisans have always been praised by the world especially our handcrafted apparels like Muslin, Jamdani and Nakshikantha. Despite the pressure of British Rule and Pakistani regime, our crafts have survived but has not been strongly competitive against the rise of Industrial Revolution, West Pakistani Exploitation and later the rise of Ready Made Garments sector of the country. The only strong case of global success is that of Aarong, the largest Boutique and Handcrafted retail chain of the country. Apart from Aarong, ten other strong players in the industry have formed an alliance as "Deshi Dosh" (The Local Ten) in 2009 (The Daily Star 2013). These rivals include Anjan's, Banglar Mela, Bibiana, Deshal, Kay Kraft, Nipun, Nogordola, Prabartana, Rang and Sadakalo. They deal with handloom products and handicrafts with a mission of reviving and maintaining the spirit of the local artisans and promoting Bangladeshi cultural heritage in a contemporary fashion (Ahmed *et al.* 2015). The Bangladesh government has been in discussion with Industry leaders since as early as 2010 to declare the flourishing boutique business as a new 'thrust sector' to help expansion of the industry which employs a huge number of our women labour force (BDNews24.com, 2010). However, the sector is yet to be declared as a formal 'Industry', per Mr. Azharul Haque Azad the president of Fashion Entrepreneurs Association of Bangladesh (FEAB), an organization that is working closely with the Ministry of Commerce in this area.

During the research process, the author's realization was that Bangladesh needs major shift throughout the entire Boutique Fashion Ecosystem to ensure inclusive growth for Small and Medium Enterprises. This study mainly aims to address the area of prospects/ challenges, adequacies/ inadequacies related to institutional preparedness through the lens of Triple Triangle Framework as proposed by Sheikh Morshed Jahan (2008). The key

Policymaking institutions, supporting organizations and Industry representative organizations have been reviewed based on a case study approach.

## 1.2 Objective

### 1.2.1 General Objective

- To develop a detailed understanding regarding Key Institutions of the Boutique Fashion Industry and their preparedness that can enable inclusive growth opportunity for Small and Medium Enterprises.

### 1.2.2 Specific Objectives

- Understand the status of SME producers compared to large players in terms of TTF in the Boutique Fashion Industry that can benefit from institutional preparedness.
- Understand the status of preparedness for different relevant institutions to support SMEs in terms of their stated mandate versus the requirement of the industry to support inclusive growth.

## 1.3 Methodology

The research is an exploratory one in nature and has been done through a qualitative approach of secondary research, experience survey and depth interviews. The findings then were assessed utilizing the Triple Triangle Framework and findings were summarized. The procedure and rationale of each phase are described below:

### 1.3.1 Literature Survey (Phase I)

**Procedure and Rationale:** In the first phase, researcher has undertaken exploratory research to gain better understanding of the dimensions of the boutique fashion industry, key institutions and the need for preparedness. This phase also helped identify the key areas where institutions need to intervene to support inclusive growth of SMEs. The Research was carried out by going through secondary research materials which have been referenced and detailed in multiple sections of the report. In addition, literature survey in the qualitative research stage helped identify a long list of institutions that are relevant for the Boutique Fashion industry framework.

### 1.3.2 Experience Survey (Phase II)

**Procedure & Rationale:** Researcher also had a preliminary discussion with experts working or ex-workers in the Boutique Fashion Industry. Experts involved in this phase were Brand Managers, CXOs, consumers and Financial Institution Representatives. A good understanding of all the environmental factors and variables and identification of possible information sources i.e. Key Institutions was A vital requirement to develop the base of the research. To develop the way forward for the industry, complete knowledge of all external aspects relevant to the situation was essential in also finding out probable sources of information flow. Even though this stage did not clearly identify all the factors, this invariably contributed in outlining a possible pathway.

### 1.3.3 Depth Interview (Phase III)

**Procedure & Rationale:** The researcher then interviewed stakeholders/ representatives of all relevant institutions i.e. policymakers: Fashion Designer Council of Bangladesh (FDCB), Fashion Entrepreneurs Association of Bangladesh (FEAB), National Craft Council of Bangladesh (NCCB), Small and Medium Enterprises Foundation (SMEF), Bangladesh Small & Cottage Industries Corporation (BSCIC), Export Promotion Bureau (EPB), Bangladesh Handicrafts Manufacturers and Exporters Association (BANGLACRAFT) and Bangladesh Bank (BB). Structured Interview based on open-ended questions was tailored to the different informants and utilizing findings from previous interviews. The findings were validated by cross-checking with other questions and information from other informants. Each interview lasted for 90 minutes or so. Understanding of the Boutique Fashion Industry was vital for the researcher because based on the status of the industry at present; the researcher could identify the pros and cons. This stage provided the researcher with a base to continue to next stage of identification of information sources that were used to identify key institution and fulfil the specific objectives. In-depth interviews were used because idea was to gain access to unpublished experience based information and detailed probing of the informants will be required.

### **1.3.4 Case Study and TTF Matrix Preparation (Phase IV)**

At the final stage of the research, case study based approach was followed and a summary of findings in the TTF Matrix was prepared for the eight key institutions. It is based on qualitative method and relied on views of select Industry experts and Policymakers.

## **1.4 Scope of Research**

The scope of this research was limited to Boutique Fashion industry namely Handcrafted apparels where definition is limited to boutique male and female ethnic wear i.e. Salwar, Kurta, Kamiz, Panjabi, Orna and wearable accessories. The geographic scope was limited to Key National Institutions only.

## **1.5 Limitations**

- Formal data availability on the sector and industry players is non-existent. Since there is no authentic data about the numbers of SMEs in this industry associated with entire value chain, representation of information might be skewed per availability of source of information.
- Reliability of information from different organizations and experts may sometimes be biased due to access to different organizations/ experts and their ulterior intentions.
- Given the qualitative nature of the study, views of different experts vary and accordingly researcher had to compile their views to reach a concrete conclusion based on personal experience.

## **2.0 Overview of Boutique Fashion in Bangladesh**

### **2.1 History and Bangladeshi Scenario**

The enriched cultural history of Bangladesh goes back a thousand years. The ancient Silk Route starting from China to Mediterranean Sea was the centre of cultural interaction and political and economic development for centuries. Bangladesh was at the core of the route and cultural exchange (Vadime 2001). The history tells about our heritage, our cultural festivals, our arts and especially, the beautiful crafts of Bangladeshi artisans. The handicrafts of Bangladesh were famous all over the world in Mughal era; most famous were handmade dresses (Muslin and Jamdani), Nakshikantha, folk arts and ornaments (Minahan 2012).

The Battle of Plassey in 1757 ushered British rule in Bengal. The Industrial Revolution in London was the transition to new manufacturing processes in the period from about 1760 to sometime between 1820 and 1840. Our age-old crafts started to die due to Indigo cultivation and modernization. Indian sub-continent become independent from British rule in 1947, yet Bangladesh was a part of Pakistan (then). Till independence from Pakistan in 1971, few other craft and cottage industry were also on the verge of extinction within this 24 years of exploitation (Dastagir 2016).

During a time like this, Aarong – Bengali for ‘village fair’ – is Bangladesh’s most popular lifestyle retail chain. This ethical brand began in 1978 as a humble means to empower rural artisans to rise above poverty. Today, with 15 retail stores across Bangladesh and over 100 fashion and lifestyle product lines, Aarong supports 65,000 artisans with fair terms of trade. Over the past four decades, Aarong has carved out a unique market segment for handicrafts, reviving Bangladesh’s rich heritage and impacting the lives of more than 325,000 people through 850 small entrepreneurs and the Ayesha Abed Foundation. The foundation acts as Aarong’s production hub, where artisans find employment and access to BRAC’s holistic support including, maternal health care, hygiene awareness and subsidized latrines, micro-credit, legal aid, day care and education for their children. (Details available at Aarong website <http://www.aarong.com/about-aarong>). While Nipun Crafts Ltd. Started its journey ahead of Aarong in 1973, to bring back the essence of fashion into Bangladesh after the revolutionary independence war initiated by Ashrafur Rahman Faruq with the vision of exploring the handloom fabrics of Bangladesh, Aarong with the value chain of BRAC has been able to shine locally and globally.

Apart from Aarong and Nipun, multiple other small and medium organizations started operating in the industry during the ‘80s and ‘90s. Prabartana established by Farhad Mazhar in 1989; Kay Kraft by the entrepreneurs—Khaled Mahmud and Shahnaz Sultana since 1993; Anjan’s by Shaheen Ahmed and Rang established by Biplob

Saha and Soumik Das since 1994; Banglar Mela by Emdadul Haque, Mayasir by Maheen Khan and Bibiana by Lipi Khandakar since 2001; Sadakalo, developed by Tahsina Shaheen in 2002; Jatra since 2003; Deshal, created by three students—Kanak Aditya, Ishrat Jahan, and Shobuj of Charukala since 2005; Nogordola an innovative handicraft and handloom project of Dhaka Ahsania Mission, a reputed NGO since 2007, has been operating successfully in the country (Ahmed, et. al 2015). Apart from them, there are close to 5000 more boutiques in the country.

## 2.2 Industry Size and Growth Estimates

The unstructured nature of the industry and unavailability of research, it is extremely hard to estimate or even guesstimate the real size of the industry in 2016 apart from the fact that Aarong, the largest player of the industry is 80Mln USD in size and almost 80% of their business is from handcrafted apparel which makes it a business of 64Mln USD vis-à-vis BDT 510 Crore (Aarong COO Mr. Abdur Rouf). Adding to that, President of Fashion Entrepreneurs Association of Bangladesh (FEAB), estimates that 60% of their 80 members belong to Small category with less than BDT 2 Crore annual turnover while, 40% with less than BDT 5 Crore turnover annually. Almost same set of organizations are also members of Fashion Design Council of Bangladesh (FDCB) per their President Ms. Maheen Khan. Thus, the overall estimate for the industry varies between the range of 1000 Crore to 1500 Crore based on feedback of Industry experts with estimated number of retailers standing at 5000-5500. The estimated Gross Profit for the industry is at 45%-50% and Net Profit is estimated at 10-15% by the experts that were interviewed. The key locations for production of Handloom/ Hand crafted apparels are Rangpur, Gaibandha, Rajshahi, Jamalpur, Sirajganj, Pabna, Tangail, Narshigndi, Sylhet, Dhaka, Satkhira, Rangamati and Bandarban (Banglacraft Members Directory 2015). The estimated number of people directly or indirectly involved in the industry is 50Mln with a staggering 70% women participation (BDChronicle 2014).

## 3.0 The Triple Triangle Framework of Competitiveness

The Triple Triangle Framework developed by Mr. Sheikh Morshed Jahan in 2008 consists of three triangles that summarize the factors that affect business competitiveness at different levels. The inner triangle – with each of the three sides symbolizing either capacity, or capital or culture – explains the internal, largely controllable dynamics of firms. The middle triangle – with each of its three sides symbolizing either a customer, or a competitor or a collaborator – describes the immediate, industry-level context in which firms work. The outer triangle – with each of the three sides symbolizing either technology, or state or society and global forces – presents the macro environment, a largely non-controllable setting in which firms must operate (Jahan, 2008). Following is the visual representation of the TTF Competitiveness Model.

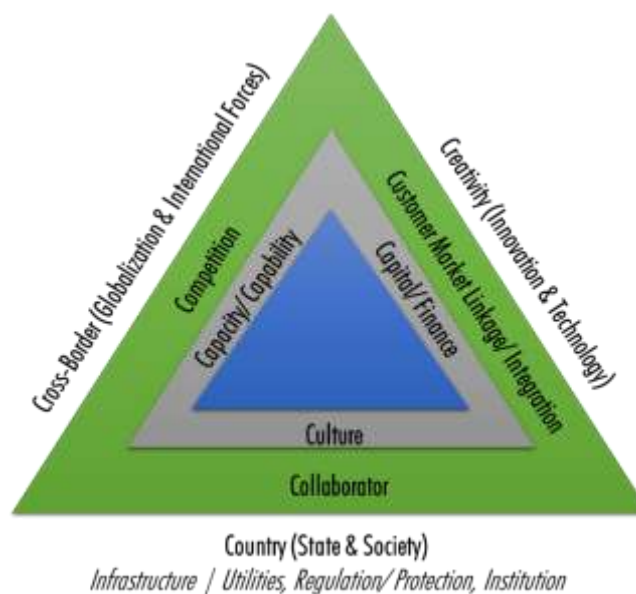


Figure 1: The Triple Triangle Framework

If we look at findings from existing literatures, among other important factors, Promotion of entrepreneurial culture, Human Resource Development, Financing a Business, Innovation, Market Access have been highlighted as key areas of Development Approach for SMEs in the Policy Guidebook for SME Development Asia and Pacific (Abe et al. 2012). These highlighted factors are clearly aligned to the TTF's Inner Triangle of Organization Characteristics. Similarly, Business Infrastructure, Entrepreneurship, Developing Managerial Skills and Human Resources, Improving Access to Financing, Developing and Adapting Technology have been mentioned in Enabling Environment for The Successful Integration of Small and Medium Sized Enterprises in Global Value Chains book of United Nations Publication in 2011. The SME Foundation Business Guidebook of 2015, Third Edition highlights the importance of Identifying Right Product, Production Capability, Skill Development, Entrepreneurial Capability, Infrastructure Development, Access to Finance, Understanding of Marketing Opportunity, Business Planning as key areas of intervention. Importance of Entrepreneurial skill is highlighted in multiple literatures. Role of SMEs in vertical and horizontal expansion over time and scale to foster entrepreneurship to ensure economic development of a nation is an important hypothesis (Juneja 2000). Risk Taking, Innovativeness, Well-coordinated, flexible (adaptable) & persistent actions, Self-awareness/ self-motivation, Self-confidence, Personal Initiative, Knowledge on Market Issues, Moral Attitude and values, Relationship Management, Future Orientation and Opportunity Seeking are highlighted as key entrepreneurial attributes referring to 36 Key Authors (Mamun, Ahmed and Zaheer 2008). From a research done by Bangladesh Women Chamber of Commerce And Industries in 2008 among 130 women entrepreneurs from 11 districts of Bangladesh, The, women entrepreneurs highlighted issues related to not developing product as follows: Lack of capital (60%), Lack of good designers (65%), Lack of skilled workers (61%), High price of materials (45%), Lack of modern machineries (55%), Lack of raw materials (48%), Lack of proper knowledge and training (46%), Lack of information (35%), Lack of family and social restriction to give more time to develop product (39%), Lack of development institutions (55%) etc. (Munir 2008). In a research done by ILO, Prioritizing Entrepreneurship Development, Awareness Raising Regarding Support Services, Marketing Support, Selective Promotion of Potential Small & Cottage Industries, Business Academic Collaboration, Better Training Centres and Specialized Loan Facilities have been highlighted as important factors for Women entrepreneurship growth in SMEs(Nilufer 2001). With regards to issues related to consumer, market and products, there are few interesting findings. According to a study, price, location, brand name, staff behavior and exclusive cloth collection are important determinants for customer attitude toward boutique houses, this is relevant to skill and design quality related factors ( Hossain et al. 2014). Moreover, Customers are now more fashion-conscious and they prefer branded clothes to regular ones. Developing our local brand both locally and globally in response to the growing demand is highly expected (Islam & Khan 2013). In terms of Capital, Lack of Access to Finance, High Cost of Finance, Large Collateral Requirements, Credit Information Gap, Cumbersome Documentation Process, Limited Spread and Reaches of Bank, Less Skilled Borrowers are important issues (Bosri 2016).

### 3.1 The Inner Triangle of Organizational Characteristics for Boutique Fashion

During the author's experience survey and depth-interview all the experts highlighted importance of similar issues for the Boutique Fashion Industry. Based on their feedback, the key issues that we can see for the industry related to Capability, Culture and Capital are as follows. The list is not sequenced by any form of prioritization of the experts and is just a compilation.



Figure 2: Organizational Characteristics (The Inner Triangle of TTF for Boutique Fashion)



In line with literature review, the identified areas of the Inner Triangle show that, the industry experts believe that in terms of **Capacity** issue, the Micro, Small and Medium Enterprise (MSME) Producers of the Boutique Fashion industry need to focus on:

- 1. Production Capacity and Skill:** The MSME producers do not have sufficient capacity and production skill to meet seasonal demands let alone even attempt for any export or global opportunities. The build-up to meet seasonal demands of the country i.e. Pohela Boishakh, Eid-ul-Fitr or Eid-Ul-Azha, Independence Day, Victory or the new rise of global occasions like Valentine's Day, English New Year etc. takes up too much time and retailers need to intervene to support the Producer (Entrepreneur) with financial support (in the form of advanced payment) and have to push for additional artisan recruitment. The artisan recruitment process is another hassle for producers since due to low payment most recruitments are that of amateurs who are taken from nearby areas, slums, villages etc. Moreover, employee turnover is high as ready-made garments pay much more than the boutique fashion industry. The industry producers are thus also not very keen to take up skill development activities for even basic areas of production like cutting, sewing, dyeing, block etc. since they think of it as cost rather than investment.
- 2. Entrepreneurial Skills:** Industry stakeholders highlighted the issue of entrepreneurial skills as one of the dominant areas where improvements are needed. In most cases, aligned to the literature review, producers do not appreciate their business from themselves. Proper Business mindset, planning, future orientation is not there. Over-reliance on large and medium retailers and lack of initiative to grow the business is also predominant. Most producers themselves do not look at the business as something they feel proud to pass on to their future generations. Profitability issues, rising cost and manual nature of the industry are also driving this attitude among the entrepreneurs. They themselves want their children to try something different from what they have been doing.
- 3. Understanding of Fashion Trends:** Most MSME Producers do not focus on understanding trends. They are entirely/ mostly dependent on big retailers to provide them understanding of Bangladeshi Heritage, Fusion Trends, Motif etc. While the big retailers/ large producers recruit from reputed Fashion Institutes, the MSME producers rely on their own self-learned expertise.
- 4. Marketing & Market Linkage Skills:** While there is any general sense of understanding around need for Marketing among the MSME producers, they lack the initiative. More than two-thirds of the producers are dedicated to large and medium retailers and they rely on the retailers for financing in the form of advance payment and hence they are generally complacent when it comes to Marketing as they have no vision to expand beyond 2-3 clients that they serve. The few producers that are generally open to Marketing move towards becoming a retailer themselves and try to build their business. However, most of them try to learn by experience rather than any formal training or any mentorship.
- 5. Capability to Manage Financers:** It is mandatory that there will be paperwork to attain capital be it from Micro Finance Institutions and/ or Private or Public Banks. However, both government experts and Industry leaders say that it is not just the case of Financing Institutions making the process aggravating, the MSME producers are also reluctant to learn the process and have a general tendency of calling the process troublesome. Given that the origin of most of these producers are from their home-based operation, they do not also have proper legal documentation in many cases. The reliance on retailers for advance and in some cases the convenience of Loan Shark due to personal relations also prohibit them from educating themselves.

Regarding issues related to **Culture**, following are the findings from the research process:

- 1. Individualistic vs. Entrepreneurial Approach:** As identified in the Capacity section, issues related to entrepreneurial skill also lead to an individualistic approach to running the business is prevalent among MSME producers. General tendency is that of cost minimization and they do not build a proper team around them to support the growth of business. This issue is not just for the indirect people who work as support system for the business, producers are also reluctant to hire proper fashion designers or even expert artisans. There is a general lack of trust and win-lose approach to run the business. If and when producers involve additional people, they tend to rely on family relatives rather than expert employees.
- 2. Acceptability Towards Change:** There is a general lack of acceptability to change in the industry. The producers tend to be in inertia against ever changing fashion trends. While, some of the big and medium retailers try to motivate them to work on new style, trends to create fusion of heritage and modern design using different motifs, the need for re-learning for the entrepreneur and re-training unskilled artisans lead to negativity towards change.

**3. Group Collaboration and Collective Bargaining:** In line with the general lack of trust within organization, similar condition is seen among competitors according to industry experts. Many a times issues related to copy products, design pilfer and price war among producers lead to low group collaboration. Under the severe indirect pressure from RMG on costs, coupled with the need for competitive pricing is leading to non-collaboration among producers themselves. According to many of the big/ medium retailers, producers try to bargain with them and sometimes they need to accept when seasonal requirements are high and meeting demand becomes extremely important. While dedicated producers of large/ medium retailers maintain good relations with each other, the competitive nature of producers themselves are clearly existent.

Regarding issues related to **Capital (Access to Finance)**, following are the findings:

- 1. Source of Fund and Awareness:** Like the issue of capability to manage financiers, another issue is the understanding of different source of funds and awareness regarding them. Most MSMSE producers are not aware of readily available collateral-free SME Loan facilities from Banks and MFIs as mandated by Bangladesh Bank. While most experts suggest that there is no confusion about existing facilities from all banks in the country, the producers generally tend to loan from relatives, even loan sharks
- 2. Cost Model of Financing:** The cost model of financing is not known in detail by most producers. Even though taking advance from retailers puts them at a profit disadvantage and loan sharks usually charge very high interest rate, formal process of EMI, diligent documentation requirement, and other requirements make producers shy away from MFIs and Banks. This is simply due to the natural convenience that they get when they do not generally need to meet specific time schedule and can adjust with the lender due to personal relationship.
- 3. Process of Funding and Difficulties:** In most cases, producers do not try to gather knowledge regarding the process of formal banking or MFI Loan. Given the fact that during the application process, they have to waste time (instead of approaching this as time investment) to get a loan from the bank or MFI where the nature of industry is not treated positively due to volatile nature and there is little physical setup, the producers generally feel the process to be cumbersome. On the other hand, most cases, banks are over dependent on corporates and big loans and generally do not focus on loans to SMEs in the Boutique industry as this is one of those industries where business starts as hobby and loan recovery can be hampered. However, according to industry experts, there are issues on both sides. While a producer needs to have easy process, banks also need to do their due diligence and in many cases, the entrepreneurs do not have the right business plan, entrepreneurial approach and the convincing skills to get the loan.

### 3.2 The Middle Triangle of External Characteristics

External Characteristics of the Boutique Fashion Industry primarily appears to be as follows: There is huge institutional issue in the Boutique Fashion Industry related to Institutional Readiness across the entire external value chain. The issue of monopoly from Big Players, Access to Fashion Designers, Market Integration and Low/ Very Low Role play from Industry Collaborators to support Consumer Interaction and Globalization for Small and Medium Artisans seem to play a big role in undermining Inclusive Growth.

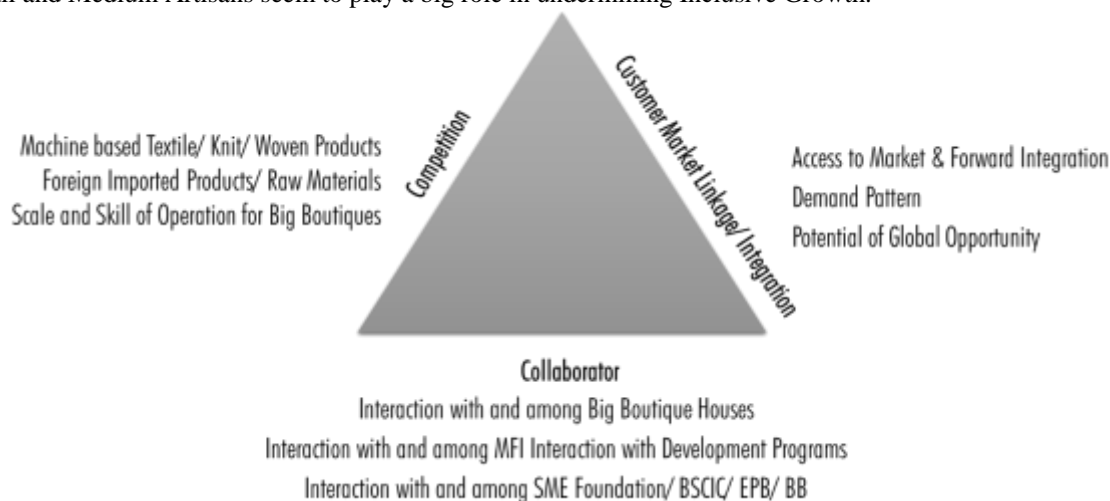


Figure 3: External Characteristics (The Middle Triangle of TTF for Boutique Fashion)

In the dimension of **Competition**, following were the researcher's learnings:

- 1. Machine-based Textile/ Knit/ Woven Products:** The producers for the Boutique fashion industry faces huge competition from other forms of textile and knit and woven products. This does not only entail the demand in the market, but also competition for investments. Time has demonstrated that the textile industries in Bangladesh stand firmly in the global business cycle and operate in a demand-driven market due to the spectacular growth of the export-oriented apparel industry, which has proven its ability to maintain a global network with importers from the U.S., the EU, Canada, Australia and many other countries. Additionally, growth opportunities in the export of home textiles and local demand for textile products are firmly shaping the future of investment in the textile sector of Bangladesh and the MSME producers for boutique fashion industry have to compete for this investment as well.
- 2. Foreign Imported Products / Raw Materials:** In 2016, Import of key raw materials had increased by about 5-10 per cent last year despite a comparatively slow growth rate in RMG export. The sector saw a 4.08 per cent export growth in the last fiscal year, 2014-15. However, it failed to keep pace with the growth of imported input. This also means that the MSME producers are losing out on market due to the availability of imported raw materials, which are marked at a higher rank because of perceived quality value.
- 3. Scale and Skill of Operation for Big Boutiques:** The big boutiques are regularly being exposed to training and workshops, not only at a local level, but also at a global level. These activities are bringing up the efficiency of the people working for the big boutiques, as opposed to the MSME products to the boutique industry. This also led to the big boutiques replacing the producers with their own resources in order to reduce the cost.

For **Customer Market Linkage**, the following were the findings:

- 1. Access to Market:** The MSME producers have very limited access to market as the lack of knowledge of the market holds them back. There's no standardized platform where the producers can learn about the interested buyers or even showcase their products to them. There is also a lack of initiative and most of them have a heavy reliance on specific retailers and are reluctant to try new options.
- 2. Forward Integration:** There's a lack of initiatives for forward integration as the MSME producers lack necessary funding or capacity to collaborate. There's a general lack of trust within the different partners in the industry, and the producers will always want to find the best deals than sticking to a permanent solution.
- 3. Demand Pattern:** The seasonality factor place a big role in changes in the demand pattern. The lack of industry-wide planning process to address the issues of demand hikes during seasonal events like Pahela Boishakh, Bijoy Dibosh, etc. has only led to continuous shortage and lack of quality designs.
- 4. Potential of Global Opportunity:** Due to the increased globalization, more and more global trade shows are happening in consideration of the multi-cultural approach. There is a potential of global opportunity for MSME producers of the boutique fashion industry as well, however the lack of knowledge about these opportunities are holding them back.

For **Collaborators**, the following were the findings:

- 1. Interaction with and among Big Boutiques:** There is no proper flow of information within the producers and the Big Boutiques. For most of the cases, the Big Boutiques exercise more power on these producers and do not consider them as important partners in the value chain.
- 2. Interaction with and among MFI Interaction with Development Programs:** Long-term relationships with MFI are hardly ever built by the MSME producers. The handful no. of projects that are being undertaken are usually by bigger players like BRAC. However, there is a reluctance from MSME producers as well to take funding for capacity building as most lack the entrepreneurial spirit.
- 3. Interaction with and among SME Foundation/ BSCIC/ EPB:** The trainings and workshops held by BSCIC and EPB are usually one-off and since the MSME producers face a huge turn-over rate, the long-term impact from these projects can hardly be measured. There's also a lack of effort for these producers from SME Foundation as their activities are usually with the other producers that are directly dealing with the RMG sector.
- 4. Interaction with and among training institutes:** There is almost no interaction among the training institutes and MSME producers as the producers are reluctant to train their employees because of the high turnover rate.



### 3.3 The Outer Triangle of Influencers

The influencers generally are expected to play a big role in Institutional Readiness for any industry, however, in the case of Boutique Fashion that does not seem to be the case. An overview of the Influencers through the SME Competitiveness Model lens looks to be as follows:

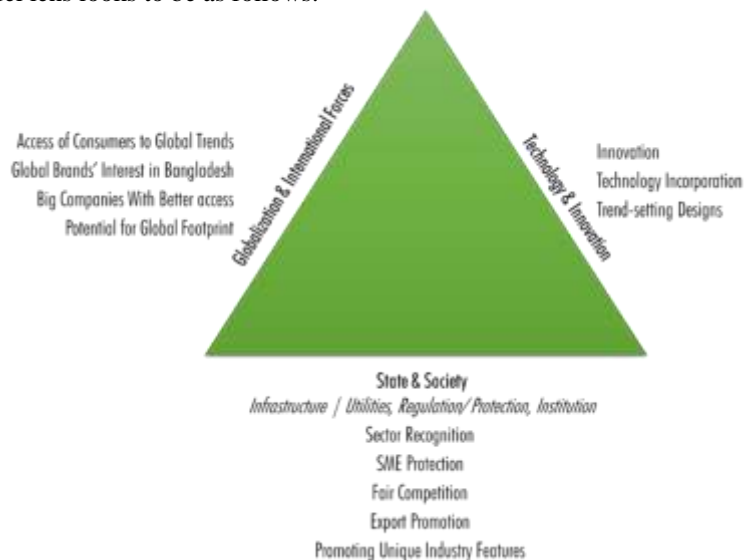


Figure 4: Influencer Characteristics (The Outer Triangle of TTF for Boutique Fashion)

For **Cross-Border** (Globalization & International Forces), these were the researcher's findings:

- 1. Access to consumers to global trends:** With increase of consumer laws that exercise the consumers' right to information, there has been a shift in consumer behaviour globally. People are actively looking for information on where their clothes are coming from. Also, a digital world means the consumers are being more aware of fashion trends in other countries, which are giving unexpected shifts in demand.
- 2. Global brands' interest in Bangladesh market:** The top tier fashion giants have recently started to collaborate with the RMG industry for production. This has brought in more exposure to global fashion within the industry, and with building the right capacity, the industry can handle this in a well-rounded manner.
- 3. Big companies have better access:** The big companies have the capacity to employ global technology as they can get necessary investments. On the other hand, the MSME producers do not have the funding or the exposure to the global trends.
- 4. Potential for Global footprint:** The global fashion industry is looking for varieties in design and product materials to satisfy the growing demand of consumers. There is an increase in the number of global trade shows and workshops and it is becoming vitally important to proactively seek for such opportunities.

In terms of **Creativity** (Technology and Innovation), these are the researcher's findings:

- 1. Innovation:** The rate of innovation nowadays has been the highest than ever before across all industries, and the fashion industry is no different. There have been innovations in business models, production processes, etc. that can sufficiently bring up the efficiency level and consumer satisfaction.
- 2. Technology incorporation:** The big players in the market are bringing in machineries from abroad to meet the requirements of the buyers. Global B2B platforms have made the communication easier among the partners.
- 3. Trend-setting Designs:** The consumers are now seeking more and more value from the products they are buying, and this has kept the fashion industry on the edge for coming up with new designs every single day. They are now looking for inspirations from other cultures and mixing designs to produce high breed of designs for products.

In terms of **Country** (State & Society), these were the researcher's findings:

- 1. Sector recognition:** The contribution of the industry in the GDP is undeniable and more and more efforts are being taken by the government to help the firms operating in the industry.

2. **SME Protection:** In recent times, there have been policies by the Bangladesh Bank where they have introduced several schemes and programmes to flourish and expand SME Enterprises. Refinance scheme funded by Bangladesh Bank, IDA and ADB has been facilitated for the development of SME Sector. Even with all these, still there are no laws in place for SME Protection. Unless a comprehensive structural reform takes place, maximizing the contribution by this growing sector will be difficult.
3. **Fair Competition:** The power in the market lies with the big players while de-benefitting the MSME players who cannot compete with them in terms of capacity and output. Policies need to be reformed to enable fair competition so that MSME firms are encouraged to come forward and maximize their growth potential.
4. **Export Promotion:** There should be an industry-wide effort to promote export in the global market in order to compete with the other players like China, Vietnam, and India. All the players from the value-chain should be facilitated to contribute in the industry strategies for promotion of the sector.
5. **Promoting unique features of the industry:** It is increasingly becoming vitally important to identify the elements that make up the USP for the industry. Features that are culturally unique to us like Nakshikantha motifs should be highlighted in our proposition when we are approaching the global market.

## 4.0 Case Study of Key Institutions in Boutique Fashion

### 4.1 Key Institutions Relevant for Boutique Fashion

During the research process, many institutions/ associations that are either formed by direct industry participants, institutions that work directly towards development and facilitation of Cottage, Micro, Small and Medium Enterprises and get involved in the Export domain of the industry were identified. The list of institutions was then prioritized based on their importance in terms of current/ potential contribution towards ensuring inclusive growth for SME producers of the industry. View of industry experts were critical in identifying and then assessing the key institutions. Following sections of this chapter present the EIGHT key institutions and their preparedness across the identified factors under NINE TTF dimensions. Case study approach is followed to introduce the institutions and then assessing their preparedness.

### 4.2 Fashion Entrepreneurs Association of Bangladesh (FEAB)

Fashion Entrepreneurs Association of Bangladesh (FEAB), Fashion Uddog in Bengali started its journey on 22 March, 2014 as the main representative body of the fashion industry (The Daily Star 2014). This nascent organisation is an amalgamation of the heads of the several acclaimed fashion brands of the country with a total of 80 members in 2016. For example, Azharul Haque Azad, the president of FEAB, is the head of Shada Kalo and Shahin Ahmed, Vice-President of FEAB is the head of Anjan's. The association was formed to represent the industry in bargaining various industry-related issues with the government. Given the condition of neighbouring countries like India, Pakistan and Nepal, our country still lacks a proper structure and a body of policies. The objective of FEAB is to establish fashion industry as a priority sector and the support of the government through friendly policy can help the industry in contributing to the economy in an organised manner (BDChronicle 2014). This organisation is a platform to discuss such issues and bring about the necessary changes so that the fashion industry of Bangladesh can collectively conserve the country's rich fashion heritage, compete adequately and effectively against the foreign fashion products and improve the made-in-Bangladesh brand across the globe. One of the biggest agenda for the association is to bring the fashion industry under a specific ministry and provide it an economic boost. Important issues such as the uncontrolled showroom rents, high prices of raw materials, inflexible loans, more relaxed VAT and interest rates, etc. and other policy issues need to be addressed if the industry to be made a more profitable entity.

According to discussions with the Top-level leaders of the organization, FEAB is a relatively new organization that has been concentrating on (a) acquisition of new members, an activity aligned with the **Collaborator** dimension and its primary efforts being directed towards (b) declaration of Boutique Fashion as a 'thrust sector' which has been a long pending issue for the industry which falls under the **Country (State & Society)** dimension of the TTF. Apart from these, the leaders of the organization participate in (c) Fashion Design and Skills related trainings of different government and donor funded initiatives as resource persons which are generally sporadic case-by-case basis situations which falls under the **Capacity** dimension and lead or volunteer in different fairs and events which is in the **Customer** (Market Linkage) domain. Moreover, the association executive committee supports its members in informal relationship situations to connect them with Banks due to

their stature in the industry, relevant to the Capital domain. The overall finding is that organized approach towards the industry is still at a very initial stage in FEAB.

### 4.3 Fashion Design Council of Bangladesh (FDCB)

Launched on February 19, 2014, with Founder President Maheen Khan of Mayasir, Vice President Emdad Haque, General Secretary Shaibal Saha and Treasurer Chandana Dewan, The Fashion Design Council of Bangladesh seeks to promote Bangladeshi culture and fashion internationally, creating a market for our "Deshi" products. It also aims to set up a research and resource center that will archive old fashion cultures and traditions of Bangladesh and act as a guideline for up and coming designers (FDCB Official Facebook Page, 2016). Currently there are 20 members in the Council. The organization believes that in Bangladesh, our general tendency is to take pride in everything that is foreign and we are constantly overwhelmed by other countries for inspiration in terms of design and innovation. While we have history of a rich culture (Minahan 2012) and heritage which unfortunately is under-valued by people here. Bangladesh garments that are exceptionally rich and beautiful, replete with intricate embroideries and designs –defining our tradition. According to top leaders of FDCB, FDCB is working towards its objective to promote and develop our home-grown productions of textiles and other heritage products with an intention to make them globally acceptable. FDCB plans to initiate one event each year to present fashion with a conscience. The fashion Design Council of Bangladesh (FDCB) would like to be at the forefront of endeavors to preserve for prosperity Bangladeshi textile past. Moreover, it is a not-for-profit organization that aims to coordinate and cooperate with various ministries responsible for handling finances and cultural affairs which will be a guiding framework for this council. Along with this the FDCB aims to incorporate all the distinguished designers and fashion houses in this novel endeavor.

Based on the activities done by FDCB in the last couple of years vis-à-vis the first one they organized, promoted the use of Bangladeshi Rajshahi silk and they made every designer and member of the Fashion Design Council develop western ensembles. The next event was a tribute to Tangail weaves. FDCB developed a collection and had a show at Bengal Lounge in 2014. Initially, Rajshahi and Tangail weave were promoted by FDCB through events that were very well received by large audiences. Finally, in 2015 FDCB organized a Khadi festival that became bigger and better in 2016. All these activities so far fall under **Country** and **Cross-Border** dimension of the TTF while the scale is not yet very big. The top leader of FDCB suggested that the council intends to work as a think-tank for the Boutique Fashion industry and promote the uniqueness of Bangladeshi Fashion to the world. They do not intend to become a development organization for the industry and rather be a strong local and global promoter for Bangladeshi Fashion.

### 4.4 National Crafts Council of Bangladesh (NCCB)

Headed by one of the pioneering experts of the Fashion Industry, Chandra Shekhar Saha, the National Crafts Council of Bangladesh (NCCB) started its journey in 1985. Since inception, NCCB has been involved in craft development and promotion through research, documentation and a range of support services for craftspeople. The Crafts Council's objectives have been to discover the lost craftsmanship of Bangladesh, to revive traditional crafts, to ensure the purity of craft forms and to recognize the lifetime contribution of artisans who have not only kept traditional crafts alive but have transferred them successfully to the next generation. The Council has initiated a major annual event, the Master Craftsperson's Award since 1989 to recognize and honor the finest craftsmanship. Another important national award is the Shilu Abed Award for Crafts instituted in her memory in 1998 by BRAC-Aarong for her contribution to crafts as the Adviser-Aarong. From 1999 the Crafts Council has been given the full responsibility of administering this major award.

According to the top leaders at NCCB, their objective is completely research based revival of craftsmanship of Bangladesh and recognizing the craftsmen and they plan to continue to focus on these areas only. This activity falls under the Country dimension of TTF. However, their top leaders with their personal expertise are collaborating with other Private and Government Institutions to promote skill of Fashion Designers, Supporting Craftsmen which fall under the Capability Dimension of TTF.

#### **4.5 Bangladesh Handicrafts Manufacturers and Exporters Association (BANGLACRAFT)**

The Handicrafts manufacturers & exporters had formed a national association in 1979 under the name and style of Bangladesh Handicrafts Manufacturers and Exporters Association, in short “BANGLACRAFT”. The Association was mainly formed with the Manufacturers, Exporters Traders, Producers, Designers, Promoters and Suppliers of handicrafts items throughout the country. Accordingly, the Association was registered with the Joint Stock Company and the Ministry of Commerce, Government of the Peoples' Republic of Bangladesh. With 350 members, the association works to promote and protect the interest of all persons engaged in the manufacture, export, production, supply, designing and trade in handicraft; to promote co-operation and collaboration among members of the association, to assist members for marketing of handicrafts both at home and abroad, to assist members by providing training and assistance for product manufacture, design and skill development; to help members to obtain bank finance for production units and to obtain export credit facilities; to represent the views and problems for the development of the sector with the concerned agencies, both in the government and non-government sector; to ensure fair wages, satisfactory working conditions, social security and economic well-being for the artisans and workers of the sector (Banglacraft, 2010).

However, according to the President of the organization, among 31 different types of Handicraft products that are being exported to other countries, Boutique Fashion is negligible. 2015-16 Export value was USD 10.01 Mln for all Handicrafts of which Boutique Fashion was less than even 0.5%. One of the major reasons the organization feels is that our Boutique Fashion is only relevant for Ethnic population living abroad and is not suitable for the Export market native people. Hence, apart from our relevant cultural festivals and wedding, the demand for Boutique Fashion is not there. Accordingly, BANGLACRAFT does not have any formal engagement with the Boutique Fashion industry however, based on informal relationship based approach they support if any of the members ask for advice and recommendation for export. This activity while menial is relevant to the **Cross-Border** Dimension of the TTF. However, at an overall level, if a proper export potential is created in the industry, BANGLACRAFT expects to contribute across all dimensions of TTF.

#### **4.6 Small and Medium Enterprises Foundation (SMEF)**

The Small & Medium Enterprise Foundation, widely known as SME Foundation, is a limited company licensed by the Ministry of Commerce as a not for profit organization as an apex institution for SME development in the country. The major activities of SME Foundation are implementation of SME Policy Strategies adopted by the Bangladesh Government, policy advocacy and intervention for the growth of SMEs, facilitating financial supports for SMEs, providing skill development and capacity building training, facilitating adaptation with appropriate technologies and access to ICT, providing business support services, etc. It is mentionable here that the Foundation is working for the development of enterprises and entrepreneurs who belong to micro, small and medium categories as per Industrial Policy 2010. Besides the general supports to the development of SMEs and entrepreneurs the Foundation is providing diversified supports to the existing and potential women entrepreneurs in order to position them into the mainstream business community (SMEF 2016).

SMEF has identified and documented 177 SME clusters in 2013, however, there are only 2 direct clusters for Boutique Fashion in Asam Colony Power House More of Rajshahi City with 200 enterprises where 1750 artisans work which is under Fashion-rich wears, personal effects and consumption goods sector and another one in Mongalpur of Kamalganj in Sylhet with 90 enterprises and 500 workers. This cluster is under non-booster cluster sector of Handloom and Specialized Textiles (SMEF 2013). According to SMEF Representatives, the foundation works in **all relevant areas of the TTF dimensions of TTF** however, there is no dedicated activity for Boutique Fashion except for a Fashion Design Training Program due to prioritization of resources that needs to be done by the organization. The Fashion Design Training Program for Entrepreneurs runs in 3 subsequent stages of 6 days training making it a 18-day Program. Approximately 100 entrepreneurs are selected based on their portfolio review and after 3 rigorous phases, generally 30 entrepreneurs graduate from the program. This activity has been going on since 2009 and approximately 300+ entrepreneurs have been created. These entrepreneurs and anyone of the Boutique Fashion Industry can get all relevant Business Support Services and Credit Facilities, however, as an industry customized services are not yet there for them.

#### 4.7 Bangladesh Small and Cottage Industries Corporation (BSCIC)

Bangladesh Small and Cottage Industries Corporation (BSCIC) is the prime mover organization in Bangladesh to support industrialization process through creation of an entrepreneurial society. BSCIC was established by an Act of the Parliament in 1957. Vision of this corporation is to accelerate the industrial growth through promotion and extension of Medium, small and cottage industries. Its development activities are motioned, catalysed and supported by promotion and extension services to the Medium, small and cottage industries. For human resource development, it has several institutes like Small and Cottage Industries Training Institute (SCITI), 15 Skill Development Centres (SDC), one Design Centre and a well-equipped Computer Lab in the Head Office. These institutes are the centres of excellence and work for capacity building through training and consultancy services. BSCIC maintains lean staff with interdisciplinary expertise that has pioneered innovative solutions to entrepreneurship development and enterprise creation. They are growing with experiential learning and demonstrate how an entrepreneurial society can fight against poverty. Besides, as govt. organization, BSCIC always committed to put its effort for implementing govt. decisions and agenda for the interest of the country through its capacity under the guidance of Ministry of Industries. BSCIC services include Entrepreneurship development through counselling and training; providing infrastructural facilities by establishing Industrial Estates; extending credit facilities to the entrepreneurs from its own fund and also through banks and financial institutions; Preparation of Project Profile and project appraisal proposal: Provide technical and consultancy services for establishing new industrial units and quality improvement of SCI products; Development and distribution of new designs and prototype; Innovation and adaptation of appropriate technology in the SCI sector; Collect, compilation and dissemination of technical and other information leading to investment, production and marketing of SCI; Conduct research, studies and survey in the SCI sector; Other pre-and post-investment counselling; Regulatory Functions; Registration of small and cottage industrial unit; Recommendation for exemption of duties and taxes; Recommendation for import entitlement of raw materials and packaging materials and Industry Promotion through participation in National and International Fairs (BSCIC Website 2016).

However, if we look at the latest data from BSCIC for 2013-14, 2014-16 and 2015-16 Fiscal Year, there has been 3,395 people, 3164 people and 7,072 people trained under the Entrepreneurial Skill Development Training respectively. For Functional Skill Development Training the numbers were 53,256 people, 48,223 and 50,605 people respectively. In terms of Fair participation, the numbers were 8, 9 and 11 respectively. BSCIC also organized 12, 11 and 14 fairs around the country. However, breakdown especially for Boutique Fashion relevant training was not available. A ratio estimate for Training for all industries versus Boutique Fashion can however be assumed based on the plans for 2016-17 session. Functional Skill Development Training in Cutting, Sewing, Block-Boutique and Screen Printing for Clothes is expected to be 18 among total of 193 trainings; number of participants from Boutique relevant training is expected to be 325 among 3,280 through 15 SDCs. The Design Centre in Dhaka Headquarter is expected to impart training to 1,020 people through 65 training sessions of which 29 trainings are relevant for Boutique with 580 participants. However, without breakdown The Entrepreneurial Skill training through Skill Assistance Centre in all 64 districts for all industries are expected to be 8,500 people in 162 training sessions. In the same area, SCITI is expected to train 350 people per faculty in 10 trainings each through the Five faculties i.e. Entrepreneurship Development Faculty, General Management Faculty, Industrial Management Faculty, Financial Management Faculty and Marketing Management Faculty. The planned number for National Fairs in 2016-17 year are 19 fairs to be organized, 15 where participation is expected and 4 Matchmaking conferences to be organized and BSCIC plans to participate in 4 international fairs (BSCIC Training & Fair Calendar 2016-17). The loan amount distributed to Small and Cottage Industries is BDT 964 Crore in 2014 with a recovery rate of 82.59% (Bosri, 2016). With these activities, BSCIC plays **clear role across all dimensions of the TTF** however, the scale is very limited since Boutique Fashion is not a thrust sector.

#### 4.8 Export Promotion Bureau (EPB)

Export Promotion Bureau is a national export promoting agency under Ministry of Commerce in Bangladesh. The main responsibility of Export Promotion Bureau (EPB) is to promote and develop export sector of Bangladesh. Initial proclamations were made on August 20 and November 8, 1975. The Export Promotion Bureau Ordinance was enacted in 1977 and consequently EPB was established. In accordance with this, EPB adopts policy and programme measures for active promotion of exports. Co-ordination and monitoring of national export performance and progress by preparing export related data is another important job of EPB. EPB is carrying out of promotional activities in product and supply development. Exploration of markets through



organizing and participating in international trade fairs and exhibitions abroad is one of primary duty for EPB. It also organizes every year international trade fair in Dhaka regional trade fares in divisional town once a year which are rarely international in nature. It takes space in international fares abroad in collaboration with local industries who would like to take part in the fairs.

EPB has no direct function with boutique fashion industry but Commodities Development Division works closely with the private sector in solving day-to-day problems of the exporters. The Division advises the exporters on the quality of the products, its marketing and adaptation as well. This division arranges marketing missions abroad to find new markets and buyers of the specific products. The Commodities Development Division works in Co-operation with the Bangladesh missions of the concerned country to find new markets of Bangladeshi products and consolidate the existing ones. It also helps in the amicable settlement of the trade disputes between Bangladeshi Exporter and Foreign Importers. If potential of the industry improves, EPB would have to play strong role in **Cross-Border, Country and Capital Dimension** of the TTF.

#### 4.9 Bangladesh Bank (BB)

Bangladesh Bank, the central bank and apex regulatory body for the country's monetary and financial system, was established in Dhaka as a body corporate vide the Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972) with effect from 16th December, 1971. At present, it has ten offices located at Motijheel, Sadarghat, Chittagong, Khulna, Bogra, Rajshahi, Sylhet, Barisal, Rangpur and Mymensingh in Bangladesh.

Bangladesh Bank has already introduced several schemes and programmes to flourish and expand SME Enterprises. Refinance scheme funded by Bangladesh Bank, IDA and ADB has been facilitated for the development of SME Sector. Besides, to ensure institutional financial facilities under easy conditions Bangladesh Bank has taken diverse steps; like opening of '**Dedicated Desk**' for SME and '**SME Service Centre**' in the banks and special facilities for the women entrepreneurs. But reality is that expected outcome has not been achieved so far in this sector.

In the back drop of recent global recession and changed circumstances, it has become essential to include all segments of people in the growth process through facilitating credit to the sectors where less attention has been given due to present market mechanism, specially, in agriculture and SME sector. Reasonably, a new department namely '**SME and Special Programmes Department**' has been established in Bangladesh Bank recently which will be solely responsible for policy formulation, facilitating fund, monitoring and development of entrepreneurship in the SME sector.

Among SME enterprises/entrepreneurs in our country, small entrepreneurs have more prospects for generating employment, reducing unemployment and achieving economic growth. Keeping this in view, at least 40% of the total disbursement target of SME credit should be reserved for small entrepreneurs and the rest will be allocated to medium entrepreneurs. Target of SME Credit Disbursement: Bangladesh Bank has set a target of credit disbursement in SME sector and the target differs across all different types of Banks. The targets are as follow: State Owned Banks (3,897 Crore), Specialized Banks (600 Crore), Private Commercial Bank (17,478 Crore), Foreign Commercial Bank (707 Crore), Non-Bank Financial Institution (1,313 Crore).

Large scale industries (LSI) account for the major share of industrial term loan disbursement (75.6 per cent of total term loan); followed by medium scale (MSI) (14.3 per cent) and small scale (SSI) industries (10.1 per cent). The composition has slightly changed in recent years because of targeted initiatives by the Central Bank to disburse more loan to the SME sector; as a result, the gap between SSIs and MSIs in terms of share of term loan has reduced since Q1 of FY2015. The target of credit disbursement for SME has increased gradually over three years: 2014, 2015 & 2016 and the targets are Tk. 88,753 crore, Tk. 1,04, 587 crore and Tk.1,13, 503 crores respectively. However, all these numbers are not of strong relevance for the Boutique Fashion industry as Access to Finance for Boutique Fashion is not prioritised by the government yet since the industry is unstructured and is not in the list of Thrust sectors even among SMEs. However, if the industry grows strongly, Bangladesh Bank can play a strong role in **Capital, Cross-Border and Creativity** dimensions through policy interventions.

## 5.0 Summary of Findings

Based on the overall findings of the research and case studies we can create a cross-tabulation of TTF Dimension and preparedness of the eight key institutions as per the following table:

Table 1: Institutional Preparedness for Key Institutions Across TTF Dimensions

TTF Dimension	Factors	Fashion Entrepreneurs Association of Bangladesh (FEAB)	Fashion Design Council of Bangladesh	National Craft Council of Bangladesh	Bangladesh Handicraft Manufacturers & Exporters Association (BANGLACRAFT)	Small & Medium Enterprises Foundation (SMEF)	Bangladesh Small & Cottage Industries Corporation (BSCIC)	Export Promotion Bureau (EPB)	Bangladesh Bank (BB)
Capacity	a. Production Capacity & Skill	Limited, relationship-based involvement.	No intervention & Not mandated.	No intervention & Not mandated.	Mandated but very small quantity of Boutique Exporters.	Mandated for SMEs and Boutique Fashion Entrepreneurs but scale is limited.	Active involvement but scale is limited.	Not mandated.	Not mandated.
	b. Entrepreneurial Skill	No direct intervention.	No intervention & Not mandated.	No intervention & Not mandated.	Mandated but very small quantity of Boutique Exporters.	Mandated for SMEs and Boutique Fashion Entrepreneurs but scale is limited.	Active involvement but scale is limited.	Not mandated.	Not mandated but support is given through SME cell.
	c. Understanding of Fashion Trends	Relationship-based involvement of Leaders. No program.	Relationship-based involvement of Leaders. No program.	Relationship-based involvement of Leaders. No program. Research for Craftsmanship done.	Not mandated.	Mandated for SMEs and Boutique Fashion Entrepreneurs but scale is limited.	Active involvement but scale is limited.	Not mandated.	Not mandated.
	d. Marketing and Market Linkage Skills	No program. Relationship-based support.	Not mandated.	Not mandated.	Mandated but very small quantity of Boutique Exporters.	Mandated for SMEs and Boutique Fashion Entrepreneurs but scale is limited.	Active involvement but scale is very limited.	Not mandated.	Not mandated.
	e. Capability to manage financiers	No program. Relationship-based support.	Not mandated.	Not mandated.	Mandated but very small quantity of Boutique Exporters.	Mandated for SMEs and Boutique Fashion Entrepreneurs but scale is limited.	Active involvement but scale is very limited.	Not mandated.	Not mandated.
Culture	a. Individualistic vs. Entrepreneurial approach	No direct intervention.	No intervention & Not mandated.	No intervention & Not mandated.	No intervention & Not mandated.	Mandated for SMEs and Boutique Fashion Entrepreneurs but	Active involvement but scale is very limited.	Not mandated.	Not mandated.

TTF Dimension	Factors	Fashion Entrepreneurs Association of Bangladesh (FEAB)	Fashion Design Council of Bangladesh	National Craft Council of Bangladesh	Bangladesh Handicraft Manufacturers & Exporters Association (BANGLACRAFT)	Small & Medium Enterprises Foundation (SMEF)	Bangladesh Small & Cottage Industries Corporation (BSCIC)	Export Promotion Bureau (EPB)	Bangladesh Bank (BB)
						scale is limited.			
	b. Acceptability towards change	Limited, relationship-based involvement.	Limited activity to promote change and acceptability of new trends.	Limited activity to promote change and acceptability of new trends.	Limited activity to promote change and acceptability of new trends.	Limited activity to promote change and acceptability of new trends.	No active program. Within courses issues are addressed.	Not mandated.	Not mandated.
	c. Group Collaboration & Collective Bargaining	No intervention.	Not mandated.	Not mandated.	Not mandated.	Not mandated.	Not mandated.	Not mandated.	Not mandated.
Capital	a. Sources of Fund & Awareness	Relationship-based involvement of Leaders. No program.	Not mandated.	Not mandated.	Mandated but very small quantity of Boutique Exporters.	Mandated and support given through separate wing.	Mandated but limited support.	Passive support.	Mandated and support given through separate wing.
	b. Cost Model for Financing	Mandated but no progress yet.	Not mandated.	Not mandated.	Mandated but very small quantity of Boutique Exporters.	Mandated but limited support.	Mandated but limited support.	Not mandated.	Policy developed to support collateral free loan.
	c. Process of Funding & Difficulties	Mandated but no progress yet on correcting.	Not mandated.	Not mandated.	Mandated but very small quantity of Boutique Exporters.	Mandated but limited support.	Mandated but limited support.	Not mandated.	Policy developed to support collateral free loan.
Competition	a. 1. Machine-based Textile/ Knit/ Woven Products	No action.	Denigrates proxies.	Denigrates proxies.	No action.	Positively supports this industry.	Positively supports this industry.	Positively supports this industry.	Positively supports this industry.
	b. Foreign Imported Products / Raw Materials	No action.	Denigrates proxies.	Denigrates proxies.	No action.	No action.	Lobbies against Foreign products.	No action.	Lobbies against Foreign products.
	c. 3. Scale and Skill of Operation for Big Boutiques	No action.	No action.	No action.	Supports Big Boutiques.	Supports Big Boutiques.	Supports Big Boutiques.	Supports Big Boutiques.	Supports Big Boutiques.
Customer Market Linkage	a. Access to Market	Limited, relationship-based involvement.	Not mandated.	Not mandated.	Participates in limited number of Fairs.	Organizes and participates in limited number of fairs.	Organizes and participates in limited number of fairs.	Organizes and participates in limited number of fairs.	Not mandated.
	b. Forward Integration	Limited, relationship-based involvement.	Not mandated.	Not mandated.	Mandated but very small quantity of Boutique Exporters.	Mandated for Boutique Entrepreneurs but scale is limited.	Active involvement but scale is very limited.	Organizes and participates in limited number of fairs.	Not mandated.
	c. Demand Pattern	Raises awareness during occasions.	Not mandated.	Research work done.	Not mandated.	Not mandated.	Not mandated.	Not mandated.	Not mandated.

TTF Dimension	Factors	Fashion Entrepreneurs Association of Bangladesh (FEAB)	Fashion Design Council of Bangladesh	National Craft Council of Bangladesh	Bangladesh Handicraft Manufacturers & Exporters Association (BANGLACRAFT)	Small & Medium Enterprises Foundation (SMEF)	Bangladesh Small & Cottage Industries Corporation (BSCIC)	Export Promotion Bureau (EPB)	Bangladesh Bank (BB)
	d. Potential of Global Opportunity	Limited, relationship-based involvement.	Promotes unique heritage of the country.	Research work to preserve heritage.	Active involvement but scale is very limited as Boutique Fashion demand is very low.	Limited, relationship-based involvement.	Active involvement but scale is very limited as Boutique Fashion demand is very low.	Active involvement but scale is very limited as Boutique Fashion demand is very low.	Active involvement but scale is very limited as Boutique Fashion demand is very low.
Collaborator	a. Interaction with and among Big Boutiques	Involvement is high.	Involvement is high for promotional purposes.	Involvement is high for research purposes.	Low involvement.	High involvement for training related resource person support.	High involvement for training related resource person support.	Not mandated.	Not mandated.
	b. Interaction with and among MFI & Development Programs	Relationship-based involvement of Leaders. No program.	Relationship-based involvement of Leaders to gather fund to promote unique industry features.	Relationship-based involvement of Leaders to gather fund for research.	Relationship-based involvement of Leaders. No program for Boutique Fashion.	Active involvement for Access to Finance but limited scale for Boutique Fashion.	Passive involvement to support artisans.	Not mandated.	Active involvement for Access to Finance but limited scale for Boutique Fashion.
	c. Interaction with and among Government Institutions	Relationship-based involvement of Leaders. No program.	Relationship-based involvement of Leaders to gather fund to promote unique industry features.	Relationship-based involvement of Leaders to gather fund for research.	Relationship-based involvement of Leaders. No program for Boutique Fashion.	Active involvement.	Active involvement.	Active involvement.	Active involvement.
	d. Interaction with and among Training Institutes etc.	Relationship-based involvement of Leaders. No program.	Relationship-based involvement of Leaders to gather fund to promote unique industry features.	Relationship-based involvement of Leaders to gather fund for research.	Relationship-based involvement of Leaders. No program for Boutique Fashion.	Active involvement.	Active involvement.	Not mandated.	Not mandated.
Globalization and International Forces	a. Access of consumers to global trends	Still no activity to encourage global type, style and design of clothes.	Limited promotional activities to promote use	Limited promotional activities to promote use of	Not mandated.	Not mandated.	Not mandated.	Not mandated.	Not mandated.

TTF Dimension	Factors	Fashion Entrepreneurs Association of Bangladesh (FEAB)	Fashion Design Council of Bangladesh	National Craft Council of Bangladesh	Bangladesh Handicraft Manufacturers & Exporters Association (BANGLACRAFT)	Small & Medium Enterprises Foundation (SMEF)	Bangladesh Small & Cottage Industries Corporation (BSCIC)	Export Promotion Bureau (EPB)	Bangladesh Bank (BB)
			of unique features of the industry while matching global trends.	unique features of the industry while matching global trends.					
	b. Global brands' interest in Bangladesh Market	No activity till date.	Denigrates proxies.	Denigrates proxies.	Denigrates proxies.	Not mandated.	Not mandated.	Not mandated.	Not mandated.
	c. Big companies have better access	Still no activity to encourage global type, style and design of clothes.	Limited promotional activities to promote use of unique features of the industry.	Limited research activities to preserve and use unique features of the industry.	Supports Big Boutiques.	Not mandated.	Not mandated.	Active involvement but scale is very limited as Boutique Fashion demand is very low.	Not mandated.
	d. Potential for Global Footprint	Still no activity to encourage global type, style and design of clothes.	Limited promotional activities to promote use of unique features of the industry.	Limited research activities to preserve and use unique features of the industry.	Supports Big Boutiques.	Limited, relationship-based involvement.			
Technology	a. Innovation	No active involvement but industry leaders participate in training of other institutions.	Limited promotional activities to promote use of unique features of the industry.	Limited research activities to preserve and use unique features of the industry.	Not mandated but supports Boutique Fashion passively.	Limited activities and training done.	Limited activities and training done.	Not mandated.	Not mandated.
	b. Technology Incorporation	No active involvement but industry leaders participate in training of other institutions.	Limited promotional activities to promote use of unique features of the industry.	Limited research activities to preserve and use unique features of the industry.	Not mandated but supports Boutique Fashion passively.	Limited activities and training done.	Limited activities and training done.	Not mandated.	Not mandated.
	c. Trend-setting Designs	No active involvement but industry leaders participate in training of other institutions.	Limited promotional activities to promote use of unique features of the industry.	Limited research activities to preserve and use unique features of the industry.	Not mandated but supports Boutique Fashion passively.	Limited activities and training done.	Limited activities and training done.	Not mandated.	Not mandated.



TTF Dimension	Factors	Fashion Entrepreneurs Association of Bangladesh (FEAB)	Fashion Design Council of Bangladesh	National Craft Council of Bangladesh	Bangladesh Handicraft Manufacturers & Exporters Association (BANGLACRAFT)	Small & Medium Enterprises Foundation (SMEF)	Bangladesh Small & Cottage Industries Corporation (BSCIC)	Export Promotion Bureau (EPB)	Bangladesh Bank (BB)
			industry.						
State & Society	a. Sector Recognition	Actively trying for declaration as Thrust Sector but no results yet to support producers.	Not mandated.	Not mandated.	Not mandated.	Active involvement but no specific policy yet.	Active involvement but no specific policy yet.	Not mandated.	Not mandated.
	b. SME Protection	Actively trying for declaration as Thrust Sector but no results yet to support producers.	Not mandated.	Not mandated.	Not mandated.	Active involvement but no specific policy yet.	Active involvement but no specific policy yet.	Not mandated.	Not mandated.
	c. Fair Competition	Actively trying for declaration as Thrust Sector but no results yet to support producers.	Not mandated.	Not mandated.	Not mandated.	Active involvement but no specific policy yet.	Active involvement but no specific policy yet.	Not mandated.	Not mandated.
	d. Export Promotion	No active involvement.	No active involvement, however leaders participate in global events.	No active involvement, however leaders participate in global events.	Passive involvement in promoting globally through fairs but demand still not enough.	Passive involvement in promoting globally through fairs but demand still not enough.	Passive involvement in promoting globally through fairs but demand still not enough.	Participation in limited number of fairs.	Financial support and incentive facilities for exporters but demand still limited.
	e. Promoting Unique Features of The Industry	Relationship-based involvement of Leaders. No program.	Actively trying to promote uniqueness of the industry.	Actively trying to promote, research and preserve craftsmanship.	Passive involvement in promoting globally through fairs but demand still not enough.	Passive involvement in promoting globally through fairs but demand still not enough.	Passive involvement in promoting globally through fairs but demand still not enough.	Passive involvement in promoting globally through fairs but demand still not enough.	Not mandated.

## 6.0 Conclusion

The industry stakeholders of the entire Boutique Fashion ecosystem have important roles to play to future-proof the industry. The findings of the study suggest that all relevant stakeholder institutions need to be better prepared to support SME producers at the Firm level factors: skill gaps and capability issues compared to large players, awareness and capability to access right finance, entrepreneurial versus individualistic culture; at Industry level factors: fair competition, skill development for both technical and entrepreneurial skills, global fashion trend understanding, bargaining power, value chain and market linkage and at Macro level factors: prospects of globalization, sector recognition, dedicated institution, SME protection. Preparedness of all stakeholders is of top-most importance to ensure that the torch of the SME boutique fashion is carried forward from current veteran generation to the future generations in Bangladesh.

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