

# SUBCONTRACTING IN THE FOOTWEAR INDUSTRY

**'AB PLC'** - Major British Retailer of clothing & shoes.  
 In 2007 AB has more than 500 stores in the UK, Europe, North America & the Middle East as well as catalogue & internet shopping

AB PLC sends orders to the intermediary. The intermediary delivers the work to AB PLC & is paid on a percentage basis.



AB PLC visits the subcontractor twice a year



Specialist packaging firm

Specialist sole firm

Specialist equipment firm

Craftsperson makes a model shoe

Leather Cutters

Homeworkers:  
Hemming, stitching, decorations

Local artisans  
Fitting uppers to plastic forms

Materials wholesaler

Tannery

**A COMPLEX CHAIN FROM PRODUCER TO RETAILER**

AB creates design & sends to CD

CD matches up model & design

AB visit CD to negotiate prices, sizes & quantities

When designs & quantities are agreed, specialized equipment is ordered from a specialist.

Raw materials & accessories bought – leather from local wholesaler who deals with an Italian tannery. Glues, thread, buckles etc. bought locally

Soles bought from an Italian specialist firm

Cutting leather is subcontracted to self-employed leather cutters who work for various firms.

When cut uppers come in, shaving off of excess leather and marking is done inside CD's firm

Hemming, stitching of uppers and making decorations put out to 11 homeworkers, some registered, some unregistered

Fitting of uppers to plastic forms put out to two local artisans

Joining uppers to soles done in CD, plastic forms removed and labels for AB inserted

Finishing, dyeing polishing, labeling and packing done in CD, boxes from specialist

Shipping done by an Italian firm