



SUCCESS STORY

Dressing for Success

A Ukrainian apparel manufacturer eschews the status quo



Photo: Tetiana Dudka

A Sensus shop displays its 2005 spring-summer collection.

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Telling Our Story

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Under the traditional “cut-and-make” scheme, Ukrainian clothing manufacturers earn about 30 cents for each piece it produces. For this, the manufacturer provides only the labor, while everything else — fabric, design, accessories — comes from abroad. Assembled goods are shipped abroad as soon as they are finished, taking the lion’s share of profits with them.

SENSUS, a Lviv-based women’s apparel manufacturer, became one of the first Ukrainian companies to challenge the status quo. To stay competitive in today’s market, SENSUS needed outside expertise to resolve the company’s lack of marketing focus, poor targeting and ineffective positioning. USAID identified SENSUS’ potential and chose it to participate in its enterprise development program. With USAID’s assistance, SENSUS created an action plan aimed at increasing the company’s competitiveness in Ukraine and exploring ways to penetrate foreign markets. SENSUS contributed the majority of the cost of implementing the plan, which called for the development of new branding and positioning campaigns, trainings and consulting sessions for salespeople and managers and business trips in search of new partners. A highly regarded textile and apparel expert helped the company’s managers upgrade production facilities and increase efficiency. SENSUS also attended an international industry exhibition in Paris, making deals that allowed them to obtain high-quality materials at very attractive prices.

One of the USAID-led trips in search of potential partners resulted in an agreement with a well-known Moscow showroom, which supplies some of the city’s trendiest boutiques and clothing stores. SENSUS also presented its latest line of women’s business and casual clothes to demanding Moscow wholesalers. These high-quality and contemporary designs soon found buyers. By mid-2005, the company had signed contracts worth \$400,000 for goods to be delivered to its new Russian clients by September.

After its first six months of working with USAID, SENSUS showed a 30 percent increase in revenue over the previous year. By the end of 2005, that rate is expected to reach 100 percent. Exports made up 28 percent of the company’s total output during the first six months of the year, and is expected to reach 60 percent by the end of the year.