

Standardizing Order Management Processes in Garment SMEs: A Case Study of P&T Service Trading Co., Ltd

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ABSTRACT

Order management is a critical operational process for small and medium-sized garment enterprises (SMEs), particularly when firms must handle small-batch, customized, and time-sensitive orders with limited managerial and digital resources. This study examines the order management process of P&T Service Trading Co., Ltd., a Vietnamese garment SME operating under a hybrid production-trading model. Using a qualitative case-study approach, the study combines document analysis, process mapping, direct observation, and staff discussions. An analytical framework based on five operational capabilities, information standardization, technical verification, material coordination, production-progress control, and financial follow-up, is used to evaluate process performance and identify bottlenecks. The findings show that P&T has developed a relatively complete order workflow from customer inquiry, technical review, costing, and sample approval through production, quality control, delivery, and payment follow-up. However, process effectiveness is constrained by incomplete order information, weak technical checkpoints, inaccurate bill-of-materials (BOM) control, supplier-related constraints, limited order-status visibility, and delayed receivable collection. These weaknesses generate hidden operational and financial costs, including repeated sample revision, material shortages, excess inventory, production delays, cost deviation, and working-capital pressure. The study offers a process-level, performance-oriented perspective on order management in garment SMEs and proposes practical improvements, including RFQ/Techpack checklists, technical checkpoints, standardized BOM templates, visual order tracking, clearer separation between sales/order follow-up, and basic operational and financial KPIs.

Keywords: order management; garment SME; process standardization; supply chain coordination; bill of materials; operational performance; Vietnam.

INTRODUCTION

Order management is a critical operational process in garment enterprises because it links customer demand with technical verification, material planning, costing, production scheduling, quality control, delivery, and payment collection. In supply chain management, firm performance depends not only on production capacity but also on the coordination of information, material, and financial flows across organizational functions (Chopra, 2019; Christopher, 2023). For garment firms, this coordination is particularly important because orders often feature short lead times, changing designs, varied materials, small batch sizes, and strict delivery requirements.

This issue is more complex for small and medium-sized garment enterprises (SMEs). Compared with large manufacturers, garment SMEs often have limited technical personnel, weaker supplier bargaining power, less formalized workflows, and lower levels of digital integration. These conditions allow flexibility but also increase operational risks. Incomplete technical documents, inaccurate bills of materials (BOMs), repeated sample revisions, delayed material procurement, weak interdepartmental coordination, and slow receivable collection can directly affect lead time, cost efficiency, delivery reliability, and customer satisfaction. In the

Vietnamese context, these challenges are particularly relevant because many garment SMEs operate under resource constraints, depend heavily on external suppliers, and face increasing pressure to fulfill customized, time-sensitive orders (Nayak et al., 2019; Tran & Jeppesen, 2016).

Recent studies on textile and apparel supply chains emphasize that operational performance is increasingly shaped by digitalization, traceability, supply chain visibility, and process integration. Tolentino-Zondervan & DiVito (2024) show that digitalization can improve sustainability performance in textile and apparel firms when connected with traceability data and performance measurement. Riemens et al. (2023) argue that traceability in fashion value chains requires clearly defined objectives, scope, and action levers rather than fragmented documentary control. From a logistics and supply chain perspective, Mejías et al. (2019) demonstrate that traceability management and capacity building can improve sustainability in multi-tier fashion supply chains. Karim et al. (2024) further identify supplier-related factors, technological capability, coordination, and managerial practices as important conditions for sustainable supply chain management in the textile sector. However, these studies have mainly addressed broader issues of supply chain sustainability, digital transformation, traceability, and resilience, while the micro-level order management process in garment SMEs has received less attention. This gap is important because many operational and financial problems in garment SMEs originate from basic weaknesses in order intake, technical verification, BOM preparation, material coordination, production tracking, and payment follow-up. Weak order management can generate hidden costs through rework, waiting time, material waste, delayed delivery, excess inventory, and prolonged accounts receivable.

Vietnam provides a relevant context for examining this issue. Garment SMEs increasingly face pressure from volatile input costs, shorter delivery cycles, customized orders, and the need to improve competitiveness beyond labor-cost advantages. At the sectoral level, Vietnam's garment industry remains closely connected to global value chains but continues to face constraints related to its reliance on imported inputs, limited domestic value creation, and uneven technological capabilities among SMEs (Goto, 2023). Therefore, this study examines the order management process at P&T Service Trading Co., Ltd., a Vietnamese garment SME operating under a hybrid production-trading model. The study aims to analyze the current order management process, identify its main bottlenecks and influencing factors, and propose feasible standardization measures to reduce errors, improve delivery progress, control costs, and strengthen competitiveness. This study contributes to SME supply chain management in three ways. First, it provides case-based evidence on order management at the firm-process level in the garment sector. Second, it develops a performance-oriented view of order management by linking information accuracy, technical control, material coordination, production monitoring, cost control, and receivable management. Third, it offers practical implications for garment SMEs that may not yet be ready for full-scale ERP implementation but can improve operational performance through basic process standardization, technical checkpoints, visual order tracking, clearer separation between sales and order-follow-up functions, and operational-financial KPIs.

LITERATURE REVIEW

Order Management in Supply Chain Operations

Order management is a core supply chain process that transforms customer requirements into coordinated activities involving procurement, production, delivery, and payment collection. Beyond its administrative role, order management functions as a cross-functional coordination mechanism linking information, material, and financial flows across the organization (Chopra, 2019; Christopher, 2023). Consequently, the quality of order management directly influences responsiveness, delivery reliability, inventory control, and cash-flow performance. Recent supply chain research emphasizes that effective order execution increasingly depends on information visibility, process integration, and digital coordination. Digital technologies and traceability systems improve transparency, information sharing, and demand-supply synchronization, thereby reducing operational uncertainty and enhancing performance (Riemens et al., 2023; Tolentino-Zondervan & DiVito, 2024). At the same time, performance should be assessed through both financial and operational indicators, including lead time, order accuracy, inventory turnover, delivery reliability, quality performance, and receivable collection (Gunasekaran et al., 2004). This perspective is particularly relevant to order management

because delays or errors at the order intake stage can quickly affect procurement, production, delivery, and cash flow recovery. As a result, order management is increasingly viewed as a performance-oriented process rather than a purely transactional activity.

Order Management Characteristics in Garment SMEs

Order management is particularly challenging in the garment industry because each order may involve unique combinations of design specifications, fabrics, accessories, size ranges, quality requirements, and delivery schedules. Customer requirements must be translated into technical packages, bills of materials (BOMs), production plans, costing sheets, and quality-control procedures. Inaccurate or incomplete information can lead to repeated sample revisions, material shortages, production disruption, delayed delivery, and customer complaints.

These challenges are more pronounced in small and medium-sized garment enterprises (SMEs). Compared with large manufacturers, garment SMEs often operate with limited financial resources, smaller technical teams, weaker bargaining power with suppliers, and less advanced information systems. As a result, order management frequently relies on informal communication, spreadsheets, and experience-based decision-making. Although such flexibility helps SMEs respond quickly to customized and small-batch orders, it also increases the risk of coordination failure, duplicated work, and operational inefficiency. In Vietnam, these constraints are especially relevant because many textile, garment, and fashion SMEs face limited organizational capacity, dependence on external suppliers, shortages of skilled personnel, inconsistent material quality, and pressure to improve delivery performance (Nayak et al., 2019; Tran & Jeppesen, 2016).

Supplier-related constraints further complicate order management. SMEs often face minimum order quantity requirements, unstable material availability, and fluctuating input prices, all of which affect quotation accuracy, inventory control, and delivery performance. At the same time, customers increasingly demand shorter lead times, smaller orders, and greater product customization. Consequently, effective order management requires SMEs to balance flexibility with process discipline to maintain both responsiveness and operational control (Goto, 2023; Karim et al., 2024).

Process Standardization and Operational Performance

Process standardization refers to the formalization of procedures, information requirements, responsibilities, and control points across operational activities. In order management, standardization helps ensure that customer requirements are consistently captured, technical specifications are verified accurately, materials are planned appropriately, and production progress is systematically monitored. For SMEs, standardized processes are particularly important because they reduce dependence on individual experience and improve coordination among departments.

Research in operations and supply chain management consistently links process standardization with improved efficiency, lower error rates, and stronger operational control. Lean management studies show that many operational losses originate from process variation, rework, waiting time, excess inventory, and communication failures. In the context of garment order management, these losses may appear as delayed quotations, repeated sample corrections, inaccurate BOMs, material shortages, production delays, and slow receivable collection. Standardized procedures and visual management tools help reduce such inefficiencies by increasing process transparency and accountability.

Although digitalization can strengthen standardization, technology alone does not guarantee performance improvement. Digital tools create value only when embedded in clearly defined workflows and supported by reliable data and performance-monitoring systems (Riemens et al., 2023; Tolentino-Zondervan & DiVito, 2024). For garment SMEs, gradual implementation of standardized order forms, BOM templates, order-tracking systems, supplier databases, and performance dashboards may provide a more feasible pathway than immediate investment in large-scale ERP systems. This staged approach is particularly suitable for SMEs with limited capital, limited digital readiness, and strong dependence on manual coordination.

Drawing on the literature, this study conceptualizes order management performance as the outcome of five interrelated capabilities: information standardization, technical verification, material coordination, production-progress control, and financial follow-up. These capabilities provide the analytical framework for examining the current order management process at P&T Service Trading Co., Ltd. and identifying opportunities for operational improvement.

Existing studies have highlighted the importance of supply chain integration, digitalization, traceability, and process standardization in improving operational performance. However, relatively limited attention has been paid to the micro-level order management process in garment SMEs, particularly in emerging economies where firms operate under resource constraints, customized demand, and limited digital maturity. Existing research has focused primarily on supply chain sustainability, traceability, and digital transformation, while less is known about how weaknesses in order intake, technical verification, material planning, production coordination, and payment follow-up influence operational and financial performance at the firm level. To address this gap, the present study examines the order management process at P&T Service Trading Co., Ltd. It evaluates its performance across five operational capabilities: information standardization, technical verification, material coordination, production progress control, and financial follow-up.

METHODOLOGY

Case Study

This study adopts a qualitative case study design to examine the order management process at P&T Service Trading Co., Ltd., a Vietnamese garment SME operating under a hybrid production-trading model. A case-study approach is appropriate when the research aims to investigate a contemporary managerial process within its real organizational context and when the boundaries between the process and its context are closely intertwined (Yin, 2018). The unit of analysis is the order management process, rather than the firm as a whole. The study focuses on how customer requirements are translated into technical verification, material planning, production execution, quality control, delivery, and payment collection. P&T was selected because it represents a garment SME that combines commercial negotiation, material procurement, workshop production, quality inspection, and domestic delivery within a single operational system. This model provides flexibility in serving customized and small-batch orders, but it also creates coordination pressure across sales, technical, warehouse, accounting, planning, and production functions. Thus, the case is suitable for examining how weaknesses in order intake, BOM preparation, supplier coordination, and order tracking affect delivery progress, cost control, inventory, receivables, and competitiveness.

Data Sources

The study uses both secondary and primary data. Secondary data were collected from company documents and operational records for the period 2023-2025, including business performance reports, financial data, asset and capital structure, workforce information, customer-related information, order records, and internal documents on order-handling procedures. These sources were used to understand the company's operational context, resource conditions, and financial and operational pressures related to order management.

Primary data were collected through direct observation and guided staff discussions with employees involved in the order management process. The observation was conducted during fieldwork in early 2026 and focused on key order-handling activities, including order receipt, interdepartmental information transfer, technical checking, material preparation, production monitoring, delivery arrangements, and payment follow-up. Staff discussions involved personnel related to sales/order follow-up, technical review, warehouse, production, quality control, and accounting. These discussions helped clarify practical difficulties, recurring risks, coordination problems, and possible improvement measures from the perspective of staff directly involved in daily operations.

Combining documentary evidence, process observation, and staff discussions enabled a process-level understanding of the order management system. Financial and operational records provided evidence on business scale, inventory, receivables, cost pressure, and workforce conditions. Observation clarified how the

workflow was implemented in practice, while staff discussions helped explain the underlying causes of delays, errors, and coordination problems.

To enhance the credibility of the findings, data triangulation was employed by comparing evidence from company records, observations, and staff discussions. Information identified from one source was cross-checked against other sources whenever possible. This procedure helped reduce the risk of subjective interpretation and strengthened the reliability of the analysis.

Analytical Framework and Performance Indicators

The analytical framework of this study is presented in Figure 1. It conceptualizes order management performance as the outcome of five interrelated operational capabilities: information standardization, technical verification, material coordination, production-progress control, and financial follow-up. These capabilities reflect the main functional dimensions through which customer orders are translated into production, delivery, and cash-flow recovery. Information standardization refers to the completeness and accuracy of order data at the intake stage. Technical verification involves assessing product feasibility, interpreting technical requirements, preparing samples, and confirming production conditions. Material coordination encompasses supplier selection, material availability, procurement timing, management of minimum order quantity (MOQ), and inventory control. Production progress control involves scheduling, production monitoring, quality inspection, and delivery preparation. Financial follow-up connects order completion with invoicing, receivable monitoring, and payment collection.

Based on this framework, the study uses a set of performance indicators to interpret the effectiveness of the order management process. These indicators include quotation response time, completeness of order information, first-sample approval rate, BOM accuracy, material waiting time, frequency of material shortages, on-time production completion, on-time delivery, quality defect rate, inventory turnover, cost deviation, and accounts receivable days. Because several process-level indicators were not systematically recorded by the company, they were used as interpretive indicators rather than as components of a quantitative evaluation model. This distinction is important because the study evaluates process weaknesses qualitatively while identifying the types of operational data the firm should monitor in the future.

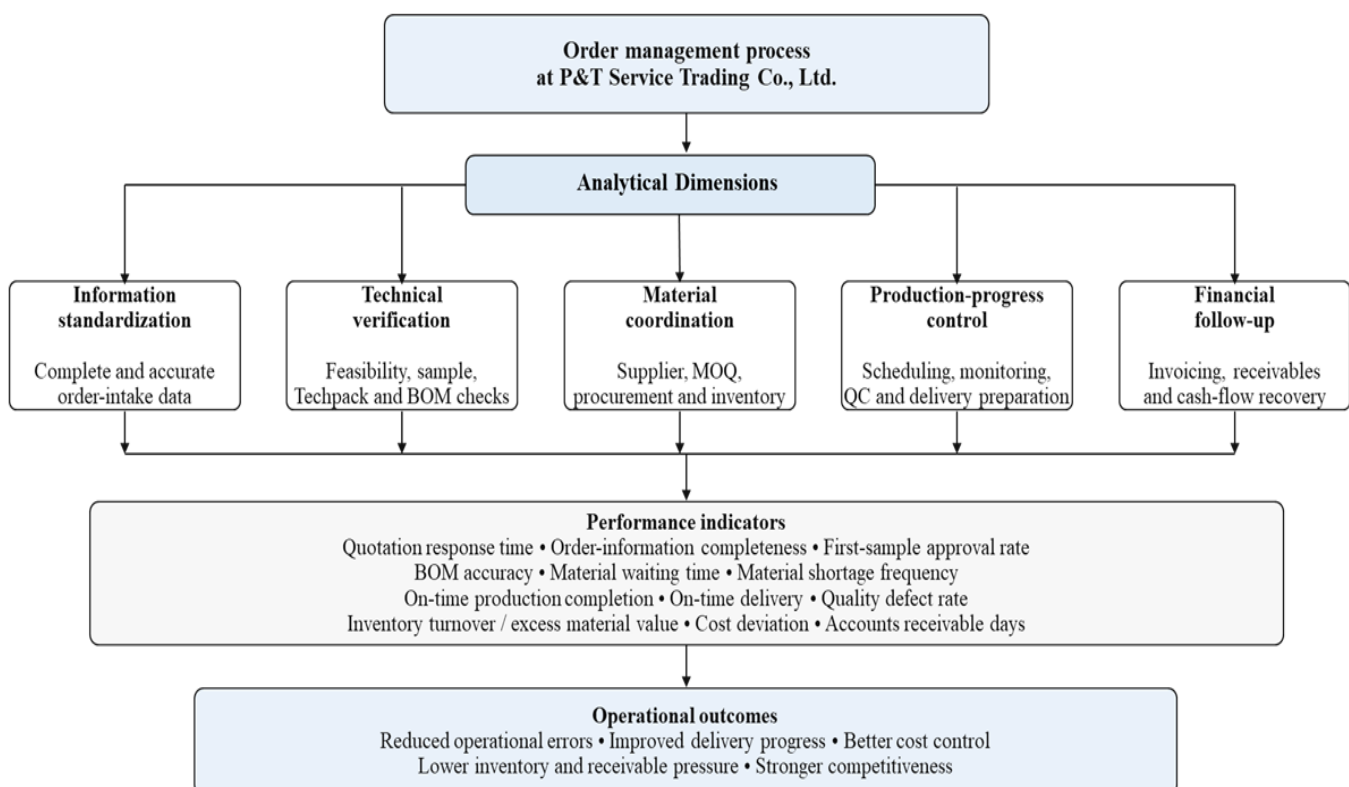


Figure 1. Analytical framework for evaluating order management performance in a garment SME

Data Analysis

Data analysis followed a thematic process-analysis approach guided by the analytical framework presented in Figure 1. Qualitative evidence obtained from company documents, process observations, and staff discussions was first organized into five analytical dimensions: information standardization, technical verification, material coordination, production-progress control, and financial follow-up.

The analysis was conducted in four steps. First, document analysis was used to examine business performance, asset and capital structure, workforce information, and order-related records, providing evidence on the company's scale, resource constraints, and operational pressures. Second, process mapping was applied to reconstruct the order management workflow from customer inquiry to payment collection and to identify the interaction among information, material, and financial flows. Third, bottleneck analysis was used to identify recurring operational problems and assess their causes and consequences across different process stages. Fourth, SWOT analysis was employed as a supplementary tool to relate internal process issues to broader market and supply-chain conditions.

Recurring issues identified across multiple data sources were grouped into common themes and linked to specific stages of the order management process. This procedure enabled the identification of key bottlenecks, influencing factors, and process-improvement priorities.

RESULTS

Operational Context of P&T Service Trading Co., Ltd.

P&T Service Trading Co., Ltd. is a Vietnamese garment SME established in 2017 and located in Hanoi. The company operates under a hybrid production-trading model, combining customer negotiation, material procurement, garment production, quality control, delivery, and payment follow-up within the same operational system. This model differentiates the company from purely trading firms and purely subcontracting workshops. It allows P&T to respond flexibly to domestic orders, small-batch garment products, uniforms, and customized fashion items. However, it also increases the complexity of order management because each order requires coordination among sales, technical, procurement, warehouse, production, quality control, delivery, and accounting functions.

The company's business performance during 2023-2025 indicates rapid revenue growth but unstable profitability. As shown in Table 1, net sales increased from VND 18,625.42 million in 2023 to VND 47,940.78 million in 2025. This reflects the company's expansion in customer acquisition and order volume. However, profitability did not improve steadily. In 2024, the company recorded a loss after tax of VND 33.01 million, despite higher revenue. The main reason was the high cost of goods sold, which accounted for 91.10% of net sales in 2024. In 2025, the cost of goods sold decreased to 78.58% of net sales, helping gross profit recover sharply to VND 10,266.61 million and profit after tax increase to VND 393.50 million.

Table 1. Business performance of P&T, 2023-2025

Unit: VND million

Indicator	2023	2024	2025	Change 2024/2023	Change 2025/2024
Net sales	18,625.42	25,480.07	47,940.78	+36.80%	+88.15%
Cost of goods sold	15,897.26	23,211.43	37,674.17	+46.01%	+62.31%
Cost of goods sold / Net sales	85.35%	91.10%	78.58%	-	-

Gross profit	2,728.16	2,268.63	10,266.61	-16.84%	+352.55%
Gross profit margin	14.65%	8.90%	21.42%	-	-
Financial expenses	747.47	815.47	1,327.74	+9.10%	+62.82%
Business management expenses	1,847.16	1,323.36	8,453.69	-28.35%	+538.80%
Profit before tax	58.53	48.14	481.36	-17.75%	+899.92%
Profit after tax	46.82	-33.01	393.50	-170.50%	+1,291.90%
Net sales	18,625.42	25,480.07	47,940.78	+36.80%	+88.15%
Cost of goods sold	15,897.26	23,211.43	37,674.17	+46.01%	+62.31%
Cost of goods sold / Net sales	85.35%	91.10%	78.58%	-	-
Gross profit	2,728.16	2,268.63	10,266.61	-16.84%	+352.55%
Gross profit margin	14.65%	8.90%	21.42%	-	-

Source: Company internal records.

The data suggest that revenue expansion alone did not guarantee operational efficiency. The sharp increase in the cost of goods sold in 2024 indicates weaknesses in cost estimation, material planning, production control, and order-pricing discipline. In garment SMEs, such problems are often linked to inaccurate bill-of-material preparation, material waste, repeated sample development, urgent procurement, or the acceptance of orders with thin margins. The improvement in 2025 shows that better cost control and procurement adjustments can significantly improve profitability, but it also confirms that order management is directly linked to financial performance.

Table 2 further shows that P&T's asset and capital structure changed substantially during the same period. Total assets increased from VND 14,948.73 million in 2023 to VND 49,412.99 million in 2025. Current assets accounted for the dominant share of total assets, indicating that the company's operations are highly dependent on working capital. Customer receivables increased from VND 1,873.38 million in 2023 to VND 6,680.15 million in 2025, while short-term liabilities reached VND 29,019.27 million in 2025. Inventory increased to VND 13,247.55 million in 2024, then declined to VND 6,337.79 million in 2025.

Table 2. Asset, inventory, receivable, and capital structure of P&T, 2023-2025

Unit: VND million

Indicator	2023	2024	2025	Change 2024/2023	Change 2025/2024
Total assets	14.948,73	23.463,52	49.412,99	+56,96	+110,60
Current assets	12.940,16	21.736,80	47.220,39	+67,98	+117,24
Cash and cash equivalents	382,38	393,23	19.748,34	+2,84	+4.922,08
Customer receivables	1.873,38	2.756,72	6.680,15	+47,15	+142,32

Inventory	8.948,12	13.247,55	6.337,79	+48,05	-52,16
Fixed assets	2.008,57	1.726,72	2.192,61	-14,03	+26,98
Total liabilities	9.915,49	18.463,29	29.019,27	+86,21	+57,17
Short-term liabilities	9.915,49	18.463,29	29.019,27	+86,21	+57,17
Owner's equity	5.033,24	5.000,22	20.393,73	-0,66	+307,86

Source: Company internal records

These figures provide important evidence for analyzing order management. First, the increase in receivables shows that order execution was not always matched by timely payment collection. Second, the sharp inventory increase in 2024 suggests that material planning was not fully synchronized with actual order demand. Third, the increase in short-term liabilities indicates that the company had to finance production and material procurement before customer payments were fully recovered. Therefore, order management at P&T should not be evaluated only through order completion or sales growth. It must also be assessed through its effects on inventory, receivables, working capital, cost control, and profitability.

The workforce context also supports this interpretation. The company expanded its workforce from 75 employees in 2023 to 87 employees in 2025. However, the growth of operational scale increased coordination pressure on indirect and technical staff, particularly those responsible for sales, order follow-up, technical interpretation, material planning, accounting, and production coordination. In a garment SME where many order-related activities still depend on personal experience and manual information transfer, limited specialized staff can constrain process standardization and order execution reliability.

Current Order Management Process

The current order management process at P&T covers the full order lifecycle from customer inquiry to delivery and payment collection. The process is not limited to sales administration. It combines commercial negotiation, technical review, material planning, production scheduling, quality control, delivery documentation, and receivable follow-up. Table 3 summarizes the current workflow and the key risks associated with each stage.

Table 3. Current order management workflow at P&T

Stage	Main activities	Departments/functions involved	Key operational risks
Order intake	Receive request for quotation, product requirements, design images, technical documents, quantity, size, color, delivery time, and payment terms.	Sales/customer service	Missing or inconsistent order data; repeated clarification with customers
Technical review	Check the technical package, product structure, pattern feasibility, sewing difficulty, material requirements, and production capacity.	Sales, technical staff, workshop	Misinterpretation of technical requirements; weak feasibility screening
Costing and quotation	Prepare cost estimates, calculate material needs, estimate labor costs, determine expected margins, and send quotations.	Sales, accounting, procurement, and technical staff	Underestimated cost; inaccurate bill of materials; thin margin orders

Sample development and approval	Develop a physical sample, send the sample to the customer, receive feedback, and revise if needed.	Workshop, technical staff, sales	Repeated sample revision; delayed sample approval; increased development cost
Order confirmation and production planning	Confirm PO/contract, issue internal production order, prepare materials, allocate production capacity, and schedule production.	Sales, planning, warehouse, workshop	Material shortage, capacity conflict, and delayed production start
Production execution and quality control	Cutting, sewing, finishing, inspection, packing, and handling production defects	Workshop, KCS, warehouse	Defects, rework, production delay, and mismatch with the approved sample
Delivery and payment follow-up	Arrange delivery, complete documents, issue an invoice, monitor payment, and collect customer feedback.	Delivery/logistics, accounting, sales	Late delivery, incomplete documents, and delayed receivable collection

Source: Synthesized from company workflow records and field observation.

The workflow indicates that P&T has established a relatively complete order management structure. The process begins with the receipt of customer requirements and technical documents. These documents are then reviewed to determine whether the order is technically feasible and commercially acceptable. After costing and quotation, the company develops samples and proceeds to formal order confirmation only when the customer approves the sample. Once the PO or contract is confirmed, the company issues internal production instructions, prepares materials, organizes production, performs quality control, delivers finished goods, and follows up on payment.

A strength of this process is that sample approval is treated as a necessary checkpoint before mass production. This helps reduce the risk of producing goods that do not meet customer expectations. The company also checks production feasibility and material availability before moving to full execution. However, the process still relies heavily on manual coordination and individual experience. Order information moves across multiple functions, but not all stages are supported by standardized digital records, shared dashboards, or formal performance indicators. This creates the possibility that delays or errors are detected only after they have already affected production planning or material procurement.

Bottlenecks in the Current Process

The analysis identifies five major bottlenecks and two financial consequences in P&T's current order management process. These bottlenecks affect order lead time, material planning, production stability, cost control, and cash-flow recovery.

The first bottleneck concerns incomplete or insufficiently standardized order intake information. Customer requirements may include design images, product descriptions, or reference samples, but they are not always complete enough for immediate quotation or production planning. When details on fabric, size specifications, accessories, logo placement, packaging, delivery time, and payment terms are missing or unclear, staff must repeatedly clarify them with customers. This extends quotation response time and increases the risk of incorrect assumptions during costing or technical review.

The second bottleneck is sample development and approval. Evidence from staff discussions and process observation suggests that sample revision may occur when the first sample does not fully meet customer expectations due to deviations in fit, pattern interpretation, fabric behavior, or technical execution. Repeated sample revisions increase labor time, material consumption, sample exchange delivery costs, and customer waiting time. It also delays production planning because mass production cannot start before the approved sample is confirmed.

The third bottleneck is bill-of-materials accuracy and material planning. Since P&T handles small, varied, and customized garment orders, material estimation is complex. Errors in fabric consumption, accessories, trims, printing, or embroidery requirements can result in either shortages or excess inventory. The inventory increase in 2024 provides evidence that procurement and material planning were not fully aligned with actual order execution. Although inventory decreased in 2025, the issue remains important because garment materials can lose value if styles, colors, or customer requirements change.

The fourth bottleneck relates to supplier coordination and minimum order quantity constraints. For small- and medium-sized orders, P&T may find it difficult to negotiate with large textile mills or material suppliers. Minimum order quantity requirements can force the company to purchase more material than needed, while supplier delays can postpone sample development and production execution. This creates a structural tension between the company's flexible customer-facing strategy and the less flexible conditions of upstream material supply.

The fifth bottleneck is manual cross-functional coordination. The order management process requires coordination among sales, technical staff, procurement, warehouse, workshop, quality control, delivery, and accounting. However, information is still transferred partly through manual records, spreadsheets, messages, and direct follow-up. This approach provides flexibility but reduces visibility when multiple orders are processed simultaneously. It becomes difficult to identify which orders are waiting for quotation, sample approval, material arrival, production start, quality inspection, delivery, or payment.

Table 4. Main bottlenecks, evidence, and operational consequences

Bottleneck	Evidence from the case	Operational consequence
Incomplete or non-standardized information	Customer requirements and technical documents require repeated checking and clarification.	Longer quotation time, risk of inaccurate costing, and misunderstanding
Repeated sample revision	Samples may be rejected in the first approval round due to fit, pattern, or technical mismatch.	Higher sample development cost; delayed mass production
Inaccurate bill-of-material and material planning	Inventory increased to VND 13,247.55 million in 2024 before declining in 2025	Working capital tied up; risk of material waste or shortage.
Supplier constraints and MOQ pressure	Small, customized orders face difficulty negotiating with large material suppliers.	Excess purchasing, delayed procurement, and increased cost uncertainty
Manual cross-functional coordination	Order information moves across sales, technical, warehouse, production, quality control, and accounting functions without a fully integrated tracking system.	Delayed updates, unclear responsibility, weak order-status visibility
Weak linkage between delivery and payment follow-up	Customer receivables increased to VND 6,680.15 million in 2025	Cash-flow pressure and greater dependence on short-term liabilities
Rising financing pressure	Short-term liabilities reached VND 29,019.27 million in 2025	Interest-cost pressure and reduced financial flexibility

Source: Synthesized from company records and process analysis.

These bottlenecks indicate that the main issue is not the absence of an order management process. P&T already has a complete workflow from order receipt to delivery and payment. The main limitation is that the workflow

has not yet been sufficiently standardized, digitized, and measured. Weaknesses in information standardization, technical verification, material coordination, production tracking, and financial follow-up create hidden costs, including rework, waiting time, excess inventory, delayed production, late payments, and reduced profitability.

Factors Affecting Order Management Performance

Both internal and external factors shape the effectiveness of P&T's order management process. Internal factors include human resource capability, technical expertise, information coordination, financial capacity, inventory management, and internal control procedures. External factors include customer requirements, supplier constraints, fluctuations in input prices, compliance requirements, logistics conditions, and market competition.

Human resources represent a critical internal factor. In a garment SME, order management staff must not only communicate with customers but also understand basic garment construction, fabric characteristics, size specifications, pattern adjustment, production feasibility, material estimation, and delivery constraints. If sales and order-follow-up staff lack technical understanding, order intake and quotation become less accurate. If technical staff are overloaded, sample development, BOM checking, and production preparation may be delayed.

Information coordination is another decisive internal factor. The order process crosses multiple departments. Sales staff receive customer requests; technical staff interpret product requirements; procurement staff source materials; warehouse staff control input availability; the workshop executes production; KCS staff inspect output quality; accounting staff issue invoices and monitor payments. Without a standardized information base, errors can occur at any point. Therefore, the quality of order management depends heavily on whether data are complete, traceable, and up to date.

Financial and inventory capacity also affect order performance. The company often needs to purchase materials and organize production before receiving full payment from customers. If receivables are collected slowly, cash-flow pressure increases. If materials are purchased in excess due to MOQ requirements or inaccurate BOM preparation, inventory pressure increases. These issues explain why order management should be linked with working-capital control, not only with production completion.

External factors create additional pressure. Customers increasingly require faster response, small-batch orders, customized designs, and flexible adjustments. This increases the workload at the order intake, sample development, and production planning stages. Suppliers may impose minimum order quantities, change prices, or delay delivery. Macroeconomic factors such as exchange-rate volatility, transport cost, and inflation can further reduce the profitability of orders, especially when quotations are not updated accurately. Compliance and traceability requirements from larger customers also make order documentation more demanding.

The SWOT matrix in Table 5 summarizes the main internal and external conditions affecting P&T's order management process.

Table 5. SWOT matrix for order management at P&T

Internal strengths	Internal weaknesses
Integrated production-trading workflow connecting sales, production, quality control, delivery, and payment follow-up.	Order information is still transferred and stored largely through manual or semi-manual tools.
Flexible order handling due to internal production capacity, printing/embroidery support, and satellite workshop links.	Lack of an integrated order management information system for real-time tracking.
Ability to serve small-batch and customized garment orders.	High dependence on individual experience in technical verification, BOM preparation, and

	production planning
Existing workflow covers the full order lifecycle from RFQ to delivery and payment.	Repeated sample revision and insufficiently standardized technical checkpoints increase lead time and cost.
Experience in shifting from simple subcontracting toward greater material autonomy.	Supplier coordination and MOQ constraints create inventory and material-planning risks.
External opportunities	External threats
Digital tools and low-cost workflow platforms create opportunities for gradual process digitalization.	Shorter customer lead-time requirements increase pressure on quotation, sample development, and production scheduling.
Growing demand for small-batch and customized garment orders may favor flexible SMEs.	Dependence on upstream and imported materials increases the risk of supply disruption.
Hanoi's logistics conditions support access to transport, suppliers, and domestic customers.	Input cost fluctuations, exchange rate volatility, and transport costs may reduce order profitability.
Stronger demand for traceability and responsible sourcing may create opportunities for firms with better documentation.	Larger customers increasingly require transparent material records, compliance documents, and evidence of sustainability.
Supplier diversification can reduce dependence on large textile mills.	Strong price competition may push SMEs to accept orders with low margins and high execution risk.

Source: Synthesized from the company's SWOT analysis and order management assessment.

The SWOT analysis confirms that P&T has a practical foundation for improving order management. The company already has a complete order workflow, flexible production capacity, and experience in handling customized garment orders. However, its weaknesses lie in information standardization, technical controls, supplier coordination, and order tracking. These weaknesses are particularly important because the external environment is becoming more demanding. Customers require faster delivery and more flexible order handling, while suppliers, input costs, and compliance requirements create uncertainty.

Overall, the findings show that P&T's order management performance depends on five interrelated capabilities: information standardization, technical verification, material coordination, production progress control, and financial follow-up. Weakness in one capability can affect the entire order lifecycle. Incomplete customer information can lead to inaccurate quotations; inaccurate quotations can reduce profit margins; weak BOM control can create material shortages or excess inventory; delayed material supply can interrupt production; production delays can weaken delivery reliability; and delayed payment collection can increase financial pressure. Therefore, improving order management at P&T requires a shift from experience-based coordination toward a more standardized, measurable, and cross-functionally integrated process.

DISCUSSION AND PRACTICAL IMPLICATIONS

Discussions

The findings show that order management at P&T should be understood as a cross-functional coordination mechanism rather than a narrow sales-administrative activity. Each order connects customer requirements with technical interpretation, material procurement, production scheduling, quality control, delivery, invoicing, and payment collection. This supports the broader supply chain view that operational performance depends on integrating information, material, and financial flows across functions (Chopra, 2019; Christopher, 2023; Sy, 2025). In P&T's case, the key challenge is not the absence of an order workflow, but the limited

standardization and visibility of that workflow. When order information is incomplete or not updated on time, errors can spread from quotation and BOM preparation to procurement, production, delivery, and receivable collection. These findings suggest that order management serves as a process-control mechanism that directly shapes operational and financial performance.

This finding is consistent with the Vietnamese SME context. Tran & Jeppesen (2016) show that Vietnamese textile, garment, and footwear SMEs operate under distinctive institutional and resource conditions, in which firm size, labor relations, and limited organizational capacity shape managerial practices. Similarly, Nayak et al. (2019) find that Vietnamese fashion SMEs face resource constraints, limited skilled personnel, dependence on external suppliers, higher material costs, inconsistent material quality, and poor on-time order delivery. These findings help explain why P&T's order management problems are not merely internal procedural weaknesses but reflect broader constraints faced by Vietnamese garment SMEs in coordinating materials, technical work, production, and customer requirements. The case illustrates how sector-level constraints are manifested in day-to-day order management activities within Vietnamese garment SMEs.

The results also reveal the hidden costs of weakly standardized order management. Repeated customer clarifications, sample revisions, material shortages, production rework, delayed delivery, excess inventory, and slow receivable collection all impose costs that may not be immediately visible in aggregate accounting reports. This aligns with the supply chain performance literature, which emphasizes the need to evaluate performance using both financial and non-financial indicators, including lead time, order accuracy, inventory turnover, delivery reliability, quality performance, and cash collection (Gunasekaran et al., 2004). In P&T, the increase in inventory, receivables, and short-term liabilities during the study period suggests that order management directly affects working capital pressure and profitability, not only production efficiency. Thus, the financial consequences of weak order management should be interpreted as cumulative effects of process-level errors, delays, and insufficient coordination.

The findings further suggest that information quality and traceability are central to effective order execution in garment SMEs. Garment orders require translating customer specifications into Techpack interpretation, BOM preparation, sample approval, material planning, and production control. If these data are fragmented or poorly documented, the firm faces a higher risk of technical errors, material waste, and delivery delays. Recent studies show that traceability and digitalized information systems can improve transparency, accountability, and demand-supply coordination in fashion and textile supply chains (Riemens et al., 2023; Tolentino-Zondervan & DiVito, 2024). In Vietnam, however, the first step for many SMEs is not advanced traceability technology, but basic process discipline: standardized order data, documented technical checks, BOM control, and visible order-status tracking. This finding refines the digitalization argument by showing that, in resource-constrained SMEs, digital improvement should begin with workflow standardization and data discipline.

The case also indicates that process standardization must be adapted to SME conditions. Immediate investment in a full-scale ERP system may not be feasible for many Vietnamese garment SMEs due to limited capital, human resources, and digital readiness. Van & Nguyen (2019), in a survey of 250 Vietnamese textile and garment SMEs, show that the internal environment, managerial understanding, and competitive pressure influence the adoption of responsible management practices. This suggests that operational improvement in SMEs depends not only on the availability of technology but also on managerial commitment, internal routines, and feasible implementation capacity. For P&T, gradual standardization through RFQ/Techpack checklists, technical checkpoints, standardized BOM templates, supplier-status records, visual order tracking, and receivable monitoring is more realistic than immediate large-scale system transformation.

Overall, the discussion suggests that improving order management at P&T requires shifting from experience-based coordination to a more measurable, process-oriented system. This is particularly important because Vietnam's garment sector remains strongly dependent on imported fabrics, CMT-based production, SME technological limitations, and increasing buyer requirements for efficiency, transparency, and responsiveness (Goto, 2023; Thaichon, 2025). For P&T and similar Vietnamese garment SMEs, competitiveness will depend not only on production flexibility or labor cost, but also on the ability to standardize information, verify technical requirements, coordinate materials, monitor production progress, and link order completion with

payment collection. Such improvements can help reduce hidden costs, shorten lead time, protect cash flow, and strengthen resilience in a more demanding garment market.

Managerial Implications

The findings suggest that P&T should first standardize the order intake stage by requiring a compulsory RFQ/Techpack checklist. Before an order is transferred to technical review, costing, or production planning, the company should ensure that customer requirements are complete, including product specifications, fabric, color, size range, accessories, logo placement, packaging, delivery schedule, and payment terms. This simple control can reduce the need for repeated clarification, improve quotation accuracy, and prevent downstream errors caused by incomplete input information.

The company should establish technical checkpoints before quotation and before mass production. Before quotation, technical staff should verify product feasibility, sewing complexity, material availability, production capacity, and expected lead time. Before mass production, the approved sample, final BOM, material readiness, production schedule, and quality requirements should be confirmed. These checkpoints would help prevent technical misunderstandings, repeated sample revision, rework, and cost deviation.

BOM control and material planning should be strengthened, as material costs are central to profitability in garment orders. P&T should use a standardized BOM template that records fabric type, consumption rate, wastage allowance, accessories, supplier, MOQ, available stock, required purchase quantity, and expected arrival date. Materials should also be classified into common, order-specific, and high-risk materials. This would help reduce both material shortages and excess inventory.

Instead of immediately investing in a full-scale ERP system, P&T should begin with low-cost visual order-tracking tools. A shared dashboard or a simple digital workflow board can track each order through key stages, including RFQ received, technical review completed, quotation sent, sample approved, PO confirmed, materials ready, production in progress, QC completed, delivered, invoiced, payment pending, and order closed. This approach would improve order-status visibility and reduce reliance on informal communication, without requiring a costly system transformation at the initial stage.

The company should clearly separate sales and order follow-up functions. Sales staff should focus on customer acquisition, negotiation, and relationship management. In contrast, order-follow-up or merchandising staff should coordinate technical documents, sample approval, material readiness, production progress, delivery preparation, and payment milestones. This separation would reduce overload on sales staff and improve cross-functional coordination.

Finally, P&T should develop a basic KPI system for order management. Operational KPIs may include quotation response time, percentage of orders with complete input information, first-sample approval rate, BOM accuracy, material waiting time, on-time production completion, on-time delivery, and quality defect rate. Financial KPIs should include cost deviation, inventory turnover, invoice issuance time, accounts receivable days, and overdue receivables. These indicators would allow managers to identify where delays, errors, and hidden costs arise, and to evaluate whether process-standardization measures are effective.

CONCLUSION

This study examined the order management process of P&T Service Trading Co., Ltd., a Vietnamese garment SME operating under a hybrid production-trading model. The findings show that the company has established a relatively complete order workflow, covering customer inquiry, technical review, costing, sample approval, production planning, quality control, delivery, and payment follow-up. However, the effectiveness of this process remains constrained by incomplete order information, weak technical checkpoints, inaccurate BOM control, supplier-related constraints, limited visibility into order status, and delayed receivable collection. These constraints indicate that the main challenge is not the absence of an order management process, but the insufficient standardization, measurement, and cross-functional visibility of that process.

The study highlights that order management in garment SMEs should be understood as a cross-functional coordination mechanism rather than a narrow sales function. Weaknesses at any stage of the order cycle may lead to broader operational and financial consequences, including repeated sample revisions, material shortages, excess inventory, production delays, cost deviations, and working-capital pressure. Therefore, improving order management requires not only faster customer response but also stronger process standardization, technical verification, material planning, production monitoring, and payment discipline.

This study contributes to SME supply chain management by providing case-based evidence on micro-level order management in the garment sector. It also proposes a practical, performance-oriented framework that links order management with information accuracy, BOM reliability, material coordination, delivery performance, cost control, and receivable management. From a managerial perspective, the findings suggest that garment SMEs can improve operational performance through feasible measures such as RFQ/Techpack checklists, technical checkpoints, standardized BOM templates, visual order tracking, clearer separation between sales and order-follow-up functions, and basic operational and financial KPIs. These measures provide a practical pathway for improving operational control and process visibility in resource-constrained SMEs.

This study has several limitations. While statistical generalization is limited, the case provides analytical insights into order management challenges commonly encountered by garment SMEs. In addition, several operational indicators, such as first-sample approval rate, BOM accuracy, material waiting time, and on-time delivery rate, were not systematically recorded by the company and were therefore used mainly as proposed analytical indicators. Future research should examine a larger sample of garment SMEs, collect more detailed process-level data, and quantitatively test how order management standardization affects cost efficiency, delivery reliability, inventory control, and cash-flow performance. Comparative studies of firms at different levels of digital maturity would also help clarify how garment SMEs can move from manual coordination to more integrated order management systems.

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