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How PDS Limited Is Redefining Global Retail Execution

BY ARTHUR ZACZKIEWICZ
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Knit Gallery in India. COURTESY

For global retail executives, volatility has ceased to be an occasional operational disruption. It is now the permanent baseline. Navigating near-unprecedented market headwinds—from shifting tariff regimes and geopolitical friction to chronic shipping delays and erratic consumer demand—has forced traditional apparel brands to confront a harsh reality: legacy supply chain architectures are simply too rigid and capital-intensive to survive.

Where traditional operators see systemic risk, Pallak Seth sees a structural opportunity to reshape the global fashion ecosystem.

As the co-founder and executive vice chairman of PDS Limited, Seth has spent more than two decades engineering a consumer product platform built specifically to absorb shock. Today, PDS handles approximately $3 billion in merchandise value annually across apparel and general merchandise categories, positioning itself as one of the largest end-to-end sourcing and manufacturing platform globally now in 25-plus countries and 130-plus locations.

But unlike legacy buying houses or heavily asset-encumbered manufacturers, PDS operates on a distinct premise, which is offering high-agility, asset-light orchestration backed by distributed entrepreneurial ownership.

"In this environment, volatility is now the rule rather than the exception," Seth told Sourcing Journal. "When crisis hits, there is always a flight to safety. If your balance sheet is financially stable and your organization is resilient by design, then what brings crisis to others brings opportunity to you."

platform model: diversification without fixed cost drag

At the core of the PDS strategy is a deliberate departure from traditional corporate hierarchy. Rather than functioning as a centralized monolith, PDS operates as a platform comprising over 50 entrepreneur-led businesses operating across numrous countries. These business leaders are not merely division managers; they are equity partners who retain skin in the game.

Pallak Seth

“Unlike traditional sourcing giants, we are not a high-hierarchical organization,” Seth explained. “PDS has become like a KPMG or a PwC by structure, where you have got 50 partners around the world running different businesses. Each of these operating businesses is run by management teams who are shareholders with us. That gives us the agility to make decisions instantly without the corporate friction that slows down legacy operators.”

While 90 percent of the merchandise PDS handles flows through its asset-light network, the company maintains roughly 10 percent of its revenue in owned manufacturing footprint across strategic hubs in Bangladesh, India, Sri Lanka, and Turkey with new investment underway in Egypt. Seth said this hybrid model gives PDS “controlled baseline capacity” where quality and compliance require direct oversight, without burdening the broader balance sheet with real estate and fixed operational drag.

Seth said customers “come to us with a view that we can provide them solutions without having to set up a factory. They know that if agility is required, PDS will be able to act quickly because of the quality of people we hire and the high-caliber management teams we bring on board.”

When supply chains fractured recently across Asia, Seth said PDS was able to rapidly pivot production volumes for major U.S. and European accounts into Central America, Egypt and Jordan, while simultaneously leveraging emerging trade frameworks like the U.K.-India Free Trade Agreement. For enterprise retailers doing hundreds of millions in volume, ranging from Primark, where PDS serves as one of its largest strategic vendors, to Ralph Lauren, where PDS acts as a strategic third-party solutions provider, that geographic flexibility represents vital margin protection.

“There is no shortage of suppliers in the world—there are probably 25,000 suppliers out there,” Seth said. “Where we set ourselves apart is in governance, stability and structure. Big enterprise retailers want to know that if they give you $100 million or $200 million in business, you can execute it seamlessly.”

Aligning speed with sustainability

As regulatory pressure mounts globally, most notably via Europe’s stringent Corporate Sustainability Due Diligence Directive (CSDDD) and upcoming Digital Product Passport mandates, retailers face a dual challenge, which is auditing deep into upstream supply chains while keeping product velocity high. Industry consensus has long held that rigorous ESG compliance naturally stifles speed-to-market. Seth flatly rejects that trade-off.

“Compliance and speed aren’t opposites,” Seth said. “They cannot trade off from each other, and as an industry, we have to refuse that compromise.”

To solve the upstream sustainability puzzle, PDS established PDS Ventures, a $50 million corporate venture capital fund that stands as the only structured, supply-side CVC arm in the global fashion industry. Rather than treating ESG as an administrative tax, PDS uses its venture portfolio to discover, fund and scale early-stage technologies that solve physical supply chain bottlenecks across material science, post-consumer waste recycling, traceability and operational robotics.

"It was started, to be honest, almost like a hobby because there was so much disruption happening in the industry," Seth said. "Today, it has grown into a $50 million internal corporate treasury fund. We have probably one of the most structured and professionally run CVC arm in the global fashion industry, investing across 80 to 90 startups globally."

Crucially, PDS Ventures co-invests alongside retail heavyweights and corporate treasury funds including H&M, Bestseller and Ralph Lauren, while partnering closely with industry accelerators such as **Fashion for Good** and the Global Fashion Agenda.

"When organizations like Global Fashion Agenda or Fashion for Good co-brand and partner with us on stage, they do so because they know our ethics, values, compliance and governance standards are fully aligned," Seth said. "Our venture arm and our operational platform go hand in hand. The venture arm feeds innovation directly into the platform, and our platform helps those young startups scale globally."

Upstream intelligence and generative AI on the factory floor

If inventory misalignments and bloated lead times are the central financial drains on modern retail, Seth argues that the root cause is rarely found on the shop floor. Instead, it is a failure of communication and forecasting weeks before a single yard of fabric is cut. To compress design-to-shelf cycles, PDS has integrated artificial intelligence and **3D digital product creation** across its entire development framework.

"If AI is used correctly, it enhances the relationship and confidence between buyer and seller," Seth said. "People used to say AI would not disrupt the creative side of business, but I feel AI is probably disrupting the creative side the most. From trend search and initial design to tech pack creation, fit and 3D sampling, it is almost scary how fast it is moving."

In key sourcing hubs like China, subsidiary teams at PDS like Asia Star connect AI design tools directly to digital raw material markets. The moment a trend is approved, the system scans regional mill inventories to identify available stock fabric instantly, cutting days out of traditional sampling cycles. Merchandisers also deploy AI agents to monitor critical path milestones in real time, predicting potential bottlenecks before they result in delayed shipments or quality failures.

To accelerate this transformation, Seth said PDS actively pairs veteran production managers with young university graduates specifically trained in generative AI applications.

"If you are not going to be future-ready, you simply won't be competitive on cost in the future," Seth explained. "In our industry, everyone is trying to make a profit, but your profitability isn't a factor of the margin a customer is willing to give you—it is a factor of the overhead cost you have in your organization. In a traditional company, you might need a 15 percent cost structure to make a 3 percent profit. But if another business operates at an 8 percent cost structure to make that same 3 percent, they win. We keep a very close eye on AI because it allows us to strip unnecessary friction out of the system."

Seth recalled a recent presentation where a large French supermarket was so impressed by PDS's AI capabilities in design and product development that they inquired about outsourcing their entire design department to the platform.

"We are not just trying to stay ahead of the curve," Seth said. "We want to be right in line with where the future of retail is moving so we can deliver real operational solutions."

Eyeing North America

While PDS established its early dominance across the U.K. and Continental Europe, North America represents the company's steepest growth vector. Having meaningfully entered the U.S. market just four years ago, PDS has already scaled its regional business toward $500 million in Gross Merchandise Value, with a clear trajectory towards $1 billion within the next 24 months.

The expansion strategy relies on capitalizing on a fundamental shift in how American retail leaders view vendor relationships. Facing severe margin pressures, U.S. brands are increasingly looking to adopt the vendor-led model pioneered in Europe, where strategic supply chain partners take on greater responsibility for upfront design, material sourcing, and speed-to-market.

To execute this playbook, Seth said PDS combines its global sourcing network with established domestic talent. Industry veterans like Michael Yee, the former CEO at MGF Sourcing, have joined the platform to bridge global capabilities directly into North American boardrooms.

"North America is currently our most exciting and fastest-growing market," Seth said. "In our first 20 years, we scaled up across the U.K. and Europe. But looking at the significant growth in just three or four years in the U.S. and I feel the U.S. business could overtake our European and UK operations over the next four or five years."

The U.S. operational strategy focuses on two distinct customer bases: enterprise brands and retailers such as Walmart, Target, Kohl's, Sam's Club, TJ Maxx and American Eagle, alongside major domestic wholesalers. PDS also works closely with New York-based brand management companies to partner with them on strategic brands and licenses.

“We have two different lenses for the U.S.,” Seth explained. “One is working directly with major retailers through structured manufacturing and sourcing operations, which takes time to establish. The second is partnering with domestic wholesalers and brand platforms, which allows for much faster speed-to-market. Because of how we are structured, when we approach a U.S. retailer, we can offer them Central America for nearshoring, North Africa and Sub-Saharan Africa for duty advantages, alongside our deep scale across South Asia and China.”

By offering a flexible mix of nearshoring options in Central America for speed-sensitive categories, low-tariff footprints in Egypt and Jordan, and high-scale manufacturing hubs across South Asia, PDS provides American retailers with a tailored alternative to single-region reliance.

“When we pitch to clients today, seven out of ten accounts open up to us,” Seth noted. “Normally in this industry, it might be two or three out of ten. Retailers see the value in what we are doing, the quality of management teams we bring on board, and the flexibility of our platform.”

As global trade continues to realign along complex geopolitical and economic lines, Seth remains confident that the platform model represents the future of global commerce.

“The industry has never been this disrupted, but we are in a very strong position in a tough market,” he said. “When you can manage compliance, manage credit risk, and offer clients agility without heavy capital drag, every challenge in the market becomes an opportunity to build for the long term.”

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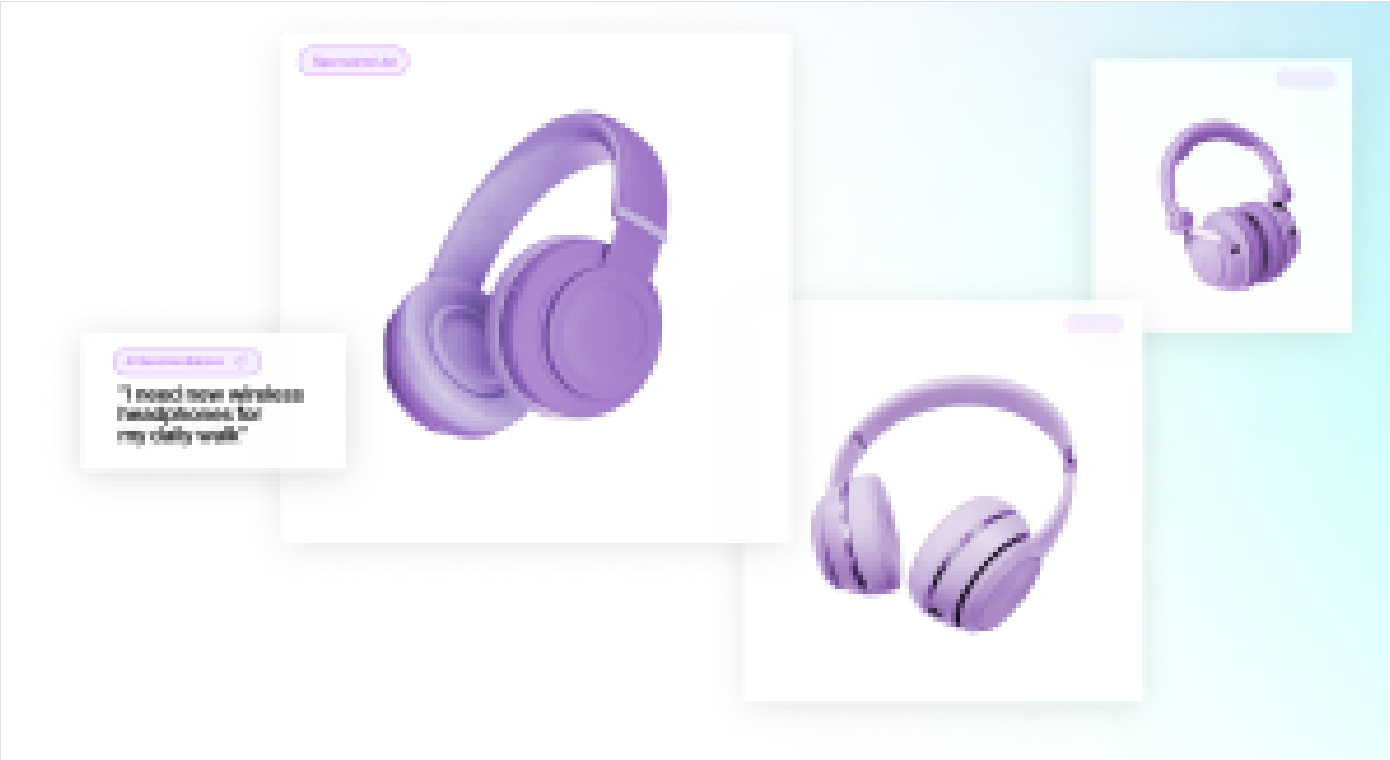

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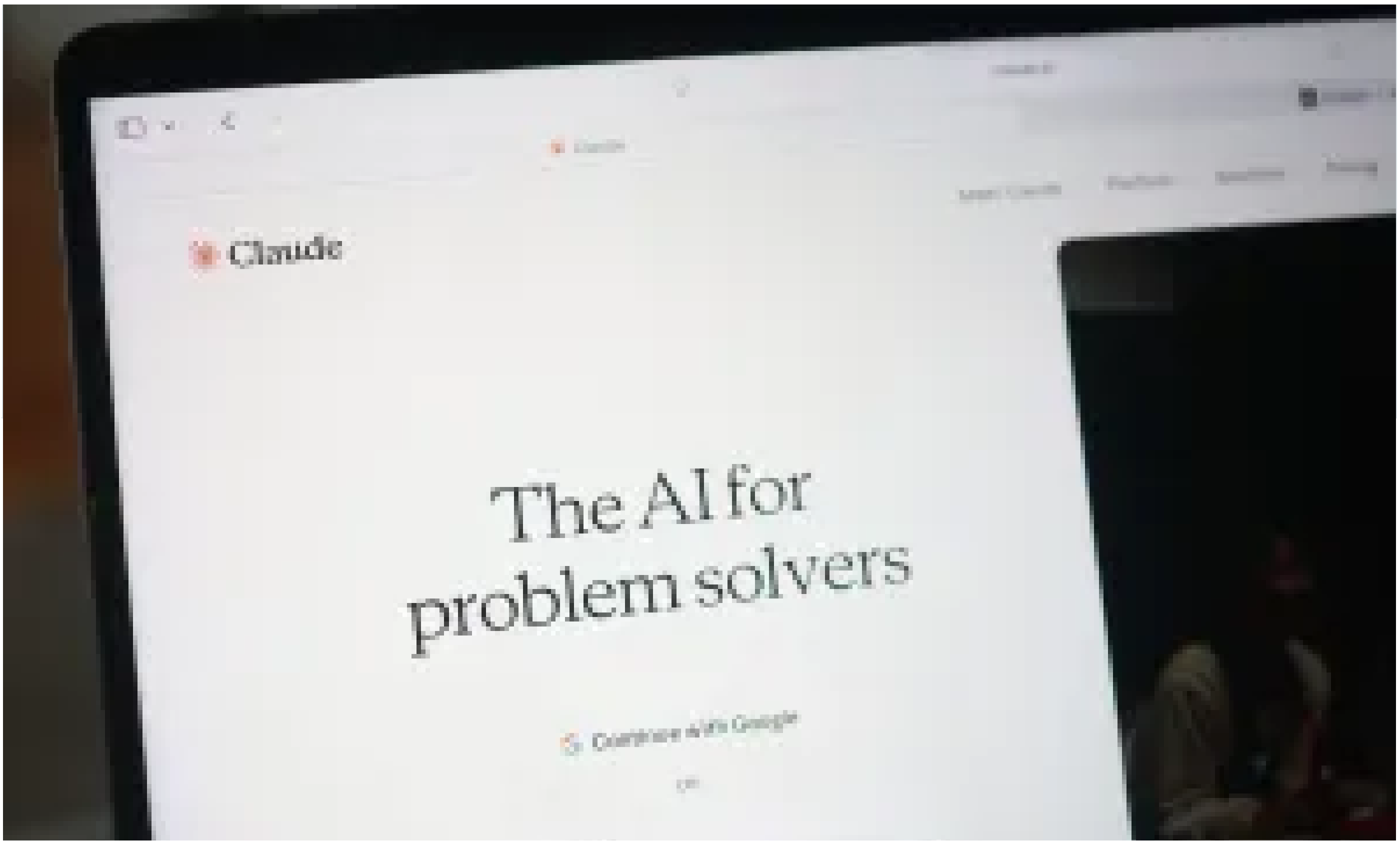

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