VF Corporation

NGC’s Global Sourcing/SCM Helps VF Corp. Achieve Supply Chain Excellence

www.ngcsoftware.com
Customer:

VF Corporation is the largest apparel company in the world and a global leader in branded lifestyle apparel and footwear, with more than 30 brands. The company’s brands include such household names as The North Face®, Vans®, Wrangler®, Timberland®, Lee® and many others.

Challenge:

VF Corporation required a strategic global sourcing and supply chain management system capable of handling multiple brands, supporting VF in the acquisition of other companies, and handling the company’s continued worldwide growth.

NGC Solution:

VF Corporation selected NGC’s Global Sourcing and Supply Chain Management software in 2003 as the key platform for its worldwide sourcing organization and has relied upon NGC as a strategic partner ever since.

“We needed a solution that was much more robust. When we looked to the future, and as we ramped up our sourcing, we knew we were going to go to hundreds of millions and billions of dollars in sourced manufacturing, and we needed a system of record to help get that. VF’s purpose for NGC’s Global Sourcing solution was to improve quality and vendor management processes, generate vendor report cards and get on top of our business,”

Tom Glaser
Vice President/President, Supply Chain
VF Corporation
Company Background

For more than a decade, VF Corporation has relied on NGC for strategic global sourcing and supply chain management solutions. Find out how NGC has helped the world’s largest apparel company achieve supply chain excellence and manage rapid growth.

VF Corporation is the world’s largest apparel company, with more than 30 brands, $11 billion in annual sales and products that are sold in over 150 countries. VF Corporation uses wholesale, retail and e-commerce business models and organizes its business by five coalitions: Outdoor & Action Sports, Jeanswear, Imagewear, Sportswear and Contemporary Brands. The company has a large, diversified sourcing organization, with seven sourcing offices and over 1,000 employees in its Asia Sourcing Organization.

Finding a Global Sourcing System to Support Rapid Worldwide Growth

For many years prior to NGC’s Global Sourcing implementation in 2003, VF Corporation relied upon a small, homegrown Lotus-Notes based tracking system to manage outsourced production, which at that time was a small percentage of VF Corporation’s overall manufacturing. However, as VF Corporation looked to the future and the company’s rapid expansion, it realized that it needed a much more comprehensive, robust and web-based system that could tackle the hundreds of millions—and eventually, billion—of dollars in annual sourcing. In addition, after acquiring several smaller companies, VF also needed a method to integrate data from the systems of these other organizations.
A Robust Software Solution for Sourcing on a Massive Scale

In April 2003, VF Corporation selected NGC Software’s e-SPS global sourcing solution, and 2013 marked a decade of partnership between VF Corporation and NGC. The system provides the Global Sourcing and SCM functionality that VF Corporation sought originally, and NGC has continued to provide VF Corporation with new, innovative functionality.

Some of the key benefits from NGC’s Global Sourcing and Supply Chain Management system include:

The ability to handle VF’s growth through acquisition. As VF Corporation acquired lifestyle brands and continued to grow rapidly, NGC’s system has kept pace. “One of the things we liked about NGC’s system is that it took feeds from Nautica’s system and Vans’ system and the systems of other firms we were acquiring and allowed us to have one system for our sourcing operations,” Glaser said.

Integrated quality management. NGC’s system also includes a Quality Control module that allows VF Corporation to request quality audits at any stage of the production process and analyzes quality trends over time—an important factor in managing sourcing decisions and helping vendors improve performance. By tracking this quality data along with information about on-time deliveries and volume of FOBs, VF is able to develop vendor report cards.

Closer management of a fast-growing sourcing operation. Glaser said that VF Corporation’s sourcing system has enabled it to track production from a legal and statutory perspective but also from a business perspective, so that it can understand the flow of goods, determine if shipments are on-time and measure how much business it is doing by supplier. “The purpose was to get on top of our business,” he said—and NGC’s Global Sourcing and Supply Chain Management system has been an integral part of that process.
Key Features

Paperless transactions
- Online PO acknowledgement
- EDI exchange with 3PL, broker and payment systems
- Electronic invoice and packing list

Common vendor PO management platform for VF Corporation
- Single data repository for all brands
- Consolidated vendor performance metrics
- Consolidated management reports
- Single system process for vendors
- Single system support for VF

Cost savings to VF Corporation
- Offload production/shipment data maintenance work to suppliers
- Automated goods receipt processing
- Streamlined logistics and payment processing
- Elimination of paper documents

Instant information visibility
- PO acknowledgement status
- Quality audit result
- Shipment status

“We keep all of our quality information on NGC’s system.”

Tom Nelson
Managing Director, VF Asia
Vice President, Global Product Procurement
VF Corporation