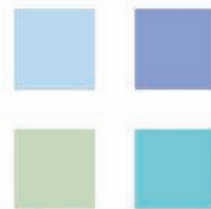




Maximizing Your PLM Investment

A new generation of product lifecycle management (PLM) breaks the mold of software — and information — stuck in silos. PLM 3.0 is a technology platform that touches the entire enterprise.



PRESENTED BY

NGC
new generation computing®

A PLM 3.0 platform can automatically extract just enough POS data to help decision-makers see which styles are selling swiftly vs. which are barely moving. The platform does not need to analyze “Big Data” — just the facts that matter.

Fashion retailers, brands and manufacturers have made big strides when it comes to capturing their product information digitally and moving it around the world. Yet there still is a huge opportunity to harness more data, people and processes. By doing so, companies can realize new breakthroughs in time to market, cost reduction and responsiveness to consumer demand.

Sometimes it can take something as powerful as generational change to prompt major breakthroughs. In the tech world, a new generation is born when there is a significant shift in how a technology is used, how it is delivered and what it enables users to do.

Product data management (PDM) systems computerized the process of capturing, storing and sharing product specifications. That was PLM 1.0.

Those systems paved the way to more sophisticated product development software, capable of managing collaborative processes from design concept to style adoption. That was PLM 2.0.

Now the fashion industry is at the forefront of another exciting wave of change: PLM 3.0.

This generation of PLM represents changes on parallel fronts. First, from a technology perspective, it marks the transition from:

- PLM as a software application used by certain departments to
- PLM as a platform with extended reach across multiple software applications, from concept to consumer.

Secondly, PLM 3.0 is a direct response to changing business paradigms. To truly innovate and stay a step ahead, companies are shaking up the traditional ways of doing business.

PLM 3.0 is designed to complement and support both tried-and-true and new-and-different strategies. By its very nature, it does not require software replacement. Rather, with PLM 3.0, the focus is on connecting the data and systems in the organization to drive better decision-making. PLM 3.0 serves as an enterprise hub for the entire product lifecycle, synchronizing and sharing information from systems including:

- Forecasting and planning
- Development
- Sourcing
- Compliance
- Production
- Quality
- Logistics
- Finance
- Sales
- Social

“Today everyone thinks of PLM as a product development system, but with PLM 3.0, it becomes a strategic enterprise platform that touches every part of the organization,” says Tom Stevenson, IT vice president at True Religion Brand Jeans and a seasoned executive who has been involved in numerous technology initiatives. “PLM 3.0 extends the capabilities of PLM in new and exciting directions.”

“By compressing turnaround time, companies can design closer to the season, increase full-price sales and decrease markdowns,” says Stevenson. “They can reduce inventories by responding more quickly to demand and speeding up replenishment.”

Diverse Businesses, Common “Loose Threads”

While all fashion businesses have unique processes and strategic strengths, they share common ground: Product is at their core. Regardless of their business models for making product and selling it, they must manage product information and bring finished goods to market effectively.

At the same time, many apparel retailers, brands and manufacturers often have the same prevalent problems when it comes to sharing and truly leveraging product information throughout their organizations and supply chains. The right people rarely have the right information they require at the right time.

Destination XL Group, the nation’s largest retail special chain for big and tall men’s wear, confronted this issue and wrestled it to the ground. The company’s first PLM tool, rolled out in 2005, was used only by technical designers to create tech packs. Other teams involved in the product lifecycle, such as sourcing, production and quality, did not have access to the system. Hours were spent in meetings to review product development and production workflow on spreadsheets.

In 2013, DXL rolled out NGC Software’s PLM solution to all cross-functional departments. Now, those long production meetings are history. “Everyone has visibility to their WIP tracking, calendar, development process, approvals and other information on their own devices through the web portal,” says Angela Chan, senior vice president and chief sourcing officer, DXL. “By sharing information effectively, this has reduced my personal meeting time by at least 30 percent.”

With its PLM progression, DXL solved problems that are shared by many apparel businesses. “For years, PLM has provided each business silo with information,” says David Ryan, managing partner, Concepts in Technology Inc. “However, today’s PLM must, and does, communicate this information across the entire company, not just the siloed departments.”

Performing an analysis of PLM information requirements, NGC Software cross-referenced data elements (i.e., line plans, costing data, etc.) with the departments and individuals responsible for inputting and using this data. The results were startling. For every department that created data, three departments needed access to the information in order to effectively perform their jobs.

With this many disconnects across an organization, it’s almost impossible to respond rapidly to changing trends and supply chain problems. “You have to be able to react quickly to



Q & A EXECUTIVE INSIGHT



MARK BURSTEIN

**President of Sales, Marketing and R&D
NGC Software**

How is the newest generation of PLM innovation — PLM 3.0 — unleashing PLM's full potential?

Fashion PLM is undergoing a major transformation with the advent of PLM 3.0, or "PLM-as-a-Platform." The first generation of PLM systems focused only on product data management and producing tech packs. The second generation of PLM systems covered concept to adoption, and that's where most of the apparel industry is today. The capabilities in PLM 2.0 — collaboration, calendaring, exception management, etc. — are essential for product development, but they don't begin to unlock the full potential of PLM.

PLM 3.0 takes PLM beyond its traditional role of product development, turning it into an enterprise platform that shares data among key stakeholders in every department, as well as third parties, including vendors, suppliers, product testing labs, logistics providers and retail buyers. It takes information from all these systems and data sources, shares it with every stakeholder, analyzes it, and executes decisions based on the results.

Why is this so critical? PLM has always focused on product development, but the ability to react to unanticipated downstream events is extremely important to increase profitability. The best-laid plans can be compromised because of unexpected circumstances: materials don't arrive on time, quality

samples are rejected, shipments are delayed — causing ripple effects throughout the organization.

Today, production issues and sales results can't be shared in a timely manner with decision-makers upstream. The ability to react is critical, and companies can only do that by connecting design, production, logistics and sales data. If companies rely on spreadsheets, fax or email to communicate with overseas suppliers, they'll lose critical hours, days and even weeks.

PLM 3.0 gives companies the ability to quickly react, so that problems can be resolved before they escalate into full-blown crises.

PLM 3.0 gives companies the ability to quickly react, so that problems can be resolved before they escalate into full-blown crises.

If apparel companies already have PLM, can they take advantage of PLM 3.0?

Yes, they can. If companies already have a PLM system, they can still achieve the benefits of PLM 3.0; there's no need to rip and replace existing systems. The connectivity exists to enable all systems to feed into PLM. Even older PLM systems, such as 1.0 and 2.0, can be integrated into the enterprise platform.

What benefits are they likely to see?

One of the biggest benefits of enterprise integration is the ability to respond to sales data. Companies can accelerate replenishment of products with high sell-through and margin, and conversely, they can cut their losses on poor sellers and cancel production. After all, when goods are marked down, companies not only lose profit, they take away floor space from goods that could be sold at full price.

PLM 3.0 also enables companies to push decision-making further downstream. There's no way to accurately predict the runaway best sellers a year from now, but the further companies are in the production process, the more information they'll have from fashion shows, social media, consumer trends, and point-of-sale/e-commerce data. With PLM 3.0, you can wait until the last possible minute to make decisions. It's a concept known as "postponement," and it's only possible with PLM 3.0.



NGC Software is a leading provider of PLM, Supply Chain Management, ERP and Shop Floor Control software and services for brands, retailers and consumer products companies. NGC solutions help increase profitability, reduce costs, improve speed to market and product quality, and manage compliance and testing. NGC was recognized as a leader in 34 categories in the 2015 RIS News Software Leaderboard and has received top rankings by leading industry analysts. NGC customers include AIX Armani Exchange, Aeropostale, Billabong, Carter's, Destination XL, Hugo Boss, Jos. A. Bank, Marchon Eyewear, Spanx, Swatfame, VF Corporation, and many others. NGC has offices in Miami, New York, Los Angeles, Canada, China, India, Mexico, and El Salvador.

Increase Profits

35% - 70%



Focus your investment on solutions that integrate Planning, Development, Sourcing, Omni-channel Sales, Production and Finance into a single collaborative system to standardize all processes within your organization.



THOUGHT LEADERSHIP REPORT

PLM 3.0

the latest information, and that means accessing information from all departments throughout your organization,” says Stevenson.

A Business Bar Set Higher Than Ever

Traditional apparel selling, buying and sourcing practices are transforming. Plans are more fluid. Decisions are being made later. Final orders, including quantities and styles, are changing much closer to market.

Fashion specialty retailers are on the leading edge of these quick-turn sourcing, replenishment and postponement strategies. More merchants are emulating innovators such as Zara, with its hyper-agile ability to adjust designs and production plans to meet late-breaking trends.

Department stores and mass merchants also are building more flexibility into their apparel planning and procurement cycles. Open-to-buy dollars may be held close to the vest longer as retailers wait to place bets on hot styles.

Wholesalers, too, are more nimble. Having shortened their own production cycle times, they are increasingly adept at replenishing strong sellers and even filling brand new orders mid-season.

“Fashion trends today change faster than ever, making shorter lead times essential,” says Stevenson. “Companies have to find ways to compress the entire lifecycle from concept through delivery, in order to get their merchandise on the shelf faster.”

In this highly competitive game, there is unrelenting pressure to get it right — or else. “There is no room for error, no room for late deliveries, no room for mistakes, and no room for poor quality,” says Ryan. “The days of ‘partnerships’ and letting things slide are over. Manufacturers must be able to help retailers attain the projected margins they expect. This is all that matters. ... And it all must be done in the shortest delivery and re-delivery timeframe the industry has ever experienced.”

How PLM 3.0 Can Help

Amid all of these heightened expectations, PLM 3.0 can help fashion businesses navigate their products to market successfully. For one thing, they can react quickly and decisively to the unexpected, whether that comes in the form of supply chain problems or surprising sales twists.

“Within the company, PLM 3.0 shares information among the team members that are directly involved with all the given and defined processes. It also keeps the teams supporting the upstream and downstream processes informed by providing visibility on what is happening on a proactive basis and creating the ability to react and correct in a timely and effective manner,” Ryan says.

In other words, PLM 3.0 keeps information flowing so that it does not get stuck in silos. A business that is connected by PLM 3.0 can proactively push relevant data forward so that it reaches the people who need it, internally and externally.

That has certainly been the case at DXL Group.

“The benefits are tremendous,” says Chan. “We broke down silos with each internal department and were able to re-assess our working processes. This gave us an ability to streamline how we work.”

Now DXL is able to capture workflow information from the season start until goods are delivered to its DC. “Our reporting is accurate and centralized,” Chan says. As a result, the company can measure vendor performance more accurately. “Our on-time delivery, quality and compliance reached over 98 percent in 2015 vs. 85 percent to 90 percent before we implemented PLM,” she says.

PLM 3.0 is structured to be used across the entire organization, drawing in information from different systems. In fact, when this type of modern platform is layered into a company’s older systems, it can “breathe new life into them,” says Ryan. “This allows the legacy systems to be the transactional tools they were built to be, while the collaborative and analytical nature of PLM 3.0 provides the visibility the company needs to accurately and proactively address issues.”

For example, a PLM 3.0 platform can automatically extract just enough POS data to help decision-makers see which styles are selling swiftly vs. which are barely moving. The platform does not need to analyze “Big Data” — just the facts that matter. Then executives can put plans in motion to make more product or put the brakes on further output. They can effectively communicate changes through to the supply chain.

“Whether the manufacturer is a fully branded design house or private label manufacturer for retail, the responsibility for the product being delivered is now fully upon the manufacturer,” Ryan says. “They need to know the market and produce high-quality products faster, better and at a lower cost than ever before. This can only be accomplished with very tight, rigid controls. PLM 3.0 provides this level of tracking through integrated collaboration with the retailers.”

Conclusion

PLM 3.0 is a new generation of PLM technology. It represents a major shift in the way PLM software is delivered and leveraged by those who use it. Specifically, it is structured to be delivered as a platform so that it can tap into information from anywhere in the extended enterprise, upstream or downstream. With this broad scope, PLM 3.0 empowers users to both plan their lines (the traditional realm of PLM 1.0 and 2.0) and react to changing market dynamics. ■