



PLM without Boundaries: Orchestrating the Global Fashion Enterprise

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Apparel brands and retailers can leverage product lifecycle management (PLM) tools to achieve synchronization and orchestration — however, they must embrace the concept of “PLM without boundaries” to facilitate the flow of information that drives all aspects of the global apparel enterprise, beginning with seasonal forecasts and ending only when finished product is purchased by the consumer.

Photo provided by Sport Obermeyer

The apparel industry is evolving at seemingly warp speed. Competition has never been fiercer; maintaining or increasing a foothold in the business necessitates responding quickly to rapidly evolving consumer trends and moving product from the planning stage into the consumers' closet faster than ever before. Market erosion continues to occur, while at the same time, testing and compliance requirements are increasing in number and scope.

These factors, and many others, make it critical for brands and retailers alike to synchronize and orchestrate every facet of the concept-to-consumer process. The consequences of failing to board the synchronization and orchestration train are grave: Companies can be saddled with excess inventory, experience shortages of best-selling items, discover that they have manufactured defective or otherwise unsafe products, and/or fail to attain financial goals for a given season. Loss of customers and damage to the brand — the former, often difficult to recoup and the latter, potentially irreparable — typically follow.

“Without precise synchronization and orchestration of processes, apparel players quickly lose their vision and their momentum,” says independent consultant and industry analyst Peter Bambridge. Like a growing number of experts, Bambridge believes companies can leverage product lifecycle management (PLM) tools to achieve such synchronization and orchestration. In doing so, however, they must embrace the concept of “PLM without boundaries” to facilitate the flow of information that drives all aspects of the global apparel enterprise. Companies must move beyond PLM's traditional role of “concept to adoption” to include supply chain and enterprise functions such as product testing and compliance, customer orders, inventory levels, production tracking, quality, logistics and monitoring of retail sales results. This inclusive view of “PLM without boundaries” is the key to orchestrating the global fashion enterprise.

The Trouble with Silos

Information is indeed the lynchpin of the extended fashion enterprise. Many different, very disparate departments within the organization play a role in enterprise synchronization. These departments own and need access to data if they are to properly execute their responsibilities and keep product moving along the supply chain. External trading partners, among them vendors, factories, agents, raw materials suppliers, freight forwarders and testing laboratories, must also be able to obtain certain information in order to fulfill apparel manufacturers' requirements, in turn helping them to meet or exceed retailers' expectations.

But this is easier said than done. In most global apparel enterprises, information specific to each department resides

in a separate repository and is not easily shared with others in the organization, no matter its value outside the department's four walls. Data is not linear or available upstream and downstream; for instance, results of product tests from internal testing laboratories, which may impact production orders, cannot be readily accessed by or transmitted upstream to the department that oversees those orders. Similarly, the outcome of quality audits is not easily shared with the variety of departments that may be affected by the results, from design to purchasing to distribution.

Not surprisingly, the absence of a centralized repository of information that paves the way for siloed data to be exchanged in real time, as well as upstream and downstream, leads to potentially devastating results. For example, instead of being based on current consumer purchasing patterns and other factors, raw materials procurement and/or production planning occur in a “vacuum” and can be highly inaccurate. This opens the door for raw materials shortages and overages, along with manufacturing inefficiencies and production volumes that do not match in-store demand.



“Before moving to our current platform, there was no true visibility into development, anywhere,” says Austin Mallis, VP, Operations, Fashion Avenue Sweater Knits.

The ‘Boundary-Free PLM’ Promise

“PLM without boundaries” can significantly mitigate or even eliminate these challenges. PLM provides the ideal platform for orchestrating all information, processes, departments, stakeholders and geographies throughout the global fashion enterprise, functioning as its hub; synchronizing all of its facets; and ensuring a seamless, real-time information flow that transcends silos. A fully integrated supply chain management (SCM) system on the back end serves to bolster efficiencies, reduce errors, and improve product quality, thereby increasing profits and preserving brand integrity. Information from enterprise resource planning (ERP) and other systems also can be incorporated into the central repository.

“A common platform and a common database make the world of difference, because it's not just the next stakeholder or department in the supply chain that benefits from information,” Bambridge says. “The impact extends across the

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enterprise and to business partners. For instance, suppose a new material fails a quality test. That failure has bearing on orders for the product into which the material was to be manufactured, but also on decisions surrounding future materials procurements and the design and manufacture of other products. It is always a ripple effect.”

Fashion Avenue Sweater Knits, a leading, New York City, N.Y.-based importer of quality children’s and women’s apparel that supplies product to such leading retailers as Kohl’s, Macy’s, Belk and Dress Barn, ranks among entities

that are reaping the benefits of a PLM system without boundaries. Prior to migrating to such a system, the company relied on repetitive manual processes that impeded production and collaboration. These processes were unique to individuals rather than to departments or the organization as a whole, disconnects between departments were the norm, and determining the status of specific styles or orders proved challenging, if not impossible.

“We would talk a lot about different aspects of the business, but we had no way of looking at how and what we

EXECUTIVE INSIGHT:

An Interview with Mark Burstein, President of Sales, Marketing and R&D, NGC Software



Q: What are some of the greatest supply chain-related challenges faced by apparel players today?

MARK BURSTEIN: It is critical for brands and retailers to synchronize and orchestrate every facet of the concept-to-consumer process. However, the extended apparel enterprise is extremely complex and driven by information. Many different, very disparate departments within the enterprise own and need rapid access to data — the lifeblood that drives the global apparel enterprise. These departments include sales, planning, merchandising, design, compliance, sourcing, quality, purchasing, procurement, and many others. Third-party trading partners also need this data. If there is no centralized repository of information, so that siloed data can be shared in real time both upstream and downstream, the results can be devastating: production that doesn’t match in-store demand, late shipments, design errors, and products that are manufactured under unsafe working conditions or recalled because they don’t meet requirements set down under the Consumer Product Safety Information Act (CPSIA).

Q: How can a PLM solution — specifically, a web-based PLM system that allows for ‘PLM without boundaries’ — help to address these issues?

BURSTEIN: A web-based PLM system is ideally suited to handle all of the complexities and challenges mentioned above. ‘PLM without boundaries’ means PLM extends far beyond its traditional role, providing the perfect platform for orchestrating everything in the global fashion enterprise — all information, processes, departments and geographies. It encompasses not only product design and development, but SCM as well, including WIP tracking, vendor collaboration and management, materials management, quality and logistics, and much more. Such a system should integrate with other

enterprise systems, including ERP, to synchronize everything (and everyone) throughout the extended organization, from initial design until products are available on the retail floor.

Q: What are the advantages of integrating PLM with other enterprise systems?

BURSTEIN: Companies will realize far more benefits when PLM, SCM and other enterprise information is available on a single platform. The key to competitiveness is synchronizing the global fashion enterprise. So, apparel companies should focus their investments on solutions that maintain PLM, Global Sourcing, Supply Chain Management, ERP and sales data in a single, seamless system. PLM concentrates on design, from initial concept through style adoption. However, what happens after customer orders are booked, the P.O. is issued, and production begins is equally important. Enterprise platforms can help companies improve efficiencies, reduce errors, deliver better product quality, increase sales and profits and preserve brand integrity.

Q: What are the various ways such a platform can be configured?

BURSTEIN: Fully integrating PLM with SCM, ERP and sales information brings together the best of all worlds, providing a single, collaborative workspace that standardizes all processes within an organization. That’s why NGC’s PLM has the most advanced degree of integration available, as well as modules that cover such key areas as vendor compliance and regulatory compliance. This is in keeping with our philosophy of ‘PLM without boundaries,’ and turning PLM into the collaborative engine that drives the global fashion enterprise.

were doing collectively," says Austin Mallis, vice president, operations. "There were a lot of dots, with nothing to connect them."

A web-based, boundary-free PLM system with an SCM component at the back end, all from NGC, has turned the tide, delivering measurable ROI in several areas. For instance, by providing a single, collaborative platform for standardizing PLM and SCM processes across the enterprise, such a solution streamlines workflow and enhances team members' ability to exchange information and ideas in pursuit of a common goal. Global collaboration and exception management features enable data to be shared seamlessly throughout the organization, improving communication flow and productivity. To date, Fashion Avenue Sweater Knits has seen a 40 percent decrease in its volume of email and daily information requests, with a subsequent dramatic uptick in overall efficiency.

"The burden of finding the answers to questions is now placed on users," Mallis states. "They don't have to ask anyone, and they aren't forced to waste time waiting for responses."

Mallis deems enhanced communication between the company's design team and employees in its Shanghai office a key example of the positive effects on workflow and collaboration. Real-time access to, and sharing of, information has brought all parties closer together, rendering it easier for them to exchange and execute ideas and other data in a more timely, hassle-free fashion.

Just as significantly, embracing "PLM without boundaries" has led to marked improvements in task management throughout the design and production processes. The system's workflow calendars and exception management tools allow individual tasks to be managed by factory, user, and/or retailer; tasks that require special or immediate attention are easily identified and handled. Users can also remain on top of their own current, future and past-due responsibilities, taking personal accountability and task management to new levels.

"Before moving to our current platform, there was no true visibility into development, anywhere," Mallis adds. "For instance, we never knew how many styles were being developed for a particular season, the quantity of styles being developed in each of our factories, the number of specific styles being handled by individual designers, and much more. Now, we can obtain the information we need in a matter of seconds and manage it accordingly. And individual users can do the same."

Moreover, boundary-free PLM plays a central role in helping Fashion Avenue Sweater Knits to continually reduce product development time and, subsequently, achieve increased speed to market. The integration of PLM and SCM into an end-to-end process, and the wider availability of

data from all facets of the enterprise, supports the company's ongoing efforts to re-examine its methodologies and "take steps back when necessary to look for better, more efficient ways to do things," Mallis asserts.

A "PLM without boundaries" approach that involves an integration of PLM with SCM and ERP, all from NGC, and a WMS (warehouse management system) is also yielding significant rewards for Sport Obermeyer, a manufacturer of ski outerwear, apparel and accessories. The integrated solution delivered an ROI in 21 months, according to Gregory Bannister, chief operating officer.

Bannister says the sharing of data supported by the system goes far towards achieving cost efficiencies on the materials procurement side, improving gross profit margins on components purchased by about 14 percent. "Often, we purchase a fabric for the kids' line that would be appropriate for use in the adult line, and vice versa," Bannister notes. "Exchanging data among departments means we can know when we are doing this ahead of time and avoid overbuying of components by either. When we were in siloed mode, and not sharing information across the enterprise, it was impossible for us to know the facts until the bills had been paid and money had already been spent on overages. In general, today we are aware of our costs and can sell at a reasonable profit, as opposed to taking a guess."

Meanwhile, the ability to enter cost, style and other information into the PLM once and automatically "push" it to the ERP, SCM and WMS yields enhanced data accuracy and labor savings; it hastens time-to-market and improves overall workflow. Eliminating the need to enter and re-enter data allows designs to be completed and sent to Sport Obermeyer's factories several weeks earlier than they otherwise would, thereby enhancing customer service. Production and the shipment of product to stores are completed in less time as well, increasing the potential for re-orders and ultimately leading to better sell-through.

Moreover, collaboration with factories has become a much more efficient process. The faster factories act on shared information, the higher the potential for cost savings and the greater the likelihood of effectively handling production glitches and adjusting processes to accommodate retailers' requests, design and materials changes, and the like.

Conclusion

"PLM without boundaries" — i.e., complete, end-to-end data synchronization and transparency for all departments in a centralized platform — is the key to remaining ahead of the competition, adeptly navigating the winds of industry change and successfully orchestrating today's global fashion enterprise. ■