



VENDOR NOTE

NGC—ONE-STOP SHOP FOR FASHION ENTERPRISES

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NGC—One-Stop Shop for Fashion Enterprises

New Generation Computing, Inc. (NGC)—a wholly owned subsidiary of **American Software Inc.** (which has had more than 54 consecutive profitable quarters and thus exudes stability for its constituent companies)—has focused exclusively on fashion, consumer goods, and retail software solutions since it was founded more than 30 years ago, in 1982. The company provides supply chain management (SCM), product lifecycle management (PLM), enterprise resource planning (ERP), warehouse management systems (WMS), and shop-floor control systems to midsized and top-tier companies of brand managers, manufacturers, importers, and retailers. In this report, I'll give you an overview of NGC, and discuss the company's main offerings and the capabilities they afford to the fashion industry.

NGC is a member of the **American Apparel and Footwear Association (AAFA)**, **Textile Clothing and Technology Center (TC2)**, and the **American Apparel Producers Network (AAPN)**. Its executives, consultants, and solution specialists have deep experience in both the fashion and technology industries, and are also involved in leadership roles in key organizations and industry boards, such as the AAFA, AAPN, the **National Retail Federation (NRF)**, and many others.

This industry savvy gives NGC an edge over its competitors and allows it to not only respond to, but also anticipate the rapid changes in the fashion industry. The company cites a long history of “industry firsts” such as the following:

- NGC was the first company to introduce fully integrated, web-based PLM and supply chain management (SCM)/global sourcing software.
- NGC is the first to introduce a Consumer Product Safety Information Act (CPSIA) compliance solution.
- NGC is the first to offer a single enterprise platform for the apparel industry.

The vendor's Customer Advisory Board (CAB) meets twice per year and includes the who's who in the apparel industry, e.g., VF Corporation, Foot Locker, DXL, Carter's, Williamson's Dickie, Billabong, Spanx, DuPont, plus others.

NGC is headquartered in Miami, Florida (U.S.), and has offices throughout North America, Latin America, and Asia, with more than 150 employees and over 120 customers. The company is a **Microsoft Gold Certified Partner** and has many additional relationships that extend its product capabilities. These include solutions from sister companies **Logility** and **Demand Solutions**, as well as vendors such as **QlikView**, **AppClarity**, and others. NGC's products are currently available in English, Spanish, and Simplified Chinese.

Going Cloud

NGC's solution set includes PLM, SCM/global sourcing, fashion ERP, and shop floor control capabilities. The vendor recently added subscription-based software as service (SaaS) ERP and shop floor control software dubbed **NGC ERP Xpress** and delivered in the cloud ([read TEC blog post](#)). NGC ERP Xpress requires no software for installation or configuration, no need for purchasing additional hardware, and no need for information technology (IT) support or extensive user training. As its name suggests, companies can be up and running quickly, leveraging capabilities that include electronic data interchange (EDI), customer order processing, production orders, inventory control, and others. The system integrates with FedEx and UPS shipping systems, as well as many factors and banks.

NGC's ERP Xpress aims to help early-stage, high-growth companies via hundreds of preconfigured reports and other functions that help them streamline their workflows, reduce costs, increase their inventory turns, and provide better customer service. Companies can start with the SaaS solution, and then expand to a traditional on-premises ERP model whenever they need additional features. Data in NGC's ERP Xpress can be migrated to an NGC on-premises ERP system in a few days, and companies can further expand by adding NGC's Fashion PLM and SCM solutions.

NGC's Flagship Suite

But NGC's integrated PLM/SCM solution, which is informally called "Extended PLM," represents 80 percent of the company's annual revenue. NGC believes that PLM should be the collaborative engine that drives the global fashion enterprise, and it thus integrates its PLM with SCM, ERP, and other enterprise information to provide a single collaborative workspace that standardizes all processes within an organization.

The PLM foundational capabilities include workflow calendars (multiple calendars can be linked, and calendars can be revised), to-do lists, milestone views, collaboration/discussion threads, exception alerts with user-defined parameters, and reporting (standard and custom reports with key performance indicators [KPIs]/analytics, graphs, and tables). Planning capabilities include top-down financial planning with revenue and profit targets on multiple levels as well as line and range planning for the following (see figure 1):

- Stock-keeping unit (SKU) counts
- Carryovers—where styles are carried over from previous seasons or lines to be used in new lines
- Placeholders—templates with style attributes and base information

- Financial elements—target cost, target retail price, target Initial Markup Unit (IMU) percentage, etc.

Financial Plan-Fall														
DIVISION	LABEL	ITEM	Season	Style	Image	Description	Colors	Forecast	Whis Cost	Whis Price	Ext W Cost	Ext W Retail	Weighted Margin	TOTAL
WOMENS	PRIVATE LABEL	JACKET	FALL	1714		PINSTRIPED BLAZER	411-WHT	24,500	\$31.39	\$94.17	\$769,655.00	\$2,307,167.45	66.67%	\$6,125,007.35
WOMENS	PRIVATE LABEL	JACKET	FALL	1713		BELTED SLIM BLAZER	001-WHT 090-COL	12,750	\$23.45	\$52.75	\$298,987.50	\$672,562.50	55.55%	\$1,593,750.00
WOMENS>PRIVATE LABEL>JACKET: ACTUAL								50,000			\$1,367,030.00	\$3,652,292.45	60.79%	\$9,312,507.35
WOMENS>PRIVATE LABEL>JACKET: PLAN								51,500			\$1,261,750.00	\$2,716,625.00	53.55%	\$7,650,000.55
WOMENS>PRIVATE LABEL>JACKET: OVER(UNDER)								-1,500			\$105,280.00	\$935,667.45	7.24%	\$1,662,506.80
WOMENS	PRIVATE LABEL	JEAN	FALL	1253		SKINNY JEAN	472-RSN 460-SITNWSH	19,500	\$9.75	\$24.35	\$190,125.00	\$474,825.00	59.96%	\$1,248,000.00
WOMENS>PRIVATE LABEL>JEAN: ACTUAL								40,500			\$394,875.00	\$986,175.00	59.96%	\$2,592,000.00
WOMENS>PRIVATE LABEL>JEAN: PLAN								40,000			\$430,000.00	\$974,000.00	55.85%	\$7,650,000.00
WOMENS>PRIVATE LABEL>JEAN: OVER(UNDER)								500			\$-35,125.00	\$12,175.00	-4.11%	\$-5,058,000.00
WOMENS	PRIVATE LABEL	OUTERWEAR	FALL	1903		CLOAK CAPE COAT	004-WHT 272-CLK	10,250	\$42.50	\$94.75	\$435,625.00	\$971,187.50	55.15%	\$1,947,500.00
WOMENS>PRIVATE LABEL>OUTERWEAR: ACTUAL								9,500			\$403,750.00	\$900,125.00	55.15%	\$1,805,000.00
WOMENS>PRIVATE LABEL>OUTERWEAR: PLAN								19,750			\$839,375.00	\$1,871,312.50	55.15%	\$3,752,500.00
WOMENS>PRIVATE LABEL>OUTERWEAR: OVER(UNDER)								-250			\$9,375.00	\$-38,687.50	-1.40%	\$-1,985,000.00
WOMENS	PRIVATE LABEL	PANT	FALL	1212		SLIM ANKLE PANT	050-HTR 002-BLK	11,450	\$8.35	\$18.50	\$95,607.50	\$211,825.00	54.86%	\$503,800.00
WOMENS>PRIVATE LABEL>PANT: ACTUAL								22,500			\$187,875.00	\$416,250.00	54.86%	\$990,000.00
WOMENS>PRIVATE LABEL>PANT: PLAN								25,000			\$243,750.00	\$487,500.00	50.00%	\$7,650,000.00
WOMENS>PRIVATE LABEL>PANT: OVER(UNDER)								-2,500			\$-55,875.00	\$-71,250.00	-4.86%	\$-6,660,000.00

Figure 1. Financial Planning

The ideation capabilities start with a theme creation via digital assets pictures from mobile devices, **Adobe Creative Suite** integration (with native formats for other image file types), Concept Boards, Pictures, Styles and Bodies, Materials and Trims, and Colors and Prints (see figure 2). Creative design capabilities include silhouette design, design collaboration, story boards and preliminary line sheets, fabric development and/or selection, trim development and/or selection, initial testing for fabric and trim components, color development (color forecasting services and color palettes), and print development (print types and colors).

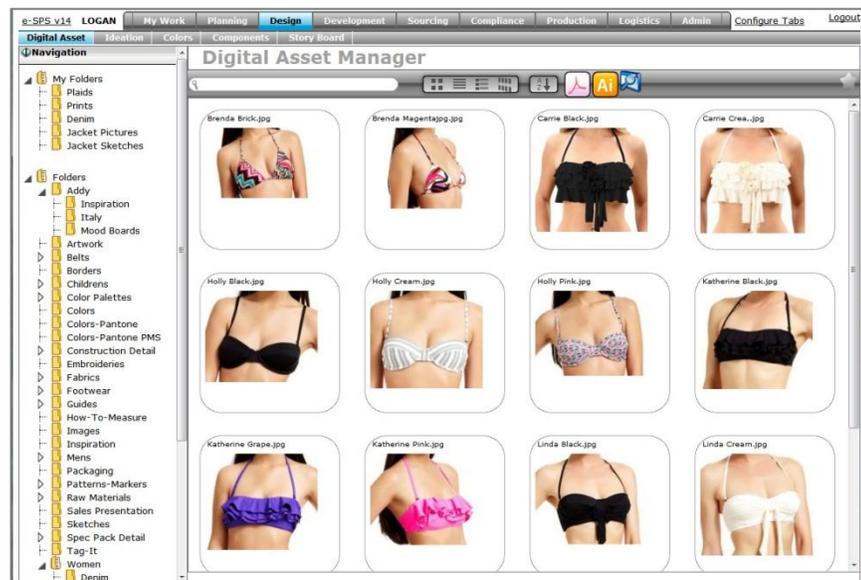


Figure 2. Digital Asset Manager

The sourcing process starts with request for quote (RFQ), design bill of materials (BOM), preliminary construction, and initial costing (free on board [FOB], landing costs breakdowns, and alternate pricing for variations). The intent it is to build the first prototype sample with necessary materials/construction and these materials' availability and viability. The second part of sourcing revolves around vendor management in terms of the following:

- Company regulatory guidelines—safety compliance, social compliance, and environment compliance
- Vendor capabilities—certifications, capacity, lead times, and proximity to materials
- Scheduling onsite inspections and evaluations—vaulting of results and corrective action plans (CAPs), which are used to help bring vendors in compliance if they fail audits for quality, CPSIA, social compliance, etc.
- Calculating the Scorecard Index

The pre-production cycle starts with tech design in terms of a detailed production BOM, detailed costs (via importing materials pricing from BOM and calculating manufacturing costs, and landing costs [from HTS codes, freight, insurance, commission, etc.], and all of those by color, by size, or average), graded specs/measurements, detailed construction, labeling and packaging requirements, determining the HIGG Index – Rapid Design Module score (the apparel and footwear industry self-assessment standard for assessing environmental and social compliance), and revision/version tracking.

Then comes the sampling phase of pre-production, whereby a sample request is distributed to vendors (bearing in mind a sample type, quantity, and timing), whereby its delivery can be tracked with links to carriers' web sites, and its label can be generated with barcode or QR code. The next step is sample evaluation, and it accommodates annotation/image markup, 3D virtual fit approvals, and the ability to approve/reject samples with corrections.

The pre-production phase logically ends with approvals, starting with the finished product approval for construction, fit, and labeling and packaging. There are also material and component color approvals for lab dip process tracking (at the component level and with links to finished style via BOM) and storing spectral data as **Autodesk** DXF files. Finally, there are material and component quality approvals for regulatory testing (lead, phthalate esters, flammability, etc.) and quality testing (color fastness, crocking/"bleeding", shrinkage, pilling, etc.).

Once the pre-production phase is completed, one has to reconcile the financial, production, and assortment plans (see figure 3). Financial plans provide the top-down and bottom-up analysis of actual costs, retail prices, IMU percentages, and buy quantities as well as the planned versus actual analysis for revenue and profit. Production plans show the allocated production styles, quantities, and flow for each vendor and material requirements planning (MRP) for planned requirements for each material, drawdown inventory based upon usage on production orders,

and the inventory status at each remote location (warehouse or factory). Finally, assortment plans depict the flow by distribution (geography, country, channel, and store type) and flow by time period (initial setup and replenishment within season).

Season	Style	Description	Stage	Designer	Material	Division	Collection	Label	View Specs.	Get PDF	Calendar	Collaboration	Attachments	Assign Calendar	Revise Calendar
FALL	1100	TWO BUTTON JACKET	PRODUCTION	JENNY LAM	TWILL	WOMENS	CAREER	HIGHLINE							
FALL	1205	FLARE LEG PANT	PROTOTYPE	DEDE WATSON	GABARDINE	WOMENS	CASUAL	HIGHLINE							
FALL	1211	MID-CALF CAPRI	PROTOTYPE	JENNY LAM	GABARDINE	WOMENS	CASUAL	HIGHLINE							
FALL	1714	PINSTRIPED BLAZER	PREPRODUCTION	ELLEN RIPLEY	GABARDINE	WOMENS	CAREER	PRIVATE LABEL							
FALL	1901	LEATHER BOMBER	PROTOTYPE	ELLEN RIPLEY	LEATHER	WOMENS	WEEKEND	HIGHLINE							
FALL	2450	BOUTCUT JEAN	PRODUCTION	DANA BARRETT	DENIM	MENS	WEEKEND	HIGHLINE							
FALL	2460	CARGO PANT	PROTOTYPE	DANA BARRETT	TWILL	MENS	WEEKEND	PRIVATE LABEL							

Figure 3. Product Development Dashboard

Purchasing and production capabilities will then produce the following info:

- Current status at wholesale distributors—open sales orders, current inventory, and current work in process (WIP)
- Current status at retail—current store inventory, current sales (by week) yields sell-through percentages, inventory turns, etc.
- Purchase orders sent to vendors and suppliers—acknowledgements and revisions
- WIP tracking
- Container booking and tracking

Ample quality control capabilities start with remote inspections using mobile devices with regard to material inspections, inline inspections, Acceptable Quality Level (AQL) final audits, measurement audits, and packing accuracy audits. Quality performance analytics can be displayed by vendor, time frame, product type, material, etc. Product testing capabilities involve product and/or material tests for compliance and compliance documents creation, e.g., General Certificate of Conformity (GCCs), Children’s Product Certificate (CPCs), etc.

The shipment capabilities include carton packing (optional scan/pack and GS1-128 barcode carton labeling), shipment paperwork (manifest, bill of lading [BoL], commercial invoice, and packing lists with SKU detail and carton detail), electronic advanced shipping notification (ASN), and Importer Security Filing (ISF) form. Last but not least, logistics and receiving include shipment tracking by location,

accessing all shipping documents online (whether they are created within NGC or kept in a vault for external shipping documents), vendor invoice management (approving and passing invoices to and from accounts payable [A/P] system and allocating invoice across shipment for actual costing considering units, cube/volume, weight, and value), and discrepancy identification.

At this stage, NGC has no plans yet to become a matchmaking virtual showroom marketplace with the responsibility of vetting potential suppliers that its direct competitor **TradeStone Software** currently offers under the **Bamboo Rose** name ([read TEC blog post](#)).

[Read interview](#) with Mark Burstein, president of sales, marketing, and R&D at NGC.

Related Reading

[Grupo Karim's Selects NGC's Fashion PLM and SCM Solution](#). September 18, 2013.

[Product Note: NGC's Fashion PLM and Sourcing Solutions](#). January 8, 2010.

[Vald'or Apparel Selects NGC's PLM, ERP, and Shop Floor Solutions](#). June 2, 2014.

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