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Preconfigured product lifecycle management (PLM) solutions offer a pathway to faster installation. Seasoned vendors are offering out-of-the-box software to help apparel retailers, brands and manufacturers streamline and integrate functions from merchandising, design, and product development to sourcing and supplier integration.

Out-of-the-Box PLM Defined

The meaning behind “out-of-the-box” and “preconfigured PLM” can be different in each company, and it’s important for apparel firms and their software vendors to align on their definitions. “Out-of-the-box” typically refers to software that users install and immediately start using, with full access to all program functions and features. Out-of-the-box solutions need to be configured to the user’s requirements. “Preconfigured” often refers to software loaded with industry-specific functions and features.

For purposes of this article, both terms relate to software that is *ready to configure*, out of the box, to a retail, apparel, footwear, and/or accessories business’ operation, with no customized software code development.

An example of customization is the development of a unique interface between PLM software and an ERP application. As opposed to customization, configuration is likened more to “flipping switches” or enabling support for specific types of products or materials within the PLM application to simply adapt it to the deployment environment. For instance, a user access control level configuration might determine which type of employee has access to enter data on a particular field or screen.

Gabriel Garcia, PLM Manager at outdoor retailer Cabela’s, was adamant that his firm wanted an out-of-the-box PLM solution to replace its outdated PDM (Product Data Management) software and bring merchandising, design, and sourcing online on one system with line planning, technical design, color management, material management, import compliance and logistics.

“We wanted to make sure we weren’t buying vaporware — something the vendor designed on the side for the demo to get the business and then six months later

says, ‘Actually, we had to customize, and it’s going to take another six months to do the implementation,’” he said. “I was very transparent with the vendors that we needed to know which requirements they could meet 100 percent out-of-the-box and which they could not.”

When a firm uses an out-of-the-box solution, it can take advantage of best practices and industry-specific functionality the vendor has programmed into the technology over the years, said Janet Suleski, Research Director, Gartner Inc. “You also benefit from the standardization and scalability of the technology that’s been tested in the marketplace,” she said.

“Something that is tailored to an industry will by definition have a lot of common workflows, common terminologies and common forms that a typical company would use in product design and development of products,” she said. “A template of those will be available out-of-the-box for companies to start with, enabling a relatively quick start for the PLM deployment.”

Leslie Hand, Research Director, IDC Retail Insights, observed there can be a tendency for apparel retailers and brands to maintain traditional business processes if their overall performance is relatively good. “You might lose track of what other best practices have emerged,” said Hand. “There’s something to be said for putting aside what you’ve known to be the best way, particularly if you haven’t used a PLM system before. [Preconfigured PLM] is a great way to get started because you get to take advantage of those best practices.”

Faster Implementation and ROI

Another key advantage of implementing out-of-the-box PLM is speed of implementation. Cabela’s was up and running with the retail PLM solution within five months, start to finish. Then it expanded the use of its PLM solution for its footwear division in four months. The entire rollout occurred during 2012, when the retailer had planned IT budget for the project.

Garcia uses the analogy of a heart transplant to describe the sense of urgency around the need for an efficient implementation. “With a heart transplant, you’ve got to remove it, put the other one in there, or the patient will



“By the time we went into the implementation, everyone knew their roles and responsibilities. If you aren’t sure about who should have certain capabilities in the system, that’s when you really start to fumble, and then you don’t make any decisions. By having the process mapped out, it was very clear for us,” says Gabriel Garcia, PLM Manager, Cabela’s.

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not survive," he said. "We knew we had to get out of the old system and get into the new system seamlessly because we have to deliver new products every season. We have to have a landing place for these products to live while they are in development. We have to enter product colors and materials. If we're going to retire the old PDM, where are we going to plug in all this information for new products?"

For Cabela's, a \$2.9 billion retailer whose retail square footage is expected to continue growing in double digits in 2013, that solution ultimately came from PLM technology supplier PTC.

Cabela's worked with PTC on a transition plan which enabled the retailer to turn its legacy PDM solution to read-only six months after PLM go-live. "Everything that they showed us was out-of-the-box," Garcia said. "That is where they really shined." Other than a one-day training session, end users learned the system on-the-fly by using

it. "Users today, they just want you to put the technology in their hands. It's like, 'Just give it to me. I'll figure it out,'" said Garcia. "I handed them the application and gave them some light training, and the rest they did on their own because it's very intuitive. They told me, 'If we don't know, we'll ask questions.' And that allowed us to move so fast with the implementation."

Garcia also chalks up a lot of Cabela's success in speedily implementing PLM to preliminary planning and project management. The firm spent much of 2011 defining its PLM-related business processes, outlining software requirements and conducting a rigorous software selection. "The year we took before the implementation for process and role definition is where the magic is," he said. "By the time we went into the implementation, everyone knew their roles and responsibilities. If you aren't sure about who should have certain capabilities in the system, that's when you really start to fumble, and ▶

EXECUTIVE INSIGHT:

An Interview with Howard Heppelmann, General Manager, Supply Chain Segment, PTC



Q: What are the greatest market pressures facing retail, apparel and footwear firms that they want to address with PLM technology?

HOWARD HEPPELMANN: This is a fast-paced industry, and it's critical to our customers that they can identify consumer trends in the market, quickly respond to those trends within the appropriate calendar or timeline, and that they can do that while hitting or exceeding their desired cost and budget targets. . . . A lot of their costs are in materials, and so how they manage materials and their suppliers (the mills and manufacturers) is critical.

They also want to manage their internal costs. The process environment many retail, footwear and apparel companies rely on today is highly manual and disconnected. That presents an opportunity cost because they're not applying resources to areas of the assortment plan that could bring more revenue. It's also creating a tremendous embedded cost in their operations due to their reliance on manual processes for product development and supply chain integration. The market is really looking for PLM technology to help them with their cost issues and their ability to respond on time and on trend to market demand.

Q: What is driving demand for preconfigured PLM?

HEPPELMANN: We've had a very welcome response to our preconfigured solutions. In the past two to three years,

the retail industry wave has crested in terms of overall demand, awareness and understanding at the executive level for the need to have comprehensive PLM capabilities. Many firms today are emailing spreadsheets back and forth with suppliers to coordinate their merchandising plan, and that plan is disconnected from their assortment plan, which is disconnected from their specifications and so on, making it very difficult to effectively process even the best ideas. The principal improvement retail, footwear and apparel companies are looking for is a system-based approach that can automate critical processes spanning merchandising, assortment planning, design, sourcing, factory commitment and order confirmation. Seamless flow of information across these key processes is what's critical to achieving optimal turn-around time and cost.

We've had the good fortune to work with top players in retail, apparel and footwear. That experience is built into the software. We've found that most of the PLM business process improvement retail apparel and footwear companies rely on to create value can be defined by relatively common processes and best practices. So, while there may be the occasional justification to implement a unique method or best practice, the days of each company rolling out their own deployment is quickly going the way of the dinosaur in favor of faster

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then you don't make any decisions. By having the process mapped out, it was very clear for us."

Cabela's also exercised strong governance control to ensure out-of-scope changes or customizations did not find their way into the installation. "We had to be very stringent with our requirements in terms of what was out of scope and would need to be deferred," Garcia said. "Our initial project was focused on getting our team onboard with PLM out of the box functionality with zero customizations."

By staying focused and not reinventing the wheel with PLM, apparel firms can devote more resources to core competencies. "One of the things I've been talking about in my 2013 predictions is the trustworthy, efficient and effective retailer," said Hand, noting the importance of focusing "more on improving what you're actually going to deliver to the customer."

"These days retailers really don't have an appetite for

long, multi-year projects, and so a preconfigured solution reduces the cost of customization and long-term support," she added. "Most importantly, you get your return on investment faster."

For Cabela's, that ROI will come from being able to increase the number of private label styles it brings to market and from improved efficiencies. "Before, we were swapping a lot of spreadsheets. Now we have a single version of the truth in PLM. If the price of a product is \$15 in the system, we can all agree that the price is \$15 and move on," Garcia said. "It helps us all to collaborate on the same architecture and system."

That collaboration is essential, observed Hand. "It's all about getting up and running faster, leveraging best practices and positioning yourself for success in the long term," she noted. "It's about building collaborative relationships with suppliers so that you're partnering better to be successful." ■

EXECUTIVE INSIGHT *continued*

deployments based on pre-configured processes and best practices that deliver rapid return on investment and proven value metrics. In other words, their market advantage does not come as result of defining unique business processes such as how they do spec management and how they do that better than some other company, or how they do color management better or lab dips better. Their competitive advantage comes in the brand they've built and the choices they make about product positioning, placement and how quickly they are able to process a market winning idea into a margin winning product that's available to the consumer. It's not so much about how they move data across their organization. The key advantage is not letting the technology get in the way, especially if their existing point of reference is how they historically worked with spreadsheets and point solutions.

There's also the practical side, which ties back to the reason our clients are buying PLM technology - to be on trend, on time, on cost. There's tremendous ROI built into that. Two of the most important things to keep in mind in maximizing value in a PLM deployment are to 1) not to let past precedent get in the way of adopting new ways of doing things more efficiently and 2) avoid re-inventing new business processes that are already defined and ready to be deployed.

Q: You mentioned not "letting technology get in the way." That's an interesting comment coming from a software executive.

HEPPELMANN: My point there is that if we've done the software right, the technology won't get in the way. To create

value in the business, it's really about what you are doing to affect the process. Take cycle time reductions, for example. That's what our customers hunger for. It's rare at any point in that spectrum that an individual's desire for certain features or functions rises above the benefits of significantly improving that process. Yet it is very difficult for us as humans to evolve beyond the way we did something yesterday. But at the end of the day, the thing that executives want to see, and what really drives the success of the technology, is at a macro level. It's those step change improvements in process reduction. Some customers have collapsed cycle time by as much as 50 percent, and that's really what executives care about because that's what gives them the ability to respond to the market.

Q: How do you see the supply chain evolving over the next 18 months?

HEPPELMANN: There is a continued push toward better supplier integration. Our customers start with implementing PLM for different processes. Some might start with the onboarding of their suppliers. Others start with getting the merchandising plan, the assortment plan and product development activities lined up. But what they all recognize is that to be able to manage and control costs and get the speed improvements for fast fashion, it is critical that they bring their suppliers into their processes and really treat them as if they are just an extension of their organization.