

ITTIERRE EXTENDS ITS SUPPLY CHAIN WITH WEB SUPPLIER MANAGEMENT

VALUE OPPORTUNITIES

- Increase the level of service
- Improve internal production process synchronization with supplier and outside contractor activity
- Computerize the acquisition of the technical specifications of materials
- Centralize the production planning process, thus avoiding the segmentation of critical data between departments

TXT E-SOLUTIONS RESPONSE

- Web Supplier Management
- Production & Procurement Planning

RESULTS

- Greater market responsiveness due to the web-sharing of delivery plans and rapid delay interception
- Greater collaboration with partners
- 10-20% reduction in purchase department activity due to the computerized acquisition of technical specifications
- Centralized production planning management

Corporate Profile

Specialized in the design, production and distribution of young ready-to-wear fashion, Ittierre is the founding member of the IT Holding group. Founded on the instinct of Tonino Perna in the 1980s in Isernia (in the region of Molise), the company controls the licensed distribution of lines D&G, Versus, Versace Jeans Couture, Just Cavalli and Costume National, as

well as the young lines of the brand names GF Ferrè and Extè.

With its diversified supply, ranging from jeans to accessories, the company can satisfy all consumer requirements; Ittierre interacts with all targets in the world of the young.

Supply Chain Context

With a production capacity of over four million articles per season, Ittierre is now a market leader in central and southern Italy, creating an actual industrial district in Molise specialized in the production of clothing and accessories.

But the value chain does not stop here.

Part of Ittierre production is handled beyond the national borders, in Eastern Europe, North Africa and Asia.

The production requirements of lines characterized by very different timing and rules have led to the establishment of various production units: Basic, Jersey and Prêt à Porter. They manage phases from prototyping and maison approval of the "article to be" to sampling – with over 120,000 articles produced in just three weeks – all the way up to the production stages, in collaboration with a wide-ranging network of selected suppliers and outside contractors.

The product, top level in terms of design and quality, reaches the end customer thanks to over 5000 sales partners and a showroom network spread across the entire world.

Ittierre's Challenge

Flexibility and the capacity to respond to customer requirements are and have always been the traits that distinguish Ittierre in the fashion industry. In recent years, the immense technological push in support of a quick response strategy has led Ittierre to the gradual reorganization and computerization of internal processes and to the introduction of a data communications platform to better support the data flow between the numerous production partners.

Within the framework of this project, the adoption of Demand & Supply Chain Management solutions of TXT aims to resolve production problems. These solutions can be both operational, since the TXT solution facilitates synchronization between partners via the real-time sharing of critical data (job orders, delivery plans, delays, urgencies), and medium-long term, thanks to improvements in the production planning process.

Why TXT?

The use of new information and data communication technologies implies concentrating energy on the analysis, internal reorganization and redesign of partnership relations. Ittierre has therefore chosen the support of a supplier that is solid and fully able to assist them in these changes. TXT combines a valid product dedicated to the needs of the fashion world with a high level consultation capacity and a precise maintenance and support service.

The Solution

The first phase of the Ittierre project included the launch of the Web Supplier Management solution (WSM). Designed using web technology, WSM allows Ittierre and approximately one-hundred fabric supplier partners to share information regarding materials and their maintenance (the so-called technical specifications). The computerized acquirement of the specifications, previously sent to Ittierre via fax and now immediately available

for consultation in the data system, has relieved the purchase department of manually entering the data of an extensive range of production materials, with an activity reduction that Ittierre estimates as being between 10% and 20%. But that's not it. WSM technology also makes the web-sharing of production and supply orders possible both internally at Ittierre and to its suppliers and outside contractors. Following receipt of an order, suppliers and outside contractors publish the delivery plans on the Internet, and they are automatically transmitted to the Stealth management system. The constantly updated delivery plans and the therefore precise control of external flows are very important factors for Ittierre since they allow the company to more efficiently reprogram internal production processes and synchronize them with partner activity, also in the event of unexpected changes and delays in delivery. The whole translates into a more rapid market response capacity and an increase in

service level. Moreover, the availability of a collaboration-based solution, which also allows the smaller laboratories to be actively integrated into the Supply Chain, has contributed to the construction of a win-win relationship with partners, with indisputable benefits for the end customer and, as results have shown, for all those participating in the process.

The positive results achieved in the first phase of the project have led the way to the adoption of the Production & Procurement Planning solution of TXT, which satisfies the Ittierre objective of centralized production planning management. This tool performs planning which competitively takes into consideration the demand, materials and production capacity of both Ittierre production units and third party companies. Ittierre hopes that this will favor a more efficient sales planning, better employment of production resources, and reduction in transfer times and stock levels.

“Demand & Supply Chain Management solutions have allowed us to implement a new organizational model for a more streamlined and efficient use of company processes, considerably reducing management costs and at the same time guaranteeing high levels of service. This project forms part of a general framework of great importance to our company and will guarantee the optimization of internal processes and relations with suppliers and outside contractors.”

Giuseppe D'Andrea - Operation Director