



## CASE STUDY

### VALUE OPPORTUNITIES

- FURTHER IMPROVEMENT IN FORECASTING ACCURACY AND THEREFORE:
  - PRODUCTION, PROCUREMENT AND DISTRIBUTION PLANNING
  - MARKET RESPONSE SPEED
  - STOCK MANAGEMENT
- OPPORTUNITIES TO RATIONALIZE THE DEMAND MANAGEMENT PROCESS

### TXT E-SOLUTIONS RESPONSE

- DP BOXED SOLUTION: PRE-CONFIGURED SOLUTION CREATED FROM ACCENTURE'S AND TXT'S EXPERIENCE WITH COMPANIES IN THE FASHION AND SHORT LIFECYCLE CONSUMER GOODS SECTORS
- DP BOXED SOLUTION IS BASED ON TXT DEMAND PLANNING SOFTWARE SOLUTION

### RESULTS

- REDUCTION IN PLANNING TIME FROM 5 TO 2 DAYS
- DEFINITION OF A COLLABORATIVE AND STRUCTURED DEMAND PLANNING PROCESS
- VALID DECISION-MAKING SUPPORT DUE TO "EXTENDED" SUPPLY CHAIN VISIBILITY (MARGIN ANALYSIS, STOCK-OUTS, OPTION OF COMPARING FORECAST RESULT VS BUDGET DATA)

### BINDA EXPECTATIONS

- REDUCTION BY AT LEAST 15% OF THE FORECAST ERROR WITH SUBSEQUENT REDUCTION IN STOCKOUTS AND GENERATION OF SLOW MOVING ITEMS

# Binda

BREIL, D&G DOLCE & GABBANA TIME, LORUS, NIKE TIMING, SEIKO, TRIBE BY BREIL, VERTU, WYLER VETTA

## TXT FOR DEMAND PLANNING

### COMPANY PROFILE

Since it was founded in 1906, the history of the Binda Group is marked by success. The company started with the sales of Wyler Vetta watches in 1932, and after just three years, with the distribution of the Breil brand name, a market leader and today owned by the Group. The product portfolio was enriched in subsequent years by the names *Seiko*, *Lorus*, *Nike* and *D&G Dolce & Gabbana Time*. 2001 began with the launch of the Breil jewelry range and in 2003 the new line of Breil leather goods followed. In 2004, the Binda top range division acquired the exclusive distribution license for Vertu luxury mobile phones. Today, the Binda group employs over 180 people with a turnover of €234M in 2004.

### SUPPLY CHAIN CONTEXT

Binda's success in Italy, with a customer base of 5,000 there, led the company to target highly competitive international markets such as Europe, Asia and the Middle East – the latter recording double-digit growth in recent years. The US were on the list, too, with the opening of a new branch in Miami. New branches and new distributors have contributed to the expansion of the retail network

around the world. Production is carried out by selected subcontractors in the Far East (except for Swiss-made Wyler Vetta). Upstream of the supply chain, planning, development and sales are under direct responsibility of the headquarters in Milan. Binda's supply chain is continuously expanding and, therefore, the distance that separates production and consumption points increases each time new markets are captured. High complexity is an issue, too. Distribution networks are expanding, production lead-times are considerably long (3-4 months): those are some tricky issues faced by planners, combined with the fashion-like dynamics of the market – short lifecycles, irregular demand trends. Binda tackled those challenges and strengthened its retail network by opening stores with a portfolio of successful designer and own brands, which enabled the company a better supervision of the market. Investment in technology has been the other cornerstone of Binda's strategy.

### THE CHALLENGE OF BINDA

In 2004 Binda decided to adopt a demand planning software solution. Better forecasts have been the starting point for

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*"The integration of DP-Boxed has enabled us to provide the people involved in supply chain planning and control with constant updates on market trends and corporate performance. On the other hand, our data analysis tools have been enhanced, thanks to the capability of the solution to integrate with Excel and with our data warehouse."*

Michela Ragazzini, IT Manager - Binda Italia

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increased efficiency along the whole supply chain: procurement, production and distribution planning have become more effective; agility towards market demands has increased; at the same time, the generation of products with a high risk of obsolescence has been cut-one of the main problems for companies dealing with short-lifecycle products. After assessing different solutions available on the market, Binda decided to opt for the Demand Planning Boxed Solution (DP Boxed) provided by Accenture and TXT. The solution synthesizes the encompassing experience gained by both companies in the field of demand planning applied to organizations that manage particularly dynamic and variable product ranges.

#### WHY TXT?

The reasons behind the decision have been:

- *Flexibility and ease of use of the solution: Excel interface welcome by users;*
- *Option to add-on other modules of the TXT Demand & Supply Chain Management suite;*
- *Simple integration with the corporate ERP system.*

The expertise of the TXT-Accenture team was highly appreciated too, as they were able to offer step-by-step customer assistance during the migration and to guarantee rapid application implementation right from the selection stage.

#### THE SOLUTION

Live after only three months, the solution contributed first of all to the creation of a collaborative and structured demand management process.

The first stage of the Demand Planning process today is statistical forecasting. The system issues a proposal to be reviewed and integrated by users. There, 11 brand managers from the sales and marketing department are involved. All bring their own knowledge of the market – promotion and launch information – in order to issue an accurate and shared forecast. A series of functions provides users with extended visibility on the supply chain, helping them make better decisions, e.g.:

- *Product margin analysis: one of the levers used by marketing to determine whether to push or not a given product on the market;*
- *Stock-out analysis: anticipates possible stock-outs based on stocks and*

*procurement orders in progress;*

- *Comparing forecast results against budget forecasts.*

P Boxed now manages over 2000 references and is fully integrated into the corporate application architecture. Input comes, on the one hand, from company ERP sell-in data, and on the other, from POS sell-out data used by selected customer panels.

The integration has enabled the players involved in supply chain planning and control to be constantly updated on market trends and corporate performance, while strengthening data analysis tools through a complete integration with Excel and the datawarehouse system.

From a quantitative point of view, one of the first benefits for Binda has been a significant reduction in planning times. The company also expects a reduction in forecasting errors and, subsequently, a reduction in stock levels and unsold items.