

SYNCRONIZING PRODUCTION AND SUPPLY PROCESSES IN COMPLEX ENVIRONMMENTS

VALUE OPPORTUNITIES

- *Raise the level of customer service*
- *Improve synchronization between the production process and materials supply*
- *Optimize the size of production resources*

TXT E-SOLUTIONS RESPONSE

- *Production & Procurement Planning*

RESULTS

- *Reduction of procurement and production lead times*
- *Better integration and collaboration with subcontractors and suppliers*
- *Reduction of stock remainders and stock-outs*
- *Optimized inventory levels and flow of products and materials*
- *Punctual delivery*
- *Flexibility in handling customer requests*

Corporate Profile

Supported by over 50 years' experience and a strong impulse towards innovation and originality, Infil SpA has reached a position in the front rank of the underwear industry, and is now one of the top producers in Europe. With a turnover of more than €18 million from sales of five million items in 2001, the company also enjoys great popularity as Italy's n° 2 distributor of undergarments. Infil offers punctual and precise customer service, a vast assortment and an excellent quality-to-price ratio.

The company creates, produces and distributes complete collections (fall/winter and spring/summer) that meet the needs of both fashion and classic styles for all ages (infants, kids, men, women). Sophisticated fabrics, originality of design, and typically Italian taste combine to produce exclusive garments that are at top levels for wearability, quality and style.

Supply Chain Context

The context in which Infil operates is subject to the typical restraints of the clothing and fashion industries: the need for a huge range of products, strong seasonal change and constant product innovation. This has led to updating of production and supply processes and very tight integration of production structures, from raw materials to finished product. The system entrusts all production to specialized and loyal subcontractors. Infil also has a widespread distribution network in over 40 countries around the world. The restraints of this context, together with the size of the operation, require tight collaboration between the many players involved in the process plus constant efforts to optimize each step. Given the unpredictability of demand, the complexity

of the supplier and subcontractor network, the very long lead times and the great number of materials involved, it became crucial to have the tools for performing integrated planning for buying, production and outsourcing activities during the entire life-cycle of a collection.

Infil's Challenge

In order to ensure the capacity to synchronize and balance production and supply activities, Infil decided to implement an integrated planning system for production and procurement. This system has the following goals:

- encourage the establishment of long-term contracts with subcontractors, which guarantee better quality and lower prices through efficient sizing of production resources;
- support procurement and production planning for materials with long lead times (threads and fabrics) and the definition of stock levels that are compatible with seasonal demand and the flexibility constraints of available production resources;
- overcome critical points in the process;
- delay high-risk decisions until the last moment while maintaining control of overall feasibility;

- increase level of service in terms of both punctual delivery and fulfillment of special product orders.

Why TXT e-solutions?

TXT e-solutions is an Demand & Supply Chain Management vendor that has invested wisely in this industry, creating a vertical solution based on Demand & Supply Chain Management suite.

The solution meets the needs of the fashion and clothing sectors, as its list of important customers makes clear.

The winning features of this offer are completeness, modularity and scalability of the suite, and its integrability with the leading ERP systems and software from other vendors.

The Solution

The solution, which responds well to Infil's expressed needs, consists in the adoption of the Production & Procurement

Planning module.

This application is an interactive tool for supply chain planning that optimizes the following functions:

Planning of weaving and packaging materials

The system optimizes the sizing of production resources. The application receives input data about forecasts and orders, pinpoints any critical phases in terms of resource saturation and allows for modification of capacity. The time frame is one year, with monthly aggregate view.

Medium/long-term production planning

On this level the allocation of production resources is decided within a 3-6 month time frame (with detailed view on a weekly basis) along with the procurement plan for components with long lead times. Considering the constraints of production

capacity and packaging resources, the system generates the FPO (Firmed Planned Orders) for finished or unpackaged products. The packaging resource plan also contains current order information that enables the generation of a timed replenishment plan.

Short-term production planning:

the system reviews the FPO situation, actions short-term procurement planning and subcontractor sourcing. The time frame is 15-30 days with weekly detailed visibility. The results of the implementation can be quantified in terms of reduced production and procurement cycles, better integration with suppliers and subcontractors, maximum efficiency and saturation of resources, respect of delivery dates and improved customer satisfaction.

“INFIL has found an ideal partner in TXT. The combination of power and ease of use offered by TXT's solutions enables Infil to attain fine optimization of resources and a significant reduction in lead times.”

Giuseppe Galli, IT Manager