



Product Lifecycle Management Profitability driver

For product development speed is of the essence

Apparel manufacturers and retailers have unique challenges. Increased competition and the need to drive shoppers into the stores have pushed fashion companies to raise the number of yearly collections and consequently planning best practice is now weekly, no longer monthly.

Competitive advantage depends heavily on how fast new lines reach the shelf and on the ability of managing the resulting complexity that quickly can become a hindrance, for example:

- Apparel manufacturers have to coordinate a high rate of change with global partners sometimes across

dozens of calendars, on thousands of materials and tens of thousands of samples each year.

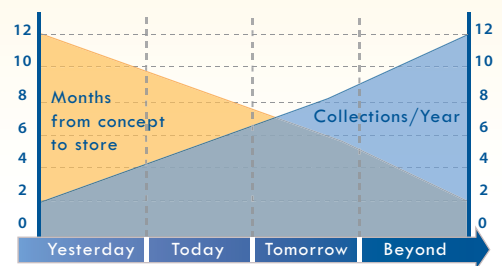
- Retailers can secure premium prices, hitting the market with new fashions, but managing cost quality and now speed in a global environment are key to achieving consistently high margins.

Apparel manufacturers and retailers are looking to PLM as a foundation to support in their pursuit of profitable growth and shorter cash-to-cash cycle times.

Being fast and right "first time" in designing collections that are

balanced with a company's strategic and financial targets, is easier said than done: PLM can make this a reality.

Shorter product lifecycles call for PLM



"Fast fashion" creates lifecycle lasting as little as a few weeks and is forcing organizations into new competitive tactics

PLM: A realistic opportunity

Today, PLM is widely acknowledged as a top performance driver. Product Data Management (PDM), which is its core, helps companies speed up design and product development by managing in a central repository the hundreds or thousands of designs, colour libraries, bills of materials, samples, costs sheets that a new collection generates thus delivering a consistent and single version of the truth for all.

Capitalizing on the results of PDM, organizations are building on this success to embrace more strategic PLM projects.

- **Integrate design with line and assortment planning** as well as with demand and merchandising planning.

- **Set joint development strategies with supply chain partners**

- **Identify KPI's to measure performance over time** and achieve continuous improvement.

Specifically, companies can leverage on PLM technology to build a cross-organizational process where all agree to the same concepts at the earliest stages:

- Product lines and products are developed in line with Consumers behaviours, Market trends, and Merchandise assortments but also with company margin targets.

- The design perspective is reconciled with cost objectives thus working on the "smartest" products, eradicating delayed decision making and incremental costs.

- In addition and in spite of geographical barriers, plans can be agreed with material suppliers, and contract manufacturers who from the early stage of the concept phase, share one version of the truth: The same understanding of the product line, targets and schedules.

Finally, Performance and Workflow Management capabilities within PLM allow companies to design and manage optimal interactions between parties and enable a clear assessment of the results brought by new innovations; furthermore the monitoring of the adherence to these processes through defined KPI's allows increased overall responsiveness and continuous improvement.

TXTPERFORM2008: Best in class PLM

TXTPERFORM2008 offers an end-to-end PLM footprint for the apparel, fashion and accessories industry covering PDM, Merchandising, Supplier Collaboration and Performance Management, optimizing every process from design to store.

The integrated footprint consolidates all PLM requirements in one solution. Workflow and Performance Management functions drive the organization towards achieving key milestones and metrics thus enhancing the control and responsiveness of the process as a whole.

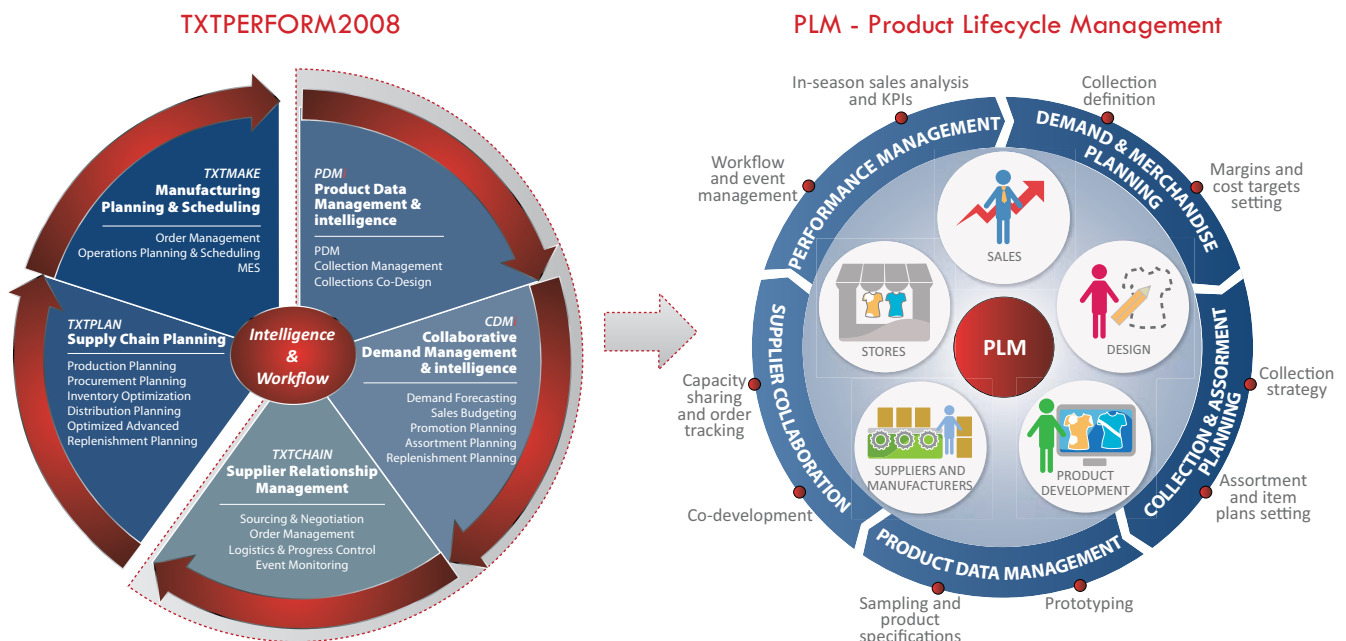
Explore the functionality

Demand & Merchandise Planning

Merchandise planning defines the categories to push with respect to targets set through budgeting.

More specifically:

- Setting the collection structure to achieve budget
- Assigning line targets in terms of margins, attribute mix, price ranges/average price



TXTPERFORM2008 supports any aspect of the collection lifecycle from concept to store

Point to note

TXTPERFORM2008

Based on Microsoft technology all modules are unified on a single platform and combine Demand & Supply Chain Management with Performance Management to support end to end PLM strategies.

The built-in metrics deliver a unique visibility of the cause and effects of short term and long term decisions and therefore ensure a proactive management of tradeoffs.

Line and Assortment Planning

Line plans determine how many items or styles will be created for each product category. Line plans also form the basis for assortment and item planning process.

- Line Strategy: Define how many styles for each product category
- Assortment Planning: Associate categories to store clusters to define assortment plans
- Item Planning: Go down to an item level and ultimately plan purchases

PDM

These data-centric processes revolve around the management of the product, material, and component data needed to build a bill of materials (BOM), ultimately creating a complete specification package for the manufacturer. Creating an electronic version of designs allows designers, technical designers, and trading partners to review, mark up, and comment on new products in a collaborative manner.

- Prototyping: Develop line boards to reconcile the creative perspective with targets coming from Line Planning. Generate the first prototype and get quotations from suppliers.
- Sampling: Define sample specifications and generate sample purchase orders
- Product specification: determine BOMs, costing, product specifications and share them via the web.

Supplier and Partner Collaboration

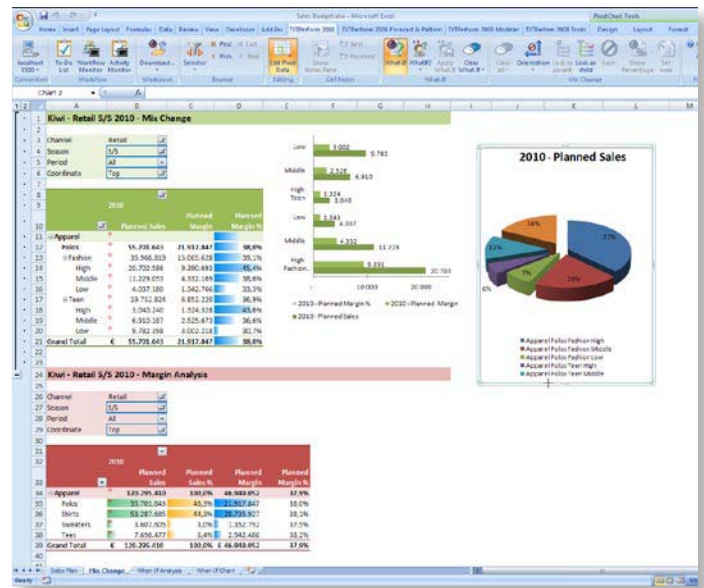
This functionality enables selection of the most appropriate suppliers as well as secured access to data by outside trading partners that participate in the development process. This could include the shared entry of material or product data, the review and receipt of product specifications, collaboration on requests for quotation, and the ability to support joint development activities.

- Supplier selection: Negotiate and choose the best partner
- Collaborative product development
- Capacity sharing and order tracking

Performance and Workflow Management

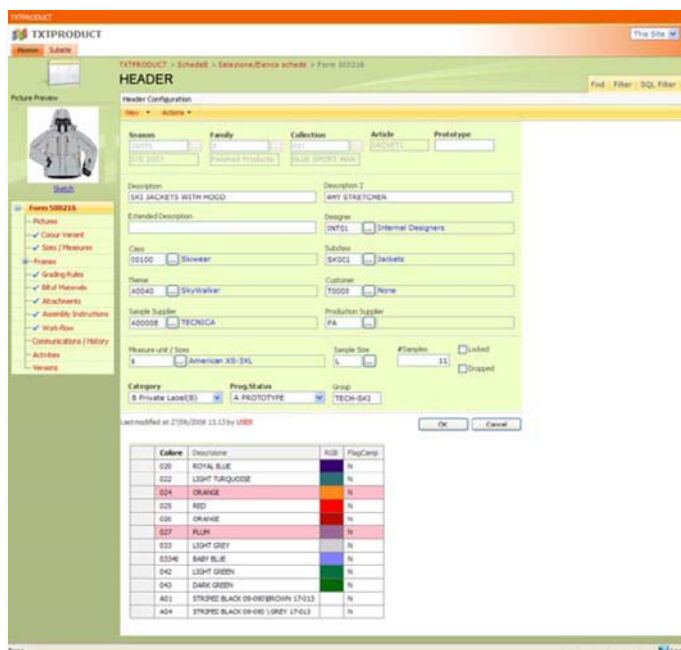
Workflow functionality overlays the individual or role ownership for each task or event and provides a vehicle for routing alerts and notifications that a particular event is complete or needs action.

Performance indicators keep “everything under control” monitoring the stability of the process for continuous improvement.



Collection and Assortment Planning by any attribute becomes an input into the product development process

- Process modeling and event management: Graphically model the workflow of activities, assign tasks to different parties
- Identify exceptions and notify them to the right individuals to speed up the whole process
- In season best and slow-seller analysis: Identification of the best and low performing products in the market, analysis by attributes, and use of this information as an input to the next collection planning cycle.



All product specifications throughout the collection lifecycle are generated, managed and tracked with PDM functionality

Point to note
Integration with SCM is a clear plus!

TXTPERFORM2008 can offer the unique capability to maximise the integration between PLM and SCM.

Its PLM best-in-class functionalities are seamlessly integrated with the production planning, distribution, replenishment and inventory optimization capabilities of TXTPERFORM2008.

From product development to operations and stores TXTPERFORM2008 can manage the whole collection lifecycle flawlessly.

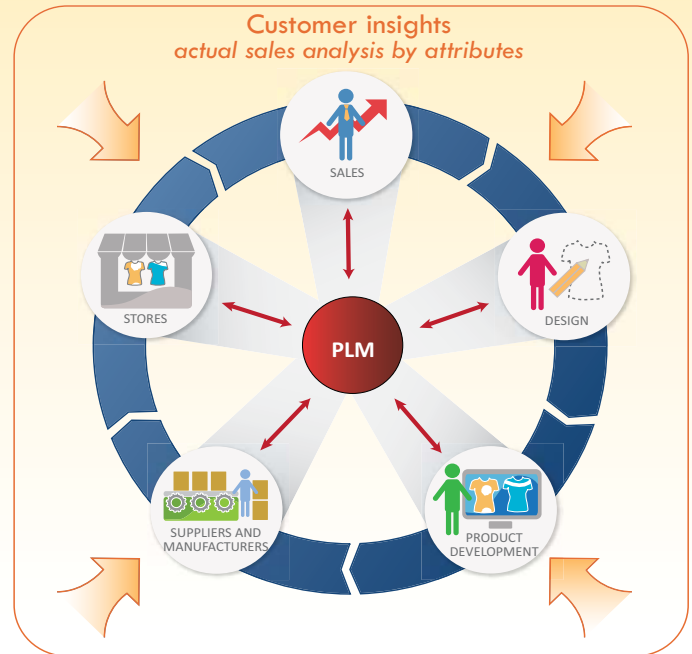
The evolution of PLM as a pillar of Value Chain Management

Companies are evolving in their definition of supply towards value chain; PLM can be a strong enabler of this transformation. To close the loop between consumer behaviours and product development, innovative apparel companies create strong links between intelligence derived from merchandising and the innovation phase.

A deep sales analysis allows better understanding as to how new ideas are actually working, which are the best performing products or attributes discovering hidden correlations, and ultimately it allows the use of this critical information as an input during future innovation cycles.

The broader connection to a consumer-driven strategy using customer insights as a guideline in the development of new products helps drive demand by designing products that consumers are likely to purchase, as well as take the best product portfolio management decisions across the whole assortment (new introductions, markdowns, promotions, end-of life planning of products within the offering).

Taking full control with visibility over actual performances leads to maximized value for both the customer and the company by getting the most out the new product development and innovation process.



The analysis of best and slow-sellers helps product portfolio management decisions and becomes a critical input to the next innovation cycles

The benefits of extended PLM are real

Companies can expect to see significant benefits from their PLM implementations.

In a context where new products fail by as much as 75% and up to the 35% of development times are spent on non-added value tasks related to lack of information, PLM initiatives have helped our customers to:

- Reduce product failure risks. Merchandise-driven PLM enables companies to be one step closer to the customer designing the right products first time
- Achieve complete adherence to budget guidelines
- Reduce clerical tasks, over-development and SKU proliferation
- Reduce material costs due to raw material re-use across styles and divisions
- Avoid process friction, freeing people to focus on value added activities
- Reduce lead times. According to AMR Research lead times can be reduced by as much as 50% which results in maximized full price sell through and increased margins.

Point to note

Why TXT?

Experience: Over 20 years in the fashion sector driven by fashion industry professionals

Not only data management but the strongest planning background and business process know-how

An end-to-end PLM framework with unique functionality on the market

Ability to integrate line planning to drive collection design

KPIs specific to the process promoting continuous process improvement

Fashion leaders choose TXT

TXT e-solutions accounts over 240 fashion customers worldwide. Among which:

Adidas, Champion Europe, Dolce & Gabbana, Gucci Group, Hugo Boss, Louis Vuitton Malletier, Lotto Sport, Marc Jacobs, Russell Corporation, The North Face (VF Services), VF Europe Bvba, Valentino Fashion Group