5

TECHNOLOGY SHIFTS

SENDING AFTERSHOCKS TO THE

APPAREL INDUSTRY

FDM4

ERP WMS E-COM CRM MOBILE PLM

Introduction

Change is the only constant in the apparel industry. Apparel manufacturers and decorators are looking for new efficiencies that will help them keep up with emerging demands for product development and delivery. These proficiencies include clearer transparency across the supply chain, tighter integration between systems, and cohesive communications between multiple channels (internally and between offshore partners). Gaining operational agility is the means to enter new markets, increase sales, reduce markdown, improve margins, and lower labor costs.

As apparel business leaders try to keep up with new forces in the marketplace, manufacturers and decorators are still playing catch up with their technology. Their IT environments aren't robust and modern enough to meet the accelerated pace the industry not only demands, but also expects. Manual processes still rule the land in a world where everyone is going digital.

In this eBook, we will discuss **five critical technology developments** within the apparel industry that are compelling manufacturers and decorators to rethink their traditional processes and embrace new-age approaches.

The Rise of PLM

Product Lifecycle Management (PLM) software has become an integral, strategic area of focus for apparel business leaders. *Apparel Magazine* identified product development and design as the primary expected influence on the industry over the next three years.[1] According to CIMdata, PLM investments are expected to see an annual growth rate of 5.8% through 2018.[2]

The advancement of PLM initiatives has been concurrent with the need for greater efficiency between the creation, delivery, and management of products across the supply chain. This is especially critical for product lifecycles that are handled between multiple locations, like different departments and offshore centers for example. Communication barriers can erupt during these complex production phases, leading to production bottlenecks and delays in product rollout, which affect customers and the bottom line.

PLM can streamline and orchestrate all of the careful steps that take place between global product development operations, which enhances collaboration and workflows along the way.

PwC had this to say about the value of PLM: "Planned and executed well, PLM implementations can significantly improve efficiency and effectiveness—vital as product development spreads across large ecosystems of partners, as supply chains stretch around the globe, and as regulatory pressures rise worldwide."[3]

Automation of Manual Decoration Workflow Processes

The very nature of decorating apparel – promotional products, uniforms, athletic gear – involves the coordination of many calculated steps along the workflow. Decorators need to take orders from different sales channels, proof the artwork, get customer approvals, and then submit decoration work orders. These workflow processes, conducted between internal and external parties, need to be repeated for different decoration types.

When these primary steps are handled manually, there are many other additional steps tacked onto each individual workflow – potentially resulting in process errors, additional costs, and increased labor. And the issue is that many organizations still depend on a manually run production line.

The case for integrating automated workflow processes and technology is growing louder and louder. According to Gartner's Janet Suleski, "Automation adds a layer of flexibility that brand companies and retailers are going to be demanding more and more."[4] For organizations looking to cut down on process inefficiencies and keep up with faster print turnarounds, automation has turned into a necessity.

Integration Across Applications and Processes

PLM is a major solution propelling product development and distribution improvements. However, the impact of a PLM can only go so far without full integration and compatibility with other apparel manufacturing and decorating technologies, including ERP, CRM, WMS, and e-commerce, to name a few.

Software integration is not the only part of the integration puzzle that needs to come together. The integration of processes as a whole is also critical for cutting down on labor costs, errors, and redundancies.

Improved supply integration was highlighted as a key improvement area by Paul Forman, CEO of Coats PLC: "There are ongoing challenges around the need for better supply integration and [achieving] global flexibility in supply…"[5]

Integration is made easier by one application that can interact and pull together all of the functions of disparate processes and systems. A fully integrated application with one common database enables all users to track and manage different stages through product design, development, warehouse receiving, order processing, and delivery.

Standardization of Communications to Boost Sales

Sales relationships are the lifeblood of new business. Manufacturers with clear and efficient communication channels (domestically and globally) are able to foster sales opportunities with other channels and markets such as wholesalers and online e-commerce sites. They can also ramp up their collaboration efforts with buyers and distributors to sustain long-term partnerships that last 10, 15, or even 20 years.

Apparel Magazine discussed the importance of collaboration during an executive conference, and the consensus was that the adoption of collaboration technology will play a vital role in breaking down communication barriers.[6]

Overall, newer software capabilities can help manufacturers communicate real-time inventory availability, receive automated orders from distributors, and coordinate drop shipment deliveries straight to the customer.

Breakthrough Software Agility and Scalability

Apparel manufacturers may not work with one type of sales channel. In one scenario, they could be trying to get their products in front of large wholesale distributors or retailers. In another scenario, they could be moving their products directly to the consumer. They could also be juggling multiple licensing agreements with large brands, with all of their products being manufactured domestically, offshore, or some combination of both.

Whether there is a need to manufacture and distribute bulk orders to wholesale distributors and retail chains or piece together smaller orders directly to consumers, having a scalable software management system can help users plan and adapt to any situation.

Having agile, intuitive software (like an ERP suite that is specifically configured for apparel) also enables manufacturers to enter new markets with confidence and sustain their growth in these arenas, which include retail, boutique, B2B, and B2C. Regardless of the market changes that may take place, the right solution can evolve as needed.

Conclusion

The operational and workflow challenges discussed in this eBook are only the tip of the iceberg for apparel manufactures and decorators. Other key objectives persist throughout the industry – including sourcing and logistics, the mainstream deployment of omnichannel, and the digital consumerization of goods and services.

At the center of it all is information technology. Apparel executives and decision-makers' ability to equip their environments to be adaptive and future-proof will play a pivotal role in how the industry responds to change.

Can ERP lead the way for improved transparency and operational efficiency for your apparel organization? **CLICK HERE** to take our questionnaire to find out if your business is ready.

[1]http://apparel.edgl.com/reports/PLM-for-Apparel-2014--The-Next-Stage-of-Alignment-Begins-to-Take-Shape93059
[2]http://www.engineering.com/PLMERP/ArticleID/8362/PLM-Spending-A-period-of-Digestion-after-two-years-of-explosive-growth.aspx
[3]http://www.pwc.com/en_GX/gx/consulting-services/innovation/assets/pwc-getting-the-benefits-that-plm-has-promised-for-years.pdf
[4]http://apparel.edgl.com/magazine/August-2012/What-Makes-the-Case-for-Apparel-Manufacturing-Automation-81053
[5]http://www.just-style.com/management-briefing/apparel-industry-challenges_id120331.aspx
[6]http://apparel.edgl.com/news/apparel-sourcing-enters-a-new-era86257

FDM₄ ERP
Designed for Apparel

FDM₄ WMS
Making every step count

FDM₄ CRM
Information in real-time

FDM₄ E-COM
Business B2B & Retail B2C

FDM₄ PLM
From design to delivery

About FDM4

FDM4 is the leader in Product Lifecycle Management (PLM), Enterprise Resource Planning (ERP), Warehouse Management Software (WMS), E-commerce B2B & B2C Solutions, Customer Relationship Management (CRM), and Executive Dashboard for Manufacturers and Distributors in the apparel and fashion industries. FDM4's solutions are modular and can be acquired individually either through a licensed model or SaaS (subscription model) in a hosted environment. FDM4 offers continual support throughout the entire implementation process and custom development ensures that the software changes and grows with you year after year. In business since 1978, FDM4 has the knowledge and industry-specific expertise to ensure your software and support is tailored to meet the demands of the apparel industry.

US Location

FDM4 America Inc.
11500 S. Eastern Ave, Suite #150
Henderson, NV 89052

Phone: 866-676-3364
Email: salesinfo@fdm4.com

Canadian Location

FDM4 International Inc.
1297 Airport Rd.
North Bay, ON, P1B 8G2

Phone: 705-474-2090
Email: salesinfo@fdm4.com

FDM₄
ERP WMS E-COM CRM MOBILE PLM