



INTEGRATED PLM:

Could It Be the Answer
for Your Business?

*Making the Business Case
for Native Integration*

PRESENTED BY



There are many compelling reasons to take a look at product lifecycle management (PLM) functionality that is engineered into an enterprise solution.



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INTEGRATED PLM

PLM continues to be a major focus for many fashion and apparel businesses. To be more competitive, companies know they need better visibility, efficiency and control over their product information, processes and costs, particularly during the critical pre-production stages from design concept to approved purchase order (PO).

In their ninth annual “Top Technology Trends in the Apparel Market” report, *Apparel Magazine* and Gartner found that PLM “was named by most companies as the application they have plans to deploy in the future.” In their October 2015 survey of 101 apparel retailers and manufacturers, 32 percent of respondents said they were planning to deploy PLM within the next 12 months. Among manufacturer/brand marketer respondents, 27 percent said PLM is the application area they are most concerned about. For retailer respondents, PLM was a close second to SCM as the top application area of concern.

As companies begin to evaluate their PLM technology choices, they will find that the industry-specific PLM software market has evolved. Now there are not only best-of-breed PLM solutions but also enterprise resource planning (ERP) solutions containing integrated PLM capabilities. IT department size and budget, legacy ERP system age and desired PLM functionality are just a few factors decision-makers will need to weigh as they determine which path makes the most sense for them.

Integration: Natural vs. Forced

When choosing between best-of-breed PLM vs. PLM embedded into an enterprise solution, a major consideration inevitably will be your company’s appetite for systems integration. By definition, best-of-breed PLM software can encapsulate robust functionality. But anytime the information housed in the system needs to be shared, a computing interface must be established between the PLM software and another software package. For example, companies often need to feed product information from their PLM solutions into their sourcing, supply chain or ERP solutions. To do so, they must create custom interfaces.

By comparison, native integration exists when PLM functionality is part of ERP. All PLM-related data, such as styles, bills of materials and technical design specifications, can simply flow from one part of the enterprise solution to another.

In some ways, native integration can be compared with populations of people who are native to an area. When you are native to a place, you can more easily communicate, get things done and quickly navigate your way from point A to point B. If you are not a native, you might have to rely on an interpreter and consult maps repeatedly to get to the same destination.

When computer integration is not native or natural, it is forced by code. System engineers build interfaces to help the different systems share information. These interfaces require ongoing maintenance costs and time. For example, if one system is upgraded to a new version, the existing interface between that system and another may no longer work. It may have to be repaired for data to flow freely again.

Most forced PLM-ERP integration also results in functional and visibility gaps that limit actual benefits of best-of-breed PLM. For instance, it may not prove practical to connect some trading partners to a stand-alone PLM solution or to create all of the interfaces you originally envisioned.

Marrying Investment Drivers to the Right Solution

The challenges a fashion business wants to solve with PLM may actually be best addressed with an all-in-one enterprise solution that encompasses PLM. In the *Apparel/Gartner* technology trends report, the following emerged as survey respondents’ most important business initiatives for the coming year:

1. Reducing product costs to improve margin (23 percent)
2. Improving the new product commercialization and launch process (16 percent)

To support future growth goals, 41 percent of companies said they planned to introduce new products or categories, according to the *Apparel* report. While these initiatives and plans can benefit from PLM, they might need a broader systems strategy to really succeed.

During the past several years, Nancy Johnson, founder and CEO of Optimize LLC, has seen a trend toward companies taking a more holistic view of their system needs. Her firm helps apparel retailers and manufacturers to select technologies and streamline their pre-production operations. “Companies are starting to recognize that you can’t take a strategy for a system like PLM and look at it in a vacuum,” she says.

In particular, she has seen problems arise when businesses underestimate the challenges of integrating PLM with downstream systems, connecting supply chain partners and dedicating enough time and resources to training. “If you don’t look at those tangential things, if you don’t factor them into the budget, then you often don’t budget enough to fully implement the system to the point that you get the benefits you are looking for,” she says.

Some companies encounter major hurdles when they try to integrate new PLM programs with outdated ERP systems. They can end up configuring the new PLM technology based on the constraints of the antiquated ERP. “Technology changes so quickly, and when companies aren’t looking at how to sunset older systems and get more sophisticated systems in, it really hampers their ability to do business,” she says. ▶



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information readily available, they can more accurately evaluate actual product profitability year-over-year before planning their new lines. Visibility also pertains to knowing where everything is during the process. Who has it? Where is it? Is it late? Was it approved? Did it fail? Whom do I have to get it to? Why am I waiting? For example, if the pre-production sample hasn't been approved or the fabric isn't ready, the production order could be delayed. Then you may possibly have a late shipment. You have total visibility when the information needed to answer all of your questions is residing in one system. Most business owners in our industry worry about having the right product, but their two main concerns are almost always about time and money. Having all of this information in one location reduces the margin of error.

When it comes to product lifecycle management (PLM), what top concerns do apparel and fashion executives want to address?

They really want to improve their supply chain visibility and collaboration. PLM fosters collaboration with trading partners and improves visibility and control over the design, development and sourcing processes. It also ensures that all parties are working on the same page throughout these processes, which helps reinforce accountability. Many companies also are turning to PLM technology to reduce the amount of manual and redundant data entry in their front-end processes. In reducing duplication of efforts, they reduce errors at the same time. Globally accessible PLM has the benefit of allowing vendors to do more, such as providing real-time status updates, costing information and other critical data. All of these things help apparel and fashion executives enhance one of their foremost concerns — speed to market.

however you want to see it without having to coordinate multiple parties. Fashion companies can compare data natively. For example, say you want to create a new report. All of the data is in one database. There is no need to pull data from anywhere else. Today many apparel companies must extract data from two or three systems to get the information they need. Also, when PLM and ERP are in the same system, you don't have to worry about upgrade complications. With separate systems, if you upgrade one system, there is always the concern that it will impact the other system or interfere with the integration between the two. It's very rare that two systems can integrate with each other without any issues.

Can you describe an example of how natively integrated PLM can promote more seamless processes?

It can give you total visibility. For example, you can capture extended costs, from concept to shipping, in one system. Some stand-alone PLM systems may only go as far as capturing sampling costs and end there. Then another system is used to manage production costs. When PLM is natively integrated into the enterprise solution, you can track not only pre-production costs but also the costs of all work-in-process. This gives you the ability to actualize the true cost of a product. With this type of

What are some advantages of leveraging PLM capabilities natively integrated within an ERP system vs. using a stand-alone PLM solution?

One word: integration. When PLM is built into your ERP solution, you do not have to map data bi-directionally from one system to another. By having all of your data in one system, you become more cost effective, and you can manage the data



Simparel, Inc. is the leader in next-generation business software for fashion and consumer goods brands, manufacturers and retailers. Simparel® solutions empower apparel, footwear, accessories, home and other soft goods companies to reach their full potential by accelerating and improving performance across the entire business and global supply chain. The Simparel Enterprise Solution provides global process visibility, control and collaboration by combining traditionally independent Product Lifecycle Management (PLM), Supply Chain Management (SCM), Materials Requirements Planning (MRP), Shop Floor Control (SFC), Warehouse Management (WMS), Electronic Data Interchange (EDI), Wholesale Marketplace (B2B) and other productivity tools into a single, fashion-focused business system.



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BM Merchandising Co. Ltd., a fast-growing maker of young men's and juniors streetwear, gave extensive consideration to how it would connect its trading partners when it was forging its IT strategy. The company chose an integrated approach, implementing the Simparel enterprise solution to manage not only PLM but also production management, sales transactions and deliveries, warehousing and reporting/business intelligence.

"We are using PLM to track samples and our production stages with our vendors," says Beili Liu, vice president at BM Merchandising, which produces private-label fashions and its own Royal Blue Apparel brand. "Once we submit a sample to approval through PLM, we turn it into a style and start generating POs on it."

This seamless process flow between style adoption and PO creation gives BM Merchandising greater speed and simplicity during product commercialization. The company has partnerships with eight factories and two suppliers in China, and processes an average of 10,000 units daily through its New Jersey warehouse, serving both large chains and urban boutiques. "Vendors can respond to the POs through the Vendor Web Portal. Once the PO is approved, the vendors move the PO through its various stages as defined by our internal business rules," Liu says. "We use the system to keep track of transit times and receiving at our warehouse."

For BM Merchandising, which celebrates its 20th anniversary this year, the primary advantage of using an integrated system is "the ability to look at one source of data rather than try to merge different sets," Liu says. "It also makes tracking progress and status through various departments easier. And our staff members do not have to learn different systems with different graphical user interfaces."

RG Barry Brands, a leading producer of accessory lifestyle brands and products for nearly seven decades, also has embraced an integrated systems strategy. When it transitioned from legacy ERP technology to its current system from Simparel, the company knew it wanted a single system to handle and adapt to the variances between its different brands. Those labels include Dearfoams slippers, Foot Petals shoe cushions and baggallini handbags, totes and travel accessories. "We were able to create a singular platform that could build product regardless of the brand or type of product," says Andrew Grever, director of product development.

"We are now able to have a centralized hub of data that can be easily accessed by any of our internal teams as well as our external sourcing community," he says. "This allows for enhanced visibility as well as increased accuracy of information."

Tom Wheeler, RG Barry manager of systems development, says the company's previous systems required interfaces to share information between PLM and ERP. In some cases, users had to manually enter PLM data into the ERP system. "Having the PLM functionality built into the ERP system eliminates the need of interfacing the data between two systems," he says. "It also allows the data to be available to all users immediately instead of waiting until interface jobs have executed. When interfacing two systems, you may have difficulties in accommodating the data needs of both systems."

Grever, who manages all stages of RG Barry's product development from concept to production, adds that having "one system working on both sides of all operations increases efficiency and reduces redundancy. It eliminates the need for multiple systems to try to speak to each other."

Johnson says this seamless integration can yield big benefits. "You know that when you release data from PLM, it's already in the format that can be received by the ERP system downstream," she says.

In her work with retailers and brands around the world, Johnson has found that the size of corporate IT departments is getting smaller, leaving fewer people to maintain systems. "Buying any enterprise-level technology requires bodies to implement it," she says. "If you don't have a big IT department, you're going to rely on a consultant or the vendor's professional services organization to help you. If you've got an integrated system under one vendor, it generally means they have a robust professional services group that's ready to help with questions that arise not only on the creative side of the business but also on the analytical side."

She also says some companies are less willing to take on the risk of working with multiple vendors. They value having a single point of accountability. Also, when fashion businesses contract with a single solution provider for broad functionality, they may have greater flexibility on the implementation timeline. "They often can break the project up into more manageable pieces and space it out over time," she says.

In conclusion, a business case can be made in support of an integrated PLM strategy. With this approach, companies take advantage of native integration between PLM and other functionality embedded within ERP, or enterprise, solutions. The business case is based on reduced IT maintenance, streamlined processes, more efficient collaboration and greater data visibility and accuracy. Is integrated PLM the answer for your company? ■