

Rubie's Costume Company Dresses Up With Next-Gen ERP

“The fun starts here!” proclaimed the sign on Rubie’s Fun House, a onetime candy store in Queens, N.Y., that over the course of the 1950s expanded into novelty items, funny hats and theatrical costumes. Founded by Rubie and Tillie Beige, the store was taken over by their four children in the 1970s and re-named Rubie’s Costume Company.

Rubie’s began manufacturing its own theatrical costumes in 1970, added Halloween-type costumes in the 1980s, and started licensing popular brands, such as Star Trek and Superman, in the 1990s. It now holds more than 200 licenses. Still owned by the founding family, Rubie’s operates in 14 countries. The candy store in Queens is long gone; Rubie’s costumes for children, adults and pets are sold today in Walmart, Kmart, and other major chains, as well as toy stores, costume shops, party stores and other venues worldwide. Even though people dress for many holidays, the company’s business remains heavily seasonal, with about 90 percent of orders intended for Halloween.

With decades of history and experience and a wide array of licenses — Rubie’s is widely respected as a Halloween authority. General manager John Clausen says, “We can go in with a lot of ammunition to do sales presentations to the majors. We can tell them which is the hottest movie, tell them what to purchase, and make their seasons go as well as they hope.”

Though its sales season is heavily concentrated, the company produces its costumes and accessories all year long. Design and graphics are done in-house, and manufacturing is contracted to com-

panies in the United States and overseas. The goods are then brought to warehouses, which are kept stocked year-round.

Costumes have to be ready for Halloween — and with Simparel’s ERP solution providing supply chain visibility, Rubie’s gets them to the store on time.

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From battleship to speedboat

For 30 years, Rubie’s ran its business on an HP3000, a classic minicomputer that Clausen calls a “battleship that never went down.” Though user-friendly and reliable, it eventually became antiquated and stood in the way of Rubie’s making needed changes in business practices.

In 2012, the company finally decided to put the HP3000 out to pasture and convert to a next-generation ERP. However, changing its processes and its computer system at the same time was a step too far outside the comfort zone, so Rubie’s needed a solution that could be adapted to its current processes. “We had to take two steps back to go 10 steps forward,” Clausen says. Simparel — unlike some competitors — was willing to adapt its ERP software to match the HP system and then move forward gradually from there, so Rubie’s took a leap of faith in making the culture change.



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Despite the challenges, Clausen is glad they did. “It was a very big project, with a lot of butting heads ... making changes in our mindset was difficult. It’s very surprising that they were able to do it, and did it well. We learned from each other.”

Rubie’s started by converting its order entry function to Simparel, then added accounts receivable and production setup. It deferred converting its warehousing system until it could work with the software company to upgrade the functionality for licensing and royalty management, pre-pack management, label code print-



Apparel: The need for leaner inventories with greater numbers of SKUs and much faster turns moving across multiple channels often one order at a time is a gargantuan task that very few retailers have mastered, yet it's crucial in today's competitive environment. For retailers or brands trying to master better inventory transparency, what fundamental concepts must be addressed first?

MANGUAL: It is a tremendous challenge to master inventory management in today's competitive retail environment. There are some fundamentals that can help fashion companies accelerate and improve their performance. The first is having a single point of accountability from a systems perspective to keep internal teams and vendors on the same page. A fully integrated system can alleviate confusion, delays and mistakes, which no one can afford these days. Secondly, companies can focus on order accuracy. EDI is an essential element when it comes to managing orders and maintaining data integrity. Today there are cost-effective EDI engines built into enterprise software solutions. Businesses can avoid inventory disruptions and keep customer service levels high by using EDI to automate their business-critical communications, from generating retail-compliant labels to tracking inbound advance ship notices. A third fundamental in the quest for inventory transparency is state-of-the-art warehouse management. The warehouse management system (WMS) is no longer a technology to keep tabs on product storage but rather to control complex merchandise movement and fulfillment. With omnichannel retail, the technology supporting your DCs must be set up to handle both B2B and B2C orders. For instance, there should be robust pick-and-pack capabilities and built-in interfaces with FedEx and UPS. These are just a few fundamental ways to control data, communications and products for better inventory management.

Apparel: As anyone who's spent some time in the apparel business knows, production schedules and delivery goals do not always go as planned, and this affects everything from costs and margins to customer satisfaction. In your work with apparel companies, where are you seeing closer collaboration between retailers and brands and their factory partners and how is this alignment paying off when it comes to staying on plan?

MANGUAL: Delays are expensive, no matter where and when they occur. On-time delivery, even in the face of unplanned events, is crucial to profitability and long-term viability. From our work with many apparel businesses, we know they want systems to help them react rapidly to changing demand so they can take advantage of growth opportunities. To stay on target with their delivery goals, apparel manufacturers and brands have established closer ties with their factory partners. They are building better connectivity through next-generation supply chain solutions.

These tools offer web-based vendor portals for sharing information. This approach makes it simple and easy for global vendors to share information so that their customers can view production status and track orders. They can collaboratively manage production schedules. With the latest supply chain technology, there also are real-time alerts so that decision-makers can make adjustments when there are unexpected interruptions. For example, they may need to accelerate processes downstream with a logistics provider if there are delays upstream in a sewing factory. For even deeper collaboration, retailers and brands are leveraging new shop-floor control (SFC) systems to obtain visibility into order status, literally from the factory floor. Straightforward to implement for vendors, this new generation of SFC uses wireless networks and mobile devices to capture and share real-time manufacturing insights, from work-in-process to non-productive downtime. New supply chain solutions also help apparel businesses to establish and maintain cost control from the sample stage until the finished product reaches the DC. These systems capture pricing agreements and automate tracking of actual costs as the order moves through the supply chain. There can be big payoffs at the point of sale when internal teams, customers and vendors are aligned on costs and deliveries.

Apparel: In looking across the entire apparel supply chain, where would you say the least progress has been made when it comes to putting data in the hands of the people who need it most, and how might these problem areas be addressed?

MANGUAL: It's so important to be able to catch fashion waves while they are hot. To do this, executives have to make informed decisions — fast. There still is significant progress to be made to replace outdated, legacy computer systems that can really hinder the management team's access to important information. Older ERP software continues to require lots of custom coding. Companies have to dedicate time and resources to build interfaces, run reports and add new data streams. Even some modern best-of-breed systems can isolate business processes and data. But it doesn't have to be this way. All of these problems can be addressed with next-generation, fully integrated, enterprise-wide technology. The newest systems are highly configurable and can be adapted quickly to the needs of the business. They also are simple to implement and use, which helps to ensure associates will adopt and utilize the new technology. You can easily import and export data from spreadsheets and other sources. With a single system for managing all product-related data, mission-critical information is much more likely to get into the hands of those who need it most to keep the business moving forward and growing.

Vendor Viewpoint is a regular Apparel advertorial feature.

ing and other processes. (Royalty reporting was the biggest single challenge, Clausen says, because the licensors have so many different requirements.) Recently, it implemented the solution in its Canada and U.K. warehouses and plans to use it for new geographic areas and product categories. Eventually, the entire warehousing function may be moved to the solution.

In the future, Clausen hopes to bring several other aspects of the company's operations under the Simparel umbrella. One of these is product lifecycle management; another is testing for product compliance with safety regulations. Testing requirements are complex — they vary by state, country and whether the products are sold as toys or apparel — and merging the testing system into the ERP would give the company a better handle on whether all testing is being done correctly.

Seeing into the process

One advantage of using the solution, Clausen says, is having more visibility into the supply chain. In order to ship product to customers to meet seasonal windows, Rubie's needs to track the histories of entire customer orders, from the purchase orders sent to vendors, through the vendor shipments to the warehouse, the inventory on hand, and the warehouse shipments to the customer.

Under the old HP system, any individual item could be tracked, but there was no easy way to see the status of an entire customer order. With the new system, Clausen says, "We can see the complete start-to-finish process with one click, which saves time and effort." Reports are easy to produce and download to spreadsheets. If there is a problem, the company can react much more quickly.

The Simparel system can also be updated from anywhere in the world, so there is much more detailed and timely information about inventory flow. "Before, the Chinese office would have to inform us [about shipment status] every day, but now it's automatically updated on our system," Clausen explains. "We don't have to call the factory at all hours of the night. It saves a lot of manpower on both sides of the world."

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This visibility enables better communication not only with customers but also among divisions of the company. For example, the sales department is better informed about the new items coming out and the price points at which they will be sold.

Better internal communication in turn enables the company to make better, more timely decisions. Clausen points out, "We know which factories are late or early, so we can change where we're producing products to fit the time we have available." As a result, he says, the time from design to finished product is now shorter. In addition, the company has more insight into which items are selling well, so it can change the product mix mid-stream. "We know which items to delete, we know which licenses are running out, and we can decide on our production going forward."

The company is discussing implementing problem coding for vendors to enable more detailed reporting of each vendor's on-time performance and the reasons for late deliveries. Identifying chronic problems can enable the company to address any underlying issues and to send more work to the vendors that are more capable of handling it.

After three decades with the old workhorse HP system, Clausen says, some managers were dubious about making changes. "But they found out very quickly that it simplified their lives," he adds. "Once they believed in the new system, they jumped on it." ■

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