A UNIFIED APPROACH:
THE NEXT WAVE OF
erp

PRESENTED BY

∫imparel

Forward-looking apparel companies are embracing unified ERP solutions to gain control of business information, drive global collaboration and streamline the concept-to-cash cycle.

The apparel business is all about looking forward — to the next season, the next big trend, the next must-have garment, or the next hot sourcing and manufacturing location. So it makes sense that many apparel companies have begun to embrace the next wave of ERP systems: robust solutions that offer full functionality on a single, unified platform. As the latest step in the evolution of ERP, the unified model offers a centralized flow of information that enables organization-wide collaboration and essential real-time visibility into inventories, orders and production processes.

In the same way that apparel customers would not be pleased to walk into a store and see clothing from 10 to 15 years ago on display, apparel companies are no longer content to muddle through daily operations with ERP solutions that were designed more than a decade ago. Instead, they are replacing these outdated ERP-plus-best-of-breed combos with a unified ERP platform that has been developed as an open system meant to provide end-to-end visibility. These solutions help companies gain control of business operations and information, nimbly respond to new market and channel opportunities, and realize significant process improvements. And because they utilize the same platform throughout all business processes, uni-

dle front-end concerns such as product lifecycle management as well as back-end functionality such as vendor integration. The ERP vendor did not support these modifications so making changes or upgrades to the solution was a costly and time-consuming endeavor.

As a result, Mamiye Brothers realized it was time for a turnkey solution that could accommodate its growth plans, help the company improve supply chain efficiencies, and reduce central costs, while providing one consistent and accurate view of the entire business. "We also needed a solution that better supported our ability to adapt to a changing retail customer environment," Cropper explains.

ERP for Today's Marketplace

That scenario is all too common, says Bob Antall, managing partner, Consumer Centric Consulting, who points to the drastically different consumer market that exists today versus when most ERP solutions were initially developed. The Internet and Smartphones, for instance, have dramatically changed the apparel landscape in ways that could not have been imagined when many traditional ERP tools were first being deployed. "Most technology solutions that were conceived more than 10 years ago are pretty much obsolete at this point," Antall says.

Apparel companies looking to their legacy ERPs to help support the growth of new channels have mostly been disappointed, and have instead turned to various additional applications to manage functions such as e-commerce and mobile commerce.

fied ERPs offer an easy-to-use atmosphere and remove the need for costly integrations between solutions.

"Thanks to our unified ERP solution, we now have a platform that allows us to move into the future rather than being constrained by the past," says David Cropper, CIO of Mamiye Brothers, a designer, manufacturer and marketer of children's, tween and teen fashion apparel brands. "This platform has helped us improve process efficiency and has given us the ability to tweak our business model to tap into other distribution channels that would have been difficult in our old environment."

The company, which works with brands including Flapdoodles, Little Me, Disney, and Guess Kids, adopted a unified ERP solution in 2010 after tiring of its dated legacy ERP.

"We managed to 'milk' that original ERP for 15 years, but over that span of time it became a highly customized solution," Cropper notes. Because ERP developers at the time did not take a broad view of the supply chain, Mamiye Brothers added to the ERP its own bolt-on solutions to han-

Apparel companies looking to their legacy ERPs to help support the growth of new channels have mostly been disappointed, and have instead turned to various additional applications to manage functions such as e-commerce and mobile commerce. The challenge, of course, is trying to mix these solutions in with the core business process technologies.

"Many apparel companies utilize an e-commerce platform from one provider, while their order management and/or inventory management system resides in their corporate enterprise, and they also maintain a separate application within the fulfillment or logistics organization to actually deliver the order," explains John Seidl, partner, Kurt Salmon. "So the act of taking and filling an order has to go through three applications, which means it is much harder, when issues arise, to understand where those issues are coming from."

"Integrating these applications has become a nightmare from a business process and technology standpoint,"

EXECUTIVE INSIGHT:

An Interview with Roberto Mangual, VP, Operations, Simparel

Q: The unified model seems to be the next wave for ERP solutions. Why do you think apparel companies are embracing this approach?

ROBERTO MANGUAL: A unified ERP solution — one that incorporates PLM, supply chain, and warehouse management capabilities in addition to traditional ERP components — makes the most sense for the apparel business cycle. With a unified ERP, companies can use one single system from concept to cash. The unified approach allows apparel companies to leverage a more collaborative way of working, enabling real-time input from the myriad departments involved in the apparel business cycle, and avoiding the duplication of efforts that is common with more traditional ERP systems.

Q: How does a unified solution enable that collaboration?

MANGUAL: It allows people from different parts of the business, with different skill sets, located in different parts of the building or even across the globe, to enter and find information in one single place. This is in stark contrast to the confusing email chains and multiple spreadsheets that have been the norm in fashion for so long. With a unified ERP platform, you eliminate the chance of mistakes and minimize rework and duplication of efforts, which helps to build a more collaborative workflow.

Q: Product lifecycle management functions are crucial for apparel companies. How does a unified ERP provide benefits in that area of the business?

MANGUAL: Traditional PLM solutions tend to merely be information repositories — a place where you can deposit all of your design information and generate specifications. But when you build a PLM system that is integrated within a unified ERP package, now you have an engine behind that PLM system. You gain logic and functionality, and not just a place for storing data.

For example, companies using PLM as part of a unified ERP have the ability to examine historical data and make future projections. You have visibility to the different versions of each design and the associated costs; you can look to see comments about how samples arrived, whether they met the specs, etc. With a best-of-breed PLM, this functionality is often missing — or if it is included, it exists on an island. If a PLM system provides data, but it is difficult to extract that information and combine it with other elements of the business cycle to get actionable information, then it is basically useless.

Q: From an IT perspective, how does a unified ERP solution differ from traditional ERPs?

MANGUAL: ERP solutions have typically been hard-coded systems that were complex to navigate and difficult to change, while a unified ERP system is built on a single-source, object-oriented, metadata-driven platform.

Q: And what advantages does that metadata-driven platform provide?

MANGUAL: The metadata-driven model accelerates solution development and enables customization and changes to be implemented quickly, with fewer errors and less cost, increasing your return on investment. For example, if a company wants to add another element to a particular SKU and is working in a hard-coded environment, that change requires IT personnel to manually alter all those lines of code wherever that SKU exists throughout the system. By contrast, in the metadata-driven environment of a unified ERP, you just make that change once and it is populated throughout the system. All you are doing is updating server functions instead of writing code from scratch.

The unified model also brings a tremendous cost of ownership advantage because it is less demanding of IT resources. With a unified ERP, you only have one system to deploy, and, as the system grows or new features are added, companies do not have to worry about trying to map and bridge functionality to other legacy systems.

Q: Unified ERP systems can also be delivered via the cloud. Can you share some insight into the benefits of that option?

MANGUAL: The availability of cloud deployment adds to the flexibility of a unified ERP system and simplifies implementation, enhancements and upgrades. With the cloud, users all over the world can access the system at any time, and the company doesn't have to worry about bandwidth or costly data lines or investing in a large IT infrastructure that it houses locally. Cloud deployment is yet another attribute of a unified ERP model that helps to reduce IT overhead.

Unified ERPs are built as open systems,   strategically designed to provide interoperability, enabling apparel businesses to impor t and expor t infor mation easily to and from exter nal sources.

Antall adds, "so apparel companies are now trying to move into a single platform where they can integrate these channels and be able to more effectively manage the entire business cycle."

A big part of what makes for more effective management of the business cycle is the ability to handle master data management in one place. "When you have a single repository of enterprise data within your ERP solution, you do not have to worry about replicating master data information from your ERP to an e-commerce platform over here and a supply chain or PLM platform over there," Seidl says. "Also, from a support perspective, if you have a single vendor partner that is providing your application infrastructure, when issues arise, there is only one throat to choke."

Different from the Ground Up

So how does the single-platform approach of the unified model solve these issues? Starting with the actual architecture of the solution, these ERPs are designed for flexibility and ease of use. By trading in the traditional, hard-coded development model — millions of lines of programming code — which is difficult to support and costly to maintain, for the more technically advanced approach of a metadata-driven environment, unified ERPs require far less overhead and support.

Expanding a style number in the metadata world of a unified ERP, for instance, means simply making one change to a table, which is then permeated automatically throughout the system. To do the same task in a traditional ERP, the change must be coded, compiled, and implemented manually — in every place the system will call on that change.

This approach to solution architecture accelerates development and enables easier customization.

In addition, unified ERPs are built as open systems, strategically designed to provide interoperability, enabling apparel businesses to import and export information easily to and from external sources. Most legacy systems, by contrast, operate as separate, unconnected systems resulting in processes and data being isolated, making access and interaction cumbersome.

These unified solutions are also easily deployed via the cloud — an option that was a big benefit for Mamiye Brothers, which has embraced cloud-based solutions throughout the company. "We have our ERP, phone and e-mail on the cloud, and currently we are moving other virtualized systems to the cloud as well," says Cropper. "Using an ERP via the cloud helps minimize our on-premise datacenter footprint, which is cost-effective and allows us to concentrate on our core business."

Cloud-based ERPs also contribute to enhanced collaboration and mobility, because the software operates in one central location, but is accessible to people across the globe, Antall notes. "The cloud enables people to have access anywhere, anytime, and makes location almost irrelevant," he says.

"People can share the same data in Hong Kong that you have sitting in New York and that really facilitates the product lifecycle," adds Seidl. "A cloud-based platform can dramatically shorten the time it takes to get from concept to production."

Indeed dramatically shortening, enhancing and streamlining the entire apparel business cycle is what unified ERP is all about. ∎

Cloud-based ERPs also contribute to enhanced collaboration and mobility, because the softw are operates in one central location, but is accessible to people across the globe,