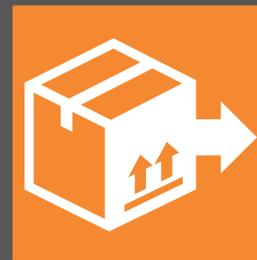




Is it Time to Purchase a Fashion Enterprise Solution?

Determining whether to replace an ERP, PLM or other system is a major decision for any apparel and fashion business. Fortunately, recent technology advances have made enterprise solutions more powerful than ever and dramatically streamlined implementation; often making business case for investment in a modern enterprise solution quite clear and compelling. This paper explores important considerations relative to understanding the latest breed of enterprise solutions and determining whether it is time to invest.

White Paper





Is It Time to Purchase a New Enterprise Solution?

ABOUT SIMPAREL

Designed for the apparel, footwear, accessories, home furnishings and other soft goods industries, Simparel empowers brands, manufacturers and vertical retailers 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), Sourcing & Supply Chain Management (SCM), Manufacturing Resource Planning (MRP), Electronic Data Interchange (EDI), Warehouse Management (WMS) and other productivity tools into a single, fashion-focused business system.

The next-generation Simparel software architecture is simpler to deploy and offers greater scalability, performance and total cost of ownership than traditional enterprise solutions. Clients routinely report cost reductions and increased agility and responsiveness across their product development, sourcing, manufacturing, distribution and other business processes with Simparel.

Determining whether to replace an enterprise solution is a major decision for any apparel and fashion business. Implementing a new enterprise solution inevitably will result in significant change, and change can be challenging. Fortunately, recent technology advances have made enterprise solutions more powerful than ever and dramatically streamlined implementation. These software packages not only cover core ERP functionality but also encompass product lifecycle management (PLM), materials resource planning (MRP), supply chain management (SCM), warehouse management (WMS), EDI and more.

In short, the business case for investment in a modern enterprise solution often can be quite clear and compelling. What factors might indicate that a new enterprise solution is needed? Common business drivers include the following.

- Continued use of an outdated system — perhaps an original ERP program — to avoid the disruption of replacement. Yet the solution or its underlying architecture cannot manage nor keep pace with changing business needs.
- Big plans to expand into new verticals, including some acquisitions. But older technology lacks the functionality and flexibility to integrate the new business.
- Investment in ERP customization has become a losing proposition. No amount of software modification will enable the business to take on competitors who have better technology.
- Ongoing efforts to bridge functional gaps and visibility blind spots between disparate solutions are overwhelming, confusing and costly.
- This paper will explore important considerations relative to understanding the latest breed of enterprise solutions and determining whether it is time to invest.

ENTERPRISE SOLUTION: KEY INVESTMENT CONSIDERATIONS

Flexibility and Scalability Matter

It's rare that an apparel business is run the same way today that it was 10 years ago. Growth, new lines or business model changes are the norm. Processes change, and an enterprise solution must have the flexibility to scale and evolve with the business. Unfortunately,



Enterprise Resource Planning



Product Lifecycle Management



Supply Chain Management



Materials Requirements Planning

most legacy ERP systems have a “hard-coded” underlying architecture and cannot change or scale to the necessary degree. Or they require countless hours of costly programming to be able to perform functions that newer systems can offer out-of-the-box.

Cost Savings and ROI

To gauge cost savings and ROI, it's important to evaluate both obvious and subtle factors. By establishing baseline metrics, setting goals and measuring results, the business will derive more defined value from its enterprise solution investment. New technology with enhanced functionality provides a foundation for productivity gains. Additionally, replacement of outdated technology reduces both preventive and remedial maintenance expenses. ROI can correlate directly with the ability to meet the market's accelerated pace rather than be left behind. In other words, how much money was the business going to lose by maintaining the IT status quo? In some cases, a new enterprise solution may be essential to survival.

Fashion businesses must respond and react immediately to changing customer requirements and style trends. This agility is particularly essential in today's omnichannel retail environment, with its complex demands to deliver products and service customers differently. For example, a fashion brand might need to drop ship cartons to select retail stores or maybe even mail individual items direct to consumers instead of supplying large bulk shipments to retail distribution centers. Omnichannel retail also requires apparel producers to respond to late-breaking market trends, adjusting orders closer to the selling season. Older technology cannot provide the enhanced visibility and transparency to rapidly make informed decisions. Newer enterprise solutions offer accurate, on-demand visibility throughout the supply chain.

Software Consolidation Advantages

Many apparel companies are using myriad software programs, connected by a complicated tapestry of custom interfaces. To make matters worse, these packaged solutions often draw information from stand-alone databases built on specialized programming. And despite all of this ongoing software expense, many businesses still rely heavily on Microsoft Excel to run reports and analyze their information. With so many bridges between systems and manual data manipulation, businesses struggle for access to “one version of the truth” to make informed decisions.

On the bright side, software consolidation strategies can deliver significant cost savings. By transitioning more business processes to be managed within a single solution, apparel firms can eliminate enormous expenses and time devoted to maintenance of disparate systems. Modern enterprise solutions provide a platform to encompass the entire enterprise. Processes from design to distribution can be handled seamlessly. Moreover, working with a single vendor makes accountability much simpler and eliminates the ever-present concern, “If we upgrade solution X, will it still communicate with system Y?”



Warehouse Management System



Electronic Data Interchange



Financial Management System



Information Technology Services

Strategic Systems Integration

Even with an enterprise solution managing most business processes, there usually are still a few point solutions to handle certain functions. Leading enterprise solution vendors will easily integrate with other software programs — without a huge cost to the customer. Cross-system and inter-process integration are a business reality. Even the best enterprise solution can falter if they are isolated from cross-system and cross-process inputs. No application runs in a vacuum. For example, it's common for apparel businesses to use a separate e-commerce program. By integrating the enterprise solution with the e-commerce system, the company gains accurate, real-time visibility into inventory and production levels and can avoid selling products it does not have on-hand.

Phased Implementation Options

Consolidating most processes into one, comprehensive solution has clear benefits, but some companies are concerned about how they will handle the actual crossover from their legacy system(s) to the new software. With today's advanced enterprise solutions, businesses have a choice of whether to implement the new technology across their entire enterprise in one rollout or to transition one division at a time. Migrating to a modern enterprise solution is not an all-or-nothing proposition. The decision to take one path over another typically depends on internal technical resources.

Easier Business Acquisition

In selecting a new enterprise solution, it's important to ensure the system meets current business needs and is flexible enough to accommodate future needs, such as plans for acquisitions. More and more apparel companies are expanding into complementary verticals by buying or merging with other businesses. The enterprise solution should allow the company to readily move new businesses to its common platform. This means quickly adding data for new products, customers and raw materials suppliers into the enterprise solution. Because the enterprise solution encompasses functionality for ERP, PLM, SCM, MRP, EDI, WMS and more, there is no need to bring acquisitions on board with multiple software platforms.

Ease of use is also crucial. The simpler the solution, the smoother the rollout at the acquired company.

Customization — Buyer Beware

Any enterprise solution that requires extensive customization to “fit” the fashion business should send up a red flag. In addition to slowing the implementation process, custom features and coding complicate future upgrades and interfaces. Customization also multiplies maintenance and support costs. New enterprise-wide technologies often incorporate out-of-the-box functionality fashioned from best practices the vendor has gleaned from numerous sources. In the past, it was typical for apparel businesses to turn to customization to tailor software to their traditional processes. Today, many progressive

fashion firms see the advantages of using packaged, plug-and-play features rather than reinventing the wheel. Rapid application development models allow enterprise solution vendors to add features and functions at a far faster pace. As a result, end users reap the rewards of ongoing innovation in every seamless upgrade.

Built-in Business Intelligence

The latest enterprise solutions have built-in analytical tools to enable users to analyze business information from virtually any angle. At the push of a button, executives can view and interact with dashboards highlighting relevant trends and issues requiring attention. Most older systems do not have this functionality, and companies have had to invest in separate business intelligence (BI) software programs. When BI is incorporated into enterprise solutions, users across the organization, from executive leaders to department heads, can make better decisions much more efficiently.

OUR CONCLUSIONS

Selecting and implementing a new enterprise solution is one of the most important moves an apparel business will ever make. Sometimes the decision is forced by failure of older technology to meet new business demands. Enterprise-wide installations are major undertakings, and change can be challenging. The good news? Technology has advanced tremendously in the past few years. Many of yesterday's reasons to reject a "rip and replace" software strategy no longer apply. Modern enterprise solutions are built on a much more flexible IT foundation, with many features ready for use right out-of-the-box. With proper planning and the right enterprise solution provider, the transition to state-of-the-art technology can be a smooth and richly rewarding experience, paying dividends well into the future.



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