



# How product lifecycle management fuels the momentum of fashion

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With the speed and complexity of today's fashion business, companies have no choice but to improve the ways they handle sourcing, design, merchandising, compliance issues, and operations at every phase of the business. Product lifecycle management (PLM) solutions are rapidly becoming essential tools for balancing the conflict between customer tastes and efficient, responsive operations.

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## Building momentum

Leading fashion companies generate a special kind of momentum, a phenomenon where recent success fuels current success, which in turn sparks future success. The ability to rapidly turn today's hit product into tomorrow's durable brand is no accident—it's a specific set of practices that companies can identify and repeat to achieve lasting competitive advantage.

There are many obstacles to generating momentum. One of the biggest is the escalating complexity of the fashion industry itself. Today's fashion business demands a degree of collaboration and global business skill that were once unknown in any industry.

Also, the economic pressures bearing on fashion companies comes from both ends of the value chain—consumers and retailers expect lower and lower prices, while the costs of sourcing, manufacturing, and delivering finished goods tend to increase if you don't monitor them closely.

Corporate responsibility issues that are core to the brand image of many fashion companies add to the pressure. The ethical sourcing movement, concerns about conflict minerals, laws about supply chain transparency, and normal issues of corporate governance, all weigh against the sense of forward motion fashion companies need to stay competitive. They also create both forward-looking and retrospective risks that no fashion company can afford to ignore.

## A new generation of product planning

The business discipline we now call product lifecycle management (PLM), has long been an element of success in the fashion business, even among people who didn't practice it formally or use the term consciously. In simpler times, the owners and managers of fashion businesses performed PLM functions in their heads dealing with design, production, collections, sourcing, and more, through an intuitive, seat-of-the-pants approach that worked well enough to get new products out the door, keep track of older products, and keep the business running year after year.

In the same way that few businesses can manage finances entirely with spreadsheets, no fashion business can fully keep pace with competition today using an informal approach to PLM. The process just has too many moving parts and requires coordinating too many far flung resources. The opportunity costs are too high and the risks too great.

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To be successful, companies need a product lifecycle management platform that

**helps everyone  
in the value chain  
think creatively,  
collaborate  
intuitively, and act  
decisively.**

There's simply no substitute for advanced PLM software for sustaining momentum and improving a successful fashion business today. According to Gartner, investments in PLM strategies and technologies have yielded business results. In a recent Gartner report, the following survey results were found:

Bottom Line Improvements Experienced Through PLM to Date:

- Reduced product development time—37% of respondents
- Improved time to market—27% of respondents
- Reduced total lead time—27% of respondents
- Other – 13% of respondents
- We have not either seen or measured any improvements - 22% of respondents
- Don't know – 16% of respondents
- Improved overall margin—24% of respondents
- Reduced inventory—8% of respondents<sup>1</sup>

Infor believes these survey results show that many firms in the industry are now planning to enhance their PLM software with more targeted features, such as workflow and calendar visibility.

## The hazards of spreadsheets

A dangerous illusion exists in many fashion companies—the notion that spreadsheets can adequately and economically perform product lifecycle management. It's true that companies can store all the relevant information in a widely distributed assortment of spreadsheets, with no cash outlay. However, the hidden costs of that approach vastly outweigh its short-term benefits.

When product specifications are transferred to and from a spreadsheet, momentum often gets lost, plus consistency and accuracy often get compromised. Beyond the delays and errors inherent in ad hoc planning, spreadsheets simply lack the functionality and data structure needed to excel in a fast-moving, consumer-driven industry. Product lifecycle management solutions, which are designed to simultaneously support designers, product engineers, brand managers, sourcing staffs, and merchandisers, serve as a foundation for planning, creating, developing, and sourcing rapidly evolving fashion collections. They can help designers develop styles more quickly and efficiently, and with more consistent quality, while doing it all on time. They also accelerate the process of converting creative concepts to commercial products rapidly and accurately.

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**Build an environment that supports the best thinking and efforts** of both “left brained” and “right brained” contributors.

## The role of PLM

Decades of escalating competitive pressures have squeezed as much cost and time from the manufacturing process as possible. Companies are now seeking new advantages in the product development phase. According to Gartner:

“As part of the strategy that apparel companies have pursued to use IT to scale efficiencies, enable innovation and make consumer-centricity possible, PLM can play a crucial role in creating fresh and innovative products and delivering them to market in a timely and profitable manner.

It's not just a technology problem; remaking the commercialization process requires close coordination of product development, supply chain, and sales, merchandising and store operations teams. Closer alignment of new product introduction processes with S&OP operates as the governing mechanisms of this emerging best practice.

PLM strategies and technologies are now beginning to play a crucial role as:

1. An input to the commercialization process to give a pipeline view earlier to downstream operations.
2. An essential tool to enable rapid, accurate responses to adjustments that commercialization teams make in response to demand signal shifts sensed by increasingly powerful analytics.”<sup>2</sup>

When it comes to issues of time to market, time to consumer, and speed of replenishment, the vast majority of the time savings will come from improvements in communication. Modern, functionally rich PLM ensures that a single version of the truth is available to all participants from start to finish of the product lifecycle, and that all the inputs, outputs, and processes of this product lifecycle can be used as a template or recipe for future products or product variations.

During the development process, every participant has the opportunity to pass information on to everybody else as it becomes available rather than at specific points in time when one participant hands off to another. This update ability improves readiness up and down the supply chain. It also provides a holistic approach which can create significant time savings over dealing with issues discretely.

## How PLM streamlines the design process

The PLM discipline for fashion should support two opposite but essential qualities:

An intuitive, creative aspect that some call “right brained” and a methodical, analytical quality some call “left brained.” Whether brain functions genuinely break down that way is open to argument, but there's no doubt that the job responsibilities in a fashion company tend to align on those terms.

The creative, intuitive people who create designs prefer to work in sketches and think in visual terms. Attempting to confine their ideas to spreadsheets usually backfires.



The methodical, analytic people who drive the manufacturing and logistics of the company strongly prefer structured data, organized in rows and columns and summarized with statistics and arithmetic.

Today's PLM platforms provide an intuitive common ground for both kinds of thinking, to help preserve and disseminate the ideas produced by the design process while keeping everyone's thinking within the realistic financial and operational constraints of the business and keeping everything on time.

By building an environment that supports the best thinking and efforts of both "left brained" and "right brained" contributors to the process, PLM solutions help ensure that the most exciting ideas that are achievable get executed on time and on budget.

## How PLM supports compliance and sustainability

Advanced PLM solutions can be a critically important resource in any fashion company's approach to emerging issues such as ethical sourcing, sustainability, and corporate social responsibility.

Many fashion brands make these issues core elements in their brand identity. But the volume of details required to ensure that a company is really fulfilling all those goals can be impossible to manage without up-to-date PLM software. In some cases, companies have to manage these issues prospectively and retrospectively at the same time. For example, one well-known clothing brand sourced materials from a vendor, which in turn bought materials from subcontractor in a developing country. The subcontractor was later accused of inhumane practices by an animal rights group. While the company had done its forward-looking due-diligence with respect to the prime vendor, it had to respond to the PR bombshell over the subcontractor by re-examining its sourcing then assuring customers that it had identified and resolved the problem.

Even if a company neither operates nor sources in a jurisdiction covered by these laws, many large retailers do. As a result, concern about compliance flows downhill. But even without outside pressure, many fashion companies would much prefer to play a leading role in addressing these concerns rather than reacting to them.

Without the comprehensive visibility available from an advanced PLM solution, it's nearly impossible for fashion firms to anticipate and respond to pressing outside issues, including:

- **Ethical sourcing**—In addition to the brand integrity issues around ethical sourcing, many EU nations and US states now have laws and regulations prohibiting the sale of merchandise produced without observing certain standards about animal rights, labor rules, workplace safety, and other issues. Public demand drives constant changes in these laws, which means that fashion companies may need to revisit the issues over and over. If a company stores all the relevant data on spreadsheets in multiple silos, every regulatory change creates a new business crisis. An advanced PLM system streamlines the task of keeping ethical sourcing information ready for review.
- **Supply chain accountability**—The California Transparency in Supply Chains Act (SB 657), requires retailers with revenue over \$500 million to certify that their suppliers don't deal in forced labor or human trafficking. Even companies outside California that supply to retailers operating in the state can expect to be asked for certification of compliance. Other states are considering similar measures, and a comparable bill has been introduced into the US Congress as well. Again, a dynamic regulatory environment requires an equally adaptable PLM process.

- **Conflict minerals**—The Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203) requires all publicly held companies to report the use of conflict minerals, i.e. tin, gold, tungsten, or tantalum, which may have been sold by armed groups in Africa’s war-torn Congo region. According to the American Apparel and Footwear Association, the fashion industry typically uses these materials in components such as zippers, buttons, belt buckles, rivets, eyes, and metallized yarns.<sup>3</sup> Although private companies are not covered by the law, downstream customers are likely to require appropriate reports from their suppliers, so many fashion companies will need to provide the information. The Wall Street Journal reports that companies expect it to take 480 hours, on average to complete a conflict minerals report, as compared to 2,000 hours to produce a corporate annual report.<sup>4</sup> Just as with ethical sourcing, an advanced PLM solution can streamline the process of gathering needed information to ensure compliance and assembling relevant reports.

## How PLM can help improve competitiveness

Merging the ideas of right-brained fashion creatives, left-brained technologists, and result-minded merchandising experts is the key to success for many of today’s leading brands. However, it’s not easy to make that happen in this high-speed fashion world, where so many people in far-flung regions and time zones need to think as one while satisfying shorter, faster product cycles. There’s rarely enough time to hash through hundreds of concepts that only yield two or three product adoptions. Successful companies need a product lifecycle management platform that helps everyone in the value chain think creatively, collaborate intuitively, and act decisively to help satisfy consumer impulses rapidly and profitably.

To be fully effective, a PLM platform for fashion should also offer rich integration with other solutions that drive the business, most importantly the manufacturing ERP system. When all the designs, details, and decisions get finalized in the PLM system, they need to flow seamlessly into the manufacturing process, which should in turn keep PLM users aware of any unexpected manufacturing issues that might arise. That way the entire firm operates from the same sets of assumptions and companywide awareness of any constraints that could affect promises made to customers.

In an era when more and more fashion companies are selling online directly to consumers, full featured having a PLM system that can integrate with customer relationship management (CRM) systems adds even more value. In some cases, advanced CRM solutions that offer predictive analytics can draw valuable consumer preference information based on what web visitors view and request. Armed with that information, fashion manufacturers gain an important head start on planning upcoming collections and developing new styles.

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## What fashion companies should look for in a PLM solution

An advanced PLM solution supports and integrates the entire product development process. Companies looking for an advanced PLM solution, should look for:

- **Concurrent processing.** Speed up the overall product design and production process by using an advanced PLM solution to manage and track the progress of different phases of each collection simultaneously, rather than sequentially. That allows companies to shorten the time from concept to consumer and stay more agile to keep up with the latest consumer trends.
- **Natural workflow.** Look for a high degree of configurability to ensure that every person gets to work the way that works best for them. That will help speed overall workflow throughout the business, and improve employee motivation.
- **Automation of repetitive tasks.** Seek a solution that helps focus staff attention on designing, developing and delivering new and better products, and adding value. Let the software handle common tasks, so that employees can focus on creating innovative and profitable new products. Also, look for solutions that make it easy to build and use libraries of colors, fabrics, trims, and other supplier details to speed your efforts.
- **Collaboration across teams.** Unify the efforts of creative, technical, and commercial teams using social collaboration to streamline the design, development, and sourcing process.

## The path to the future

There's virtually no way to compete at the top levels of today's fashion business without a well-developed and fully supported product lifecycle management process. In this increasingly competitive marketplace, every fashion company needs to strive for better responsiveness to consumer trends, more efficient design and production, smarter sourcing, and improved capabilities for monitoring compliance and sustainability requirements. To achieve those goals, every firm needs to bring as many different contributors as possible onto a common platform for sharing information and collaborating effectively. As product cycles get shorter and supply chains get longer, the likelihood of lasting success get greater with the help of an integrated product management system.





<sup>1</sup> Gartner Prepare for the next wave of PLM innovation in the Apparel Industry, Janet Suleski and Lucie Draper, October 28, 2013

<sup>2</sup> Gartner Prepare for the next wave of PLM innovation in the Apparel Industry, Janet Suleski and Lucie Draper, October 28, 2013<sup>3</sup>  
Aly Pinder, Voice of the Customer: Empowered Customers Bring a Wealth of Business Insight , April, 2013

<sup>3</sup> [https://www.wewear.org/assets/1/7/ConflictMineralsGuideline\\_v2\\_May2013.pdf](https://www.wewear.org/assets/1/7/ConflictMineralsGuideline_v2_May2013.pdf)

<sup>4</sup> John Kester and Maxwell Murphy, "New Details on Conflict Minerals," The Wall Street Journal, June 3, 2014

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