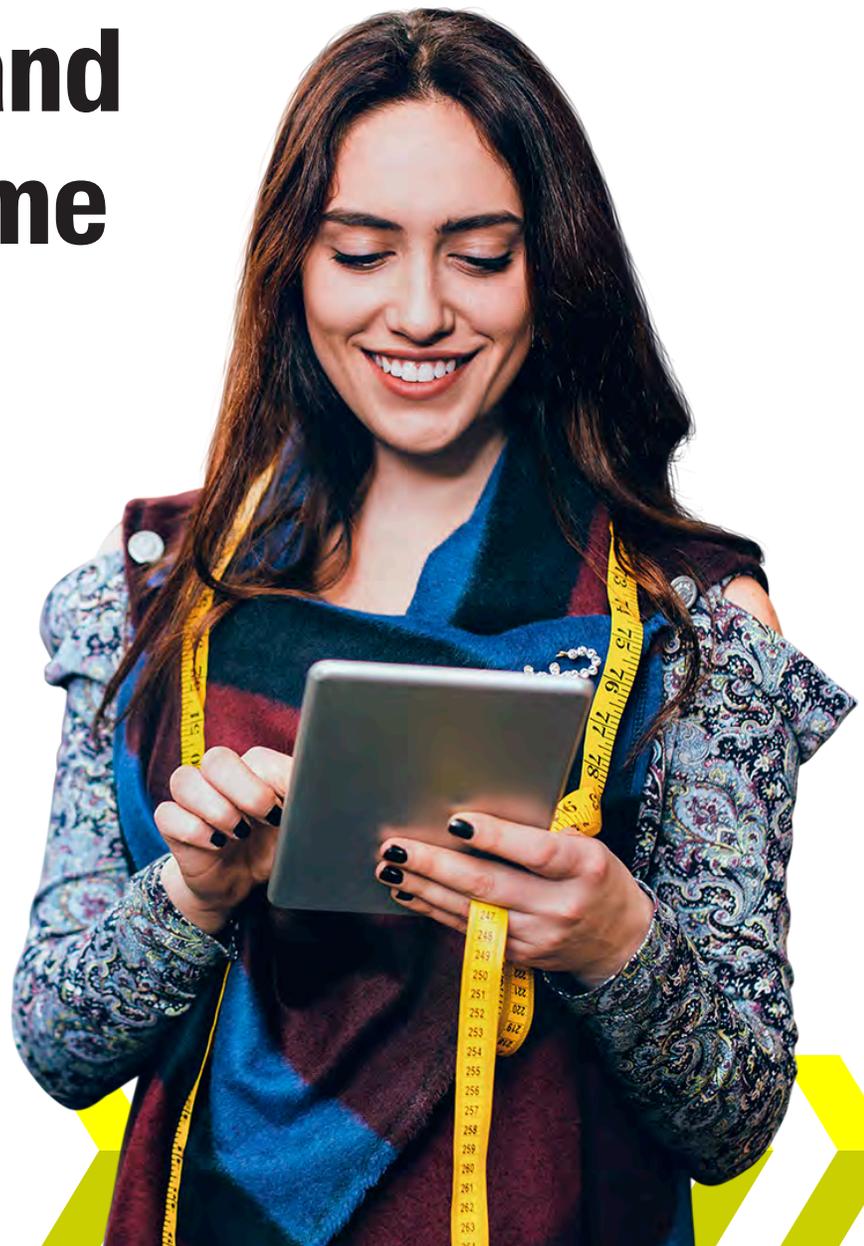
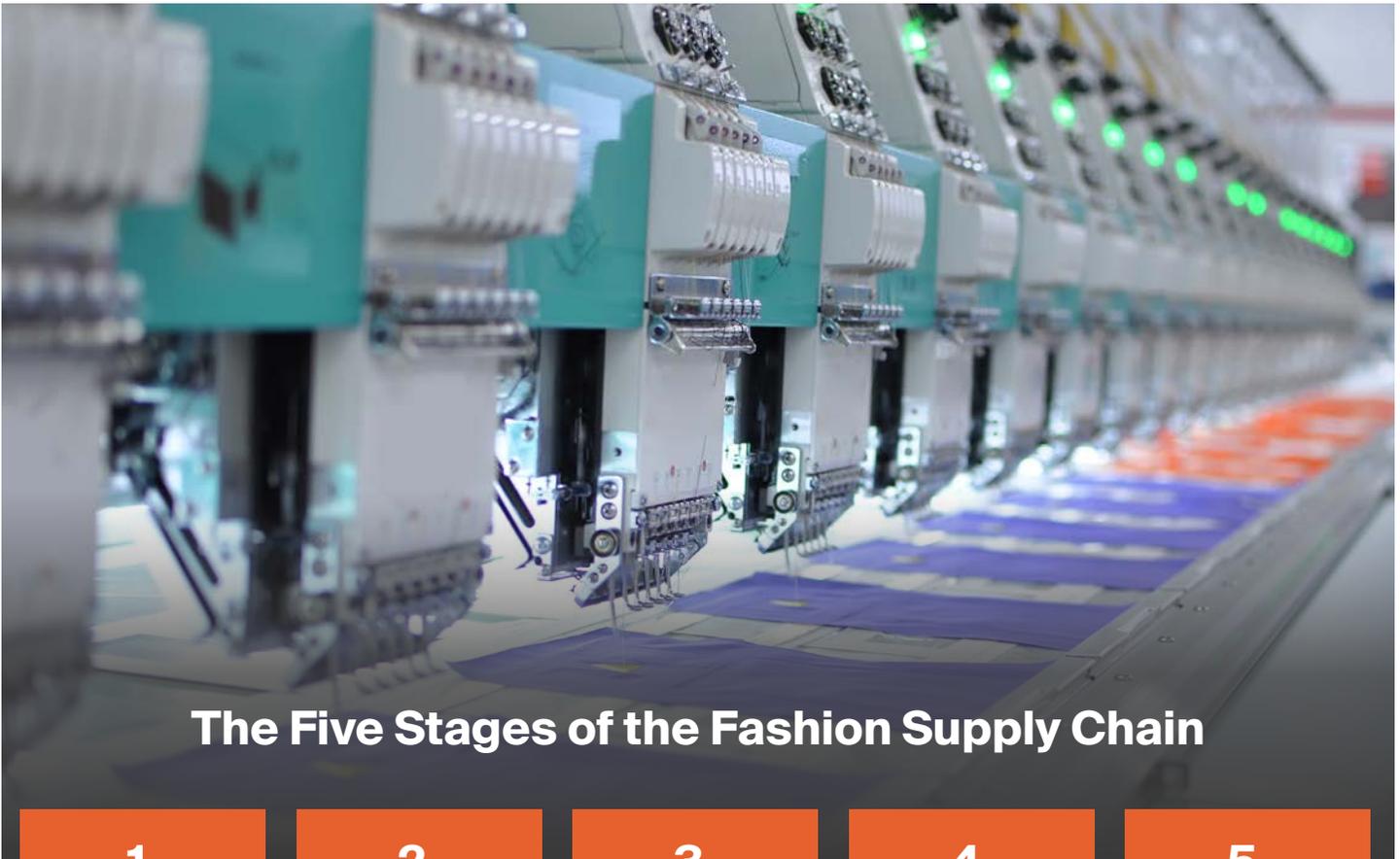


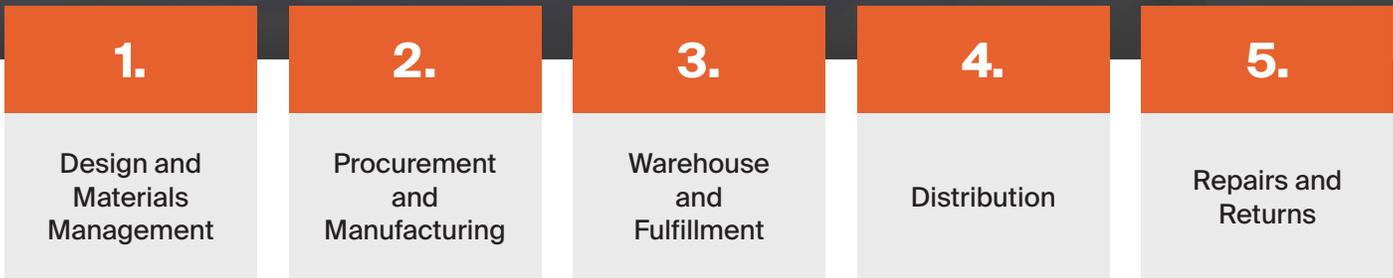
Exenta Apparel Supply Chain Software

How to Leverage Technology to Attain Real-Time Visibility, **Reduce Risk and Accelerate Time to Market**





The Five Stages of the Fashion Supply Chain



The current supply chain introduces significant complexity into the management of fashion and home goods brands. Sourcing for labor, manufacturing facilities, textiles and other raw materials stretches the supply chain of most apparel brands around the world and back again. At the same, time changing consumer demands and expectations require brands to bring a greater variety of products to an increasingly crowded market faster than ever before—and to deliver them through many more channels.

An inefficient supply chain or poor visibility into supply chain stages can make the difference between growing profitability or business failure. Unfortunately, all too many fashion brands and retailers rely on inefficient manual tracking and spreadsheets to try to keep their supply chains moving. Lacking real-time information about designs, products, orders, suppliers, work in progress, inventory and more, decision-makers lack the forward vision required to navigate around supply chain hazards and deliver on time and on budget. Only by leveraging technology to increase efficiency and visibility throughout the supply chain can apparel manufacturers and retailers remain competitive in an era of fast fashion.

The Five Stages of the Fashion Supply Chain

The supply chain for fashion brands and retailers can be broadly divided into five stages. Good execution is needed at each stage in order to design the products that consumers want and ensure their timely delivery to market. But if processes breakdown, significant business risks await at each stage of the supply chain.

Stage 1: Design and Materials Management

Clothing design reflects the latest current trends and needs to get to market as quickly as possible, before the next big shift in styles. To accomplish this, it is critical to maintain an efficient process for designing clothing, selecting materials, and managing each product's lifecycle.

Risks: An inefficient design process slows time-to-market for new products. If competitors get there first, a fashion brand risks getting stuck with excess inventory that won't sell.

Stage 2: Procurement and Manufacturing

Once the design of a new style has been completed, it's time to source vendors and procure the materials needed for manufacturing, including textiles, thread, embellishments, and closures. The goal is to find the highest quality materials produced by very reliable vendors at the best prices. After procurement, products move into manufacturing— either in-house or through third-party manufacturers.

Risks: Trouble navigating around logistical problems (natural disasters, geo-political instability) if brands/ manufacturers lack real-time visibility, sourcing flexibility and solid vendor communication processes.

Stage 3: Warehouse and Fulfillment

After manufacturing, finished products will be received at one or more warehouses that may be operated by the fashion brand company or a third-party logistics (3PL) operation. When goods come into the warehouse, they need to be accurately identified, counted and put away in the right location. It's also essential that fashion brands have real-time visibility into all of their inventory in stock. Accurate inventory visibility will help companies clear remaining stock before it goes out of style, either through additional sales efforts or by lowering prices.

Risks: Inaccurate inventory counts could prevent or delay the timely fulfillment of orders. Misplaced stock might sit in the warehouse, increasing costs while missing the market.

Stage 4: Distribution

When it is time to fulfill orders for retailers, warehouse workers need to be directed to the right locations to pick the correct items in the correct quantity. Items and orders need to be labeled and shipped according to retailer requirements.

Risks: If fashion brands and retailers aren't able to communicate with accuracy about orders, expectations will be missed. The largest retailers won't continue to order from brands that lack automation and real-time visibility. If shipments aren't correct, retailers may issue costly chargebacks.

Stage 5: Repairs and Returns

Defective products or those products that have reached their end of lifetime will be returned. Managing the returns stage of the supply chain requires working with partners and retailers to identify condition, authorize returns, schedule shipments, and issue refunds.

Risks: Inefficient processes or insufficient data could lead to lacking quality, higher chargebacks and customer dissatisfaction.

Changing Customer Expectations are Reshaping the Supply Chain

Today's consumers want the fashion-forward apparel and the latest home designs available to them when they want, in the product mix they want, and through whatever channels they want. They want faster delivery of better products at cheaper prices. On top of all of this, consumers, environmental organizations and government agencies are paying careful attention to how brands source materials, ensure good labor conditions, and reduce waste throughout the supply chain. The only way to deliver on such high expectations is to have all stakeholders and supply chain partners working together efficiently and sharing information as seamlessly as possible. Technology is key to driving the visibility, speed, and accuracy required to adapt to evolving customer demands and a changing competitive landscape.

Five Foundational Technologies Improve Fashion Supply Chains

Having an integrated technology platform brings together information about customers, orders, products, vendors, and inventory that helps brands achieve this real-time visibility. Being able to have all of these types of information available—in real-time—to company decision makers is the key to running a profitable and competitive business in the apparel and soft goods industry. A fully digital concept-to consumer Supply Chain Management platform enables fashion companies to:

- › Gain end-to-end supply chain visibility
- › Improve collaboration with vendors
- › Increase flexibility in sourcing options
- › Reduce cost and overruns
- › Compress manufacturing timelines and optimize inventory control
- › Accelerate product development
- › Improve quality and reduce returns



While many of today's headlines focus on "last-mile" innovation such as drones to complete same day deliveries, the biggest impacts to consumer satisfaction and corporate efficiency come from more foundational improvements like real-time stock visibility and advanced data analytics. Let's look at the five most fundamental pieces of integrated supply chain technology that empower fashion and home goods brands to meet consumer demands:

Product Lifecycle Management (PLM)

PLM simplifies and expedites the path from concept to customer for apparel and soft goods. It helps designers create new products more easily from existing styles and quickly develop tech packs for manufacturers to follow. Product managers can model "what-if" scenarios to see how choosing different suppliers, materials, or production facilities will impact costs and delivery schedules. Overall, PLM compresses the time needed for design and product development by about 35%, while improving vendor communication, sourcing and costing, line management and sample tracking.

Shopfloor Control

A Shopfloor Control system is designed to track the progress of production throughout a sewing operation. Supervisors, managers, and workers all gain visibility into WIP by receiving real-time information and notifications on computers and mobile devices. Shopfloor Control increases workforce productivity by up to 37%, improves product quality by up to 44%, and reduces overtime by up to 72%.

Enterprise Resource Planning (ERP)

An ERP system provides a centralized source of truth that helps connect other business systems for analysis and planning. The right ERP helps fashion companies optimize financial management and reporting and plan for materials requirements. ERP automates tracking and reporting—leading to as much as a 20% reduction in administrative labor hours.

Electronic Data Interchange (EDI)

Enables two companies to exchange information instantly about orders, payments, inventory, shipments, production orders, and more. In order to ensure rapid, accurate exchange of supply chain information, most major retailers require the brands they do business with to communicate via EDI.

Third-Party Manufacturing (3PM)

3PM automation provides real-time visibility into the exact production stage and status of the product. This means no more searching through emails or chasing for updates about WIP. Instead, products get scanned at predetermined stages of completion, creating a current order status that's automatically recorded and shared between manufacturer and customer.

Warehouse Management System (WMS)

It does no good to have new products stacked neatly in the warehouse if you don't have an accurate, timely accounting of your inventory. A WMS offers real-time visibility into inventory levels and helps automate inbound warehouse processes such as receiving and put-away as well as picking, packing and outbound shipping of orders.

Vendor Portals

Retailers can achieve real-time visibility of available inventory and WIP via online vendor portals. Being able to get real-time updates from contractors for both committed and consigned goods enables retailers to provide with the best selection and timeliest products. A vendor portal that is integrated with PLM empowers earlier design and sourcing, leaving more time built into the calendar to respond to unexpected challenges and, if needed, shift purchases to other suppliers through the vendor portal.

¹ Jim McClelland, "Collaboration is key for supply chain innovation," Raconteur, March 12, 2019

² Based on real-world customer results with Exenta PLM

³ Based on real-world customer results with Exenta Shopfloor

⁴ Based on real-world customer results with Exenta ERP



Satisfy Customers and Increase Profits

Retailers taking advantage of an integrated, end-to-end Supply Chain Management technology platform will be able to meet the increasing demands of today's fashion and soft goods consumers. Good supply chain management enables brands to bring a higher quality product to market faster than ever before, with less waste and fewer returns.

Technology drives efficiency and accuracy throughout every stage of the supply chain, yielding information that helps you retain customers by offering the right products at the right time for a superior customer experience. This is a recipe for maximizing top line growth while reducing overhead—leading to stronger profitability.

The Only End-to-End Supply Chain Platform Designed for Fashion

By combining leading innovation in PLM, Shop Floor Control, ERP, EDI, WMS, Third-Party Manufacturing, and Vendor Portals, Exenta created the only end-to-end, complete Supply Chain Management platform for the fashion and soft goods industry. Up and down the supply chain, Exenta's Supply Chain solution suite improves communication and collaboration between fashion brands and supply chain partners including suppliers, 3PMs, warehouses, and retailers. Real-time visibility across the entire supply chain helps continuously optimize operational decisions, improve agility, and balance competing demands for cost, speed, and quality.



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