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Solving Retail's
Toughest Challenges

The Business Case for PLM

Retail's Top Business Challenges

In the fast-changing world of omnichannel commerce, retail, fashion, footwear, and apparel companies are constantly challenged to achieve more with less. Today's consumers are demanding more innovative products with greater quality and value. They expect better, more consistent shopping experiences regardless of when and how they decide to shop. And they want it all at speeds faster than ever before.

This new reality has led retailers and brands to a whole new level of complexity. This manifests in compressed business processes and decision making, diminished creativity and collaboration, stiffer competition, broader product lines, constant cost pressures, complex supply chains, and more.

Top 6 Challenges Facing Retail and Apparel Companies[1]:

1 Lengthy development cycle times...

2 Poor visibility and lack of easy access to critical data

3 Excessive time spent on managing data vs. goals

4 Missing or late milestones / deliveries

OUT of STOCK

5 Poor collaboration: internal and external

6 High exposure to risks early in the development process

RETAIL VIEWPOINT

"The time it takes for a trend to disseminate into mass market products has dramatically reduced the past several years. With this pressure comes an immense need to reduce cycle time and deliver innovative products to maintain competitiveness. By leveraging the power of next-gen PLM platforms, retailers and brand owners can go from trend to store, faster than ever before."

– Mark Harrop, CEO, *whichPLM*

Experts agree that these challenges will only increase through 2018 and beyond. Unfortunately, those who are unable to operate in this new world are already losing margin, market share, and relevance.

How will you solve these challenges? (Hint: Think PLM!)

2 IDC MarketScape: Worldwide Retail Brand Product Innovation
   and PLM 2016 Vendor Assessment, January 2016
3 KPMG Retail Outlook Study, 2017

Why PLM for Retail?

With the ability to transform the planning, design, product development, sourcing, supply chain and other processes, Product Lifecycle Management (PLM) strategies and technologies have become indispensable to the success of apparel, accessories, footwear, home furnishings and other fashion and soft-goods retailers and brands.

By providing a single platform for increasing visibility, managing, and streamlining these processes and fostering collaboration across all related teams and business partners, PLM could be the single-most important investment your company can make now to ensure your competitive positioning and long-term success.

ANALYST PERSPECTIVE

"The product innovation and PLM platform provides a unified, collaborative, wide view, for not only design and development but internal and external product team members from every discipline, leading to better decision making, systems automation, profitable products, and customer experiences."

– Leslie Hand, *International Data Corporation (IDC)*[2]

Why Retailers are Looking to PLM[3]

52% Expand PLM to new product commercialization & launch

52% Cost management/ Cost cutting

44% Centralize design/development across brands, geographies, etc.

Accelerate Time to Market

As a stakeholder in one of the world's fastest-paced industries, you already know about the need for speed. Consumers crave innovative products and near-instant gratification. Fast fashion business models are placing enormous pressure on retail and their increasingly complex supply chains to compress cycle times.

PLM empowers you to accelerate time-to-market through quicker design turns and improved supply chain agility. More specifically, the right PLM solution will help you reduce cycle times by providing:

- Improved access to product information
- Automated and simplified processes from concept to delivery
- Support for collaboration across the entire enterprise
- Standardized design, development, and sourcing processes
- Reduced delays, errors, and rework

Greater speed-to-market is the top business priority of Retail CEO's[2]

Enhance Creativity and Innovation

Retailers and brand owners face increasing pressure to deliver more frequent collections while remaining on the leading edge of fashion trends. They must also ensure that their businesses are in touch with consumer expectations for more innovative products.

Keeping design and development teams creative and productive means making their interaction with technology as simple and flexible as possible. By making the right PLM choice and embracing digital design tools, you can nurture creativity and originality by reducing data entry and other tasks that take away from the creative process.

- Digitize the concept-to-spec approval process

- Replace foam core boards with digital ideation tools

- Eliminate non-value data management tasks

- Maintain a single-source of product information

- Improve design-development collaboration

- Eliminate PLM adoption barriers

RETAIL VIEWPOINT

"Young designers get inspiration from everything. They're pinning things to Pinterest, and as soon as they capture something on their iPhones, they email it to themselves at work and capture it in FlexPLM. Then they can go into more detailed design. They used to literally carry around physical boards with magazine tearouts and sketches stapled to them. Now they can connect from home or work and show their team members [digitally] what inspired them."

– Gabriel Garcia, PLM Manager, *Cabela's*

Reduce Cost and Increase Margins

We all know that today's retail industry is ultra-competitive. With an unprecedented level of product choice and access to numerous shopping channels, consumers are demanding greater value in the products they purchase. To stay competitive and profitable, retailers must focus on trimming costs and boosting margins.

PLM enables revenue growth and margin improvements through better value chain control. Some examples of how PLM can help include:

- Single version of product data eliminates errors and rework

- Better access to information drives better-informed business decisions

- Real-time visibility of plan vs. actuals throughout the product lifecycle

- Reduce inventory costs by optimizing product sourcing

- Improved collaboration and communication with vendors

RETAIL VIEWPOINT

"Successfully responding to changes in the global market and consumer behavior necessitates integrated product development and supply chain processes to efficiently secure market opportunities. By implementing PTC PLM technology, we will be able to improve our product development efficiency, reduce costs and increase our product hit rates by effectively managing the product lifecycle. The solution will also allow us to provide better product assortments for our international markets through collaborative global design and product development with our partners around the world."

– Joe Dixon, Senior Vice President, Sourcing and Technical Design for *Brooks Brothers*

Simplify Supply Chain Complexity and Gain Transparency

Omnichannel and fast fashion business models are placing enormous pressure on everyone from designers to retailers to compress cycle times, even as their supply chains have gotten more complex. The ability to optimize the supply chain has become essential to building a competitive advantage and minimizing risks associated with raw materials and finished goods.

PLM enables supply chains to become much more competitive and transparent by fostering effective collaboration and empowering teams to efficiently work together at all stages of the product lifecycle.

- Single version of product information shared by all stakeholders

- Standardized and simplified business processes

- Real-time visibility into workflow status

- Evaluate suppliers in real-time across multiple KPI's

- Foster supply chain communication and collaboration

- Support product and supply chain compliance
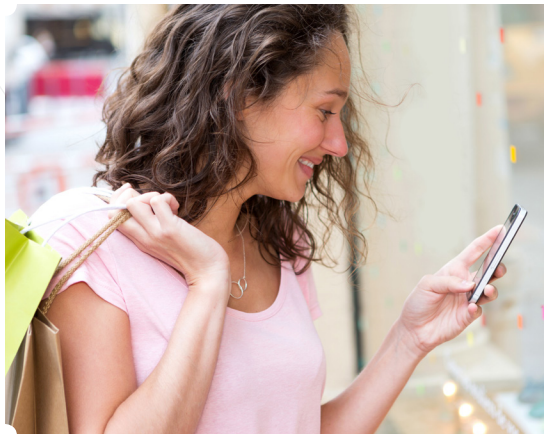
RETAIL VIEWPOINT

"Changes in the global market, consumer behaviors and mobility have had a major impact on the retail industry. At Tommy Bahama, we have recognized that successfully adapting to those trends requires an optimized supply chain. PTC FlexPLM offers the breadth and depth of PLM functionality we need to enhance product visibility throughout the design and merchandising processes — and ultimately increase the efficiency of our supply chain."

– Doug Wood, President and COO of the *Tommy Bahama Group*

Improve Access to Information and Process Visibility

With little time for errors or delays, today's retailers and brands must have easy access to up-to-date product information and in-depth visibility into all internal and supply chain processes. Whether in the office or on the go, no one can afford to waste time working with out-of-date information, figuring out what's next in a process, tracking down status, or searching for the information they need to get their jobs done.

With powerful process tracking, workflow management tools, and predictive analytics dashboards, PLM can provide instant status, history and audit trails that empower you with complete control and visibility of all your processes.

- Save time with always up-to-date product status information
- Analyze vendor performance across all relevant KPI's
- Automate and streamline global processes and communications
- Standardize processes to achieve best practices and eliminate errors
- Stay on top of exceptions with notifications and alerts
- Free up time to focus on strategic business-oriented activities

RETAIL VIEWPOINT

"Brooks Sports wanted to standardize on a footwear and apparel-specific PLM technology foundation to support our growth plans. We chose PTC FlexPLM because it will give us visibility early in the development cycles and will enable us to share design, materials and costing information between ourselves and our suppliers to achieve our growth plans."

– David Bohan, President and Chief Operating Officer, *Brooks Sports, Inc.*

Foster Team and Supply Chain Collaboration

To measurably improve creativity, speed, cost, complexity, and visibility, retailers and brands must improve the way its teams and supply chains communicate and share information. Unfortunately, many are still working within a siloed environment where a majority of workplace and supply chain failures can be traced back to a lack of collaboration or ineffective communication.

Collaboration is one of the most obvious and important benefits of PLM. PLM fosters collaboration by digitally capturing trends, iterating on those trends, and sharing information and ideas with internal and external partners. PLM is a key enabler to eliminating silos by supporting a culture of sharing.

- Digitally capture ideas and concepts and collaborate virtually
- Single version of product information built and shared by all
- Open collaboration and co-creation; reduced physical meetings
- Standardized and simplified business processes
- Better informed, more timely decision making
- Integrated teams and business partners from design to delivery

RETAIL VIEWPOINT

"We chose the PTC FlexPLM solution for its ease of use and broad set of capabilities, including its strong workflow support and the ability to get started quickly. The PTC Value Roadmap tool helped us clearly identify the link between improvements in our product development processes and our corporate objectives. PTC FlexPLM provides a world-class collaborative platform between our internal teams and our external partners, which we expect will lead to a significant increase in company productivity and profitability."

– Andreas Reidick, Head of Function Buying Services and Operations Department (BSOD), *C&A*

The Next Steps in Your PLM Journey

While the challenges discussed here are complex, many industry leaders and growing businesses have provided a blueprint for successfully overcoming them with PLM.

By implementing PLM in your organization, you and your supply chain partners can transform and better position your business for growth by:

- Accelerating time to market

- Enhancing creativity and innovation

- Reducing costs and improving margins

- Simplifying complexity and increasing transparency

- Improving access to information and gaining process visibility

- Fostering team and supply chain collaboration

RETAIL VIEWPOINT

" With the flexibility and comprehensive capability of PTC FlexPLM, we expect to significantly improve employee efficiency and speed of innovation. "

– Aini Chong, Director of product development at *Staples Europe*

RETAIL VIEWPOINT

" After carrying out an in-depth global evaluation, we found PTC's industry expertise and comprehensive solution to be the best fit for our business. We are confident that PTC will help us in managing our ever-growing complex product portfolio, improve global collaboration and reduce lead times to support our next phase of growth. "

– Tony Dahlström, Director of Purchasing, *Clas Ohlson*

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