

A background image of two women in a clothing store. One woman is holding a white garment, and the other is looking at it. They are both smiling. The image is darkened to serve as a background for the text.

How A Concept To Customer Strategy Delivers Seamless Visibility

5 High-Impact Benefits Of Truly Collaborative
Business Transformation



Retailers are under tremendous pressure to be more agile and responsive, which requires faster product development, production and distribution **from concept to customer to meet accelerated expectations.**

Thanks to widespread, all-day use of mobile devices and the proliferation of social channels, consumer tastes are evolving faster than ever, and retailers that play any role in developing the products they sell — vertically integrated, private label, exclusives, movie tie-ins and so on — must keep pace. But because of siloed systems that make it hard to collaborate, share data and work concurrently on a new product across department and partner lines, traditional product timelines take 18 or more months to move from a concept to customer purchase. That means new items can completely miss trend windows. The result can be significant lost revenue through higher markdowns of obsolete inventory and negative customer impressions, which can impact brand reputation.

Lengthy product lifecycles result from a lack of visibility and collaboration across the retail organization, vendors, material suppliers and logistics providers. Each stakeholder from design and development, sourcing and compliance, supply and demand planning, retail planning, to distribution tends to work in silos, waiting to finalize its part of the process before handing off to the next department. Technology and processes reinforce this divide with separate, siloed solutions.

The fact is, each department would greatly benefit from improved visibility into what's happening at other stages of the lifecycle. Designers, for example, can use insights about how many items a buyer would select from a collection, and a planner can distribute items to the right locations and save resources that would have been used to develop more items than needed. A material provider with greater visibility into the collection can plan resources more effectively to ensure it meets expectations of quantity, quality and cost.

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! to collaborate, share data and work concurrently across
! departments and partner lines.



New technology now allows this vision to become a reality. When a retailer unites every step of the product lifecycle from concept to customer on a single platform, every department and every partner gains visibility and the ability to collaborate. Just a few examples include:

- **Development and Sourcing:** Price quotes, lead time and capacity information are factored into the planning process.
- **Pre-Production:** Brand owners can work with material suppliers to determine material availability and location.
- **Production:** Quickly and easily track work-in-process and stay ahead of any potential disruptions.
- **Shipment:** Utilize the latest demand forecasts to allocate merchandise to locations with high demand to ensure full-price sell-through.
- **Inbound Shipments:** Gain visibility into shipment location and timing to ensure each retail channel is ready to offer the merchandise.

This cuts as much as six to 12 months out of the process, leading to cascading benefits: **shorter lead times, higher confidence, increased precision and accuracy, and greater profitability.** Unifying on a single platform means products get to market in time to capitalize on fast-moving consumer trends, so everybody wins: Consumers get great on-trend products they're excited to buy, and retailers maximize margins and attract appreciative consumers who come back for more.

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Current Retail Processes Get In The Way

Consumers' new expectations can be called "see now buy now," reflecting the growing ability to see something exciting on social media or the Web, click to purchase and, soon after, have that item in hand. According to [Accenture](#): "Satisfying the demand for 'see now buy now' requires agility, flexibility and rapid decision making. Hierarchical business structures developed in an age when fashion could be planned six months to a year ahead are too slow and cumbersome for today's fast-moving world, which demands a more responsive approach to rapid change. Trends must be identified, designs agreed, production implemented and lines ready for sale in as little time as possible — and that cannot be achieved with departmental silos, legacy technology or a lengthy approval process for every decision."

These challenges don't just impact fashion, however. It's the hot new smartphone, the furniture collection timed for Thanksgiving or tax day, the toys and snacks tied to movie releases. Many retailers face a jam-packed, unrelenting calendar of new product introductions throughout the year.

But common obstacles stand in the way of making sure those products will still resonate when they hit the market. Retailers are attempting to respond to today's accelerated demands with tools and a structure set up for yesterday's marketplace:

✓ **Pressure to produce more, faster.** Many retailers already have responded to increasing consumer appetites for new, fresh ideas by moving from two to four to as many as 12 seasons or collections a year. But with current concept to customer timelines extending to 24 months, this means even more products may miss a trend, driving additional costs and negative consumer sentiment.

In one example, **H&M** is feeling this impact. "With slower supply chain (unlike super-fast Zara), they have not responded as quickly to rapid shifts in taste and increasing fragmentation in the consumer market with many more small segments," noted author and analyst Michael Dart in a [Forbes](#) article. "As a result, they have had more markdowns, promotions and less inspiration for the consumer. It's a formula for sagging results."

✓ **Outdated organizational structure, technology and culture.** Many retailers are fully aware of the obstacles they face in responding to these new demands. According to research from [BRP](#), retailers recently identified four key needs in the merchandise planning portion of the product lifecycle:

- **33%:** Better integration of entire merchandising process from end to end
- **31%:** Better integration of actionable customer data into planning activities
- **25%:** Decreased lead time for merchandising decisions
- **22%:** Better integration of pre-season, in-season, assortment and space planning activities

Legacy Processes And Structure Slow Down The Product Lifecycle

Earmarks of the legacy processes and structure that prevent effective concept to customer strategies include:



Siloed Departments. In many retail organizations, the design, specification and sourcing/manufacturing groups operate separately from merchandise financial planning, assortment, inventory planning, allocation and replenishment functions. Each uses its own separate tools, creating manual and haphazard data sharing; collaboration efforts are wasted on discussions of data accuracy instead of harnessing market opportunities.



Disconnected Partners. In addition to intra-organizational silos, many retailers are disconnected from their external partners. Without visibility into vendor and supplier operations, retailers are stuck in a costly and slow wait-and see game. Greater collaboration with external partners builds confidence and helps retailers stay ahead of potential issues that may arise in their end-to-end network.



Serial vs. Collaborative Steps. In silo-based retail organizations, one team works to completion on a new product or collection before passing it along to the next team. Then that team gets oriented, completes its work and passes it on in turn. Even if a retailer invests in automation or analytics for an individual step, it's optimizing only within that function. This approach introduces considerable delays in the product lifecycle. [Aberdeen Group](#) research found inefficient collaboration was the overriding theme for fashion and retail companies at 57%, with siloed departments second at 36%.



Lack of Process-Wide Visibility. Siloed processes and systems mean visibility or insight from other departments is limited or nonexistent, so decisions are made in silos. A downstream planner, for example, has no idea what products are being developed and sourced until they arrive in her queue.



Haphazard Collaboration. Teams within the concept to customer lifecycle often attempt to compensate for the absence of a common platform by sharing data through a batch job sent overnight, or via sneakernet, Excel file, even sticky notes and email. This disconnected approach means data is not available quickly and consistently to everyone who needs it. With several products or collections being worked on by any one group at any one time, even shared data can be overlooked. This limits the quality of decision-making.



Delays That Cause Disruption. Another outcome of limited-scope decisions is that issues get missed, such as a late-stage material substitution that throws a product out of compliance. This disrupts production and causes delays that could have been prevented with expert input from elsewhere in the product lifecycle.

All of these issues degrade not only the speed of the concept to customer process, but the quality as well. Without a platform to collaborate, decisions are made in a vacuum, ultimately impacting the timeliness and performance of any product. Unfortunately, this siloed approach is sometimes baked into the culture. According to [BRP](#), "A prevailing challenge for retailers is the shift of the internal culture and organizational mindsets to consider the enterprise collectively, instead of as disparate divisions."



5 High-Impact Benefits Of Collaborative Concept To Customer Business Transformation

Collapsing lengthy product development cycles via a common, collaborative concept to customer business platform is essential to keep up with the increased velocity of consumer trends. Taking time out of the calendar enables shorter lead times, and because of that, greater confidence that the product will perform as expected in the marketplace, avoiding the need for markdowns. With that greater confidence comes more precision and less waste, driving increased accuracy and, in turn, greater profitability for the business.

While some software products enable supply chain activities such as supply, demand, sourcing and retail planning, and others focus on product lifecycle management functions such as design, quality and compliance, a true collaboration concept to customer platform extends across all domains, to cover a retailer's entire line-of-business functions from product design to channel delivery.

Current market conditions require companies to fundamentally change their approach to innovation and product development, according to [Accenture](#): "Developing a platform approach is an innovation to the business, and it generates innovation. How? Because platforms bring together an extensive innovation network."

When all of the data that is part of each new product development and planning function is brought together in one place, along with the collaboration and artificial intelligence (AI)-based advanced analytics tools designed to put it to best use, it drives a series of highly impactful benefits.



Shorter Product Lifecycles

Logility customers that have implemented a collaborative business platform have taken six to 12 months out of the concept to customer process, according to the software provider. These significant time and financial savings result from the ability to have work overlap across all the teams involved in the product lifecycle, as well as automate some decisions and accelerate or delay others due to the additional visibility and shared data and processes that teams can now access.



CASE IN POINT:

One Logility customer had already automated 80% of its replenishment processes down to the style/size/color/store level. But those decisions were being made once the merchandise was owned by the organization. By bringing together the design, specification and sourcing processes with the retail planning processes, this retailer was able to speed up and improve decisions across the entire concept to customer cycle. For example, because the retailer was making sourcing decisions much closer to when products hit the market, it had greater confidence in the quantities needed, and slashed raw material liabilities by up to 50%. Additionally, manufacturing cycle time has been reduced by 75%.



Minimized Risk, Leading To New Opportunities:



When decisions about products are made six to 12 months closer to when those products will hit the market, retailers can leverage up-to-the-moment insights. That means they can make decisions with greater confidence that they will be in touch with the pulse of the market, lowering risk and its effects, such as purchasing excess raw material and producing too much safety stock.

According to KPMG, this speaks directly to several top retail risks cited in its [Top Retail Risks 2018 report](#):

- Inability to adapt to the evolving consumer landscape;
- Product and price becoming commoditized; and
- Failure to identify potential bottlenecks early enough.

Faster time to market also opens up new opportunities. When retailers can move from concept to customer in as little as eight months, they can jump on trends that in the past they would have had to forego because their systems were not fast and agile enough. When a product surpasses expectations, the retailer can quickly order additional runs to satisfy the increased demand.

Retailers also can make greater use of market testing, quickly following small production runs with larger investments tweaked according to the feedback they collect across channels, a model used successfully for brands including Levi's, Rebecca Minkoff and Adidas, according to [BRP](#). Decisions once made upstream can now be made later in the process, such as dyeing finished goods according to the latest color preference data.



Greater Visibility

One hallmark of a true end-to-end collaborative concept to customer business platform is its ability to enable all stakeholders to see what's happening in every other department in relation to a product or collection. They all are working off one master set of data, one version of truth that automatically ties together all of the business, trading partners and vendors. They can see not just their current projects, but projects that are at an earlier or later stage in the cycle. That enables teams to apply intelligence across the lifecycle, making decisions earlier or postponing them based on better intelligence and shorter time frames.

An allocator, for example, can see decisions being made upstream about a collection, such as colors or styles intended for a specific audience, and use that insight to direct workflows and inform activities.

CASE IN POINT:

Hostess Brands leveraged Logility Voyager Solutions™ to shift to centralized, collaborative planning and management of its new and seasonal products. As a result, the snack brand experienced 80% growth in its product offerings and accelerated inventory turns for 40 to 50 fresh and 15 to 20 frozen products.





Better, Faster Decision-Making



A shared platform means everyone can access data and insights generated at other stages. Instead of hunting down data, toggling across multiple spreadsheets or missing out on information altogether, teams have instant, automatic access to master data from across the entire product lifecycle.

That greatly enhances the quality and timeliness of the decisions each one can make. For example, the team creating designs and specifications can leverage the insights of the planners who work closer to the customer to inform their work. A designer can quickly learn how well her designs sold in the past and what got marked down, or what current trends are in design, color and sizing.

Every team involved in the product lifecycle can work as though they are all in one room, sharing knowledge across the decision chain to make better decisions, faster.

In addition, a common, collaborative business platform enables retailers to automate routine decisions, applying advanced algorithmic planning across the entire concept to customer cycle, so teams can focus on more interesting, high-stakes and strategic challenges.



Increased Profit

By collapsing the concept to customer cycle with a common, collaborative business platform, retailers trigger a virtuous cycle: shorter lead times, which leads to greater confidence that the product or collection will resonate at full price. That drives more precision and less waste, and, as a result, greater profitability for the business.

Speeding new product development cycles not only increases the profitability of those products, but also enables the entire enterprise to be more agile and responsive to new trends and opportunities, which expands the opportunities for new product development. The retailer can deepen customers' trust by engaging to learn their interests, and quickly producing products that fit. When consumers feel invested in a new product, retailers are more likely to see sell-through at full price. According to Accenture, 84% of retailers adopting a fast fashion model report the two top business benefits as improved customer engagement and increased sales.





Transforming Retail Through Concept to Customer Product Collaboration

All functions that participate in the process of innovation and commercialization must be tightly synchronized to meet the demand for creative new products. When a retailer unites every step of the product lifecycle from concept to customer on a single platform, it transforms the organization into one that is far more agile and responsive to customer trends.

A common, collaborative platform enables retailers to drive six to 12 months out of the product development lifecycle, leading to shorter lead times, reduced risk and increased opportunities as well as better visibility, faster and better decisions, and increased profit. A concept to customer strategy enables retailers to keep pace with fast-moving customer trends, producing exciting new products with confidence that they will resonate with consumers and deliver greater profitability for the retailer.

LEARN MORE



Accelerating the digital supply chain from product concept to customer delivery, Logility helps companies seize new opportunities, sense and respond to changing market dynamics, and more profitably manage their complex global businesses. Logility Voyager Solutions™ leverage an innovative blend of artificial intelligence (AI) and advanced analytics to automate planning, accelerate cycle times, increase precision, improve operating performance, break down business silos and deliver greater visibility. Logility's SaaS-based platform transforms your sales and operations planning (S&OP) and integrated business planning (IBP) processes; demand, inventory and replenishment planning; global sourcing; quality and compliance management; product lifecycle management; supply and inventory optimization; manufacturing planning and scheduling; retail merchandise planning; and assortment and allocation functions. Logility customers include Big Lots, Fender Musical Instruments, Husqvarna Group, Parker Hannifin, Verizon Wireless and VF Corp. Logility is a wholly owned subsidiary of American Software Inc. (NASDAQ: AMSWA), named one of the 100 Most Trustworthy Companies in America by Forbes. To learn how Logility can help you make smarter decisions faster, visit www.logility.com.

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