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Fashion House Bets Big On PLM

With savings topping million a year, new software is a perfect fit

By Bob Violino, *VARBusiness,* Sep. 26, 2005

Talk about a welcome trend: Core businesses are using product life-cycle management (PLM) software to integrate data and workflow as products move through their life cycles. One such customer benefiting from PLM is fashion designer Elie Tahari, which turned to PLM software--with the help of Business Management Systems (BMS)--to simplify its product-development processes and reduce time to market for its garments. The result? Savings of more than $1 million per year.

Before deploying the PLM software, the New York-based company, which began as a small boutique in 1974 and has grown to become a fashion-industry leader, relied heavily on Microsoft Excel spreadsheets to share and track information among departments in the preproduction process. But that was a cumbersome and time-consuming process, especially considering that Elie Tahari receives materials from around the world.

For example, each time a designer added new trims--such as beads, buttons, zippers or linings--to a garment, the information had to be updated and redistributed. Some garments are embellished with many trims during the production process, increasing the complexity.

"Everything was done manually. Trim inventories and requirements, and the technical specifications on how to make a garment were all handled by spreadsheet," says Jason Epstein, CTO at Elie Tahari. "Figuring that there could be up to six samples from a factory based on various changes during the development process, and more than 200 styles per season, this was a versioning nightmare. It was time-consuming, costly and created a high risk for mistakes."

When Elie Tahari evaluated the PLM software marketplace, the company wanted an application that would track everything from garment design to the print and color of a fabric. The system needed to monitor the cost of every component and material, and also track the manufacturing and distribution of garments. This type of resource would help the company avoid being late to market with a product line, which can spell disaster in the fashion industry.

After examining a number of options, Elie Tahari opted for the Vertex PLM system, which was developed on Progress Software's OpenEdge platform, to manage garments from the initial concept to delivery of the finished product to its distribution center. Because the majority of the functionality the company needed was already included in the software, there was minimal need for customization. Epstein says the Vertex PLM software is comprehensive, handling multiple aspects of the company's business.

Fair Lawn, N.J.-based BMS helped Elie Tahari begin testing the software three years ago. The company is still rolling out new modules and deploying the software within different departments, with plans to use the application throughout the organization, Epstein says.

The software can also be integrated with enterprise resource planning (ERP) applications. That was important to Elie Tahari, which frequently moves data back and forth between the PLM software and its ERP system from Computer Generated Solutions, Epstein says.

User Acceptance

As with any major software implementation, there were challenges. One of the biggest was getting users to feel comfortable using the new application. "It's like taking everyone's entire world and business process and turning it upside down," Epstein says.

User acceptance is critically important, he adds, because each department is dependent on the other to make the process of creating a garment go smoothly. "You're relying on the department before you put information you need into the system," he says. "For example, if the fabric department is not putting fabric information into the system, that would handicap the designers."

Epstein says there was much discussion and planning about which software modules and features would be deployed first and within which department, so as to maximize the chances of employee acceptance and ease of use. "There was also a lot of training and hand-holding with each department," he says.

BMS was a big help throughout the entire implementation process, Epstein says, providing training, advice on deployment and organizational change, and configuring the software modules as needed to fit Elie Tahari's business processes better.

"It's not just a matter of putting in new software; it's more a matter of helping them to look at each person's role and responsibility and how those can be modified, streamlined or augmented to take advantage of what [the application] brings to the table," says Scott Oldham, director of business development for BMS. "If someone is used to performing 10 manual steps, now they might only have one or two system-based steps. They'll be able to work on all of those other high-priority tasks that they scrambled to make time for before. We worked with the management team at Elie Tahari to look at each department and person and make sure the entire organization was set up to be as efficient as possible."

Because the software is fully Web-enabled, it provides online collaboration and real-time visibility of the manufacturing process through a workflow tracking module.

Through the automation of its complex production process, Elie Tahari has significantly reduced the time and cost of completing a garment and getting it to market. Now, technical designers can automatically update the system anytime there is a change in a fitting or if a new trim is added to a garment.

That enables Elie Tahari to have greater control over its trim inventory and to save more than $1 million per year through the reduction of excess inventory, Epstein says. Additional savings come from the improved process of creating and revising garments. Now, at the end of each fitting, the technical designer inputs all of the changes, and specific measurements and requirements can be downloaded to the factory with fewer errors.

By integrating Vertex PLM with the company's existing Web site, Elie Tahari is also able to showcase key pieces from its product line captured in the database at the core of the application. "Since we're putting more detailed information into this software, including images of all the styles, we created an interface for a business-to-business site for our buyers," Epstein says.

The company feeds information from both its ERP system and the PLM software, creating information sheets online that have detailed data on styles, including the image. "A buyer can log in and review information about our styles and have a discussion with our sales representatives without having to come in to our facility," Epstein says.

Although PLM software has been used for decades in some industries--such as automotive and aerospace--Oldham says many companies in the sewn-products industry are just beginning to learn about the potential benefits of the software. How great the benefits will be depends in large part on how comprehensive the software application is in improving business processes, he says.

"We use the term 'complete life-cycle management' when describing the Vertex PLM product," Oldham says, "as we've found that it extends far beyond the reach of traditional PLM solutions without leaving substantial gaps in coverage of the overall business process."