Capturing Demand at The Speed of Fashion
Wholesale Collaboration for Earlier Demand Visibility

Even as the multi-billion dollar corporate owner of many established and iconic fashion brands, the battle of continued growth never ends. Given their brands' prestige and positioning, demand from their retail accounts continued to be strong. In order to earn even greater profit margins and ensure retail customers' orders are rightly filled, closer collaboration with retailers became increasingly important to guarantee new demand or changes in orders could always be captured and properly managed.

As fashion insiders, management also understood very well the pressure of beating the production cycle—the earlier the orders, the more flexible of factory terms, the lower the raw material costs. Without a timely understanding of aggregate demand, companies like them who rely heavily on forecast to manufacture goods take on tremendous inventory risks. If producing too little of the hot-selling items, many profit opportunities can be lost. If too much of the low-selling items are made, they can quickly pile up as excess inventory. For an industry as unforgiving as fashion, bad inventory is particularly difficult to liquidate.

Overview

The Company
Billion dollar fashion wholesale with dozens of name brands

The Challenge
Need to gain earlier demand visibility to better manage sales and production

The Solution
Implementing 7thonline Wholesale Solution with embedded BI reporting to capture demand, identify sales opportunities and inventory risks much earlier on in the planning and production cycle

What Makes It Work
Collaborative planning in the cloud to capture the most up-to-date demand. Embedded BI for standardized reporting across brands and divisions.

The Result
"What it's given us is the best communication between planning, sales and merchandising … it's closed the loop. And it has standardized processes across divisions, so every division speaks the same way, which is a tremendous benefit for us in corporate."

--Division President

The Challenge of Managing Demand

Similar to a majority of fashion players, this company's various brands were relying on a predominantly spreadsheet environment for merchandising and production planning. Orders were entered in manually during market and compiled later from each account manager's individual spreadsheets. It was always an extremely time-consuming and error-prone process to gain an accurate picture of total demand. As a result, sourcing and production had to rely on last year's numbers for projection, and there was limited flexibility to address changes in demand due to a delayed visibility of real market demand.

For account executives, changes in product and styles during the production and sales cycle put constraint on their ability to work proactively with retail buyers. As orders were taking shape during market, many account managers could not always be sure to have the most up-to-date product information due to information silos within the organization. This can lead to lost sales and expose account executives' business relationships to risks.

Enabling Collaboration for Earlier Demand Insight and Accurate Orders

To gain visibility and accuracy in demand management, there needs to be a centralized platform for sales, merchandising and production to communicate and collaborate during the entire planning and production cycle. 7thonline Wholesale Solution was selected and implemented as such a platform for a number of brands.

As account executives begin to have early conversations with buyers, preliminary demand numbers are captured and updated in the system for sourcing and production to gain an early picture of demand instead of only relying on last year's numbers. As this rough demand being updated and eventually finalized after market, 7thonline Wholesale platform captures all of the changes as well as any drops or addition in available styles. This gives all key business functions—merchandising, sales and production unprecedented visibility into real market demand.

Collaborate with Style

As a cloud-based solution, 7thonline Wholesale allows account executives to access their worksheets wherever they go. In showrooms, for example, instead of manually taking down orders, account executives can now work with buyers directly on the worksheets to create and modify orders. With the visual capability, assortments can be switched into a visual display of product images with style information and quantities. Account executives no longer need to spend extra time and resources to produce catalogs for these client sell-in meetings. They can now work with buyers directly in the analytical or visual view of the assortment worksheets. All entries and changes are immediately updated in the entire system for everyone else to see. Now both buyers and account executives can leave the room with a clear picture of what has been discussed and what remains to be finalized.

With the built-in Business Intelligence (BI) reporting engine, any users with designated rights—whether they are on sales, merchandising or production teams—can easily run reports at any time to gain the most up-to-date picture of market demand to guide their decision-making. Making a report such as Available-to-Sell (ATS) used to take hours of manual work to copy and paste data from separate spreadsheets. Now it is done by the click of a button, leaving the sales team valuable time saved to analyze order fill rate and identify additional selling opportunities.

With many brands and many retail partners, account executives work differently with each buyer given their business relationship. Some buyers welcome style recommendations from the vendor, and others are more interested in a high level category breakdown. Now armed with an updated and accurate demand picture as they take shape in the system, account executives are more proactive in recommending particular styles or quantities with the confidence to meet their profit margin goals.

Business Benefits

- Collaborate with retail partners and capture demand for earlier visibility

- Quickly identify top-selling or low-demand items to guide merchandising and production decisions

- Streamlined order management process and accurate information to speed up production order placement

- Standardize key reporting across brands and divisions for quick corporate response and data-driven decision-making

Solution Highlights

- Report Builder—Embedded within solution; building and running key reports on the fly for sales, merchandising and production

- Retail Connect—Integration with Macy's Style List and Macy's Affinity order management for easy and accurate planning and size level order upload

- Collaborative Assortment—Account planning and order placement with buyers

- Cloud-based Solution—Accessible via the web for account executives and retail buyers

About 7thonline

7thonline is the leading provider of cross channel merchandise and assortment management solutions to the retail and wholesale industry. The company's cloud and enterprise software enables more effective planning, demand forecasting, and consumer centric optimization for global and fast growing brands. 7thonline's embedded business intelligence and analytics offer cross-channel inventory visibility for retailers, eCommerce, and vendors allowing for greater operational performance, increased sales, reduced markdowns, and improved margins. Customers include G-III Apparel Group, GRI Retail Group, Jimmy Jazz, Michael Kors, Nautica, Oakley, Phillips-Van Heusen, Under Armour, VF and others. 7thonline is headquartered in New York City with global offices.

For more information, please visit: www.7thonline.com

Arrive at Accuracy

During a dynamic production and selling cycle, styles are often dropped or added. Manually maintaining product style information in Excel used to be a highly time-consuming and error-prone process, and there lacked an effective way to ensure all parties were on the same page regarding these changes. Not having the most up-to-date styles can hinder sales and result in incorrect orders. Now in 7thonline, dropped styles are instantly crossed out for all users to see with an automatic alert email sent to all users. More importantly, 7thonline keeps the quantities from the dropped styles so that these quantities can be re-allocated to other styles. This way, account executives, buyers and production can all have the most up-to-date product and demand information, and this is particularly helpful for the account executives to avoid lost sales.

As orders roll in and being updated during market, merchandising team is now able to quickly identify high demand items and drop low-demand ones by running reports in 7thonline. With such visibility into demand early on and during the entire sales process, production can also ensure no major discrepancies exist between what has been negotiated with factories and what the customers want.

As many of these brands conduct business with major retailers such as Macy's, 7thonline is set up to allow users maintain and download Macy's Style Lists in their specified format. Orders from Macy's Affinity are integrated seamlessly into 7thonline worksheets. This makes Macy's demand become immediately available for reporting and aggregation, saving time and ensuring accuracy.

Standard Practice for All

Individual brands sometimes have different planning processes. 7thonline's implementation helped move along process standardization across brands, which streamlines overall operations and is especially powerful in standardized reporting. Now corporate management also has easy access to share individual brand's reports across all divisional companies within the organization.

Collaboration for Satisfied Customers and Gaining Key Insights

Managing multiple fashion brands with varied processes and retail demand is now becoming systematic and standardized with greater visibility and accuracy. According to a division President: "What it's given us is the best communication between planning, sales and merchandising … it's closed the loop. And it has standardized processes across divisions, so every division speaks the same way, which is a tremendous benefit for us in corporate."

By eliminating a largely manual process and a fragmented information system of disjointed spreadsheets, brands gain unprecedented early demand visibility. This has allowed merchandising to put in production orders a week earlier than before. It has also increased brand managers' confidence in producing the right amount of products with the right assortments, therefore lowering lost sales and reducing risks of bad inventory. Planners and account executives now take advantage of 7thonline's embedded BI reporting to quickly analyze sales performance and identify opportunities, making sure they are reaching revenue and margin goals. Ultimately, all of these improvements help transform a good, mature multi-brand fashion heavyweight into a great, flexible and fast-moving business with foresight into real market demand.