

FASHION INDUSTRY CASE STUDY

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A WELL-CRAFTED ROAD MAP PROVIDES AN APPROACH FOR STRENGTHENING BOTH THE BALANCE SHEET AND CUSTOMER RELATIONSHIPS.

To improve client service as well as financial performance, this leading fashion and home decor firm sought to improve critical business and supply-chain operations. Working with West Monroe Partners, it identified and prioritized areas of focus. Then, it promptly set out to turn these operations into sources of opportunity and advantage.

THE CLIENT.

Established in 1991, this company builds exceptional brands in the competitive world of fashion and home decor. Its goal is to bring design in general, and fashion in particular, to people by offering families well-designed products at unexpected prices.

IMPROVING PERFORMANCE TO RETAIN CUSTOMERS.

In a competitive retail market, this company's success is dependent on its distinctive and innovative design capabilities. By 2007, though, its business environment required that it re-examine certain business practices. The company's management wanted to ensure that its service continued to meet customers' needs. But, given that its long order lead times resulted in a long cash-to-cash cycle, it also needed to identify and make certain process changes that could improve its cash flow.

To support its growth over the long term while improving its cash flow in the short term, the company sought to:

- ◆ Improve margins
- ◆ Reduce distribution and delivery costs
- ◆ Reduce inventory
- ◆ Speed up deliveries
- ◆ Improve its fill rate and cycle time

To demonstrate its value as a strategic importer while strengthening its balance sheet, the company worked with West Monroe Partners to create a road map for reengineering key business processes, reviewing enterprise applications, and redesigning its distribution center layout.

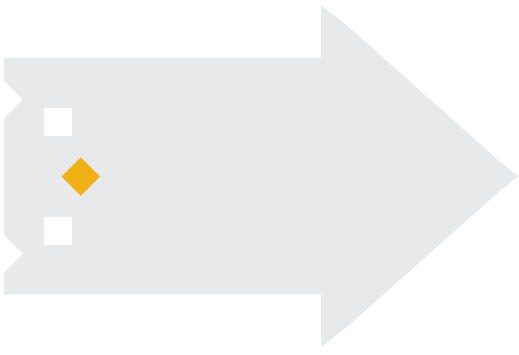
A ROAD MAP FOR ACHIEVING CRITICAL GOALS.

With the company's new business strategy as its foundation, West Monroe Partners employed several tactics to identify gaps and opportunities for improvement:

- ◆ Process mapping all critical business processes, including product life management, demand planning, distribution operations, order processing, and purchasing processes
- ◆ A supply chain diagnostic questionnaire
- ◆ Interviews with all executives and middle managers in the company's design, purchasing, distribution and logistics, customer service, IT, and sales departments
- ◆ Process benchmarking and financial analyses
- ◆ IT strategy review and benchmarking

Then, the project team developed a prioritized list of recommendations that supported the company's high growth goals, with emphasis on actions that provide the best opportunities for return on investment.

With the road map as its guide, the company sought and received approval from its Board to implement short-term process improvements in its distribution center and enterprise application. These improvements, which it is implementing with assistance from West Monroe Partners, will result in more accurate and timely delivery to its customers, as well as greater visibility into operations for the company's managers. In addition, West Monroe Partners is assisting the company with enterprise resource planning (ERP) selection and distribution center layout optimization.



ENTERPRISE & SUPPLY CHAIN SOLUTIONS

FROM THOROUGH ANALYSIS TO A PRACTICAL PLAN.

West Monroe Partners' approach focused on defining the company's "as-is" situation, identifying root causes of issues, and providing a global perspective of the issues involved. By combining strategic, tactical, and operational points of view, the project team was able to offer practical recommendations for improving key operational areas, including:

Control execution and visibility

- ◆ Visibility of demand
- ◆ Visibility of inventory
- ◆ Visibility of the flow of transactions
- ◆ Control over the operations
- ◆ Shift from a reactive mode to a proactive mode

Optimization (Tactical and Operational)

- ◆ Optimize the planning of operations
- ◆ Optimize the execution of operations
- ◆ Identify and track sources of waste, Reduce waste

Strategic Planning

- ◆ Integrate capacity planning and long-term planning with sales strategies
- ◆ Understand capacity constraints
- ◆ Break capacity constraints

Dynamic Knowledge Base

- ◆ Capture all sources of information and structure them to make better business decisions
- ◆ Enable the organization to be more agile and flexible
- ◆ Continue to track waste

ON A COURSE FOR BETTER PERFORMANCE.

Through in-depth analyses and creation of a comprehensive implementation road map, West Monroe Partners has helped set this company on a course for greater efficiency, productivity, and growth.

When fully implemented, the recommendations are expected to produce substantial benefits:

- ◆ A mix of cost savings and productivity gains that could amount to more than \$13 million over several years.
- ◆ An increase in production efficiency from 50 percent to 75 percent.
- ◆ Elimination of substantial paperwork.
- ◆ A 90-percent reduction in order-processing delays.
- ◆ Reduced manufacturing lead times through better visibility of inventory and fewer production set ups.
- ◆ Increased customer fill rates
- ◆ A reduction in expedited orders and back orders

More significantly, these changes can produce a meaningful and positive shift in the company culture- engaging its managers and staff to think and act proactively, rather than reactively.

West Monroe Partners is an international, full-service business and technology consulting firm focused on guiding organizations through projects that fundamentally transform their business. With the experience to create the most ambitious visions as well as the skills to implement the smallest details of our clients' most critical projects, West Monroe Partners is a proven provider of growth and efficiency to large enterprises, as well as more nimble middle-market organizations. Our more than 300 consulting professionals drive better business results by harnessing our collective experience across a range of industries, serving clients out of offices across the United States and Canada.