

5 WAYS TECHNOLOGY CAN HELP YOU OVERCOME SUPPLY CHAIN DISRUPTION.

By: RLM From Aptean Marketing

The good news is that consumer demand is strong as we recover from the pandemic. The bad news is that businesses face a formidable array of obstacles in meeting that demand, including runaway inflation, labor shortages, constrained supply, and a seemingly million other challenges.

Supply shortages alone increased 452% year-over-year in 2021, according to **Resilinc's Annual Supply Chain Risk Report**. Despite this massive increase, shortages ranked only 6th among the most reported disruptions.



Top 5 Disruption Events in 2021

- Factory fires
- Mergers and acquisitions
- Business sales
- Factory disruptions
- Leadership transitions



For apparel and fashion companies with far-flung and often complex supply chains, it is no surprise that the supply chain is having its moment. With wall-to-wall media coverage, the “supply chain” is trending even among consumers. Most analysts believe these disruptions will carry on well into 2022, perhaps even longer.

While you are likely grappling with some or all of these challenges, we focus here on the most effective ways fashion retailers, brands, manufacturers, and suppliers manage in this demanding environment.

Disruption Strategies

As noted earlier, some companies are fundamentally restructuring their businesses through strategic mergers, acquisitions, and business sales as they move to improve cash positions and sure up customer service and fulfillment.



Other moves like adding Direct-to-Consumer (DTC) and social media sales channels, sustainability and corporate responsibility initiatives, and product category expansion are often associated with such strategic investments. Others are developing stronger partnerships with their supply chain partners and customers. Recent research by **McKinsey & Company** reveals how closer relationships between buyers and suppliers can create significant value. This approach represents a profound shift from solely focusing on cost per unit to partnering to build the more resilient supply chains needed to overcome today's disruptions.

CONTINUES...

Regardless of their chosen strategies, virtually every fashion company is turning to digital technology to achieve the business improvements and flexibility needed to combat today's challenges.

While once considered a laggard in the use of technology, the fashion sector has fully embraced digital transformation to seize new opportunities, streamline operations, enhance process visibility, and improve customer service.

How Technology Can Help

The right technology can make it possible to gain complete inventory control and visibility of the supply chain. This reduces errors and delays and drives greater opportunities for improvement. Tailored specifically for the fashion industry,



RLM From Aptean includes fully and natively integrated Enterprise Resource Planning (ERP), Product Lifecycle Management (PLM), Electronic Data Interchange (EDI), Warehouse Management System (WMS), E-commerce, and Financial Solutions.

1. IMPROVE SUPPLY CHAIN VISIBILITY/TRANSPARENCY

Improving supply chain visibility starts with collaboration in the design and development stage. Tech packs and bills of material (BOM) are shared electronically with raw materials and product suppliers to keep everyone connected and working on the same page. Raw materials orders are generated, and inventory is tracked and managed as it is consumed from the BOM. Vendors electronically communicate any anticipated delays or disruptions early in the product development process.

The entire production process is transparently managed as production milestones and workflow are monitored electronically to immediately identify unexpected delays or disruptions. Tasks like order projections, shipping schedules, and booking requests are electronically processed.

Highly detailed Advance Shipping Notices (ASN) are issued and shared electronically, typically through integrated EDI tools, and in-transit shipment capabilities track each delivery step. Immediate identification of the actual quantities shipped enables accurate invoicing of each order. Warehouse and transport systems are equipped to collect data, improve staffing management, monitor stock, and mitigate loss prevention of both owned/operated and 3PL partner warehouses. Deep integration with a wide range of 3PL systems is also essential to maintaining end-to-end visibility.

CONTINUES...

While most companies have some of these processes digitized, few enjoy the full transparency needed to track and trace across the end-to-end supply chain. Digital processes improve communication with suppliers and customers, particularly unplanned delays, and cost increases. Importantly, having financial tools integrated with these processes also enables business partners to identify and assess the financial impact of any disruption. While delays cannot always be avoided, proactive communication of these events makes disruptions more manageable and supply chains more resilient.

2. AUTOMATE AND STREAMLINE PROCESSES

In addition to enabling total visibility, the right technology makes the entire supply chain process faster and more efficient. It primarily does this by automating and streamlining many of the antiquated processes common in the fashion supply chain.

Systems built with an intimate understanding of the fashion business can also automate many tracking, managing, reporting, and notification activities.

Simple things, like electronic distribution of tech packs and purchase orders, involved in the process management can free up time for associates to focus on higher-value activities.

CONTINUES...

Bulk order and production PO creation, comparison of order projections with availability, and actual orders at different inventory levels (including inventory on trucks and transportation that are available for delivery) are just a few of the many traditionally time-consuming processes that can be automated to save time and costs.

There is perhaps no more significant driver for streamlining processes than e-commerce. Meeting online consumer fulfillment expectations requires solid, integrated technology solutions.

Connecting ERP with e-commerce platforms like Shopify and Magento supports a streamlined, single inventory management system to manage all sales channels. Deliveries are streamlined when all order picking, packing, shipping, and returns follow the same process flow. Integration with shipping providers like UPS and FedEx round out the automation and time savings.

3. MANAGE INVENTORY AND FULFILLMENT

Companies that own warehouses need a fully functional stock locator system that provides real-time inventory tracking. In addition to directing and tracking all activity, such a system can also provide visibility across multiple physical and virtual warehouses and identify and manage space and staffing requirements that can fluctuate with supply chain disruptions. Increased peaks and valleys in demand and their related financial impacts must also be identified and managed in this environment.

CONTINUES...

managing your warehouse operations with an Integration with third-party logistics partners has grown in importance as fashion retailers and direct-to-consumer manufacturers flock to 3PLs for orders fulfillment help. Integrating ERP software module with 3PL systems can automatically transmit pick tickets to the warehouse, automate the printing of the shipping label and final quantities, and other information that flows back to ERP and financial systems.

4. MANAGE FINANCIAL IMPACTS

As noted earlier, the importance of well-integrated financials is amplified by the delays and disruptions that are common nowadays. Even with the best financial forecasting, planning, and management, invoices do not get paid when finished goods are delayed. With container costs running at several times the normal, the financial impact cannot be ignored and must be communicated with affected partners.

Companies that can identify delays and disruption and proactively communicate the financial impact to customers provide a service level that supports fact-based recalculation of terms and delivery times with their customers.

5. IMPROVE CUSTOMER SERVICE

Technological advances and highly efficient processes have created consumers with little patience for lengthy deliveries or delays. E-commerce, among other shifts, requires fashion companies to be more efficient, accountable, and transparent in their processes. Today's winners are equipped to do this accurately and proactively.

CONTINUES...

The pandemic has accelerated the inevitable shift to digital consumption and business processes, and no industry knows this better than apparel and fashion. While many companies discussed the need to go digital five years ago, most are now on the path to digital transformation that will position them to operate more quickly, efficiently, and transparently. In the end, visibility and access to accurate, up-to-date information are keys to success today.

Want to learn more about how **RLM From Aptean** is helping companies successfully navigate this transition? We welcome the opportunity to discuss the possibilities. Start your journey by phoning **(201) 531-5959**, emailing **sales@ronlynn.com**, or visiting **<https://ronlynn.com/requestdemo.php>** and request a demo of our fully integrated solutions designed specifically for the Fashion Industry.

