

SALUTING 50 FORWARD-THINKING FIRMS

Technology & Business Insight – From Concept to Consumer


Apparel™

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2008 TOP INNOVATORS





Apparel's 2008 TOP INNOVATORS

What makes an apparel company truly an innovator?

Many of the answers lie in the pages that follow, which honor our first-ever **Apparel** Innovators.

While the strategies of our recipients are diverse, the common thread binding them together is that it does take a village. In today's overwhelmingly challenging industry, leadership, teamwork, technology and reliable strategic business partners all must invariably converge together.

To all of our honorees, **Apparel** Magazine tips its hat to you for your resourcefulness, your creativity and most importantly, your innovation.

Finnish company Marimekko, known for its bright-colored printed fabrics and simple styles, has been recognized for making important contributions to fashion throughout its history.

Dick's Sporting Goods

HEADQUARTERS: Pittsburgh, PA | www.dicksportinggoods.com

NOMINATED BY: TradeCard | www.tradecard.com

As the largest sporting goods retailer in the United States, Dick's Sporting Goods operates 315 stores in 34 eastern U.S. states, with \$3.8 billion in annual sales. With a current growth strategy focusing on its supply chain, a strategic sourcing solution was needed. The company wanted to leverage low-cost regions, increase its margins without increasing overhead or costs, and reduce the cost of doing business.

"Our main goals for our overseas sourcing operations are to guarantee cost-effectiveness, speed to market and quality assurance. We also want to grow strong partnerships with 'best-in-class' suppliers," says Dick Wallace, the company's manager of imports finance and process improvement.

Dick's partnered with TradeCard in 2006 to achieve these sourcing goals, rapidly rolling out a global sourcing initiative with a three-month implementation. "But implementation never really stops — you are constantly looking at your processes and trying to wring out that last little

wrinkle," says Wallace.

Today, processes from purchase orders through payment and chargebacks are all automated. A vendor can typically be set up on TradeCard within a month. "We have 85 percent of our import volume on TradeCard transacting successfully, and we expect that to go up to 95 percent this year," says Wallace. "We are transacting with 180 different vendors in 31 countries and we have quite an eclectic array of products. We are sourcing everything from fishing [equipment] to socks to weights — you name it, we have probably sourced it."

After a purchase order is sent to TradeCard, vendors receive an invoice and bill of lading. Once the documents are presented from both the vendor and the freight forwarder, they are matched to the invoice, with about a 60 percent to 65 percent "automatch" rate. "For those that go to automatch, we don't touch that transaction from the inception of the purchase order until we pay that vendor," says Wallace. An EDI file is directly inte-

grated into the company's ERP system.

With the TradeCard solution, Dick's was able to achieve an extensive supplier base in Asia, automate processes between its trading partners for speed and agility, and move toward a demand-driven supply chain. The technology brought connectivity and visibility into transactions that, on average, involve 10 parties.

Gross profit increased 44 percent after the implementation, due primarily to improved merchandise margins as the company gained scale from its buying leverage with vendors, mitigated mark-downs through better inventory planning, and increased the penetration of its private label, which comprises 15.9 percent of sales today, up from 14.9 percent the previous year.

The next step for Dick's: Launching a new PLM system later this year. "This will be a big factor in establishing real-time communication with vendors. It will close the loop between our Pittsburgh office, our Asia office and our supply partners," says Wallace. ◀

Under Armour Inc.

HEADQUARTERS: Baltimore, MD | www.underarmour.com

NOMINATED BY: Army & Air Force Exchange Service (AAFES) | www.aafes.com
Dassault Systemes ENOVIA | www.3ds.com/products/enovia
Optimize LLC | www.optimize.com
TEXbase | www.TEXbase.com

To adopt an adage from a signature campaign of years' past, Under Armour is "protecting its house," when it comes to its technology infrastructure.

Growing at an astonishing pace of 40 percent annually over the past couple of years, the leading brand of performance apparel and footwear has demonstrated its commitment to invest significantly in enterprise systems to keep up with retailer and consumer demand — and to deploy its systems through teamwork and best practices at a breakneck pace in order to keep up with the growth.

Recently for instance, the company chose to replace a series of manual and outdated systems with an integrated product life-cycle management platform from Dassault Systemes ENOVIA in order to meet its specific product development needs. Despite the minor modifications and integration work that were required, Under Armour was live on the ENOVIA MatrixOne Apparel



Accelerator in less than 20 weeks (such deployments are orchestrated typically within a year to 18-month timetable).

The ambitious schedule helped ensure that the system would be up and running for the company's spring and fall 2009 seasons, which required planning to begin this past November.

The company is banking on the software to help it with its latest splash — the competitive athletic footwear category — a push that began with its launch of football and baseball cleats for men, and softball and lacrosse cleats for women. As part of its latest foray into the category, Under Armour ran its first-ever Super Bowl ad in February for a cross-trainer sneaker scheduled to be released this month.

Under Armour CIO Jody Giles says the combination of Dassault's expertise in the world of 3D aircraft design combined with its development of a PLM solution tailored specifically for apparel producers has made the software a natural fit for its needs, given the company's recent initiative. "If you can use the product to create 757s we believe their product can help us with the design of technical footwear," he says.

The rollout followed a phased approach according to Giles, taking process re-engineering into account — a factor recognized as a critical factor toward the long-term success of the project.

The rapid PLM implementation was facilitated by Optimize, whose services assisted in the project by providing clarity during the system selection process to facilitate a timely decision, while providing insight into the process issues that

By establishing itself as a pioneer in introducing revolutionary performance apparel and by building enormous brand strength, Under Armour sales have risen from \$50 million in 2002 to more than \$600 million in 2007.



Not a company to rest on its laurels, Under Armour has aggressively expanded into footwear in the past few years in competing aggressively with the Nikes and Reeboks of the world.

could become problematic in a typical PLM implementation.

Post-selection, Optimize served on the project team, working alongside the vendor services group and internal project manager to review all business processes, adapt manual processes to the system environment and focus on process and data handling improvements. Optimize complemented the project team with its years of experience in areas where industry knowledge of best practices was otherwise lacking.

Other systems are also supporting the exponential growth and product development. Under Armour recently launched a supplier collaboration initiative based on the TEXbase system to help it collaborate with suppliers on critical business processes in the product development lifecycle, such as lab testing management.

TEXbase allows collaboration on performance specifications and real-time visibility into supplier fabric libraries, all performed via a web browser. According to Under Armour, the solution helps it maintain brand integrity and offers a strategic advantage when it comes to fabric integrity and quality control.

"When it comes to materials, quality, integrity and consistency are key," says Bill Mickle, Under Armour's director of material innovation. "TEXbase provides us with a stable web-based platform for vendor communication and project management from concept through commercialization. ▶