

Fast React Systems - Specialist Planning & Sourcing Solutions for the Apparel, Textile & Footwear Industry

Critical Path Management in the Retail Environment

Background

The retail environment has changed quite significantly over the past 2-3 years. There has been a gradual shift away from the traditional 3-4 ranges per season to a greater rotation of stock possibly every 2-3 weeks. This is recognised as one of the critical success factors in Marks and Spencer's recent recovery. The pressures on businesses to produce higher quality goods but in less time and at less cost are increasing. Added to this, it is evident that the high street retailers have a greater desire to be more responsive to market trends and therefore will not commit to large volume orders preferring to place smaller, more frequent purchase orders.

The Challenges

The management and control of the "design to shop" workflow process is constant and complex, involving many people and whilst it can be a lengthy process is also fast moving. In this environment there are many different activities that need to be performed at the right time and usually in a pre-defined sequence to ensure that products are launched on time. This is particularly challenging for any business but with the constant flow of new ranges and products being launched, the development process requires a very high level of visibility and control. Having transparency and an early warning of any potential problems will enable staff to work to common priorities and allow them to be more proactive throughout the supply chain process. Added to this, as the plan changes it is essential that the associated critical path activities are re-scheduled quickly and easily in order to ensure that the required actions take place at the right time.

The Solution

Fast React Systems are specialist providers of planning, sourcing and critical

path management solutions specifically developed for the apparel, textile and footwear industries. These are fast moving and demanding sectors with reducing lead times and continual pressure on margins. Poor visibility leads to an increase in development time and cost of sourcing. Fast React has a portfolio of solutions that enable businesses to perform fast and effective planning in a highly visual and easy to use format. Effective control of critical path activities is a key factor in ensuring on-time delivery.

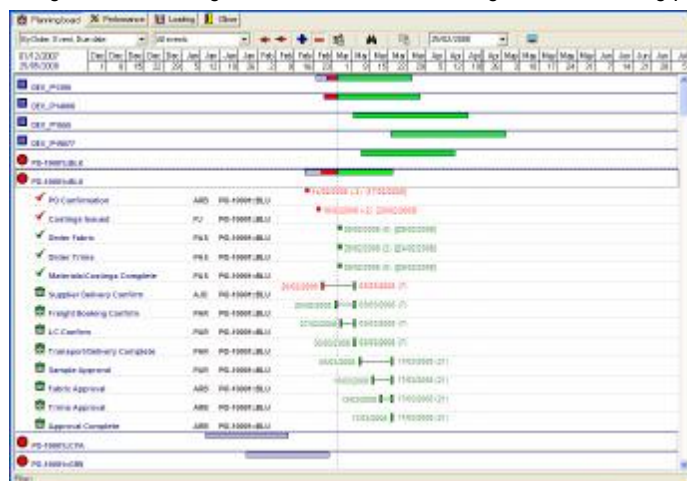
Fastreact Critical Path Tracking uses a series of pre-defined templates to co-ordinate and control activities. These templates can be adjusted and modified as required for individual orders offering the flexibility to cope with different scenarios as they arise. Each event is normally assigned to an individual or department therefore pro-active task lists or diaries can be used to keep orders on schedule with overdue events being clearly highlighted.

The critical path planning board is the basis of Fastreact and provides immediate visibility of the status of all activities. Any overdue activities cause an alert to appear on the planning board indicating that one or

more of the critical path activities are overdue. The planning board enables the user to drill down to identify these overdue events and for corrective action to be taken. When completed, activities can be updated easily from the planning board. Where activities are nominated to be the responsibility of another internal person or an external agency such as a supplier, then an email can be generated automatically using the FR Remote Services Module and sent to the supplier to inform them what is expected and when. This facility also enables regular updates to be provided whether internal or external which are then reflected, upon acceptance, onto the planning board. This mechanism provides a simple but effective method of communication.

Conclusions

Many sourcing businesses overlook the importance of the critical path or pre-production workflow in achieving on time delivery. If this stage of the "design to shop" process is not functioning correctly it will have a knock on effect on the rest of the supply chain resulting in possible delay but more importantly a significant cost of failure throughout the sourcing process.



An example of the critical path planning board showing all activities associated with a particular purchase order, with overdue or late activities highlighted in red

To find out more about how Fast React Systems can help your business, contact:

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What Our Customers Say About Fastreact

Quantum (UK)

"Fastreact provides improved visibility, flexibility and responsiveness, support the decision making process and enable us to generate achievable plans".

Carl Pate, Finance Director

Fogarty (UK)

"Direct, operational cost savings include an immediate £80K Sterling per annum saving, in addition to significant reductions in stock levels. Assisted by Fastreact the planning team are now able to challenge stock policies and forward requirements. Further reductions are anticipated in the coming months."

Stewart MacDonald, Logistics Director

Slimma (UK)

"We have been a satisfied user of Fastreact for a number of years. It has enabled us to remain competitive in our very difficult market. The new highly visual system will build on the firm foundation that we have created in our business. It will enable us to work closer with our suppliers and react quickly to our customer requirements".

Chris Heath, Director

Dewhirst (UK)

"Fastreact has enabled the closer coordination of functions within the business and this has facilitated a better materials planning process. This has directly resulted in the stockholding on materials being reduced by 40-50% (25-30 days stockholding down to an average of 15 days), at the same time as improving the raw material availability to the production floor. Fastreact was surprisingly easy to install, and we have been very impressed with robustness and functionality provided by the software. Given the Fastreact pedigree we expected a good planning system, but the flexibility and control provided by the Fastreact Critical Path system was an unexpected bonus."

Glen Walker, Finance Director

VT Garment Co. Ltd (Thailand)

"We selected Fastreact as it met all our requirements for a powerful planning tool, providing a garment industry specific solution that addressed and integrated the key planning areas of factory capacity and critical path not covered by our ERP business system. (Fastreact) has enabled us to make real improvements in On Time Delivery and reductions in air freight. I would have no hesitation to recommend Fastreact to other factories. If used correctly they should get a return on investment within 12 months."

Khun Orasri Lotharukpong, Deputy Managing Director

Australian Country Spinners

"Overall, the company has achieved greater flexibility and speed of response. Successful order completion against target in 2004 were 10% up on 2003. In the areas where the use of Fastreact is most focussed, from the Winding department through the Dyehouse and the Finishing area, lead times and work in progress levels have reduced by over 30% year on year."

Ian Brimblecombe, Manufacturing Services Manager

LT Karle (India)

"Fast React typically quotes a ROI of under one year. However, considering our monthly wage bill, a 2% improvement of our monthly efficiency (by just improving our planning) can provide a ROI under 3-4 months"

Gokal Chittaranjan, Chief Executive—Manufacturing

Integra Apparels and Textiles (India)

"We find that the planning board is the most used feature at our facility since it enables us to quickly and accurately plan and re-plan processes, besides providing a fantastic bird's eye view of all orders simultaneously."

"We expected payback in 18 months time and we are on course to better that."

Krishna Kumar, Chief Executive Officer

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