



Iconic Apparel Company: Enhancing Customer Order / Rescheduling & Enabling Product Allocations

Solution & Implementation Case Study

Manually allocating constrained supply to orders after they had been confirmed to customers was not manageable in a growth environment

An apparel company with a long history of iconic products in the marketplace was struggling with the complexity of managing customer orders for finished goods that were often constrained. Considering the traditionally long lead times in the industry, due to overseas manufacturing and transportation by sea routes, there is not a lot of flexibility to change supply in the short-term horizon to make up for shortfalls.

As the margins on many apparel items are not very high, flexible responses to changing demands are very important. At the same time, while average service level might drop in a constrained supply situation, the company needed to ensure that the shortfall was more equally shared across the key customer base. This led to many manual adjustments and additional communication, since the initial customer orders were confirmed without a supply check.

As part of a larger end-to-end strategy, the client needed to ensure that inventory levels remained financially viable. Especially for seasonal products, the risk of ending a season with excess product was very high, if not managed carefully. This excess would then have to be sold off at large discounts through low-value channels and had the potential to dilute the brand.

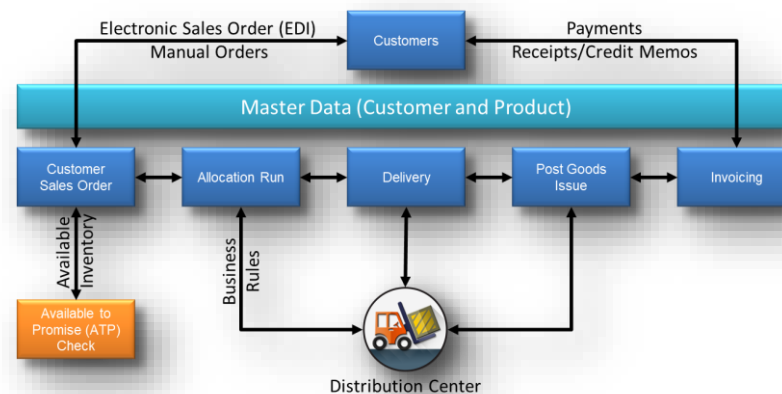
Manually allocating constrained supply to orders after they had been confirmed to customers was not manageable in a growth environment

Leverage underlying standard SAP functionality for product allocation and enable it for the SAP IS-AFS

The customer needed the ability to allocate supply during the order taking process and check against actual size-level supply and customer allocation constraints at the style-color level. The SAP AFS industry solution for ECC did not offer the complete ability for this requirement. However, the standard allocation functionality was technically available. SCMA devised an approach to expose the allocation functionality within the Available-To-Promise (ATP) during the customer order confirmation process

SCMA designed both the End-to-End flow to enable a two-step ATP check that allowed for size-level supply confirmation, as well as the ability to protect constrained supply against overconsumption by one customer. The development included integration from

external systems for allocation calculations, as well as algorithms to determine allocation quantities by customer and time period

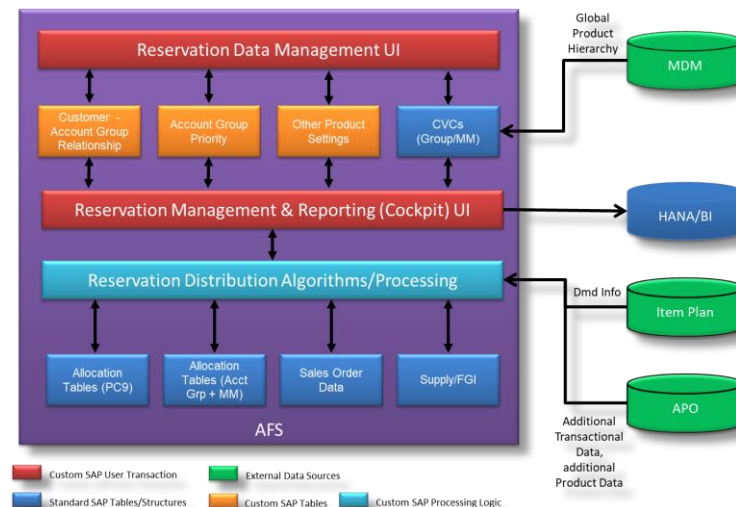


Manually allocating constrained supply to orders after they had been confirmed to customers was not manageable in a growth environment

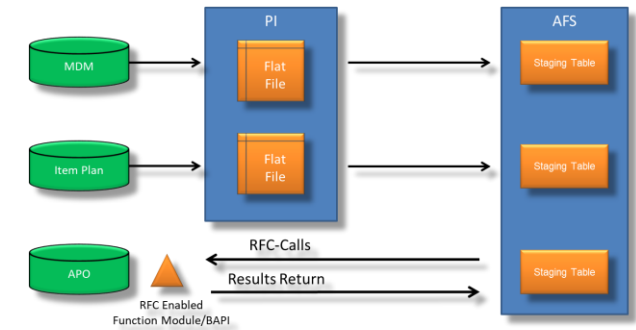
Leverage underlying standard SAP functionality for product allocation and enable it for the SAP IS-AFS

Exposing the allocation functionality within the SAP IS-AFS was one component of the solution. The other components were creating an allocation cockpit for display and decision making processes, tools and algorithms to mass-generate rule-based allocation quantity objects for the ATP check during sales order entry (EDI, and interactively), and pushing data to BI. Finally, the Backorder Processing functionality for AFS was rewritten to enable (fast) processing, which was not possible up to that point in time, due to order detail volumes.

High-Level System Architecture



Interface Details



Manually allocating constrained supply to orders after they had been confirmed to customers was not manageable in a growth environment

Leverage underlying standard SAP functionality for product allocation and enable it for the SAP IS-AFS

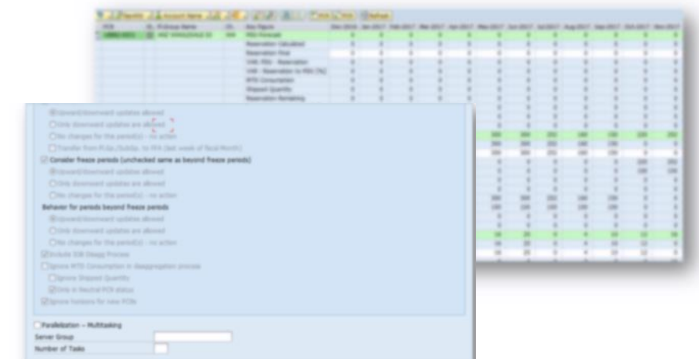
World-wide rollout into all regions, delivering service level improvements and low touch approach to customer orders

SCMA lead the team through a phased approach, leveraging the Agile methodology to deliver incremental value releases. This enabled the delivery of new functionality during each rollout across all regions to account for local differences. New functionality was retrofitted later to allow for a common code-base and giving every region the benefit of improvements in a short period of time.

Post implementation the activities centered around onboarding all products in the customer's portfolio for each region, as well as continuing to refine the business processes associated with customer order management. For the first time, backorder processing (BOP) was possible in every region, allowing for improvement of confirmation results and customer service levels.

The teams involved are now free to work on more strategic decision making and management by exception compared to the previous labor and time intense activities that would not allow for fast reactions to demands in an ever changing market place.

Despite working with multiple regional ECC instances at different release levels, the already modular code base was aligned across instances. This now enables fast implementations of new enhancements and maintenance releases, resulting in lower TCO.c





For more information, please visit us at
www.scmaccelerators.com