



Weave Services Limited presents:

When Speed-To-Market strategies allow you to stay ahead of the competition

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"A responsive supply chain is a lever that winning brands and retailers will deploy,"

*Jeff Streader, Managing Director
Go Global Retail*

Speed-To-Market strategies cover 5 major pillars

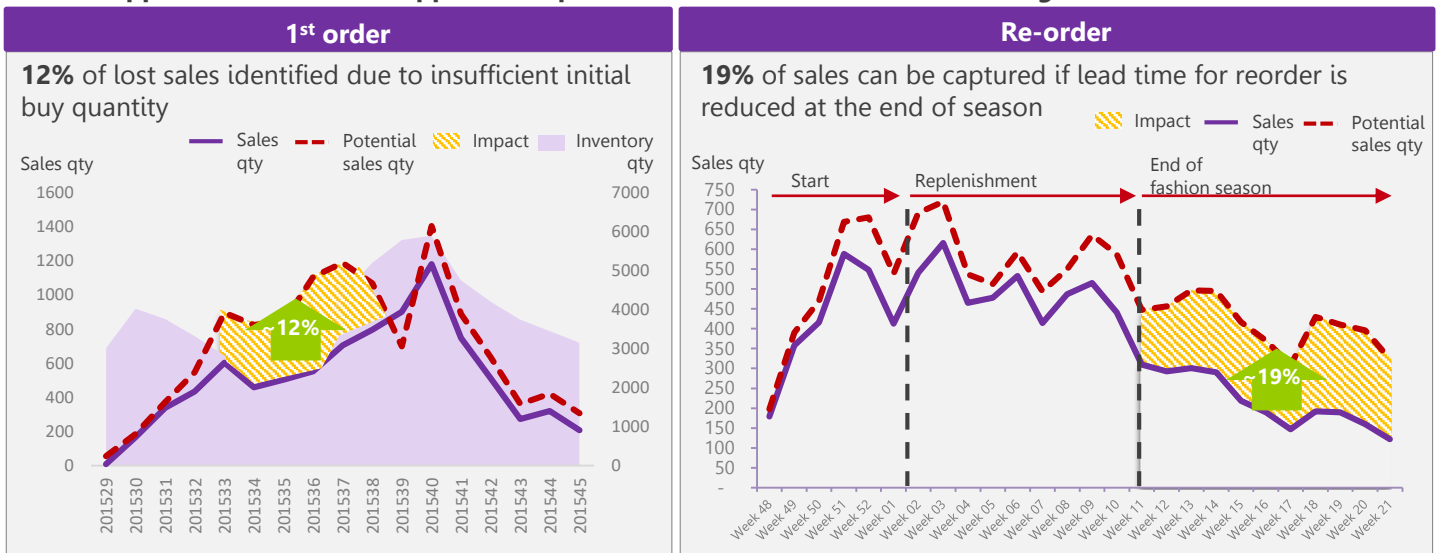
Why speed is important?

With increase in competition and demand for fashionable products, **Speed-To-Market** has become a **top management concern**. Our studies show direct **correlation** between **speed** and **lost sales**. Lost sales could come from insufficient initial buy quantity for the 1st order and inefficient replenishment lead time for repeat orders. Different levers need to be considered to address the speed challenge. **This document aims to cover practical tips for supply chain practitioners who aim to make speed a competitive advantage.**

63% of CPOs want to focus on speed to market

State of Sourcing 2017 survey – Just style

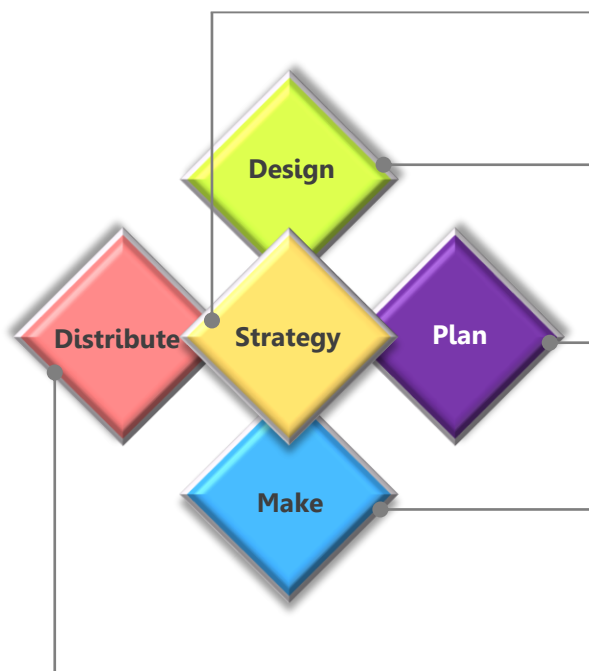
Weave apparel case studies: 2 apparel companies face different lost sales challenges



Want Speed in your supply chain? Consider the following pillars

5 major pillars should be considered when considering a Speed Model

Weave – Speed-To-Market model



Strategy: Speed-To-Market is a strategy led from the top-down. Tailoring speed levers by **product life cycle and sales velocity** helps organizations prioritize their efforts. From defining the number of collections per year to developing a “*mind-to-market*” time and action calendar, **each lever should support the distinct needs of your product segments** e.g. rolling, seasonal or/and fashion items

Design: The time from design to sample approval contributes one of the largest portions of lead time. In the apparel industry this can be as long as 100-180 days or as short as 10-20 days. Organizations should break down silos to increase **cross-functional collaboration**, reduce handoffs, and **increase product development speed**.

Plan: Planning for 1st buy and reorder requires different techniques. 1st buy relies on advanced forecast planning to prevent lost sales. Reorder planning should be supported by raw material and capacity booking to ensure that you can quickly replenish successful styles.

Make: Capacity management impacts production lead time. Alignment on capacity based on standard production minutes and efficiency ratios helps align retailers and manufacturers on securing production slots. Best in class companies **operate Sales & Operation planning meetings to effectively link supply and demand**.

Distribute: There are many techniques available for **retailers to shorten transportation lead times and cut warehousing cost** (e.g. cross-docking through direct-to-store). Decisions of Air vs Sea shipment should be carefully evaluated in relation to projected margin gains.

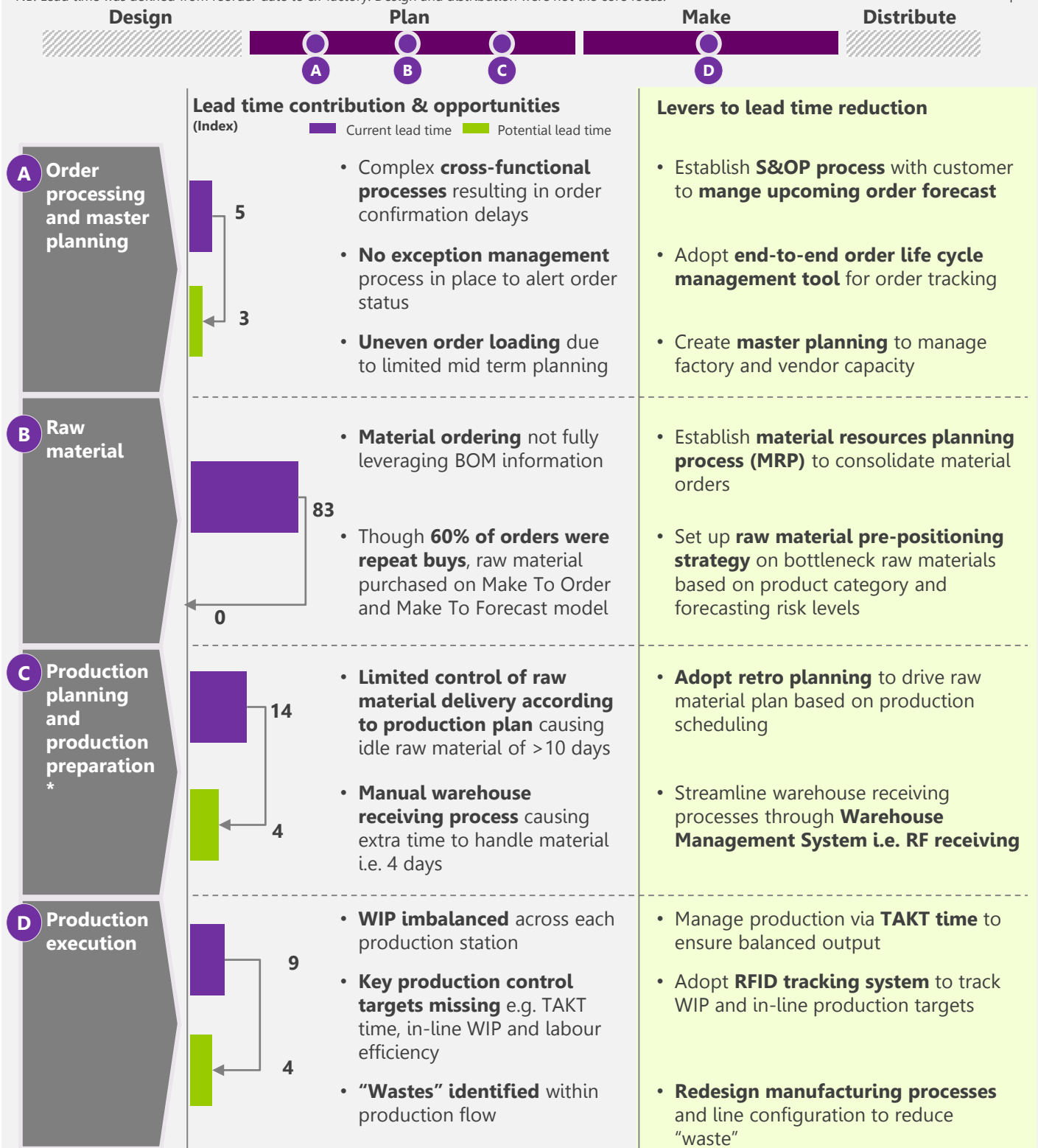
Establish opportunities and levers

Case study: Lead time opportunity identification

One of our clients in the consumer good industry faced reorder lead times >110 days. With increased competition and high demand for fashionable products, **Speed-To-Market** became a top management priority. Weave was able to identify lead time reduction opportunity by 90% for this company.

NB: Lead time was defined from reorder date to ex-factory. Design and distribution were not the core focus.

Out of scope



*Production preparation includes warehouse receiving, incoming quality checks and line scheduling activities. 14 days of raw material inventory is observed in this case.

Use Weave's evaluation tool kit

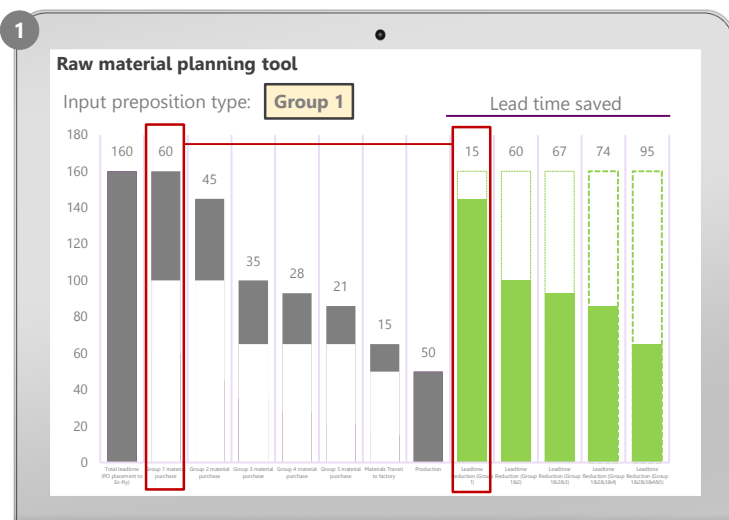
Raw materials are one of the biggest contributors to lead time, but companies often fail to manage it in a cost effective manner

//// Out of scope

	Design	Plan	Make	Distribute
	////	A B C	D	////
Current lead time		5 3 14	9	
Opportunity reduction		40% 100% 70%	55%	

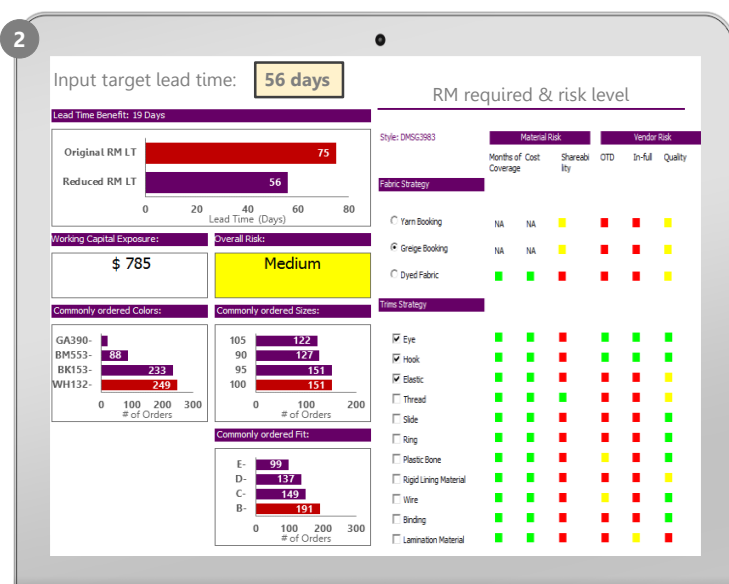
Reducing raw material lead time is often an effective way to increase speed. But doing it in a way that does not expose your company to large amount of obsolete inventory, is more difficult. Our client had a bad experience in the past which resulted in a large inventory write-off. It is not uncommon for companies to take the first step towards Raw Material planning for this very reason. Therefore, we have developed a tool that enables our clients to **find the right balance between time gained and financial implications**.

Weave – Risk based raw material planning tools



1 Calculate lead time reduction through raw material planning

- Breakdown lead time according to **Bill Of Material (BOM)**
- Group raw material based on lead time
- Calculate **lead time reduction** based on the **level of pre-positioning**



2 Decide raw material planning strategy

- Input **target lead time reduction** to identify **materials to be pre-positioned**
- Evaluate risk level and **financial impact on working capital**
 - Consider **months of coverage, cost, shared colors, shared sizes, purchasing sequence, MOQ** at SKU level
- **Execute plan with vendors** to achieve lead time reduction target

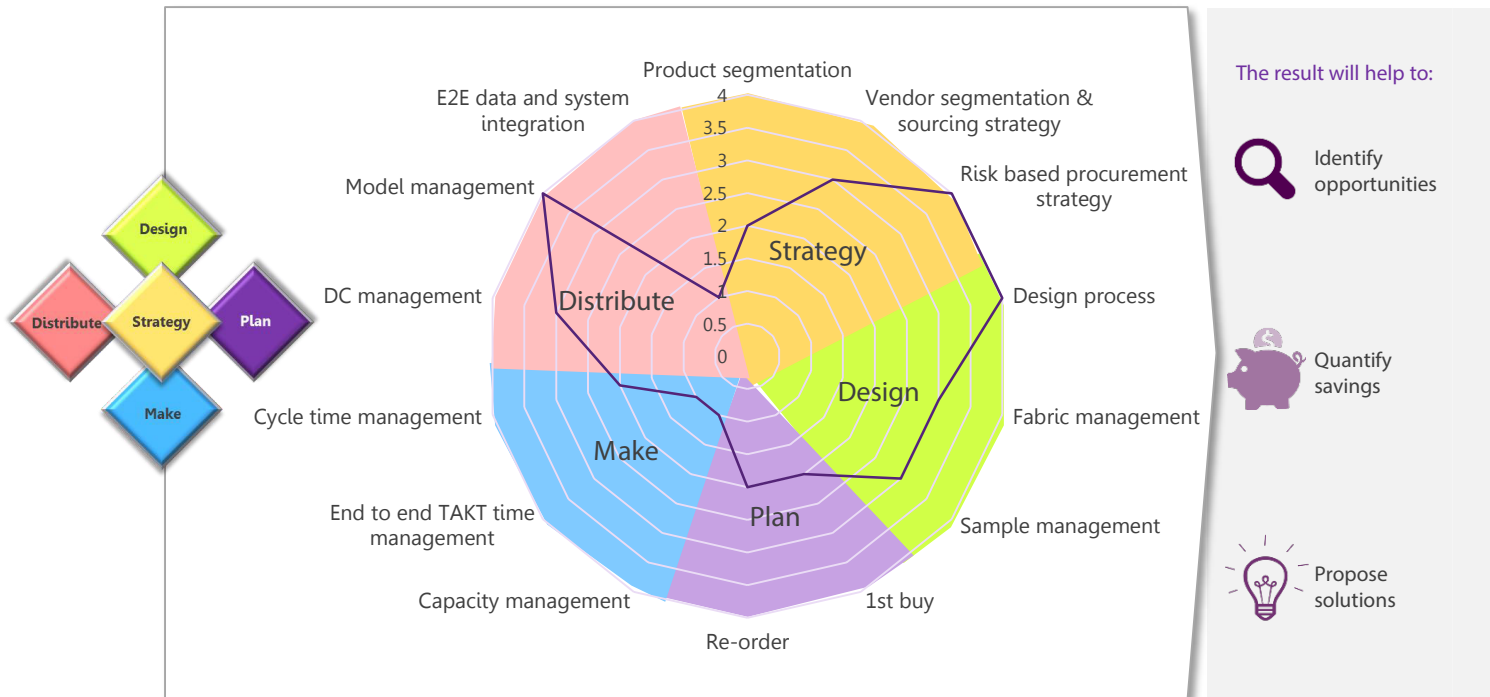
Ensure fact based financial driven decision making

Start your Speed -To -Market journey

Getting ready...

Very often, companies may not know where to start their Speed -To-Market journey . To ensure resources are focused on the right levers, we recommend using our Speed-To-Market evaluation tool kit . Each category has standard evaluation criteria, recommended solutions and financial framework to evaluate impact to your company.

Weave – Speed to Market Transformation Assessment



To find out more about Speed to Market Evaluation, or more on Supply Chain Excellence, please contact Weave Services .

Our perspective:

- Managing risk without adding buffer
- Understanding read & react in a fast fashion context
- The future of Chinese manufacturing

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