

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

Is Your Supply Chain Under Pressure? How to cope with ever reducing lead times

In a volatile world, excellent visibility, coordination and communication are 'MUST HAVE' tools for survival.

As the global apparel industry begins to settle into the post-quota era, the dynamics of the entire sector are shifting. For many this presents the toughest challenges to date and a fight for survival that only the best will win. For others, in emerging countries like China, India and Vietnam, more favourable circumstances are creating great demand and opportunities.

In this wide diversity of circumstances, one factor remains constant.

For businesses both large and small, rapidly growing or more established and rising to the challenge of the new competition, demand for BIG reductions in lead times are a common feature of the new era.

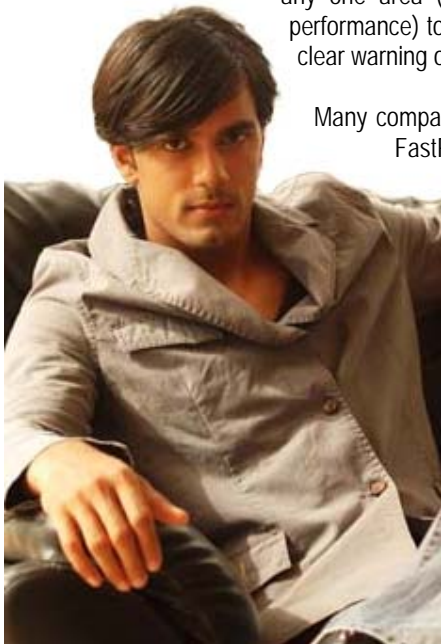
Pressure on lead times is nothing new. Recently, however, the changes demanded by customers are not 'minor adjustments' but huge, fundamental reductions; in some cases representing a 50% cut in the available lead-time to supply garments to market. Adding to this situation, many long established sourcing companies in Western Europe and USA are now dramatically shifting their product development and sampling operations offshore to the 'supplier end' in an attempt to satisfy the demands of both cost reductions and speed of response.

Against this background, most businesses have 'managed' to date with a variety of, often unconnected, systems. These may include a business (ERP) system, which manages transactional activities such as finance, inventory management, purchase orders etc. Typically these systems are used in combination with various manual systems including spreadsheets, email, telephone activities; each of which cover different elements of the supply process (planning, critical path, raw materials, supplier updates). These methods, by which businesses have 'managed to cope' to date are increasingly proving to be 'entirely inadequate' for the needs of the modern supply chain.

FastReact offers the opportunity to bring together the numerous, separate spreadsheet based functions relating to planning, critical path/T & A (time & action), raw materials (where appropriate), plus interaction with remote sites/suppliers in a single, highly visual and easy to use system. FastReact provides multi-user access to facilitate excellent communication and awareness and can be linked to existing business systems to minimise double data entry. Combining all key planning functions in one package, FastReact allows the impact of changes in any one area (such as sample approvals, fabric deliveries, capacity availability and current production performance) to be immediately reflected in other areas; providing clear notification of priority changes and a clear warning of potential problems.

Many companies, including UK based sourcing company Slimma Contract, have realised the benefits of FastReact technology for some time and have just upgraded to the latest version. Chris Heath, Managing Director of Slimma Contract, commented *"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"*.

Fogarty Filled Products Ltd, premium supplier of both own brand and customer branded bedding products and a major supplier to UK retail customers Marks & Spencer and Debenhams, has implemented the latest Advanced Planning product from Fast React Systems with remarkable results. Stewart McDonald, Logistics Director of Fogarty Filled Products commented *"Direct operational cost savings include an £80K Sterling per annum, 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"*.



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

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Typical Benefits from the implementation of FastReact

Increased Sales

Reduced Lead Time (less waiting time/better efficiency) and improved product availability (less lost sales), should lead to an increase in sales revenue.

Expected Benefit:
0 - 7% increase in sales

Reduction In Late Delivery Penalties

More Reliable on time deliveries and better visibility of supply chain problems, should lead to a reduction in late delivery penalties and charge backs.

Expected Benefit:
5 - 20% reduction in late delivery penalty charges

Purchasing

Forward visibility of requirements should result in the ability to be able to negotiate better discounts with suppliers, the utilisation of multiple sources and timed deliveries will result in an overall reduction in purchasing costs.

Expected Benefit:
0 - 3% reduction in purchase costs

Reduction In Reprocessing Costs

By planning effectively, finished goods can be delivered in their planned condition, reducing the need for reprocessing i.e. re-packaging, attachment of new tags/labels.

Expected Benefit:
5 - 50% reduction in Excess Reprocessing costs

Better Decision Making

Due to the availability of accurate order information and the ability to analyse order status and item availability information quickly.

Expected Benefit:
0.5 - 5% improvement in overall efficiency

Reduction In Stock / Inventory

Finished Goods:

Manufacturing/ Sourcing according to effective plans and Just In Time deliveries of the required finished products, should lead to a reduction in finished goods stock levels.

Expected Benefit - Finished Goods:
0 - 5% reduction in Finished Goods stock levels

Raw Materials:

Sourcing according to effective plans and Just In Time deliveries of the required material, should lead to a reduction in raw material stock levels.

Expected Benefit - Raw Materials
0 - 5% reduction in Raw Materials stock levels

Work In Progress:

Manufacturing according to effective plans and reduced wait time & Increased visibility, should lead to a reduction in Work in Progress stock levels.

Expected Benefit - Work in Progress:
0 - 5% reduction in Work In Progress stock levels

General:

The values above reflect a 1 time reduction, a benefit will also occur from the reduced funding costs of these lower stock levels.

Annual reduction in stockholding costs: 0 - 5%
0 - 5% reduction in stockholding cost

Less Stock Writedown

Higher instance of Just-in-Time deliveries and more Visibility of the Supply Chain will reduce the risk of late deliveries and hence reduce any potential stock write down charges.

Expected Benefit
5 - 15% reduction in markdown value.

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