

Phong Phu International achieve significant cost savings and improve customer service

Vietnam's denim specialist Phong Phu International uses Fast React's Evolve to manage their complex laundry and finishing processes, resulting in significant cost and time savings, and improved customer service.

The Customer

Phong Phu International (PPJ) is one of the world's leading producers of apparel with a focus on denim. With headquarters in Ho Chi Minh City, Vietnam, PPJ's vertical operations includes denim and knit fabric production, garment production of jeans, woven and knit casual wear and advanced laundry and finishing for denim apparel.

Spread across South, North and Central Vietnam, the group has 15 sewing units, 9 laundry and 14 finishing facilities employing almost 13,000 people. They produce up to 400 styles per month, and around 21 million pieces a year for a wide range of USA and EU buyers, such as AEO, Target, Express, ANF and Talbots.

The Challenge

Mr Dang Vu Hung, PPJ's Chairman, explains the goals for the Fast React project: *"Our business has increased in size and complexity every year. It became clear as a management team we were struggling to keep track of our plan and progress. Each department and each production process made their own plan but these were not connected, so we had no visibility of the total process, and when changes were made or problems faced in one area it was taking too long to see how that affected the other processes. As a result our On Time Delivery Performance (OTDP) was suffering, freight costs were increasing and we were very stretched.*

"We needed to find one group wide system that would help us plan better, give us total and up-to-date visibility and management reporting across the whole process, from order receipt to delivery. For most types of garments once sewing is complete the job is almost done, but for denim production it's just the halfway point! After sewing comes the complex distressing processes which typically involves up to 22 processes per style, including hand sanding, grinding, ozone, pigment, resin and laser treatments along with numerous washing and drying cycles. Following laundry, the garments then go into the final finishing steps including labelling, embellishment such as rhinestones and patching.

"We chose Fast React's Evolve because there was no other business that had such a clear understanding of the problems and solutions to solve them. Not just of the typical garment production headaches, but also the unique challenges PPJ faced in the denim laundry area."

The Solution

Simon Gibson, Managing Director of Fast React Asia, explains, "PPJ use all of our standard apparel manufacturing tools including sewing line planning boards, pre-production T&A module to manage sampling, materials and trims, report designer and our high level sales and management control tower view for totals visibility across all processes and locations.

"The interesting part of the project for our team was the laundry area. The challenges in managing capacity in laundries are quite unique and different to the planning of typically sewing lines. For example, there are up to 100 possible processes and a typical style can use a mix of around 10-22 of these processes. As such the bottleneck operations move around with the order mix - some days the capacity problem can be in lasering, the next week it's in PP spray. In addition, some processes work are single garments, whereas as others are processed in batches e.g. washing.

"To plan well, not only does each process have to link to each other, but they also have to link to the sewing plan which is feeding it. In normal garment production sewing it is the main capacity constraint, but in denim, for example, we may have a big demand on lasers in a certain month, so that becomes the key constraint. As a result, the sewing planning team need to be aware of the constraint, and plan a smooth flow of styles that need laser throughout the month - they can't just send them all in 1 week."



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Key facts at a glance

Company:

Phong Phu International (PPJ)

Location:

Vietnam

Challenge:

No visibility of the whole planing process. Resulting in On Time Delivery Performance (OTDP) suffering and air freight costs increasing.

ROI:

Significant cost and time savings and improved customer service. On Time Delivery Performance has increased from 90% up to 96%.



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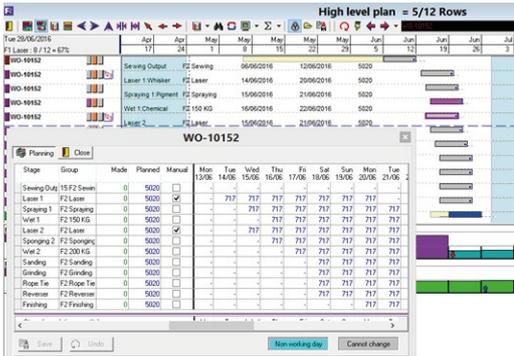
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To handle this complexity we used our advanced Embellishment Planning Module (EBM) which can handle all of these issues and more.



A planning order is created for each critical laundry and finishing process, then planned automatically based on the sewing feed on.

The planner can easily see the overloaded processes and re-allocate to a different factory or adjust the time line to resolve.

All processes are linked so planning and delivery conflicts for operations, both before and after the process have been changed, are highlighted with specific colours for each type of problem.

The Results

On Time Delivery performance

Ms Dang Thi My Bich, Planning Manager - PPJ washing, said, *“PPJ produce a wide range of product types for 15 different brands, so it's critical we can standardise and specialise by factory as much as possible to ensure quality and cost efficiency. With Evolve, we can immediately see when and which of our factories and processes are full or over loaded so we can plan to move orders to other factories, or discuss delivery priorities with our customers.*

“Evolve has helped us actively manage the plan and make decisions much sooner and as a result, we have been able to bring our On Time Delivery Performance from 90% up to 96%.”

Data Accuracy and Transparency

Mr Nguyen Quang Hao, IT and Project Manager for Fast React at PPJ said, *“Up-to-date, easily accessible and accurate data is essential for management to make the best decision. In the past, when we compared our plan and actual, there was too much variance with the actual so many managers did not trust the plan. Using Fast React's Evolve more detailed planning tools and plan vs actual reports as feedback, our IE team now work closer with production floor to calculate the SMV and expected efficiency. Using KPI reports, we have proven our plan is now much more accurate and this means we can make more confident quotations on capacity and delivery to our customers.*

“The big change that Fast React has bought is that now all key information is in one place. It's a complete planning system. It covers all the activities that PPJ is doing from sample development, T&A for approvals and more than 100 production operations from cut, sew, laundry, finishing and packing, all in one place.”

“Before Evolve, each manager used to make a plan in excel for their own area. Materials, samples, sewing and laundry were all separate from each other, so we did not know the status of the order as a whole. Now it's all connected so we will know if the sewing plan is soon enough to enable washing and finishing team to have enough time to produce and meet the delivery date. If not, we are able to adjust our plan to meet the delivery and quickly tell everyone what they need to do to ensure smooth feeding of the right orders, at the right time, in the right quantity to laundry.”



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Coordination and time saving

Ms Nguyen Thi Bich Hanh, Planning Manager for PPJ Sew and Finishing system, said *"Fast React's Evolve has enhanced our ability to work together. Now the merchandising and sales team can look in Evolve and immediately view the latest status of their orders, production progress and the delivery schedule. It sounds simple, but compared to before it has saved all of us a lot of time on communication. The Fast React team helped us design and build customised reports, so as soon as we have updated the plan we can share the new plan by automatically making and emailing reports to the different teams. We worked out that we have saved around 100 hours per week and, even more importantly, each team knows exactly what they have to do next, what are the latest problems and urgent cases to work on."*



Fast React and PPJ project team



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What our customers say...

Bodynits Vietnam

"As a factory manager, I can quickly identify which line is having problems and solve that problem ensuring production can run smoothly. We no longer have last minute rushes so we don't need to split orders in to more lines to catch the delivery. All of this has helped us an increase our average efficiency by 20% over the past 2 years!"

Ms Nguyễn Thị Thu Hồng
Factory Manager

Crystal Martin Sri Lanka

"Evolve has given us full integration of our planning and pre-production activities, as well as much improved visibility on WIP and potential delivery issues. In 2008 we saw a 3.5% improvement on factory efficiencies due to improved planning and the ability to react quickly and earlier to supply issues, thus avoiding unnecessary line idling."

Carl Morley
Supply Chain Director

Fashion Garments Vietnam

"Fast React is one of the key tools which helps FGL to manage the complexity of the business...we need to be armed with the flexibility and quick response to the ever changing customer needs...Its seamless integration with the ERP system gives valuable information not only to the planners, but also to other functions as well. Its reporting functions give the opportunity to management to make the decisions quickly and more accurately."

Ashan Jayathilaka
Planning Manager



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