

Software projects in the fashion industry

Beware of improvisation

Successful fashion companies often rely on intuition and improvisation drives new trends. This is not necessarily a recommended approach to run software projects. This article discusses what makes an IT project a success or a failure.

These days fashion companies are more than ever subject to competitive pressure. Successful firms need to manage their processes efficiently. Market pressure demands that goods are developed and delivered at an ever faster pace and at lower prices. Quick action and reaction to changes in an increasingly global market are becoming more and more important as factors of success.

Today a large proportion of value in the fashion supply chain derives from design, development, marketing and sales. Information and the handling of data are major components of these functions. The importance of efficient information flow, data processing and data exchange is therefore constantly growing.

The general trend to use software to improve business processes has reached the fashion industry some time ago. It is not unusual that large companies run several software projects simultaneously. Therefore, by now apparel companies should be experienced in

dealing with the introduction of new software and they should know how to handle obstacles. However, it happens quite frequently that major problems arise in the course of such projects. This often leads to major cost overruns, time delays and even complete failure. This article is intended to show why this might be so and what the ingredients of a successful IT project are.

Software for fashion companies

Complex company software plays a central role and is of strategic importance to a firm. This includes software for product development (PDM, PLM), for planning and purchasing and for managing the supply chain (ERP, SCM).

All these software solutions have common characteristics:

- They model important business processes and introducing them demands that existing processes are critically reviewed and possibly adapted or changed.
- Several users can simultaneous-

ly access and edit centrally stored data.

- Users might work in different departments or functional roles.

Requirements for the fashion industry

Every sector has its own peculiarities and therefore each industry requires special sector solutions. The fashion industry is no exception to this. For example, most ERP and PDM software does not meet the requirements of the apparel and footwear industry to manage products with colours, sizes, various lengths and assortments. Software must therefore usually be specifically developed for or adapted to fashion industry requirements.

Individual segments of the fashion industry often have further requirements, for example firms which run their own production sites or operate as wholesalers have different requirements than companies which develop private label collections. In addition, often different divisions of a com-

pany are organised differently. Companies increasingly diversify and extend their range of products, with for example different brands for specific target groups and simultaneous expansion into new markets. This complicates a clear classification into a distinct business model and mixed forms of organizations evolve. It therefore becomes increasingly difficult to find a single software package that can meet all these diverse requirements without further customization.

One of the great challenges of software projects in the fashion sector are fixed deadlines that cannot be postponed. A switch of software normally has to take place within a narrow time slot, for instance before the start of a new season. If a go-live deadline cannot be met because of project delays with the new software, the project has to be postponed until the next season. Even worse is a scenario when problems with a new software package are discovered after data have already been entered into the system. In this case there is usually no way back. Errors can have drastic consequences if for example the wrong articles are ordered because the new software did not correctly process customer orders.

Goals

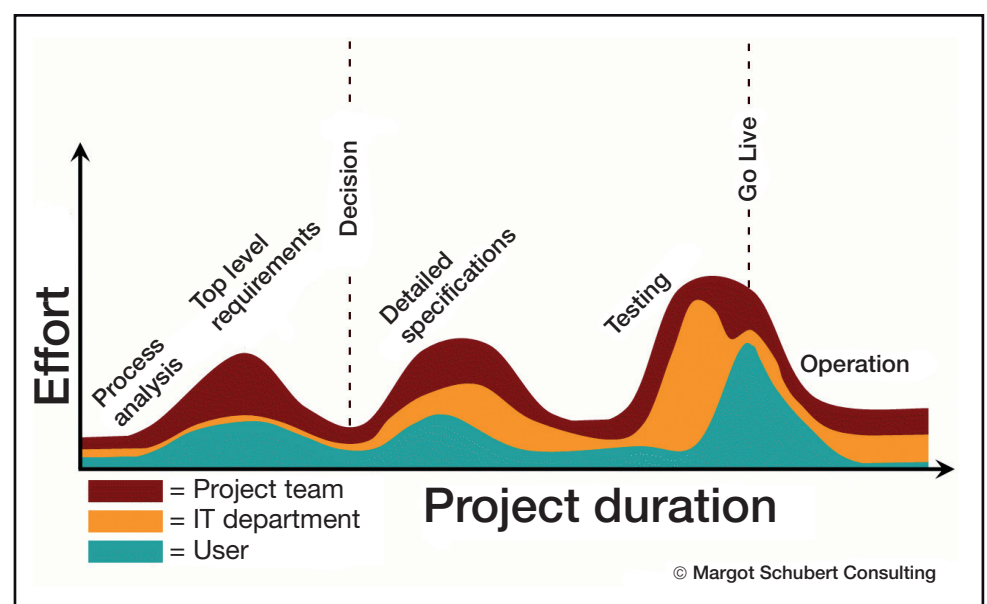
The objective of introducing new software seems to be clear: the work is expected to become more efficient. However, different stakeholders often have different views what "improved efficiency" means. For firms' owners and controllers, profitability has top priority. New software is often acquired to reduce costs. From this viewpoint, the project payback period should be as short as possible and the to-

tal cost of ownership should be as low as possible. Another cost factor are staff working hours for the project. From this point of view, as little interruption as possible to the day-to-day work is the ideal. Efficiency to IT managers means that the software integrates easily into the existing systems and software environment. It is important for them to use known technology and the software should be easy to administer. Users on the other hand equate efficiency with making their work easier. For them it is functionality that ranks first. They usually do not want to change their daily routine. Finally, the software supplier aims to maximise profits when implementing their product. Seen from this perspective, the ideal customer adapts their processes to the software and follows the advice of the software vendor on new developments. It is therefore inevitable that the expectations of those involved in a project differ greatly. Often the

project "sponsors" determine the objectives and results of a project. It is therefore easy to understand why the results often do not meet the expectations of all participants. Many software projects fail because of unclear goals. A common understanding of goals is crucial for success. A project will only be successful when all participants have agreed on and are convinced of the purpose and goals of the project. In order to determine the aims, the initial situation should be analysed in the beginning and the desired future situation should be defined before considering any specific software. Experts with expertise on both software and processes in the fashion industry may help in this process.

Team and project management

Projects succeed when a team works well together. The project



The workload of a software project varies over time. The times of heaviest demand are very different for each project participant. A project is only successful if resources are available to the project when they are needed.

leader plays a crucial role. He/she must make sure that the various interests of all participants are met. Therefore he/she should be as neutral as possible. The team should be made up of a balanced mix of people from all the stakeholder groups. Decisions should take into account all interests and consider all risks.

For example, in the course of the project it can turn out that the software cannot model a process as desired because requirements were not clearly formulated beforehand. In this case alternatives must be discussed by those affected. Their motivation can however quickly turn into rejection if they have not been sufficiently involved in the project from the beginning. "Nobody ever asked us" is often a typical reaction. This reaction can result in indifference or even open opposition and a project might fail for that reason. Another typical mistake is running the project as a pure IT project or – the other extreme – making decisions based only on the users' viewpoint.

Over-optimistic expectations and lack of contingency plans can also threaten a project. It is common knowledge that complex software projects always involve risks because not everything can be planned in detail in advance. A good project manager can help minimise those risks. For example, he/she can weigh the costs and benefits of tests and assess

Checklist for software projects	
Cost/benefit	- What are the benefits of the project? - What are the disadvantages to carry on without change?
Compatibility	- Does the software fit into the firm's strategy? - Does the software improve the ability to meet business objectives? - Is the firm's culture cooperative and are the employees prepared for change?
Resources	- Are the necessary resources (staff, time, finance, equipment, information) available for the project? - Where will (temporary) external help be required?
Motivation	- Are all participants interested in the success of the project? - Is resistance to be expected from particular people/departments?
Risks	- What risks are acceptable? - What are the alternatives? - What can be tested before and during implementation?

which risks require developing alternative scenarios and emergency plans (see diagram). Experienced external experts greatly increase the chances of a project's success. Experts who have already implemented comparable projects in comparable firms can estimate risks better, make decisions more objectively and convey the interests of the company better to the software producer than team members without such experience.

Conclusion

Software projects in the fashion industry are special in several ways. This can be explained par-

This table contains a checklist with questions that should be answered before the project start and critically reviewed in regular intervals throughout the course of the project

tially by the special requirements in the apparel industry. An additional factor is the company culture and business model of individual firms. When these special circumstances are taken into account, software projects in this creative industry can be brought to a full success. Margot Schubert

The author
Margot Schubert is an independent consultant for firms in the fashion sector. With her firm Margot Schubert Consulting, Munich (D), she consults and supports companies with the selection and introduction of business software.