



REFASHIONING MERCHANDIZING WITH TRANSFORMATION

Abstract

Infosys BPM helped an apparel sourcing company embark on a transformation journey by recommending and implementing a shared service center (SSC) approach for its merchandizing operations.

The client is a US based global sourcing company specializing in apparel, footwear, accessories, and other household goods - for mostly US fashion brands. It has over 750 associates managing merchandizing operations in 13 countries spread mainly across Asia, with Hong Kong as the hub. The company provides design, distribution, production oversight, and other manufacturing management services to its customers.



The complications of merchandizing

The client's processes across the various locations were non-standardized and manual-effort intensive. Their merchants had to spend most of their time on non-core activities.

E.g. revisions of product specification documents needed to be repeatedly

downloaded from external systems; customer order details needed manual entry; reporting required numerous manual keying in of information; and several merchandizing processes required numerous email exchanges between several sets of stakeholders with non-

standardized email templates.

The client wanted to reduce the cost of their merchandizing operations as well as drive efficiencies and best practices, and approached Infosys BPM to help improve process efficiency through standardization and automation.

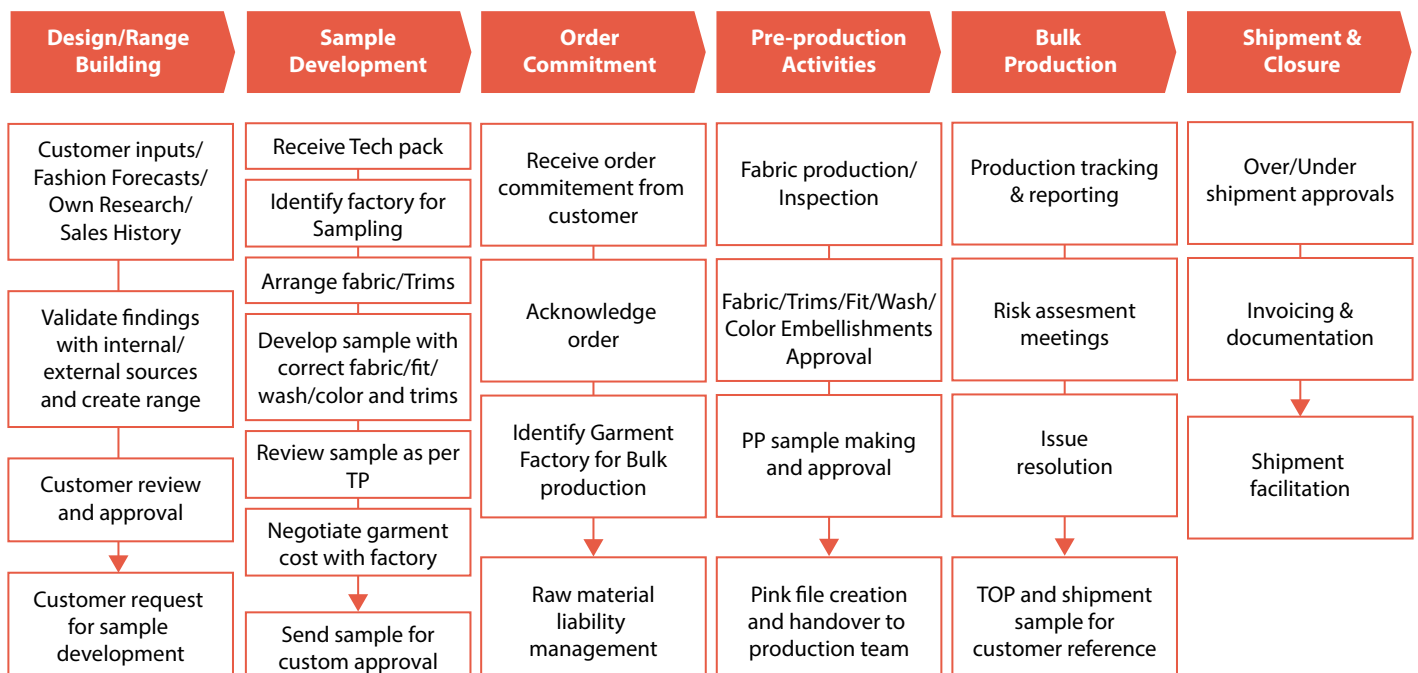
Approach and Solution

A team of Infosys BPM transformation consultants conducted a structured assessment of the operations processes, conducting walkthroughs and validation sessions across more than 100 hours with

over 50 merchants of various brands based out of different countries.

Using the industry-wide process taxonomy of the merchandizing function as a baseline, the team captured and compared

the actual process taxonomy for each brand, category, and country performing merchandizing activities. These process taxonomies had all activity levels detailed out:

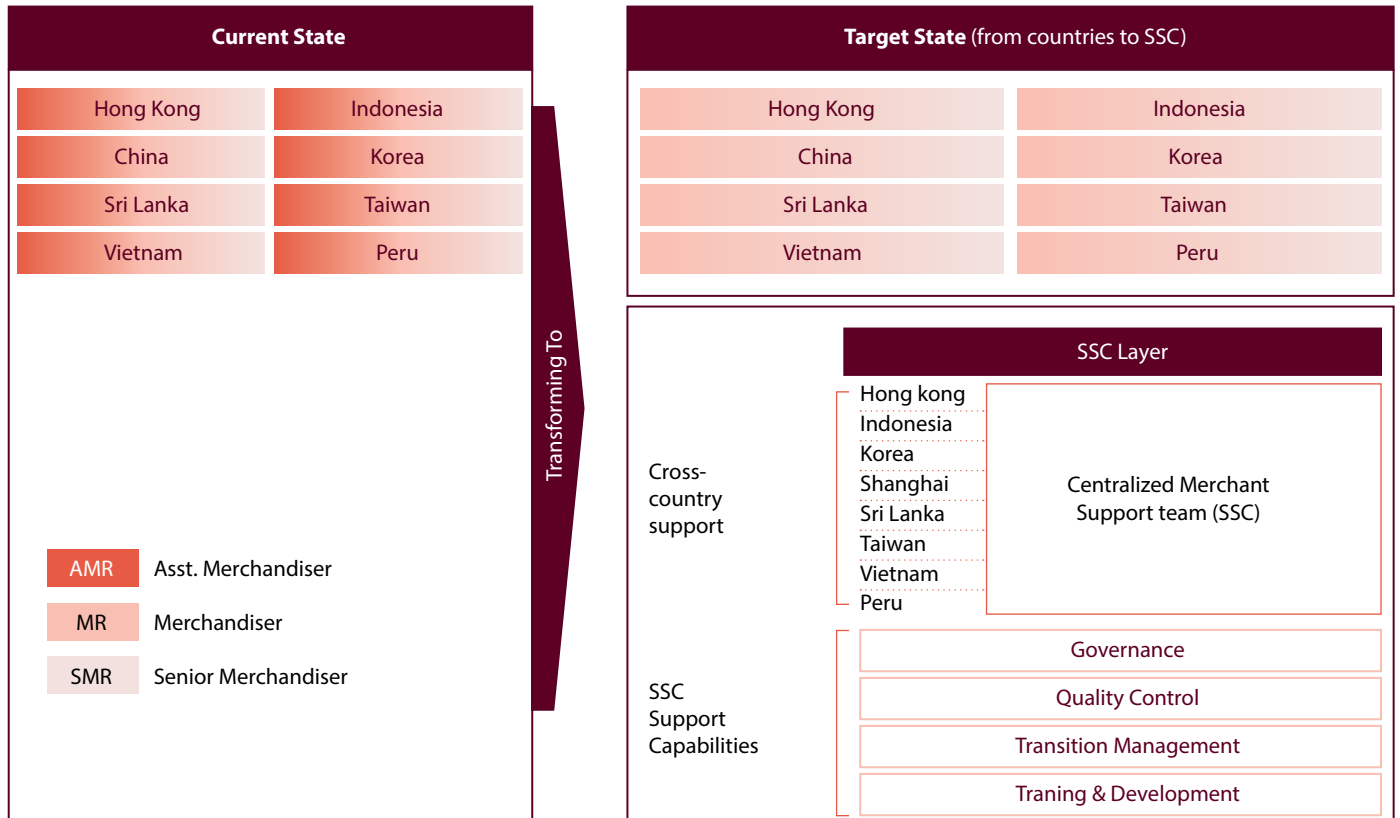


The walkthroughs yielded over 2000 data points on headcount and effort, based on which the team leveraged the Infosys risk-fit framework to identify activities that could be moved to a shared service center (SSC).

The operations process assessments also helped the consultants arrive at several process improvement recommendations and identify potential use cases for automation. Of a workload of over 224 full-time equivalents (FTEs) assessed, 40 FTEs

could be centralized to an SSC in India.

Using these outcomes, the team developed the SSC operating model for merchant operations, and presented the business case for implementing it to the client:



After the client's executive committee studied Infosys BPM's recommendations and approved the implementation, the team moved to enable setting up the SSC in India, which would have a scope of 8

brands across 8 countries - Indonesia, Hong Kong, Korea, China, Sri Lanka, Taiwan, Vietnam and Peru. The consultants also conducted 6 weeks of onsite knowledge transfer in multiple client offices within

Asia for a smooth parallel run of operations and eventual launch of the shared service center.

Business Benefits

Through improving, eliminating, and automating several processes, the new shared service center has helped identify significant cost savings for the client, amounting to approximately \$5 Mn over 5 years. Apart from re-configuring the cost structure, the SSC has also helped significantly enhance overall efficiency and productivity. A stitch in time for this client indeed saved nine!



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