



## Integrated Supply Chain Keeps TAL Steps Ahead of the Moving Fashion Horizon

A constant innovator in the apparel manufacturing industry, TAL Apparel is well known for its clever use of leading-edge manufacturing and information management technology to adapt quickly to the fast-changing fashion environment. Today TAL boasts an annual turnover of more than USD 650 million and produces more than 55 million garments a year, including one in seven of the imported dress shirts sold in the U.S.

To boost its competitive edge, retain its leadership position, and further improve productivity, TAL implemented Intenia Fashion, an integrated fashion enterprise application in 2002. Intenia Fashion has helped TAL to create an integrated, synchronized global supply chain and increase customer responsiveness, while reducing inventory levels by as much as 30 percent.

### Business Benefits

Intenia Fashion forms the backbone of an integrated business information system that has enabled TAL to streamline and collaborate across its complex processes in customer order, production, inventory management distribution and replenishment, and most importantly, synchronizing supply with demand.

### Responding to the Moving Horizon

TAL has met and overcome many changes over the years. The recent removal of quotas has caused some confusion and uncertainty in the industry. When the picture clears, customers will have more choices than before and there will be more low-cost alternatives, resulting in intensified competition in an already cut-throat, price-driven industry.

TAL's response to the constant market shifts is to reinforce its focus on quality, provide innovative products, and offer value-added services to its customers, ranging from product development and logistics set-up to inventory management in the customers' distribution centers or even retail stores.

#### Lawson and Intenia

In April 2006, Lawson Software and Intenia merged to form Lawson, a new global power in enterprise applications. Some documents published before the merger will continue to use the names "Intenia", "Intenia Application Suite" and "Movex".

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**Delman Lee, Director of Technology, TAL**



“Though lower cost alternatives may initially seem like an attractive option to some brand owners, the drawback is often an inevitable slide in quality and service level. Our customers recognize the huge benefits they reap from TAL’s value-added services and Intenia Fashion has become an integral part of our ability to deliver those services,” says Delman Lee, director of technology at TAL.

### Increased Customer Responsiveness

TAL has used Intenia Fashion to provide its customers higher service levels. It achieves this by providing its employees, external partners and customers with transaction and transparency in information across its global supply chain.

“With Intenia Fashion, we are more responsive to our customers. It has enabled us to capture product requests from our customers and improve demand management because all relevant information has been consolidated in a single database. Such visibility allows us to serve our customers better by providing real-time information,” Lee says.

### Visibility across the Supply Chain

Fashion companies’ roles are changing in today’s complex supply chain. Many are exploring ways to increase collaboration and providing services previously done by other supply chain partners. TAL has long been steps ahead of its competitors and Intenia Fashion has played an important role in achieving TAL’s goal of better visibility and efficiency across the supply chain.

“We are close to each stage of the supply chain—from the very concept and design phase where we work with customers on the different ideas, to order placement, production, fulfillment and through to delivery,” Lee says.

“With Intenia Fashion, we can provide new services to customers and internal business units that were not possible before,” Lee continues. “We now have better supply chain visibility. For example, we can see demand and supply information all in one single view, we are able to respond better to customer requests, and ensure on-time delivery. As such we are seen as a leader in our management of the supply chain in our industry,” Lee says.

Intenia Fashion has helped TAL to develop one of the most integrated and transparent supply chain and inventory management systems in the industry, reducing inventory levels by as much as 30 percent.

TAL can link activities in the design room or on the factory floor in Asia directly to real-time POS systems at retail outlets half a world away.

“Many of our customers outsource their inventory management to us, freeing them from the burden and cost of maintaining these systems in-house. We can do this because of the integrated nature of our system. We can collect sales data directly from a retailer’s POS system, which is then automatically transferred to our production and distribution operation. As such, we have clear visibility of sales and inventory movements, allowing us to anticipate replenishment needs, adapt production schedules to meet new demands, and enable speedy delivery of merchandise directly to a customer’s distribution center or to the retail stores,” Lee adds.

Lee also highlights how TAL has been able to respond quickly to another emerging customer trend: “made-to-measure” clothing.

“‘Made-to-measure’ means less inventory costs; it’s a supply chain dream of many fashion companies, but one that we have already achieved. We can now manage made-to-measure orders for shirts, blouses and pants in less than three weeks—from fitting in the shop to shipping the finished garment.”

“Such services offer a powerful value proposition to our customers—particularly in a market known for high cost, short lead time and tight margin—its goes a long way to distinguishing TAL from our competitors,” Lee says proudly.

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Director of Technology, TAL



## The Amazing Power of Integration

“The power of integration is higher than we originally expected. Once the implementation was completed, we saw the effects of integration in full force.

“We now have a single point of entry, there is no duplication of records or multiple data entry, and we have much better linkage throughout our processes, from procurement to shipment,” Lee continues.

With more immediate access to comprehensive integrated business information, TAL has cut its reporting time by 50 percent.

“We can create reports at the touch of a button and see accurate account information much earlier. The benchmark for financial period end reporting used to be seven days. We are approaching three days now and we aim to make it one day. This reduction has a big impact on our ability to monitor performance and profitability,” Lee says.

At the production level, being able to integrate planning and scheduling capabilities has increased TAL’s ability to respond quickly to changing consumer demands.

“Whether it is an inquiry about when a particular fabric will be cut and sewn, or a question about delivery schedules, it is easy for us to answer by extracting real-time information consolidated in [Intentia Fashion].

“Factory inventory has also benefited from integration. We are much better equipped to control stock information and inventory movements than we were before. We have become leaner and meaner,” Lee says.

## Why Intentia?

TAL selected Intentia Fashion because of its comprehensive functionality, extensive integration capabilities, and Intentia’s strong delivery record.

“Intentia is very focused on the fashion industry. It is one of the few packages that can tackle fashion-specific requirements such as a high volume of short life-cycle SKUs. We have to be able to stay on top of customer orders and replenishment demands at any given time. Having a system that is tailored to these fluid demands is invaluable,” Lee continues.

“Plus, the Intentia solution covers all aspects of our business from demand management to customer delivery, and can support us across our organization in multiple locations.

“Intentia Fashion is the only system that could meet our long list of requirements—in particular the ability to link all model stock and SKU information directly to the factory floor. For example, the ability to accurately forecast a particular style and color of a shirt needed for a particular customer; as well as the ability to quickly react and amend production schedules if demand changes—Intentia Fashion could provide these functionalities,” says Lee.

“After a stringent evaluation, we chose to partner with Intentia because it is one of the leaders in this arena and are committed to service reliability and quality with new and innovative technologies,” he adds.

TAL is also impressed with Intentia’s comprehensive implementation methodology and professional consultancy services, as well as the input from Intentia’s management.

“We received a great deal of support from Intentia senior management and help from knowledgeable people who specialize in the fashion industry. This was vital for us,” Lee says.

“With Intentia Fashion, we are more responsive to our customers. It has enabled us to capture product requests from our customers and improve demand management because all relevant information has been consolidated in a single database. Such visibility allows us to serve our customers better by providing real-time information.”

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## The Implementation

TAL embarked on an ambitious implementation program in January 2002 with deployment simultaneously planned across ten factories in six countries. The first two factories in Malaysia went live with all the modules within 15 months. Also during this period, TAL standardized its business processes in its ten factories so it was able to roll out the system to eight of its factories in five countries—Thailand, China, Hong Kong, Taiwan and Indonesia—during the following 12 months.

Today, 1,200 users in ten sites rely daily on the information provided by Intenia Fashion to do their jobs.

“It was a challenging task to deploy a system across multiple sites in multiple geographies simultaneously. Some parts of the rollout were by module, such as finance first, other systems later. But overall we took a ‘big bang’ approach, and adopted a careful transition strategy to take us from the old to new systems with minimal risk to the business. We were able to manage the changes very effectively across the whole organization,” Lee says.

“We used standardized workflow for all plants in all regions. This has proven to be much more effective than allowing different factories to use different processes.

“We had our bumps along the way, but essentially it’s quite impressive that such a critical, comprehensive global system has been rolled out to so many sites and users successfully in this space of time,” Lee adds.

Today TAL is using a full suite of Intenia Fashion, including all manufacturing, sales, distribution, supply chain management, procurement and finance applications.

## Future Plans

TAL is preparing itself to be an even more flexible organization and is continuously looking for new areas for improvement.

“We have remained competitive thus far because of our steadfast approach to quality and innovation. Our customers who were initially tempted away by cheaper, fewer service competitors have returned, which validates the benefits of our business model. But we need to maintain that position,” Lee says.

“We will continue to differentiate ourselves with services and innovative products. We selected Intenia as our technology partner so that we could stay ahead of the game as the business environment continues to change. Intenia Fashion is central to us making continuous improvements.”

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## About TAL Apparel

The Hong Kong-based TAL Apparel Group was founded in 1947. Today TAL is one of the world’s largest apparel manufacturers. The company has production facilities in China, Hong Kong, Indonesia, Malaysia, Mexico, Taiwan, Thailand, and Vietnam. Nearly 80 percent of its outputs are exported to the U.S., with the rest to Europe and APAC.

Today TAL does more than garment manufacturing. It is involved in apparel design and logistics, managing many tasks previously only done by brand owners and retailers.

With over 23,000 employees and turnover of over USD 650 million, TAL is still growing rapidly. Its major customers include J.C. Penney, Giordano, Brooks Brothers, L.L. Bean, Land’s End, Tommy Hilfiger, Liz Claiborne and Nautica.