

COLLECTION SOURCING MANAGER



OBJECTIVE

Collection Sourcing Manager seamlessly connects global sourcing and production offices to brand and retail headquarters. It enables enhanced collaboration, process control, and risk management within the sourcing and pre-production processes. A broader user base from within and outside of the organization can now participate in the full sourcing process to ensure compliance with corporate growth, business, and financial goals within their global sourcing strategies.

OVERVIEW

Collection Sourcing Manager provides the planning, visibility and checking needed to manage sourcing in a global and competitive environment. **Collection Sourcing Manager** allows sourcing teams to manage the vendor base for materials and finished goods. It also allows sourcing teams to work with merchandising teams in understanding forecasted volumes, and creating a plan to source these products with their vendors. They continue to work with product development teams in sampling and costing materials and products, and eventually place products optimally across the supplier base, improving gross margins and markups. As products are placed, sourcing teams have the ability to check the allocation of placed products against the planned volumes assigned to each vendor. This allows visibility to over allocated vendors, as well as vendors that still have capacity available. These discrepancies can then be corrected by sourcing teams easily. Product volumes can be further allocated by channel, delivery and colorway. Sourcing teams can continue to monitor the delivery and use of bulk materials, as well as the timely production of products.

HIGHLIGHTS

Key features and capabilities include:

Material Sample Orders

Companies need the ability to request materials, or request examples of materials created in specific colors in order to evaluate their quality, performance or the application of color (lab dips). The request for these material samples can be created with **Collection Planner**, while the actual orders are created with **Collection Sourcing Manager**.

As these samples are ordered, companies are able to monitor material and color information, shipping and receiving information, lead times and sample quality. Production offices can aggregate multiple material requests for a supplier into a single supplier order, allowing them to leverage high volumes in order to negotiate lower costs.

Material Testing

Companies also need the ability to create material samples in order to evaluate color (lab dips), or test certain characteristics such as shrinkage, stretch, flammability or colorfastness. Material samples can be used to test any of the above characteristics.

Product Sample Orders

Companies need the ability to request many different types of product samples. Samples can be used to evaluate design ideas, construction details, fit or performance; and can also be used to create samples for photo shoots, fashion shows or sales teams. Based on their intended purpose, it may be necessary to request specific colors and sizes. The request for these product samples can be created in **Collection Planner**, while the actual orders are created in **Collection Sourcing Manager**.

Companies can create product sample orders, and can additionally specify sample type, size and/or color. They are able to monitor product information, shipping and receiving information, lead times and sample quality individually for each vendor. Production offices can aggregate multiple product requests for a vendor into a single vendor order.

Key Benefits:

- Manage and collaborate with vendors for materials and finished goods based upon supplier capabilities, qualifications, capacity, and performance.
- Work with merchandising teams in understanding forecasted volumes and production offices/vendors/suppliers
- Manage capacity and allocation to create a plan to source products and manage the sourcing calendar.
- Work with product development teams and collaborate with suppliers in sampling, testing and costing materials.
- Place products optimally across the supplier base to improve gross margins.
- Check the allocation of placed products against the planned volumes assigned to each vendor and get visibility to available capacity.
- Distribute placed product volumes by channel, delivery and colorway.
- Manage production milestones to monitor the delivery and use of bulk materials, as well as the timely production of products.
- Leverage volume quantities across products to ensure the best pricing of materials.

Product Testing

Companies need the ability to create product samples in order to evaluate fit, construction, performance, shrinkage or stretch. Product samples can be used to test any of the above characteristics.

Vendor Management

In order to have visibility into a vendor's qualifications or capacity, or evaluate their compliancy, information needs to be managed and easily referenced throughout the sourcing processes. Vendors also need to be monitored for quality, compliance, customs clearance, and other relevant inspections.

To produce products, sourcing teams can manage information for production offices, agents, vendors and factories. The relationships established between production offices, agents, vendors and factories, as well as their qualifications, will impact how they can be added to PO/A allocations and vendor allocations. Qualifications, audits, certifications and default capacities are managed across specific product or sourcing categories. Information can be managed to the factory level and roll up into vendors, or managed to the vendor level only. Vendor qualifications then drive production office or agent qualifications.

To manage the sourcing of materials or components, suppliers for specific material categories can be created as well (i.e. fabrics, trims and other). Qualifications, audits and certifications are managed across suppliers. This information impacts what types of materials or components a supplier can be associated to.

Sourcing Calendar

Companies that source their products need to manage production across many seasons, brands, deliveries, product categories, geographies and vendors. In order to plan production and allocate products correctly, it is critical to identify the months that products need to be produced in order to get products into the store when they are needed for each season or season group (i.e. early fall, late fall, etc.).

The sourcing calendar is used to manage production timelines for products. Products may be organized by brand and season group for each season. Additionally, they fall into a specific seasonal plan, and can have one or more deliveries identified.

The sourcing calendar can identify monthly production timelines for seasons, and optionally by brand and season group. For each month identified, volumes can automatically be distributed evenly, or distributed by specifying percentages of total volume for each month. The sourcing calendar also provides visibility to seasonal plan and delivery timelines for each season, brand and season group.

When capacity or allocation checks are calculated, the distribution of planned or allocated product volumes will be driven by the monthly percent specified in the sourcing calendar. The sourcing calendar does not vary by product type, sourcing category, or vendor.

Vendor Capacity

As sourcing teams distribute their production needs across many vendors in many geographies, it is important to understand what types of products and how many of these products can be produced across the individual months of a season.

For each vendor, the capacity can be defined for a season based on the months of the sourcing calendar for that season. Capacity is entered at the monthly level. Default capacities can be taken from the vendor profile, but can be edited in the vendor capacity created for that season. Capacity is also identified by product type or sourcing category, and can be rolled up from factories.

Capacity can be expressed in terms of proposed volume (what the vendor can supply for this company), as well as the total capacity (total capacity for all companies). Capacities for each vendor will be used in capacity planning, and in allocation checks. As planned and product volumes are distributed across months, they are compared to the monthly capacity for that vendor, for that specific product type or sourcing category.

Finally, as capacity plans are created, planned volumes are distributed monthly based on the sourcing calendar, and are posted back to the vendor capacity for each month. This provides a way to check an individual vendor's capacity.

PO/A Allocation

Generally, vendors are managed or grouped by production offices or agents. Very early in the season, sourcing teams need to determine how projected seasonal volumes can be distributed throughout the vendor base for all seasonal deliveries, brands and product categories. The first stage of allocating planned volumes needs to be done at the PO/A level.

Sourcing allocation plans are used early in the development of a season, in order to plan how forecasted product volumes can be distributed across vendors most efficiently. They can be created for one or more seasons, and one or more product types or sourcing categories. They are first allocated to production offices, and later allocated to individual vendors for each production office.

In the PO/A allocation, the distribution of volumes is based first on brand. Brands are organized as columns, while PO/A's are organized as rows, grouped under each product type or sourcing category. This organization is intended to maximize the sourcing team's ability to enter data, roll-up volumes, use filters and derive percentage values most efficiently.

For each brand, volumes can optionally be distributed across multiple season groups. A "mix percent" value is calculated based on this distribution. The allocation to PO/A's precedes the process of allocating to individual vendors, or individual vendor/factories (next section). In the vendor allocation, these percent values will drive the distribution of volume to each vendor across season groups automatically.

Vendor Allocation

As the allocation to production offices is completed, it is important to also manage the allocation of planned volumes across each individual vendor for that PO/A. Sourcing teams need to determine how projected seasonal volumes can be distributed throughout the vendor base for all seasonal deliveries, brands and product categories. The second stage of allocating planned volumes needs to be done at the vendor or factory level.

Vendor allocations follow the completion of PO/A allocations. For each PO/A, a separate vendor allocation is created to manage all the vendors for that office. They can also be created for one or more seasons, and one or more product types or sourcing categories, but only one PO/A.

In the vendor allocation, the distribution of volumes is based first on brand. Brands are organized as columns, while vendors are organized as rows, grouped under each product type or sourcing category. This organization is intended to maximize the sourcing team's ability to enter data, roll-up volumes, use filters and derive percentage values most efficiently.

For each brand, volumes can optionally be distributed across multiple season groups. The "mix percent" value from the PO/A allocation automatically determines how volumes are distributed for each vendor or vendor/factory across the season groups.

Capacity Checks

Capacity checks are done early in the season in order to determine how forecasted products can be allocated across vendors. It is important for sourcing teams to not over-allocate, or under-allocate volumes to each vendor. This type of check allows sourcing teams to have the necessary visibility, and opportunity to correct discrepancies presented as delta values for each vendor.

Seasonal capacity checks can be seen for each vendor in the vendor allocation. Planned volumes are compared to proposed volumes for each vendor, and a delta column is calculated.

A monthly distribution of volumes is available for each vendor based on the sourcing calendar. It can be seen in detail for each sourcing category, brand and season group. Rollups for each brand, sourcing category and vendor are calculated for each month, and rolled up into a seasonal total. Deltas are also presented for each month, and season total. These numbers are posted back to the vendor capacity in order to access a simplified view of monthly capacity to monthly plan.

Monthly capacity checks can also be generated outside the context of a vendor allocation. This means all vendors for a season can be checked, regardless of whether or not they were added to a vendor allocation.

Allocation Checks

Allocation checks are done as the season progresses. Sourcing teams are working with vendors throughout the sampling and costing stages, trying to determine what vendor(s) to place each product with. As the season progresses and vendors are selected, the accumulation of all allocations, versus each vendor's planned capacity, is calculated. The sourcing team is allowed visibility throughout the development of a season, about where additional capacity is available, or where allocations exceed capacity. This type of check can be run at any time, allowing sourcing teams to correct any discrepancies for each vendor.

When products are multi-sourced, these allocation checks can also look at primary and counter vendors, and present numbers broken down in a way to represent what is the maximum volume a vendor could be responsible for (they are primary for some products, and counter for other products); as well as the minimum volume a vendor could be responsible for (they are primary for some products, but have counter suppliers identified for those products as well, meaning they could lose the work to other vendors). Filters are available to allow sourcing teams to evaluate the numbers with total visibility to any need for change to allocated product volumes.

A monthly breakdown for each vendor in the vendor allocation is available. The monthly distribution of actual product allocations (based on the sourcing calendar) can be seen in detail for each sourcing category, brand and season group. Rollups for each brand, sourcing category and vendor are calculated for each month, and rolled up into a seasonal total. Deltas between planned volumes and actual allocated volumes are also presented for each month, and season total.

Seasonal allocation checks can be seen for each vendor in the vendor allocation by selecting the seasonal Allocation check icon. Here the seasonal distribution of actual product allocations (based on the sourcing calendar) can be seen for each sourcing category, brand and season group. Allocated volumes are compared to planned volumes for each vendor, and a delta column is calculated.

In both monthly and seasonal checks, allocated volumes appear as hyperlinks. When selected, the user is taken to the full list of products allocated in order to understand where volumes are placed, and how they might be changed.

Seasonal and monthly allocation checks can also be generated outside the context of a Vendor Allocation. This means all vendors for a season can be checked, regardless of whether or not they were added to a vendor allocation.

Material Costing

Sometimes companies need to manage the cost of products uniquely for each color, each size, or even each supplier or channel. The ability to cost the specific material variations used in each of these product variations is important to many companies.

Individual material costs can be entered for various types of materials for each variation (i.e. red or blue, size 24 line or 30 line). Sometimes different material variations will be used for different sizes, channels or colorways of a product. Since materials are specified in the BOM and are considered in the material cost of a product these unique prices become important, and are used to calculate a unique cost for any variation of the product. These material prices can also be varied in the costing process from an RFQ or quote, and drive the calculated material cost used in the costing process for a specific cost sheet.

In addition to price variations, supplier specific lead times and minimums are identified at the color level or print level of a material.

Product Costing

As products are created, it is important for sourcing teams to monitor the cost to produce each product. The process of evaluating product costs involves a number of different teams. Sourcing teams may work with production offices or agents, or may work directly with vendors to understand these costs. They may collaborate using RFQ and quote processes or they may collaborate outside the system.

To fully understand the cost to produce a product, information provided by the supplier (i.e. FOB, material costs) as well as by the sourcing team (i.e. freight and duty), is needed to calculate total cost. Combining this information with retail pricing and volume allows performance indicators such as weighted margins or weighted markups to be calculated.

Product Costing: Request for Quotation

To achieve the highest margins, companies often assess costs for any product across many different vendors. The process of requesting quotes across many products and vendors can be very time consuming. A sourcing team needs to source a group of products at the same time and request quotes for each of these products to a list of vendors. Very often, this process is managed outside PLM through emails and spreadsheets.

With **Collection Sourcing Manager**, RFQs are used to request information from suppliers. In order to create these requests online, and include data that is typically specific to a PLM application efficiently (i.e. supplier information, product information, etc.), an online RFQ process is supported.

An RFQ can be created from an individual product, or from an RFQ list that allows many products to be selected at the same time. In either case, vendors can be searched and multiple ones can be selected to participate in the RFQ process. The RFQ requests could include request information such as date required or currency needed, and product information such as BOM, country of import or forecasted volumes. Once completed, the RFQ can be promoted by the sourcing team in order to create individual quotes for each vendor.

Each vendor can then reply to their own request, and submit a quote that represents their costs to the sourcing team. The eventual goal is to have the ability to track responses, and evaluate them across multiple vendors and products very easily.

The RFQ process is optional. Costing can be done directly by creating cost sheets.

Product Costing: Vendor Quotes

In order to work with suppliers in assessing their cost to produce a product, quote responses need to be submitted for each product. The quote should represent all costs that the supplier will incur to produce and potentially ship the product, such as labor, materials, packaging costs, etc.

In **Collection Sourcing Manager**, when a vendor receives a request for a quote, a quote response can be created. The supplier is allowed to detail each cost, and request the price required to produce each product. The quotes can be reviewed, compared, and finally rejected or accepted, or even requested again.

The quote process is optional. Costing can be done directly by creating cost sheets.

Product Costing: Supplier Unit Cost (SUC) and Landed Unit Cost (LUC)

To achieve the highest margins, companies often assess costs for each product across many different vendors. Vendors provide information about labor, materials, and any operating costs or fees incurred. As this information is received by sourcing teams, additional information such as freight or duty rates can be determined as well, leading to a total cost value, or landed cost. When they consider what vendor to work with, they are looking at cos as well as sample quality, lead times and vendor capacity. Detailed costing provides users with a better evaluation of placement decisions, order volumes, and margin targets earlier in the development cycle.

Product costs need to be evaluated in the context of an individual product, or collectively with many other products. **Collection Sourcing Manager** provides the ability to focus on one product at a time, or on many products in a list of cost sheets. Once a quote is accepted by the sourcing team, the supplier unit cost or SUC is calculated. At that time, any remaining information needed to determine costs such as freight or duty, are entered by the sourcing teams. This allows the landed unit cost to be calculated using the LUC. Product costs can vary by product color, size and channel, or by the source producing the product.

Time and Action

Although cost is critical in determining the best vendor to produce a produce, it is also critical to help ensure that the product can be produced in time to deliver to stores as promised. Time and action calendars are needed to determine if a vendor can meet the required timeline. They are also used to understand, once placed, if the various production milestones are being met on time.

With **Collection Sourcing Manager**, early time and action scenarios allow sourcing teams to determine if the placement of each product with a specific vendor is aligned with required delivery time lines. This information is critical in determining which vendor should be used to source a product.

Production time and action plans calculate milestone dates for production based on actual placement with a vendor. It allows sourcing teams to understand if production is on track.

Product Costing: Costing Workbench

Once landed unit costs are completed for the styles in a seasonal plan, this information can be viewed in the costing workbench. Here, sourcing teams can see margin and markup performance for a seasonal plan.

Supplier Allocations (on Products)

During the development process, the process of placing products can take many turns. In the early prototype stages, one vendor can be used. In the sample process, another vendor could be used. In the fit sample or re-production process, yet another vendor can be used. The need to work with multiple vendors is critical in sourcing products. Although most companies work toward sourcing their products with a single vendor, there are many companies that place production with more than one vendor (multi-sourcing).

With **Collection Sourcing Manager**, vendors can be associated with products, and their access to product information is based on this association. Multiple suppliers can be assigned, and the main vendor, or "primary" vendor, can change through the various sourcing stages. As Allocation Checks are created, which vendor is a "primary" vendor, or which vendor is a "counter" vendor, will impact how numbers are calculated to represent workload.

