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Applying Thought

Say Hello to Fashion Management Solution

The fashion industry is being re-shaped by the forces of globalization, new buyer expectations, novel product categories and vertical integration. With globalization providing access to new markets, it is also forcing new sourcing strategies. Simultaneously, millennials are demanding personalized customer experiences that are new to the industry. New fashion categories such as active wear, comfort wear and athleisure are turning up on store shelves driven by changing tastes that provide organizations very little time-to-market. And finally, retailers are developing their own brands while fashion labels are setting up their retail chains to achieve vertical integration, leading to brand and margin enhancement.

Overall, the compound effect of these changes is increased operational complexity, therefore, end-to-end visibility of the supply chain has become difficult.

That isn't all. The fashion industry must also respond to the pressure from new technologies such as social media and artificial intelligence that are playing a major role in influencing buying decisions.

The industry is in a severe state of flux. So are the technologies used to manage sourcing, production, distribution and marketing operations.

Disruption in the industry has translated into disruption in traditional technology. One such widely used technology is the SAP Apparel and Footwear Solution (AFS). AFS is now unable to deal with the disruptions; it must be re-invented to align with markets.

However, SAP will support SAP AFS only until 2025. In its place is a future-focused Fashion Management Solution (FMS). For organizations that have used AFS, now is the time to migrate to FMS.

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Fingers on the customers' pulse

The fashion industry, for some time, has been keen on developing a relationship with customers. These relationships allow customer aspirations to become a part of the design inputs, resulting in better products. Now, with the Internet of Things (IoT), digital channels, growth in mobile, social media and analytics, this has become possible. FMS ties all these together while improving customer experienc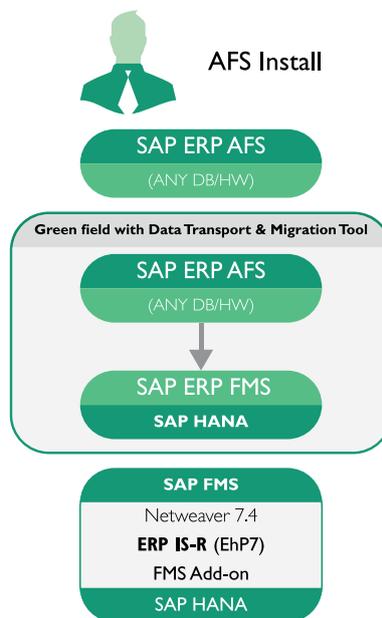e, creating omni channels for communication, opening new revenue streams and supporting vertical integration across manufacturing, wholesale and retail.

Clearly, the lines between well-defined functions such as manufacturing, wholesale, retail, etc., are blurring. New systems that seamlessly connect these functions and simplify the organizations are in demand. FMS and other HANA-based innovations meet that demand.

What will it take to get there?

The ideal route to FMS, for AFS customers, is through a Greenfield implementation and then migrating data from AFS to FMS along with data from other retail systems (see figure below).

Technical Path, SAP AFS to SAP FMS

Our experience in global FMS implementations suggests SAP's Data transport and Migration Tool (DTMT) fits in nicely for AFS to FMS migration[1]. Once a fully configured FMS system is ready, DTMT can be used for migrating all the master and transactional data, including custom data, from AFS to the new FMS system. But organizations that want to accelerate the migrations will need a number of sophisticated tools such as:

- FMS RDS that establishes a running FMS systems from Day 1

- Fashion industry process repository

- Analytical tools to identify standard versus custom processes on AFS

- Tools for custom object analysis

- Templates for master data, test scenarios and configuration

During the Greenfield implementation, a complete cutover plan must be established, deciding the processes that FMS

will support and the data that needs migration.

However, there are some key influencing factors that determine the adoption path. Organizations may want to:

- Quickly realize their investment on FMS and differentiate in the marketplace

- Start by trying FMS for a new season or for certain geographies

- Start by taking only retail operations on FMS

- Move As-Is business to FMS and then gradually try out the new features

To rapidly realize investments, organizations would be advised to take the Big Bang Approach: Setup the FMS system and then migrate the entire manufacturing and wholesale data as well as retail data from AFS and non-SAP applications. The approach is risky as there are concurrent tasks such as harmonizing processes and organizational structures that need to be completed. But the target state is reached sooner.

For the rest, a phased approach is recommended. There are two ways to manage a phased approach:

1. AFS and FMS coexist. AFS and other data moves gradually to FMS. Retail processes move once the system stabilizes. AFS is then retired. This phased approach is ideal for a new season. Data for the new season is moved to FMS. Activities corresponding to the previous seasons are carried out in AFS. Gradually all old season data is migrated to FMS before AFS is retired. The same phased process can be carried out across geos with, say, North America migrating first, followed by Europe or Asia Pacific. However, if there are documents (such as purchase orders) that might contain categories across regions then this approach can become complex.

2. FMS acts as a system to support retail processes to begin with and then AFS processes move gradually into FMS. This is recommended for organizations that want to try FMS for a new season or for select geos. It can also be used to first take retail ops onto FMS.

In the phased approach, licenses for AFS and FMS will be required until both systems are active. It is, therefore, imperative to work with SAP on the finer aspects. The phased approach also means dual maintenance. All the relevant interfaces will need to point to both AFS and FMS such as vendor data, customer data, financial transactions including bank data and reporting etc. In addition, the code base may have to be maintained in both the systems.

Organizations that have custom processes will want to continue with them on FMS. In such instances the code will need to be pasted from AFS to FMS.

FMS is guaranteed to set apparel brand owners on the digital path. With proper planning and immaculate execution, the path can be made smooth and easy.

For more information, please write to **sap.practice@wipro.com.**

References

[1] DTMT will ensure that a material master which is associated to a grid in AFS will automatically convert to an article on FMS. DTMT can also be utilized for migrating custom tables along with data stored in them. It comes with content to carry out this migration and can also be used to migrate from AFS to FMS to S/4HANA Fashion. However, the content to move to S/4HANA Fashion is currently missing.

About the Author

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