Small businesses account for over one third of retail sales today. And with the explosion of new channels, brands and products in the retail, footwear and apparel (RFA) space, these small, but rapidly developing companies have outpaced the sales growth of the industry consistently since September 2011.1

For these companies, creative energy and innovation have been the driving force for growth, and they pride themselves on building work environments where creativity can thrive and is not stifled by structure and rules. But as they continue to grow and succeed, they quickly learn that without structure, efficiency is compromised. The very same unstructured environment which fueled innovation at the start, now results in longer lead times and higher costs. And because so much time and focus is spent on keeping the company running, there is little time left to devote to innovation, and creative thinkers turn into task masters.

There are several signs which can indicate that your company is ready to move towards more structure in terms of defined roles, responsibilities and processes, and to make an investment in the tools needed to support product development:

1. **Fighting fires is the new norm.** The time spent addressing issues and managing exceptions continues to increase.

2. **People are spending most of their time on low value activities.** Your valued workforce is spending time entering data in spreadsheets and sending emails, rather than analyzing the data or strategizing about the business.

3. **People are wearing multiple hats.** No one has time to develop a functional specialty.

4. **There is no consistency.** Without consistency, there is no way to learn from mistakes to make sure they don’t happen again.

5. **Knowledge is held by individuals, not the organization.** Much knowledge resides with people, and if someone moves roles or leaves, the knowledge goes with them. The person who takes over has to figure out what was going on, and time is lost while they come up to speed.

6. **There are no gains in efficiency.** Things are not getting easier over time, and you are not able to get products to market faster or cheaper.
For many RFA companies, these signs can appear well before you hit the one billion revenue mark. And what many don’t realize is that seeing the underlying warning signs and making the change will not only help expedite growth to the next level, but can also make the difference between being a one hit wonder or a company that builds a brand with true staying power.

However, change is never easy, and once the decision is made to implement defined processes, roles and responsibilities, and incorporate supporting technology, you might run into some common challenges:

1. **Designing a process involves more than just putting tasks in the right sequential order.** The best product development processes are designed to support the company’s strategic objectives. Knowing your company and where it’s going is imperative to designing the best (and the right) process. If your strategy is not clearly defined, you will struggle down the road.

2. **Picking a technology solution can be confusing.** Technology should support your process and help to drive more efficiency, but it is not the silver bullet solution. Researching the various tools on the market and compiling your functional requirements is a necessary exercise.

3. **Change is not easy and takes time.** Even though the process and the tools will help people spend more time thinking creatively and driving real innovation, convincing them to change is tough.

4. **Smaller companies often don’t have the resources to take on such large initiatives.** People are stretched as it is, and taking too much of their time may impact the business.

You must think of these challenges as short term pain for the long term gain; do not let them derail your efforts.

There are several things you can do to help prepare for and take on these types of initiatives. Planning ahead and getting the right support in place will greatly ease the transition.

1. **Put together a business strategy.** Identify where you want to take the company in the next 5-10 years. Having a clear vision of the future will help to ensure that you put the right structure in place to support that vision.

2. **Ensure leadership alignment.** Get all your key leaders on board with the need for change, and get them to help communicate the benefits. Putting the tools and structure in place is about enabling more innovation, not about stifling creativity. Make sure everyone at the top is spreading that message.

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**What kind of process does your company strategy demand?**

- **Fast Fashion** companies need processes which are very nimble and flexible – so they can react to trends as needed.
- **Lower cost fashion followers** need efficiency, so they can replicate styles quickly, but more cheaply.
- **Brands spanning multiple product categories** will require separate, but coordinated processes.
3. **Do your homework before selecting technology.** Let your process design drive the functional requirements, and make sure to research and assess all the tools on the market before making an investment.

4. **Get the right help. Pick a partner who can help guide you through this endeavor.** A team who knows the industry and can share learnings from where this has been done before, can save you a lot of time and energy in the long-term. They can also carry the extra weight so your people can stay focused on the business.

Many companies introduce hot new products and experience explosive growth immediately – especially in the RFA industry. Think about the last 10 years and you can probably name numerous success stories – Crocs, Uggs, Tory Burch, Splendid, MZ Wallace and many more. But those who sustain the growth for the long term, and become powerful and long lasting brands, are those who are able to successfully cross the threshold from early stage start-up to mid-size, or even big company.

Realizing that there is a time and place to embrace structure, processes, and automation is a big part of that success. And understanding that implementing structured processes and technology can help sustain the innovative spirit, is the first and most important step.

References: