Retailers overwhelmingly recognize the need to leverage advanced product lifecycle management (PLM) tools in the coming years in order to remain competitive. However, there are six key concepts Retail, Footwear and Apparel (RFA) decision-makers need to understand before considering transforming their business via PLM. Here is the third of this six part series.

**PLM Vendors are Each Very Different**

Leading vendors of PLM solutions for RFA have evolved from very different places. Some were already established in non-retail industries and expanded their solution offerings to RFA; some were ERP software vendors who saw the opportunity and market demand to expand in PLM; some were developed from the start to address specific product design and development needs for RFA; and some started with a focus on advanced sourcing, collaboration and vendor management and then expanded into the early product design and development areas to provide a comprehensive PLM solution.

To find the best vendor for your needs, executives should understand vendor history, capital structures and industry expertise. It is almost as much art as it is science to select the right PLM vendor for your company.

**Four Types of PLM Vendors**

**Multi-Industry PLM Vendors**

These software vendors have a long history in product data management (PDM) or traditional product lifecycle management (PLM). Most of them developed their original systems for industries that defined the foundational
requirements for PDM or PLM, such as aerospace, automotive, and heavy equipment manufacturing. As those industries matured in terms of PLM adoption, and the need for PLM in RFA evolved, these traditional PLM vendors developed new RFA-specific PLM solutions through partnerships or acquisitions. While the RFA PLM software market is growing, these software providers have continued to maintain a strong presence in their original industries.

**Industry-Specific Solution Providers**

While the multi-industry providers entered the RFA industry after having established themselves in other industries first, there are some solution providers who have been focused on RFA industry from the start. A few of these vendors began by offering early design and production software, such as patternmaking, before expanding into a full PLM solution. Some built their own PLM software while others gained functionality through acquisitions. While some of these companies may not have a long history of developing complex PLM solutions, they truly understand the intricacies of product development in the RFA industry.

**Sourcing and Production Solution Providers**

Product development in retail often refers to private or store brands. In reality, private brand product development often falls under a bigger sourcing group due to the heavy dependency on a large supplier base to design and develop products. This led to a strong need for robust software solutions which were focused on managing the sourcing and merchandise lifecycles. Vendors in these areas began by offering software that was adjacent to PLM, such as sourcing collaboration, vendor management, and merchandise and assortment planning tools. As the RFA PLM market demand grew, they expanded the scope of their solutions by adding core PLM capabilities that could integrate well with their existing sourcing and supply chain offerings.

**Industry-Specific ERP Providers**

Several vendors have a strong history of developing enterprise resource planning (ERP) solutions for apparel companies, related manufacturers, and retailers. Their original offerings included financial accounting, materials procurement and management, and inventory tracking and valuation. Through acquisitions or internal software development, they extended their offerings into PLM. Vendors in this category target RFA clients by providing software solutions that cover a wide “all-inclusive” range of functionality by offering ERP, PLM, SRM, and other solutions on a single or integrated platform.[1]

**Key Takeaways for RFA Leaders**

**Align with Vendors on Future Vision and Roadmap**

The scope of PLM functionality offered by vendors is rapidly evolving and moving beyond the traditional boundaries of PLM. Emerging trends such as 3D modeling and simulation, 3rd party collaboration, increased regulatory intelligence, and open source collaboration are just a few to look out for. At the same time, mobile, cloud and Platform as a Service (PaaS) solutions provide greater flexibility to customers. Each vendor will have a slightly different vision about the future of these trends as reflected in their strategies and product development roadmap. Retailers need to make sure their vision of the future matches the vendor’s vision.

**Look for Strong Expertise in Your Specific Category**

Because the needs of retailers differ based on their product type, most PLM vendors have developed solutions that are more suited to a certain type of merchandise. Vendors with deep expertise in Apparel and Footwear may not currently be as equipped to support Food and Consumables. As retailers and manufacturers expand their merchandise categories across softlines, hardlines and food/drug, vendors are seeking to provide solutions to all
three merchandise categories in order to be a “one stop shop” for retailers.

Don’t Forget that Culture and Fit are Important

As with any industry, company cultures vary from one company to another. Variations could come from the type of customer being targeted, whether the vendor is a new start-up or a large established player, or if the vendor is a subsidiary as opposed to an independent entity. Even location plays a part: a company headquartered in the US with a national customer base will have a different personality than one headquartered abroad with a broad international customer base. When selecting a vendor, it is important to consider these and other factors to determine if the PLM vendor’s culture fits with that of the retailer.


Read More:

Top Six Things Every Retail Executive Needs to Know About PLM Transformation

Top Six Things about Retail PLM Transformation Part 1: PLM Transformation is Strategic

Top Six Things about Retail PLM Transformation Part 2: PLM is Evolving Rapidly

Top Six Things about Retail PLM Transformation Part 3: PLM Vendors are Very Different

Top Six Things about Retail PLM Transformation Part 4: PLM Business Cases are Multi-Dimensional

Top Six Things about Retail PLM Transformation Part 5: PLM is Not ERP

Originally published on August 11th, 2014

What's your view? Add your question or comment

Share
  Share on Facebook
  Share on Twitter
  Share on Google+
  Share in Email
  Download PDF

Topics: Collaboration, Manufacturing, PLM, PLM Implementation, Product Development, Product Lifecycle Management, retail, Retail Footwear Apparel, retail innovation, Retailers, RFA

About the Authors
Hala Hassoun

Hala is a manager at Kalypso.

More Viewpoints by Hala Hassoun
Steve Riordan
Senior consulting leader with deep retail industry expertise, recognized for providing fact based insights to retailers and their suppliers to address significant business opportunities and challenges.
More Viewpoints by Steve Riordan

Recommended for You

Related by Topic
Top Six Things about Retail PLM Transformation Part 2: PLM is Evolving Rapidly

Previously in Retail
Want to Succeed with PLM? Implement One Step at a Time
What's Your View?

Don't miss future posts.
Get Viewpoints Digests delivered right to your inbox.

Subscribe Now Leave me alone

Viewpoints on Innovation

About Subscribe

Copyright © Viewpoints Media, LLC