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BUSINESS GUIDE

A One-Stop Technology Platform for Apparel, Footwear, and Accessories Companies



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Grab a seat and enjoy.
Read Time: 8 minutes

A One-Stop Technology Platform for Apparel, Footwear, and Accessories Companies

By combining the power of NetSuite with several industry-focused customizations, growing apparel, footwear, and accessories companies can address current challenges, manage their multifaceted operations, and tap into new opportunities.

Themes like product personalization, evolving customer preferences, shopping for apparel online, and social consciousness are driving fashion and apparel companies to deliver exactly what customers want more quickly and sustainably. To succeed, manufacturers, wholesalers, and retailers need a unified, cloud-based way to run their end-to-end operations.

Apparel, footwear, and accessories companies that use legacy, on-premises systems that don't share data will find it difficult to grow, expand into new markets, and take on outside investment.

"Many of the apparel, footwear, and accessories companies we work with have been struggling to keep up," said Robert Terry, director of sales at Folio3, a NetSuite Alliance Partner. "They use QuickBooks, Excel spreadsheets, and email to run their operations. They also have Shopify websites and other outside applications. Without a central spot for their data, companies wind up extremely frustrated and inefficient."

This guide looks at the primary roadblocks that apparel, footwear, and accessories companies are dealing with right now and explains how cloud Enterprise Resource Planning (ERP) is helping them overcome these issues, manage their multifaceted operations more efficiently, and tap into new opportunities as they emerge.

Bringing It All Together in One Place

Global retail sales of apparel and footwear are expected to hit nearly \$2 trillion by 2026, up from about \$1.5 trillion in 2021. Two of the biggest growth sectors are sportswear, which reached \$350 billion in 2021 and is posting a compound annual growth rate (CAGR) of 20%, and athletic footwear, which is forecasted to reach \$70 billion by 2025.¹

Like many sectors, however, the industry is dealing with big challenges. A persistent labor shortage, supply chain snarls, and rising material and shipping costs are all taking a toll on the bottom line. For those still using QuickBooks and spreadsheets to manage operations, along with email as a main form of supplier communications, these issues are even more acute. Trying to manage growth to meet investors' reporting requirements and interact with global suppliers using legacy systems is time-consuming, inefficient, and error-prone.

These roadblocks are particularly detrimental in the apparel, footwear, and accessories world, which relies on constant communication between designers, suppliers, contract manufacturers, wholesalers, and retailers.

"Companies are constantly dealing with approvals, designs, and production issues," said Terry. "There are a lot of different pieces that have to fit together when creating apparel, footwear, and accessories for the consumer market."

In the absence of a cloud-based ERP that simplifies communications, team members resort to piecemeal data entry, preparing reports from spreadsheets, counting inventory by hand, and other highly manual tasks. And without performance dashboards to show which products are or aren't selling well and what materials are in stock, companies wind up with poor operational visibility and can't effectively manage their supply chains.

"Many companies get to the point where they can't possibly scale their businesses and manage their growth without some help from technology," said Terry. "It's the, 'Hey, we need to do something about this' realization that pushes them to start exploring their options and select NetSuite for their new ERP."

¹ [Global revenues set to rise](#)

With NStitch, Take NetSuite's Native Functionalities to the Next Level

Most of Folio3's apparel, footwear, and accessories clients have unique needs that the NetSuite Alliance Partner meets by pairing NetSuite's core financial system with an industry-specific "head start module" designed for manufacturers, wholesalers, and retailers.

With NetSuite as the base platform, **Folio3's NStitch** solution provides three customizations that help fashion and apparel organizations optimize their ERP investments:

1. **Cut, make, trim (CMT).** It's not unusual for apparel companies to have four different cutting machines, each of which must be set up for specific cutting jobs. Using forklifts, employees move huge rolls of fabric over to the machines and set them up to start cutting raw materials for apparel production. Each order may include several different fabric colors, which means forklifts are continually bringing and removing rolls.

With CMT feature of Folio3 NStitch, companies can take hundreds of sales orders, break down the components within them, group those components, and put the equipment in place the way it needs to be—for example, bring the green roll of fabric over to the machine, cut all of the pieces needed for the first 100 orders—and then reassemble the information for each individual order once the cutting is completed.

Having this functionality in the software means that companies can use their ERP to fully model CMT operations in the most sensible and efficient way without inefficient manual workarounds that inevitably lead to errors and wasted time and materials.

2. **Managing by style.** While many industries track production activity at the item level, the apparel, footwear, and accessories sector generally operates at the style level. For example, one type of sweatshirt may be available in six different sizes and five different colors, which would equate to 30 different item numbers just for that single garment.

To help its customers manage this complexity, Folio3's developed a style-level management customization in NStitch Product that incorporates all combinations and makes single production order in NetSuite. This helps organizations avoid the manual work involved with breaking down every component into 50 or so distinct production orders. Instead, it's all handled automatically in their ERP.

3. Master work order management. Outsourcing production to contract manufacturers is a fairly common practice within the apparel industry, where multiple companies may handle the cutting, sewing, and/or finishing work or "sub-operations." In other cases, a company may maintain control over these processes but handle them at different locations. In either arrangement, work orders have to be issued so that the internal or external recipient knows exactly what to make.

Without a way to manage this process at the style level, companies have to send a work order for each individual item that needs to be manufactured. Folio3 created a feature in NStitch Product that allows companies to issue a single master work order to the contract manufacturer or internal production manufacturer. That master work order includes the higher-level order information and all of the details for each individual item.

Acknowledging the operational nuances across different apparel, footwear, and accessories companies, Terry said these three customizations represent just some of the ways Folio3 can optimize NetSuite for growing organizations in this sector.

"As a company, we are very familiar with the industry and have a lot of experience working in it," he said. "Along the way, we've created some solutions that enhance NetSuite's native functionalities and taken them to the next level."



One-Stop-Shopping for Apparel, Footwear, and Accessories Firms

“The combination of NetSuite and either SuiteCommerce Advanced or Shopify is this powerful toolset that provides everything an apparel manufacturer and retailer would need to sell successfully online.”

Robert Terry, Director of Sales, Folio3

Along with implementing NetSuite and using the ERP to address industry-specific needs, Folio3 manages connections to outside applications including Shopify and Magento and helps its customers implement NetSuite’s SuiteCommerce and SuiteCommerce Advanced solutions

With an ecommerce platform in place, apparel, footwear, and accessories companies can effectively manage both their back-office and customer-facing operations on a single platform.

“We’re a one-stop-shop for these companies, and particularly for those that had to evolve quickly during the pandemic,” said Terry. For example, some companies had to step up their ecommerce games in response to brick-and-mortar shutdowns. In other situations, wholesalers that historically sold only through B2B channels had to shift to selling direct to consumer.

By replacing these companies’ manual processes with an ERP, Folio3 helped make those changes easier, faster, and painless.

In other instances, Folio3 has helped apparel companies better manage the personalization trend, whereby consumers can design and order customized items made just for them in a one-off arrangement. The challenge for companies is to meet these expectations with automated solutions that allow them to manage the process from end to end. Folio3 has delivered several options for this. In one particularly detailed case, ordering, the design process including interim designs and approvals, third-party processing for embroidery, delivery, and billing were supported in a customized end-to-end workflow.

A Finger on Company's Pulse

Folio3 uses the SuiteSuccess model, which is based on a framework that helps get companies up and running on NetSuite's core functionalities within 100 days or less, on average. Terry says a typical implementation time is four to five months, with the initial focus usually on simplifying and automating the company's financial management—an achievement that results in immediate reductions in manual work and hours spent on repetitive clerical tasks.

NetSuite also gives companies operational insights and information that they can use for more informed decision-making right in the moment, versus having to wait for someone to generate a spreadsheet-based report. Both the C-suite and outside investors benefit from having this real-time information at their fingertips, and private equity (PE) investors are especially impressed by this capability.

“PE investors use NetSuite to quickly get their fingers on the pulse of the company. With NetSuite, any company that reports to a board of directors, regulatory body, or investors; saves substantial time and effort spent trying to prepare reports and get that information out the door.”

Robert Terry, Director of Sales, Folio3



Getting Apparel, Footwear, and Accessories Organizations Back on Track

As the apparel, footwear, and accessories market continues to post double-digit growth, and as consumer preferences and buying habits change, companies operating in the space need scalable, unified technology systems that can run their end-to-end operations.

These systems also help organizations address labor challenges, meet their investors' financial reporting requirements, and turn on a dime when the marketplace demands it.





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