AN 'EPIC' STORY IN OUTDOOR APPAREL

Technology & Business Insight – From Concept to Consumer

Apparel™

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TAL AT 60

Faster than Ever

Director of Technology and Services Delman Lee shines the spotlight on the apparel manufacturer's successful supply chain strategies.

cover story

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Faster than Ever

TAL Group, one of the world's most advanced global apparel manufacturers, turns 60 this year, but unlike those who may be slowing down as they enter their golden years, TAL is focusing on moving faster.

The Hong Kong-based company has many milestones to celebrate, not the least of which is an annual production capacity that has grown to 55 million pieces of apparel. TAL reports that it makes one of every seven dress shirts sold in the United States. These shirts are sold under brands from such industry leaders as J.C. Penney Co., Brooks Brothers, L.L. Bean, Banana Republic, Calvin Klein, Nike and Polo, among others.

Technology has been a major factor behind TAL's long-standing success, and now the firm is leveraging systems to maneuver raw materials, orders and finished products with ever-greater speed and accuracy.

Apparel recently spoke with Delman Lee, TAL's director of technology and services, about the company's IT history, current agenda and future goals.

Apparel: With a 60-year history, your company no doubt has been through many periods of change and evolution. When did TAL Group recognize that invest-

TAL estimates that it produces one of every seven dress shirts sold in the United States.

systems at a glance

- **B2B Financial Transactions:** TradeCard
- **ERP:** Lawson
- **Planning:** Lawson
- **RFID:** IBM
- **Supplier Messaging:** Tradelink Electronic Commerce Ltd.

TAL Group, celebrating its 60th anniversary in apparel manufacturing, has made innovation a priority since its inception, and continues to do so with new initiatives in supply chain management.

ing in computer systems would be important to future success?

TAL GROUP: I joined the company seven years ago, but the IT culture at TAL began with director Harry Lee [Delman Lee's uncle], who recognized the importance of IT as more than an automation tool. One story he tells is of the early days of the Apple II. He was the one to bring that into the office to do production scheduling using the original Excel.

Also, maybe 20 years ago, we were one of the first companies to use a shop-floor system, which we use to mange apparel bundles on the factory floor. Each bundle has a barcode, and whenever a sewer finishes an operation, she scans it and it's tracked with the shop-floor system. That system, the Apparel Manufacturing Management Information System, AMMIS, is still in use, though now its database has been upgraded.

Apparel: TAL has been a long-time user of Lawson (formerly Intentia) technologies. What were some reasons behind the decision to implement Lawson's Fashion Planning Workbench and Supply Chain Order applications?

TAL GROUP: We used the Lawson ERP system that manages everything from order and capacity reservation — where the customer hasn't yet placed the order but we've reserved capacity for that customer — all the way to order confirmation. We spent two years with Lawson's research and development team co-developing the Fashion Planning Workbench and Supply Chain Order systems.

Unfortunately, or fortunately, everyone wants clothes around Christmas and wants shirts around Father's Day. So we have peaks and valleys in our capacity. The Workbench tool allows us to see order capacity across the group and do multi-site planning. We're in seven countries and in 10 factories, and shirts are our largest product. We can shoot shirt orders from one factory to another depending on the load at the factory. If you see a peak coming, you can organize your work force and your machinery to cater to it and, of course, organize some overtime for it.

Before Fashion Planning Workbench we had our own long-term planning tool, and it took us eight hours to download data from our ERP system. With Workbench, it takes 30 minutes and that's with 200,000 manufacturing orders in the system. We use it to plan out six-months plus. Under six months, we use Lawson's scheduling tool, Advanced Production Planner, which is more detailed.

Supply Chain Order started with our talking with Lawson about ERP issues. Typically ERP takes care of supply and demand, which is fine, but it only has that ability at an aggregate level. We're a made-to-order environment, and tracking and having visibility to the customer level is crucial. In the past, we

TAL Group director of technology and services Delman Lee is guiding this global apparel manufacturer's latest IT initiatives, from more sophisticated planning systems to made-to-measure solutions and more.

TAL Group has apparel manufacturing operations in Hong Kong, Thailand, Malaysia, Taiwan, Indonesia, China, Vietnam, Mexico and Macao and a textile plant in the United States.

TAL manufactures dress shirts, tailored clothing and other apparel for many of the world's top brands, from Brooks Brothers to Polo Ralph Lauren.

used ERP to change the quantity of a customer order if the customer changed its mind. With Supply Chain Order, we cut by 80 percent the time spent revising the quantity of an order already in the system.

Apparel: What other IT solutions help TAL to maintain its competitive edge?
TAL GROUP: IBM has been our long-term partner since the 1980s. They've provided us with things such as Lotus Notes and our AS/400.

We've also asked IBM to source particular things such as the network set-ups in our office and factories and to study things such as VOIP. In the business-to-business arena we use TradeCard for financial transactions. And we use Tradelink (Tradelink Electronic Commerce Ltd. of Hong Kong) for messaging with our suppliers. We use it to ask a fabric supplier to send us a list of what fabric rolls are coming in — how long they are and how wide. That way, we'll have a shorter set-up time before the roll arrives.

Our most recent project with IBM is an RFID project to improve internal production. Our AMMIS system still uses barcodes on bundles, but we're thinking of using RFID to track individual pieces of apparel. But we're encountering the same issues with RFID as others have. Mainly, we want to have clothes go under a receiver that detects all the tags. Depending on the environment and the orientation of the tags, the detection rate can be as low as 89 percent or as high as 98 percent. But even at 98 percent, it's not acceptable.

We do solid-pack boxes, where a box is all one color and one size, and we also do assorted packs. And in some cases we pack boxes to the store level, such as for 700 Dillard's stores. So if RFID tags say all pieces are in there, they need to be in there.

Right now we're working with IBM on different types of tags and receivers to overcome these problems, because the potential for savings here is large.

Apparel: When did you launch your made-to-measure program, and how has that grown?
TAL GROUP: We launched made-to-measure in 2005, and now we're doing it for shirts, pants, blouses and suits. It hasn't grown to the size of our bulk orders, of course, but it's a healthy number. Currently the retail made-to-measure is still larger than online, and one reason might be that you have a salesperson in the retail shop and not on the Internet. In a store, you get personal service. With a web site, it's a computer. And the second reason is likely fit. On a web site you need to enter your own measurements — collar size, inseam — and not everyone is good at that. Our customers get around that by offering a return policy.

Apparel: What are some things you are working to improve upon and some goals for the future?
TAL GROUP: The holy grail for us would be to add intelligence to our planning tool. Typically planning tools allow you to take an order and move it on the computer to another factory and see the effect on delivery and loading. There's no automated way to put orders in, press a button and out comes a plan. That's a highly complex problem even supercomputers can't solve.

But this year is TAL Group's 60th anniversary. My grandfather started it, so I'm the third generation. I've been here seven years, so I have another 60 to go. We'll see what happens in that time. ■

Jean Thilmany is a free-lance writer based in St. Paul, MN. She frequently writes about retail and business technology.

The company is known for its collaborative replenishment programs, and its ability to work closely with apparel brands and retailers to quickly respond to market demand.