



From Runway to Revenue

NetSuite Empowers Apparel, Footwear, and Accessories Growth

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INTRODUCTION

The apparel, footwear, and accessories (AFA) industry is fast-paced, always changing, and constantly presenting new challenges for the companies operating in it. Labor shortages, high inflation, and elevated interest rates are also pushing companies to rethink how they run their domestic and global operations, particularly with consumers thinking more frugally right now.

Whether it's a luxury brand that makes handbags, a fast-fashion company that produces the latest clothing styles or a wholesaler importing fabric from global suppliers and using it to make scarves and other accessories, these companies need robust, unified technology platforms to manage their global supply chains, automate accounting processes, generate financial reports, and provide real-time visibility into cash flow. Apparel companies need a 360-degree view of customer interactions to enable personalized marketing campaigns, too.

The reality is that many apparel companies rely on manual processes, disconnected legacy systems, and spreadsheets to run their business. QuickBooks for accounting, Fishbowl for inventory management, and Shopify Plus for ecommerce is a common trio, for example, with some companies also using industry-specific enterprise resource planning (ERP) solutions like Full Circle and BlueCherry.

In most cases, these disparate solutions don't share data with other systems. Getting the right data for making timely decisions and creating 360-degree views of business operations requires a lot of manual work and spreadsheet-based data sharing. As a result, apparel companies have very little visibility into their actual costs or how to properly price their products to maintain healthy margins.

Manual systems and aging platforms also impact speed-to-market and effective inventory management. With ecommerce and omnichannel sales comprising the majority of product sales for the typical apparel company, inaccurate or out-of-date inventory counts and production forecasts can quickly turn into losses. If a hot new shoe style sells out instantly and isn't available for purchase, for example, it can lead to frustrated customers, lost revenue, and lower profits.

This guide highlights the core challenges that apparel companies are facing in today's business environment, shows how NetSuite solves these challenges, and explains how Moss Adams helps organizations ditch manual processes, spreadsheets, and legacy systems for a single, unified ERP platform that ties all operations together.

KEEPING UP WITH CONSTANT CHANGE

The apparel industry must constantly evolve in order to keep up with consumer preferences and trends.

Newer demands like ecommerce, omnichannel, direct-to-consumer sales, and reverse logistics management are all increasing the pressure on corporate margins and profitability. Rising production costs, supply chain disruptions, and the push for sustainable operations are also impacting business right now for many.

Companies that rely on aging technology systems, manual processes, and spreadsheets face even steeper challenges in the modern business environment. Manually changing physical inventory counts to reflect actual in-stock positions can interfere with fast, accurate order fulfillment, for example, while too much obsolete inventory sitting in the warehouse is expensive and takes up physical space.

Apparel companies that don't have a unified ERP system face other roadblocks like poor demand forecasting, no 360-degree visibility across their global operations, inaccurate data—particularly if that data is being generated outside of the organization—and inaccurate costing. In other cases, existing systems don't connect to major ecommerce platforms like Shopify Plus, effectively driving the need for even more spreadsheets, emails, and manual work.

ROADBLOCKS TO OVERCOME

Growing apparel companies working on manual and legacy systems face a variety of roadblocks.

NO DIGITAL CONNECTIONS WITH OUTSIDE BUSINESS PARTNERS

Many apparel companies rely on their 3PLs' warehouse management systems (WMS), yet they don't have access to those platforms. This creates data gaps and leaves companies reliant on a third party for answers to customer questions, such as where an order is.

And because the company's ERP system isn't connected to the 3PL's WMS, the apparel company has to manage spreadsheet-based reports after the fact, versus in real-time. This approach also requires much manual data manipulation and sharing, both of which are time consuming and error prone.

CUSTOMERS WANT EVERYTHING YESTERDAY

Today's customers expect things fast, with next-day or even same-day deliveries now the norm across most industries. This consumer behavior shift can present a major challenge for apparel companies meeting lightning-fast expectations while maintaining their own efficiency and profitability.

For increased performance, a company's planning, forecasting, inventory management, and inventory costing must be accurate and available in real-time—something that can't be achieved by pairing basic accounting systems with third-party inventory management applications.

NO COST CLARITY

Besides advertising, costing is probably the biggest expense that the typical apparel company has on its books.

When costing isn't accurate, or when two different systems are tracking that data in different ways, organizations have to piece together their operational and financial information in order to develop a current cost picture.

The apparel manufacturer that buys fabric from a supplier and then converts those materials into finished goods needs a system that tracks the whole process, from the raw materials to the work-in-progress to the finished goods. By implementing NetSuite, the same company can track costs throughout the supply chain, identify areas of improvement, achieve improved cost-effective production planning, and make more informed investment decisions.

As the pace of change continues to accelerate, growing apparel companies need a strong technology foundation that helps transform their businesses, meet their objectives, and serve their customers while maintaining profitability.

And while moving from a basic system like QuickBooks to NetSuite can be a big jump, the long-term benefits of making this move now will more than justify the time, effort, and expense.



HERE'S THE SOLUTION: NETSUITE AFA EDITION

With its AFA Edition, NetSuite has taken its years of experience working with apparel companies and created an ERP that solves the unique business challenges that organizations face in this industry sector.

The cloud-based platform gives companies real-time visibility into their financial performance—from a consolidated level right down to the individual transaction. Order management, inventory management, customer relationship management (CRM), and ecommerce functionalities are all on one platform that's been tailored to the needs of the growing apparel company.

Whether an organization has one location or a global presence, all NetSuite users have real-time insights into inventory position, availability, and commitments.

Using the ERP's Advanced Order Management module, apparel manufacturers can define rules delineating which locations should be used for order supply based on location, lead time, service level, and availability.

With NetSuite as their single source of inventory management truth, apparel companies can eliminate the need for costly markdowns on excessive stock while ensuring product is always where it needs to be when an order is placed. And when companies have the right product mix in the right place, they can expect better profit margins, higher revenues, and happier customers—possibly leading to even more business.

NetSuite's AFA Edition also supports the omnichannel shopper who has come to expect fast, streamlined transactions and personalized service. NetSuite bridges the gap across channels with an end-to-end cloud system for financials and accounting, inventory and order management, CRM and marketing, point of sale (POS), and ecommerce.

The ERP also provides a single instance of data across the complete manufacturing, wholesale, and retail enterprise; a full view of business and analytics, updated in real time; and the roles, key performance indicators (KPI), reports, and dashboards that apparel companies need to be able to get up and running on NetSuite quickly and confidently.

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CONNECTING THE FRONT AND BACK ENDS OF THE BUSINESS

THE BENEFITS OF A SINGLE PLATFORM		
	MULTIPLE SYSTEMS	SINGLE PLATFORM
Customer Information	Customer data is siloed in channel-specific systems and is often inaccurate and redundant.	Delivers a single cross-channel view of the customer that enables consistent and personalized service, building loyalty, and growing lifetime value.
Items	Item data and attributes are managed in silos, generating multiple versions of the same data.	Consolidates and centrally manages item data and attributes across all channels from a single platform.
Inventory	Visibility is restricted to specific channels, limiting efficient inventory management.	Accurate, real-time inventory visibility across the entire enterprise helps enhance decisions for profitable fulfillment processes and meets customer delivery expectations.
Orders	Customer expectations fall short with limited ability to manage orders across multiple channels.	Centrally manage orders from multiple channels to meet customer expectations to buy, fulfill and return anywhere, process orders faster and lower operational costs.
Returns	Cross-channel returns and exchanges are not possible, or are manual and costly to process.	Accept returns from all channels, fulfill exchanges, manage credit processing, and ensure saleable items return to inventory.

Source: NetSuite Content: How Data Management Makes Managing Marketplaces Easier

Along with providing a unified business system, real-time insights, global capabilities, and a secure, reliable platform, NetSuite also effectively connects the front and back ends of an apparel business. Here's how it works:

- Orders come in through Shopify Plus, WooCommerce, electronic data interchange (EDI), or another platform.
- Those orders flow directly into NetSuite, both on the accounting, financial and operational side.
- Accounting data is updated while the orders are made, picked, packed, or fulfilled. This way, the right amount of inventory is always on-hand without creating costly overstock.
- NetSuite also manages the inventory via automatic reorder points and other processes.

Through it all, NetSuite keeps accounting in the middle of the conversation and keeps all the data in sync all the time. It also ensures accuracy, generates timely reports, and eliminates the need for patchworked technology platforms that don't communicate with one another. And because NetSuite is a cloud-based solution, the ERP can scale to accommodate a growing company's needs.



YOU CAN WALK, CRAWL, AND RUN WITH NETSUITE

Diving headfirst into an ERP implementation can be overwhelming, which is why NetSuite supports the walk, crawl, run approach that provides a smooth, successful journey with the least number of hiccups. Even apparel companies that have heard all the tech implementation horror stories from peers can rest easy knowing that NetSuite and Moss Adams are both in their corner.

After defining your goals, assessing your needs, and assembling your team, you can start small by prioritizing core functionalities like accounting and inventory management. Once those two modules are in place, you can connect your 3PLs, add SuiteCommerce, or start using NetSuite's native WMS or CRM. These steps can all be done on your schedule with the ERP silently running the rest of your operations.

Once in place, NetSuite gives your growing apparel company the automation, real-time data, and reporting they need to be able to operate more efficiently, effectively, and profitably. The ERP also supports the complete omnichannel operation, including wholesale, retail, and direct-to-consumer.

As the apparel industry continues to evolve, the organizations operating in it will need robust technology platforms that unify their global operations, consolidate their finances, and provide clarity into everything from material cost to production schedules to consumer demand.

The sooner your apparel company makes the decision to move to NetSuite, the faster you'll be able to begin taking advantage of all the benefits that the cloud-based ERP has to offer.



BEYOND IMPLEMENTATION: HOW MOSS ADAMS HELPED A CLIENT SUCCEED

A global leather goods manufacturer called on Moss Adams for help replacing multiple different ERPs with a single instance of NetSuite that it could use to run its international supply chain. The company had manufacturing facilities in Mexico and four different warehouses, none of which were connected. Any data-sharing took place on spreadsheets, which required excessive manual work.

Receiving and processing orders via email worked adequately when the company was in their startup phase, but those manual processes began to hold the leather goods maker back as it grew both of its omnichannel operations. In some cases, the manufacturing plant in Mexico was receiving incorrect information from the design team. This led to order errors, delays, and unhappy customers.

The company decided to work with Moss Adams to implement NetSuite AFA Edition and NetSuite OneWorld for its multinational operations. The company is now leveraging more process automation and knows that the correct data always flows from the front end of the business through to the back end, and all points in between. Reporting has also improved significantly. The company's CFO knows exactly what the costs are for any specific order and can make good sales, pricing, and liquidation decisions based on that data.

WE'RE HERE TO HELP

To learn more about how NetSuite can help support your business, [contact your Moss Adams professional.](#)

To look forward and rise to the challenges ahead requires welcoming change with optimism. It's how Moss Adams uplifts over 500 apparel companies nationwide to strategically plan for, and go, where they want to be next. As the largest accounting and consulting firm headquartered in the West, our professionals—serving the apparel industry from start-up to sale—are deeply immersed in locations where many apparel companies innovate, operate, and thrive.

Discover how our NetSuite and other advisory solutions can help elevate your performance.

ABOUT MOSS ADAMS

At Moss Adams, we believe in the power of possible. A business and personal advisory firm with more than 100 years of experience and 4,750 professionals across 30 markets, we work with clients to rise above challenges and seize emerging opportunities. Discover how we can help you go where you want to be next. Upward.

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