

NETSTOCK

Edwards Garment achieves a \$900,000 reduction in inventory write-offs with Netstock



Company Edwards Garment
Industry Distribution

Location USA
ERP epic ERP



Edwards Garment provides an online distribution business for the uniform apparel industry across the USA. They offer specialized services, including custom design or style modifications, hemming, branding, and private labeling. They supply their products to industrial laundries, specialty dealers, uniform distributors, and specialty retailers.

\ Challenge.

Manually creating order recommendations for 50,000 SKUs across 2,500 style colors.

\ Solution.

Netstock.

\ Result.

\$900,000 reduction in write-offs.

Edwards purchases fabric from numerous mills and maintains a fabric inventory at several manufacturing plants. These plants provide all the cutting and sewing and fulfill the orders to Edwards, who supplies its customers. Embroidery on large orders is contracted to the plants, whereas other minor requests are managed at the Edwards warehouse.

Like most companies, Edwards managed their replenishment by exporting their inventory lists into a spreadsheet. It was a manual and time-consuming process to handle 50,000 SKUs across 2,500 style colors. Netstock was installed, training was completed, and the system was functional within two months.

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I was very impressed as it wasn't long before our planners were working in their Netstock dashboards that were automatically updated from our ERP.

Steven Allgood, Director of Inventory Management

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Challenges in the apparel industry

Besides the complexities around forecasting demand for styles, sizes, and colors, another challenge is hem sizes. To be efficient with fabric consumption, Edwards orders finished pants with standard hem sizes in addition to unfinished pants. When an order comes in, the hemming department will hem those to the required length. "Netstock's dynamic aggregations allow us to easily summarize both standard and non-standard hem lengths so we can see our total demand for unfinished pants even though we ship it out in other hem sizes."

Managing customized uniform styles & sizes

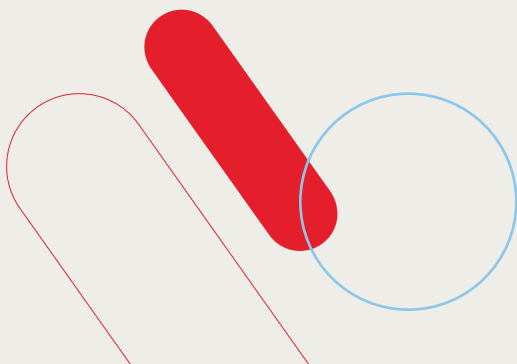
Most Edwards customers have uniform programs consisting of numerous items in various colors, designs, and sizes. Netstock allows Edwards to forecast at the customer level and make use of valuable collaborative input from customers. Additionally, they can build in an agreed percentage increase to the future forecast to address employee turnover.

Effectively managing new products

"When we introduce a new item, we can forecast accurately by leveraging historical size curves, seasonality, and history from other, similar products. Forecasts automatically adjust and improve as orders come in and historical sales become available."

What-if analysis

The ability to perform 'what-if' scenario planning was a real game changer for Edwards and a feature they often use. "With all the recent supply chain disruptions, we create a 'what-if' to see the net effect of an action. For example, we would adjust our lead time from 120 to 150 days and see how much more inventory we would need to order and what the financial impact of the changes would be."



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Steven Allgood, Director of Inventory Management

Making life easier for planners and suppliers

“If we want 120 days of forecast on our shelf, Netstock lets us do that easily. If we have limitations in capacity, the planners can see that right away and adjust the safety stocks downward, reducing the order across all sizes. It helps us to balance sales, financial, operational, and service requirements.”

Having visibility of potential stockouts allows Edwards Inventory Planners to work with the plants and see if they can move those production cuts up and prioritize them above the others. “We are also able to manage our suppliers’ MOQs more efficiently. We plan our orders in weekly buckets so we can pull up a style color and see what week we have to push out to, in order to accommodate the MOQ. ”

The drill-down functionality was another significant benefit for Edwards. They can drill down on data points and see, for example, what orders are in transit and which customers purchased by each time bucket. “Having this visibility and seeing that the information is correct gives us confidence and trust that our decision to invest in Netstock was the right one.”

Navigating supply chain disruption

During the initial panic at the start of the COVID-19 pandemic, Edwards decreased their inventory and canceled as much of the work in progress as they could. When the orders started to come in again, they had the available capital and boldly decided to invest heavily in raw materials and capacity at their plants. Edwards had capital when they needed it and inventory when their competitors didn’t, enabling record-breaking sales. What’s more, they have managed to retain many new customers gained in the market resurgence. In the uniform industry, it isn’t easy to change suppliers because of the potential for minor discrepancies in color shade, design, or cut. Once customers have a uniform program, they don’t like changing suppliers unless it’s absolutely necessary.

“We received a lot of large once-off orders as well. The great thing with Netstock is that we could flag those anomalies and make adjustments, so they were not represented in our demand plan figures for the following year.”

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Return on investment

For Edwards, the return on investment was both financial and operational. "We were averaging around \$1.2 million a year in write-offs before implementing Netstock. Write-offs have decreased steadily and are now down to approximately \$300,000 annually. Additionally, our planners spent about 70-80% of their time manually working out their orders. Now with the order recommendations, we get from Netstock, they have more time to dedicate to the strategic balancing of supply, demand, and capacity. They can look at what their demand is doing, work with varying capacities, and communicate future requirements effectively with the plants and suppliers.

"The flexibility of Netstock and how we can slice and dice the information has allowed us to gain insights and plan with more precision and ease.

It has also helped us to face the many challenges affecting the apparel industry during and after the COVID crisis.

We are in the process of upgrading our ERP system to Microsoft Dynamics 365 Finance & Operations, and we will definitely make use of Netstock's pre-built integration with our new ERP. "



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