

“We had a number of customers that might never have automated if we hadn’t consciously reached out to them. That experience helped us understand that on the supply side, it makes no sense to mandate solutions with which our suppliers would struggle. We try and make connectivity to our systems as easy as possible.”

— DAVID PERSSON,
DIRECTOR OF B2B E-COMMERCE AND
EDI AT LIZ CLAIBORNE



LIZ CLAIBORNE INC

Liz Claiborne — Extending the Relationship, Staying in Front

Fashion Leader Turns to GXS to Digitize its Supply Chain

Corporate Profile

Leading Global Fashion Designer and Marketer

Founded in 1976, New York-based Liz Claiborne Inc. designs and markets an extensive range of women’s and men’s fashion apparel and accessories. With 26 owned and licensed brands, including Mexx, DKNY Jeans and Kenneth Cole New York, Liz Claiborne has one of the broadest portfolios in the fashion industry and vows to provide consumers what they want, where they want to buy it, and at the prices they want to pay. The company’s portfolio encompasses traditional, modern, classic and contemporary styles. Its brands are available at more than 22,000 different retail locations throughout the world, including virtually all upscale, mainstream, promotional and chain department stores and mass merchandisers in the United States, as well as in more than 250 of its own specialty and outlet stores. The company has annual revenues in excess of US \$3 billion.

The Business Challenge

Managing Complexity in the Supply Chain

Liz Claiborne interacts daily with thousands of retailers and suppliers, ranging from small manufacturers in distant countries with limited communications technology to the largest US retailers with state-of-the-art trading systems. Whether supplier or customer, large or small, local or international, Liz Claiborne must communicate seamlessly with all its trading partners and maintain the agility to continuously add new partners to its supply chain.

The company has been extremely successful at containing costs and uses technology as part of its efforts to improve process efficiency while maintaining growth. “We are moving towards end-to-end processing because it makes good business sense to do so,” says David Persson, Liz Claiborne Inc.’s director of B2B e-commerce and EDI. However, while the company had pushed forward with digitizing the supply and demand chains, it recognized that there were number of customers who would never automate. “The problem was how to reach out to them,” says Persson. At the same time, Liz Claiborne was actively seeking to get its suppliers to adopt automated processing techniques. This would help them combat the relentless pressure on cost due to the way goods are ordered in the fashion industry, and adapt as the company’s aggressive expansion strategy demands.

Liz Claiborne sells its merchandise to its retail customers four times a year. Once the retailers have made their selections, the company has a short period of time to determine



GXS SOLUTIONS USED:

- EDI*EXPRESSSM Service
- Application IntegratorTM
- Enterprise Gateway
- Global Product CatalogueSM
- Desktop EDITM
- Desktop ASNTM

“We want to share in GXS’s vision while understanding their technology roadmap, so we believe we must get as close to them as possible”

— DAVID PERSSON,
DIRECTOR OF B2B E-COMMERCE
AND EDI

the distribution and shipping break down of the bulk orders it has received. This typically generated a considerable amount of paperwork. Moreover, as the paperwork grew, the opportunities for error, coupled with the labor-intensive nature of the bulk transport allocations, were making distribution a difficult and costly exercise. “We were looking to improve inventory management, and that meant getting closer to both our customers and our suppliers during the order capture process,” says Persson.

The Solution

Creating Better Relationships Through Digitization

The company has a long history of working with GXS, starting with GXS’s EDI*EXPRESSSM Service to transact electronically with major retailers and suppliers. Later, the company chose GXS’s Desktop EDITM and Desktop ASNTM products to link suppliers in Latin America and the Caribbean into its Electronic Data Interchange (EDI) network. “The purpose of having these different solutions is to ensure that we can include as many of our business partners as possible, but in the way that works best for them,” says Persson. “This is really about partnership, and while we want documents in formats that comply with industry standards, we don’t want to force one or another solution upon the business partners,” he continues.

“We want to share in GXS’s vision while understanding their technology roadmap, so we believe we must get as close to them as possible” David Persson, Director of B2B E-Commerce and EDI

As those suppliers grow, GXS’s Application IntegratorTM and Enterprise Gateway enable them to integrate their own back-office systems into the company’s network. Liz Claiborne uses GXS’s Global Product CatalogueSM to manage the more than half million product SKUs that are generated each season and to communicate product information to its retailers. Liz Claiborne made these choices in order to create a long-term strategic partnership with GXS. “We are committed to a best-in-class, open architecture approach to all our systems. This is critical for us as a global enterprise and it is a vision that we believe GXS shares,” says Persson.

The Results

Industry-Leading E-Business Infrastructure

Liz Claiborne has developed its e-business infrastructure from basic supplier transactions to what is now the most extensive application of B2B integration and EDI in the apparel industry. More than half a million electronic documents traverse GXS’s global network each year between Liz Claiborne and its supply chain community members. Persson estimates that 93 to 94 percent of the company’s purchasing documents—which account for approximately 96 percent of all revenue activity—are handled electronically.

In purchasing, this represents 28 different document types that are transmitted between Liz Claiborne and its business partners. The company continues to push forward digitization efforts by increasing both the volume and variety of electronic transactions with suppliers and retailers, and by expanding the reach of electronic trading to encompass more supply chain partners around the world.



LIZ CLAIBORNE'S RESULTS:

- Most extensive application of B2B integration in apparel industry
- 500,000 electronic documents transacted per year
- 93 to 94 percent of purchasing documents digitized
- 96 percent of all revenue activity handled electronically
- Processing throughput increased by up to ten times
- Reporting time reduced by two days

From an operational perspective, cycle time reductions have been stunning. In one instance, Persson reports processing throughput increase ten times. This allowed the company to reduce reporting time by two days out of each week, giving decision makers information about point of sale, order status and credit information by seven in the morning on the Monday following the weekend close. "Decision makers are getting information when they need it, and not when the business can process the results," notes Persson.

The company believes its experience working with GXS has helped it to develop and foster relationships on both the supply and demand side that are based on mutual trust. "It all comes down to our looking for common sense ways of doing business that have long-term benefit," concludes Persson.

NORTH AMERICA AND GLOBAL HEADQUARTERS

100 Edison Park Drive
Gaithersburg, MD 20878
U.S.A.

+1-800-560-4347 t
+1-301-340-4000 t
+1-301-340-5299 f

EUROPE, MIDDLE EAST AND AFRICA

1 Station Road
Sunbury-on-Thames
Middlesex TW16 6SU
United Kingdom

+44 (0)1932 776047 t
+44 (0)1932 776216 f

ASIA PACIFIC

25th Floor, Shell Tower
Times Square
Causeway Bay
Hong Kong

+852 2884-6088 t
+852 2513-0650 f

www.gxs.com



About GXS

GXS is a leading provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration. Organizations worldwide, including 75 percent of the Fortune 500, leverage GXS' GS1 certified global interoperability and supply chain execution solutions. Active in the global standards arena, GXS offers solutions, powered by the Trading GridSM, that enable customers both large and small, to connect with global partners, synchronize product information and optimize the execution of supply chains. Headquartered in Gaithersburg, MD., GXS provides sales and support to businesses and their partners worldwide. For more information about GXS visit www.gxs.com.