MANUFACTURING COMPANY CASE STUDY: ADDRESSING PRODUCT MANAGEMENT NEEDS FOR THE FASTEST GROWING BRAND IN EUROPE

From the Business Architecture Guild®

Date: 2016
The Organization

This case study explores the VF Corporation. “Organized in 1899, VF Corporation is a global leader in branded lifestyle apparel, footwear, and accessories, with more than 30 brands, 60,000 associates and $12.3 billion in revenue. VF organizes its businesses and brands into five categories called coalitions, comprising Outdoor & Action Sports, Jeanswear, Imagewear, Sportswear, and Contemporary Brands. While VF is highly diversified across brands, products, distribution channels, and geographies, our One VF culture and approach to doing business provide a unique and powerful competitive advantage”.1

Current Situation

According to the 2012 VF Annual Report, “VF uses a consumer-centric approach to product development, backed by comprehensive research, which helps VF forge ever-deeper connections with those who buy and wear our products. In addition, VF has a highly efficient, flexible, and diversified supply chain that includes both owned and sourced manufacturing, giving VF unparalleled advantages in product innovation, speed-to-market, cost, and quality”.2

In 2012, VF implemented a Product Lifecycle Management (PLM) technical solution for its Kipling brand at its European operations. Even though Kipling Europe tried extensively to use the technical solution for a period of years, over time, its concerns regarding functionality, customizations, complexity, and region-specific terminology escalated. Leadership stated that the technical solution did not meet the full needs of its European operations and the company reverted to a manual solution.

The Kipling brand had been growing quickly—12 million bags sold per year and 20 percent revenue growth in 2014. While Kipling has a simple business model and a lean team, it reached a critical point where a PLM business solution was needed to decrease time to market, maintain “one version of the truth”, enable collaboration, and reduce errors. Because the team determined that not having a PLM business solution could eventually impede the rate of growth at Kipling, it felt the urgency to resolve this need expeditiously.

In June 2015, the Enterprise Business Architecture (EBA) team was charged to assess the viability of a PLM business solution for Kipling Europe and several other European brands (i.e., 7FAM, Lee, Wrangler, Eastpak, and Napapijri), with consideration to U.S. operations and needs as applicable. The goals of the engagement were to further identify the challenges and needs for a PLM business solution and provide a set of recommended business solution options to address these PLM needs.
Our Approach

VF applied a business architecture approach for this engagement to provide a holistic view of the challenges and potential PLM business solution options, inclusive of people, process, information, and technology. The EBA team used a Letter of Engagement (LOE), as shown in figure 1, to gain agreement and commitment on resources, activities, deliverables, and results.

The EBA team conducted interactive sessions with brand leaders, team members, and related roles. The team performed the following:

- Facilitated conversation and reconciliation using a common framework,
- Analyzed product management documentation, and
- Visited work spaces and showrooms.

The interactive sessions allowed the EBA the opportunity to build relationships with the business teams. The team’s approach and example deliverables, shown in figure 2, included the following:

- Definition of guiding principles for the business solution and the approach
FOR THE BUSINESS SOLUTION

» Strategic Alignment is a priority, but Business Fit is also a priority

FOR THE APPROACH

» Build reusable Enterprise Business Architecture by leveraging the brands’ willingness to participate in this process
» Develop valuable relationships with the business by engaging stakeholders from all regions
» Identify opportunities to reuse the Enterprise Business Architecture developed

Figure 2: Guiding Principles

• Definition of business goals, highlighted in figure 3, based on identified business needs and documented strategic direction

Figure 3: Business Goals

• Creation of business models, represented in figure 4, for each participating brand to understand current operations
Figure 4: Business Model for Brand

- Creation of a common Product Management value stream that maps to the identified and defined Product Management business capabilities, as shown in figure 5, which provided a reusable enterprise context.

Figure 5: Product Management Value Stream-to-Capability Map

- Creation of a common Product Management value stream mapped to the high-level business process flow, as shown in figure 5.
Manufacturing Company Case Study: Addressing Product Management Needs for the Fastest Growing Brand in Europe

Figure 6: Product Management Value Stream-to-Process Map

- Identification of the potential technology solutions, as exhibited in figure 7, which requires IT partnership

<table>
<thead>
<tr>
<th>Tool Name A (Current VF version)</th>
<th>VF BRANDS USING</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Tool Name A]</td>
<td>[Brand A] (apparel)</td>
<td>Good engine for complex products; typically has a [App Name A] overlay to enhance user interface (through improvements have been made to the new vendor version)</td>
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<tr>
<td></td>
<td>[Brand B] (apparel)</td>
<td>A new vendor version is available. GIIT is currently facilitating the assessment</td>
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<tr>
<td></td>
<td>[Coalition A] (Location)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>[Brand E] (apparel, planned)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>[Others planned / in progress]</td>
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<table>
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<tr>
<th>Tool Name B (with [Tool Name 5])</th>
<th>VF BRANDS USING</th>
<th>COMMENTS</th>
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<tr>
<td>[Tool Name B]</td>
<td>European Brands</td>
<td>[App Name B] provides the front end (starting with the Line List from Merchandising) to the P/LM system as well as costing and other functionality</td>
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<tr>
<td></td>
<td>[Brand C]</td>
<td></td>
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<td></td>
<td>[Brand D]</td>
<td></td>
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<td></td>
<td>[Brand E]</td>
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<td></td>
<td>[Brand F]</td>
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<tr>
<th>Tool Name C</th>
<th>VF BRANDS USING</th>
<th>COMMENTS</th>
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<tbody>
<tr>
<td>[Brand G]</td>
<td>Evaluated by various brands</td>
<td>Positioned as a P/LM solution for the fashion industry</td>
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<table>
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<tr>
<th>Tool Name D</th>
<th>VF BRANDS USING</th>
<th>COMMENTS</th>
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<tbody>
<tr>
<td>[Brand E]</td>
<td>[Tool Name 1] (footwear, version #1)</td>
<td>Was originally an apparel and equipment P/LM solution</td>
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<tr>
<td>[Brand E]</td>
<td>[tool name 2] (footwear)</td>
<td>Expanded to footwear based on an engagement with [Brand E]</td>
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<td>[Brand B]</td>
<td>[tool name 3] (footwear)</td>
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<tr>
<td>[Brand H]</td>
<td>[tool name 4] (footwear)</td>
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</tr>
<tr>
<td>[Brand A]</td>
<td>[tool name 5] (footwear)</td>
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</table>

*For apparel and equipment in the future

Figure 7: Potential Technology Solutions

- Performance of Product Management business capability to technology solution assessment, as exhibited in figure 8
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Figure 8: Product Management Capability-to-Technology Solution Assessment

- Creation of the interim and target state business solution options based on analysis of influencing factors, as exhibited in figure 7

![Figure 8](image-url)

- Identify key business leaders, team members, and stakeholders early in the engagement
- Schedule and conduct interviews with all key business leaders, team members (from brands across all regions), and stakeholders (Council Leadership, Global IT Partners) to gain a global perspective

![Figure 9](image-url)

The team used the following guidelines to manage the engagement:

- Identify key business leaders, team members, and stakeholders early in the engagement
- Schedule and conduct interviews with all key business leaders, team members (from brands across all regions), and stakeholders (Council Leadership, Global IT Partners) to gain a global perspective
Manufacturing Company Case Study: Addressing Product Management Needs for the Fastest Growing Brand in Europe

- Document all meeting notes in a standard format to facilitate synthesis and ensure all details can be analyzed
- Keep all participants informed on a regular basis and share final results for closure and relationship growth
- For stakeholders, always end with an “ask”
- Gain agreement on next steps and responsible parties

Business Results

The results of this engagement, including specific PLM business solution insights and lessons learned on implementation approach, will feed into other key enterprise initiatives, business transformations, enterprise standards, and technical solution assessment and selection process (business fit).

For the business:

- Provided a set of business solution options to address urgent PLM needs, informed by VF strategic direction and a global brand perspective
- Established a common framework for product management across brands, which facilitates common understanding and collaboration
- Established interest and relationships that can lead to more formal cross-brand product management sharing, including collaboration across brands and regions
- Provided another tie to the enterprise for the brands, to give them a voice and connect them with enterprise direction and activities that impact them
- Shared product management best practices and considerations across brands, verbally and through documentation based on VF and industry perspective
- Shared implementation success factors; most were known but not routinely applied while some were new concepts at VF, especially in Europe
- Shared enterprise opportunities including vision and scope expansion of existing council to include global members and perspective, stronger relationships with upstream and downstream organizations, and decisions based on business characteristics

For the business architecture practice:

- Created reusable blueprints including:
  - Validation and adoption of a single Product Management value stream
  - Validation and adoption of Product Management business capabilities (three levels with definitions)
Validation and adoption of a common high-level value stream with common activities and roles, where much of this value stream was the same regardless of product category, brand, region, or business model

- Developed business architecture tool guidance and populated the business architecture repository with most blueprints listed above
- Validated business architecture methodology using an adaptable approach, with the LOE equivalent to an internal statement of work (SOW)
- Demonstrated the value of business architecture through a real example
- Socialized the business architecture practice, building relationships, and gaining advocates across the enterprise
- Established key partnerships
- Generated additional business architecture engagements

Key Insights

What we learned:

- Face-to-face interaction is critical to building trust, especially in the beginning
- The business is open to change, collaboration, and standardization where it makes sense
- Non-biased, fact-based business solution options build confidence when making decisions
- A holistic approach, which includes the business perspective and deliberate change management activities, will increase the success of future implementations
- An industry reference is value-add
- Act like an advocate for the business, regardless of position within the organization
- Business architecture can succeed and even thrive if the emphasis is always about the business and the holistic view
- Strong senior-level support and business advocacy is critical

This case study was authored and contributed as referenced.³
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3 This case study was provided by Amy Crockett, the Director-Enterprise Business Architecture of VF Services, LLC [a subsidiary of VF Corporation]. The views expressed herein are her own and do not purport to be the views of her current or any former employer. No information in this document reflects non-public information of her current or any former employer.