

Dassault Systemes and Zymmetry Accelerator Will Deliver Strong Business Value to Apparel Manufacturers and Retailers

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This research offers first impressions of the Apparel Accelerator for Sourcing and Production that Dassault Systemes and Zymmetry built on Dassault Systemes' PLM V6 platform, and recently introduced for apparel manufacturers and retailers. It provides Gartner's opinions of the business value that can be delivered and offers advice on managing the risks associated with new software on Dassault Systemes' new V6 platform, which does not yet have proven user validation.

Key Findings

- The new accelerator reflects a vision and direction that will appeal to apparel, footwear and accessories (AFA) manufacturers and retailers.
- Zymmetry provides strong sourcing and production management capabilities and history, backed by the deep AFA industry expertise of Wing Tai Enterprises.
- Dassault Systemes' Enovia software is a proven product life cycle management (PLM) platform for AFA manufacturers.
- Thus far, briefings, dialogue, presentations and customer testimonials reflect strong vision and direction. However, the Accelerator for Sourcing and Production is not yet industrially proven.

Recommendations

- Manufacturers and retailers in AFA who are looking for an integrated PLM, sourcing and production management solution should evaluate Dassault Systemes' Apparel Accelerator for Sourcing and Production.
- Interested Enovia AFA manufacturers, especially early MatrixOne customers that built custom solutions on eMatrix (see Note 1), should evaluate the trade-offs on cost of ownership (including data migration, licensing terms and conditions, and process changes) versus business value delivered and changes to internal support costs before making a commitment.
- Risk-averse AFA manufacturers and retailers should investigate Zymmetry references and Enovia AFA references, and look for evidence that integration of Zymmetry into the V6 platform will support their business processes and the formats they use to create and share design content.

WHAT YOU NEED TO KNOW

On 4 August 2008, Dassault Systemes announced the availability of a new Accelerator for Sourcing and Production management as an extension of its PLM solution for the apparel industry. The Dassault Systemes-Zymmetry partnership shows a great deal of promise for AFA manufacturers and retailers, given Zymmetry's deep expertise in the AFA industry and the promise of Dassault Systemes' V6 platform. This is one of the first important tests for Dassault's V6 strategy, and it is encouraging. However, Gartner has not validated the accelerator with manufacturers or retailers because the V6 platform and the accelerator are both new. Nevertheless, Gartner encourages its AFA manufacturing and retail clients to use the Accelerator for Sourcing and Production because it shows the potential to shorten deployment time, reduce ownership costs, and deliver more business value than disconnected software applications, either commercial or custom. Gartner also recommends caution in making a commitment without piloting, given the newness of the application and the supporting V6 platform.

ANALYSIS

The Accelerator for Sourcing and Production represents the first deliverable from this joint activity that combines Zymmetry's sourcing and production expertise with the Dassault enterprise V6 PLM platform. It will be enhanced during the next year to further extend the functionality to address areas such as assortment planning, time and action management, production tracking, shipment tracking, and quality assurance.

The vision is on target because it addresses key bottlenecks in AFA businesses. For example, apparel designers and sourcing groups need to work in tight partnership because, considering the nature of apparel, any change in the design can have deep implications in terms of materials and parts that are sourced. Also, changes in sourced materials or parts can have a great impact on the perceived style and quality of the product in the eyes of the designer and possibly the customer. Sourcing changes can have a strong impact on apparel cost in an industry where products have razor-thin margins. If product changes are not reported accurately or in a timely way, this can result in scrap, rework and delays that can jeopardize the ability to deliver the right products in time for the selling seasons. Therefore, the proposition of strong integration between sourcing capabilities and a PLM platform that links product design with other activities suggests that changes originating from either group will be communicated in a timely way.

Proper integration of production management with sourcing on a PLM platform also delivers substantial value because it shortens the new product introduction workflow. For example, quality issues during this phase of the life cycle can disrupt production launch and risk failing to meet seasonal deadlines. Also, strong product design and planning demand accurate estimates of landed costs. Beyond the cost of sourced parts, this includes duties, taxes and transportation costs. Visibility of such data coming from production is vital to designers to ensure that design choices such as materials and production costs influenced by garment design can deliver intended margins for different geographies. This platform should be able to deliver this value, considering the integration of Zymmetry's capabilities.

Product Strategy

The Apparel Accelerator for Sourcing and Production complements the Accelerator for AFA Design and Development that Dassault Systemes currently sells. By integrating to sourcing and production capabilities, Dassault Systemes is extending the functional capabilities of the core PLM solution to deliver more of an end-to-end business process. This builds on its existing market position and ensures that the PLM solution is positioned as an enterprise solution to

central business requirements. The later releases of the accelerator will add significant functional capabilities.

This initial version will enhance agent and sourcing office management, sample order management, quality assurance test management, and detailed supplier costings, and it will provide comprehensive request-for-quotation management. In combination, these capabilities will help improve the control of change management, reduce lead times and increase reliability across the supply chain. The accelerator provides a basis for decision support across the entire sourcing and production process, combined with the capability to execute.

The second and third release phases of the accelerator will significantly build on the first version and will deliver substantial additional business benefits. Organizations looking to extend their PLM capabilities into sourcing and production management should consider the scope of the initial accelerator, and plan to absorb the later phases as they become available.

Strengths

- **Depth of AFA business expertise provided by Zymmetry.** Zymmetry Group is a subsidiary of Wing Tai Enterprises. Because Wing Tai owns factories, retail operations and brands, Zymmetry has strong access to experience and deep expertise in apparel design and production with global operations. This experience is infused into its sourcing and production management software capabilities.
- **Increased business productivity through integration of sourcing and production operations with a PLM platform.** As described earlier, efficient execution of product life cycle business processes involves collaboration between design teams and procurement and production experts. Software that makes relevant data visible across all three groups and streamlines change and notification processes will improve business performance.
- **Reduced time and cost to deploy.** Building interfaces between disconnected design, sourcing, and production management applications is risk-prone and expensive. Prepackaged software with process support that embeds industry best practices should reduce the amount to invest with integration services and consulting services that typically define best practices.
- **Strength of the Enovia MatrixOne platform and its validation for AFA-related PLM activities.** Through its acquisition of MatrixOne, Dassault Systemes acquired personnel with several years of experience in delivering PLM solutions to the AFA industry.

Challenges

- **Uncertainty surrounding the partnership between Dassault Systemes and Zymmetry.** Dassault Systemes and Zymmetry announced their business partnership on 19 February 2008. Both companies still have much to prove in terms of the long-term durability of their partnership.
- **Software production worthiness remains unproven.** As new software, this Accelerator has not been used enough to gain widespread trust. Because the V6 platform that underpins the software was made publicly available in May 2008, its functionality, performance and scalability may need to be further validated.
- **Inexperienced field organization.** Considering the newness of the application, Dassault Systemes will also be on a learning curve to support the solution independent of Zymmetry. Therefore, early adopters may struggle with support.

- **Support for non-Dassault-owned AFA design tools.** This accelerator supports Adobe Illustrator and will most likely support Dassault's Catia software. Support for Adobe Illustrator is a must in this market. However, there is a trend to adopt 3-D tools (especially for the design of footwear) in this space. Gartner sees an increase in the use of 3-D tools from other vendors such as Gerber Technology, Lectra and Rhino (Robert McNeel & Associates owns the Rhino trademark).

Competitive Analysis

The Apparel Accelerator for Sourcing and Production improves Dassault's competitive position in the business applications software market for AFA manufacturers and retailers (see "MarketScope for PLM in Apparel, Footwear and Accessories, 2008" and "Market for PLM in the Apparel, Footwear and Accessories Industry"). If Dassault Systemes and Zymmetry execute the strategy well during the next three to five years, Dassault's positioning in this market will become best-of-class.

In today's market, Dassault Systemes already competes well with other PLM vendors that serve multiple industries, such as PTC, and Siemens through its existing AFA solution. For certain classes of functionality, other PLM vendors exceed Dassault in areas such as sourcing. However, Dassault's software strategy can propel it ahead of these competitors by at least matching their sourcing capabilities and moving beyond them in production management.

Other vendors such as Infor, Lawson and New Generation Computing (NGC) historically provided broader enterprise scope of capability than Dassault. By the third major release of this software, Dassault Systemes and Zymmetry could at least match these vendors in enterprise scope while delivering greater depth. However, Infor and Lawson will retain the advantage of managing client financials and the links from orders to fulfillment, where clients have adopted these platforms across the enterprise.

This software road map will create yet another obstacle to efforts by Gerber and Lectra to grow into major players in enterprisewide PLM, beyond their current excellence in design and manufacturing support. Most likely, Gerber and Lectra will maintain their positions in design and manufacturing software for AFA industries.

Consider This Product When ...

All AFA manufacturers and retailers seeking an alternative to custom integration and support of PLM, sourcing and production management software should consider this application. This is especially true for existing Dassault Systemes customers using Enovia MatrixOne.

Consider Alternatives When ...

AFA manufacturers and retailers in the AFA industry should consider alternative solutions if they already have an alternative PLM platform in place that they are not looking to replace. Also, manufacturers that have already invested heavily in enterprise software that spans ERP, sourcing, and production management may want to seek PLM alternatives, especially when their ERP provider already offers PLM capabilities. If those AFA companies are dissatisfied with the PLM offerings of their existing ERP provider, then they should consider Dassault Systemes' AFA offerings only after validating that the degree of integration with their ERP environment meets their business process needs, and they have assurances that Dassault Systemes will provide ongoing support for that integration as part of the standard maintenance agreement.

RECOMMENDED READING

"MarketScope for PLM in Apparel, Footwear and Accessories"

"Market for PLM in the Apparel, Footwear and Accessories Industry"

"Critical Requirements for PLM in Apparel Footwear and Accessories"

"Fast Fashion Demands PLM"

"Dassault Systemes to Expand PLM Scope With MatrixOne Purchase"

"Findings: Macroeconomic Modeling Will Increasingly Impact Product Life Cycles"

Note 1

MatrixOne's eMatrix Platform

Several large Enovia MatrixOne AFA customers were early adopters of MatrixOne's eMatrix platform. They employed eMatrix to build highly customized PLM capabilities with company-specific semantics and structure to their product data.

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