

Capgemini in the Fashion Industry

Delivering Solutions to Drive Revenue,
Margin and Shareholder Value



People matter, results count.



Fashion Transformation

- » A Changing and Challenging Segment
- » Global Expansion
- » Enabling the Transformation



Fashion Transformation

Fashion Transformation | All-Channel Experience | Demand-Driven Supply Chain | Concept to Market | Accelerated Delivery



A Changing and Challenging Segment » Global Expansion » Enabling the Transformation



A Changing and Challenging Segment

The global fashion segment is exciting, innovative and, above all, changing rapidly – from new shopper buying behavior to increased supply chain complexity. By all accounts, the industry, with more than \$1 trillion in annual sales, has recovered from the economic downturn and is expected to grow by double-digit rates for the coming years, with much of that coming from emerging markets like China, India and Brazil. The dynamic nature of the industry has led to a number of challenges.

Digital Direction

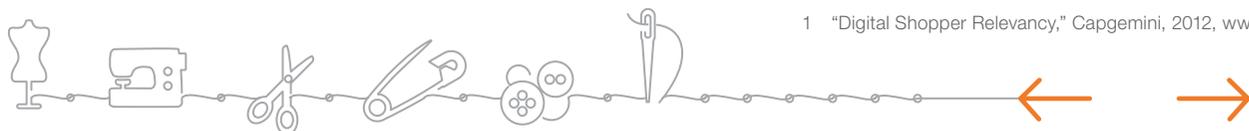
Today's fashion shoppers are a special breed. They are among the most active digital shoppers, making extensive use of mobile apps and social media during their shopping journeys.¹ Compared to consumers in other categories, fashion shoppers will purchase more products in a single transaction online than in physical stores and are interested in shopping online together with friends. They are also more likely to spend more money in a physical store if they have researched the products using digital means prior to their shopping trip. This is a strong indication that digital complements physical for fashion shoppers.

The growing importance of the digital channel and the convergence of digital and physical channels present significant opportunities for fashion companies, but also raise concerns. Among them are: the potential cannibalization of the brick-and-mortar channel, the challenge of effectively using social media to communicate with tech-savvy fashion shoppers, and the ongoing need to ensure that products are relevant to them.

Supply Chain Complexity

Supply chain issues are critical in the fashion industry, especially given the need to shorten concept-to-shelf cycle time while managing inventory obsolescence vs. stock-out risk. With increasing complexity comes challenges. These include the potential for disruptions in supply, commodity price fluctuations, tighter capacity at mills, demand variability due to changes in consumer tastes, production shortages, higher premiums for expediting product, efficiently managing postponement and lead-time reduction strategies, orchestrating orders and inventory across multiple channels, and the lack of visibility across the supply network.

¹ "Digital Shopper Relevancy," Capgemini, 2012, www.capgemini.com/DigitalShopperRelevancy



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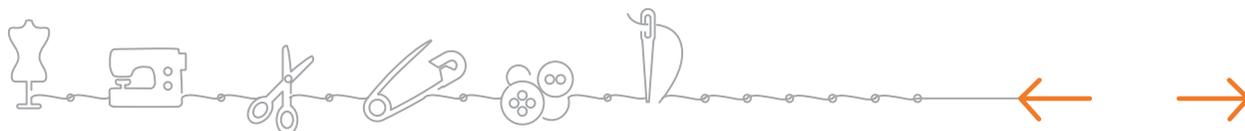
A Changing and Challenging Segment » **Global Expansion** » Enabling the Transformation



Global Expansion

The emergence of brand-hungry consumers in markets like China, India and Brazil presents a significant growth opportunity for the fashion industry. But it isn't easy to take brands global. Issues include recruiting and training local employees, differences in the business culture, managing franchise/licensee arrangements, cost inflation, rapid wage inflation in producer countries, infrastructure bottlenecks in developing markets, delivering a consistent brand experience, and implementing information systems to support global activity.

In addition to the above complexities, the challenge and opportunity to globally implement supply chain standards that can provide a continual improvement platform can be truly powerful and transformational, particularly in light of ethical sourcing concerns. Longer-term efficiencies are derived from such strategies. With today's global competition and fast-paced innovations constantly evolving, a continual improvement platform is key. A fashion company's ability to implement global supply chain standards can revolutionize the distribution channels and customer experience.



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Capgemini's Role is to Enable the Transformation

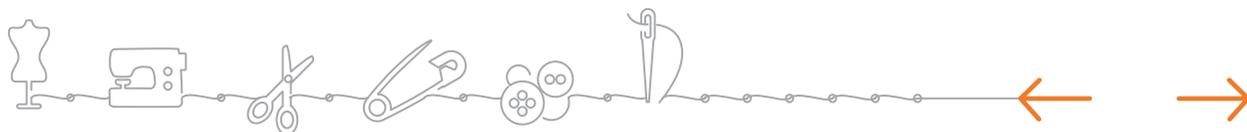
These changes and challenges are driving the need for an enterprise-wide transformation at many fashion companies. Capgemini's goal is to aid in this transformation by driving growth, cost efficiency and shareholder value for fashion companies while helping them adapt to the changing marketplace. We have run large transformational programs for fashion clients, helping them make the change from "push" to "pull" supply chains, from independent operations by brand to shared services, from only wholesale or retail to hybrid wholesale/retail, from manufacturing to retail, and from domestic to global operations. We also run core applications and infrastructure for a number of leading fashion companies.

Services Designed to Meet Fashion Industry Challenges

Capgemini offers a robust set of services across the value chain from product design and development, through the supply chain, to the shopper experience. We organize these solutions in three areas:

- **All-Channel Experience**
- **Demand-Driven Supply Chain**
- **Concept to Market**

In all of these areas, we combine our world-class capabilities in strategic consulting, technology excellence, business process management and global delivery to rapidly advance the business potential of today's fashion companies.



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A Strong Partner, Backed by Experience

Did you know ...

- Capgemini's global team includes more than 2,000 practitioners with specific expertise in the fashion industry across multiple continents and countries.
- We work for more than 30 of the world's leading fashion and luxury companies.
- Our Consumer Products & Retail Solutions Center (CRESCENT) has industrialized leading practices, accelerators and frameworks specifically for the fashion industry.
- We support many of the fashion segment's leading technology solutions via strong partnerships, including but not limited to: SAP, Oracle, JDA, salesforce.com, Teradata, PTC and more. Our clients and partners recognize us as a leader and innovative provider:
 - We received the 2013 SAP® Pinnacle award as Mobile Co-Innovation Partner of the Year. In 2012, we received two SAP® Pinnacle awards, which are presented annually to the top SAP partners.
 - We have entered into a strategic co-innovation agreement with SAP to develop Extreme Applications for Retail built on the SAP HANA platform.
 - We received the 2012 Oracle global Excellence Award for Specialized Partner of the Year in the Oracle-on-Oracle category.
 - We were awarded two prestigious JDA Partner Leadership Awards in 2013: Top Global Partner – for the second consecutive year – and Top Systems Integrator for Retail.
 - We received the Salesforce.com Partner Innovation Award for Marketing for our outstanding contribution to customer success at Dreamforce 2012.
 - For the second year in a row, we received the Teradata EPIC Award for Collaborative Demand in 2012.





All-Channel Experience

- » All-Channel Consulting Services
- » All-Channel IT Services
- » All-Channel Managed Services



All-Channel Experience

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All-Channel Consulting Services » All-Channel IT Services » All-Channel Managed Services

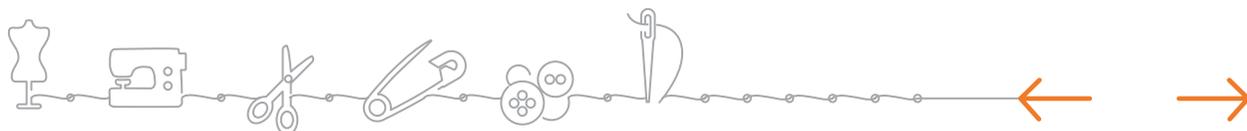


It's All About Them: Your Customers' All-Channel Experience

In today's retail world, now is about now. In the blink of an SMS you can win or lose a customer for life; even your share price is Twitter sensitive. New apps from e-tailers turn phones into barcode scanners and your own store into a silent auction room. Customer engagement is fundamentally changing – which is challenging for the physical store, yet presents opportunities.

Brand awareness is not enough. You don't need customers who are aware of your brand, you need customers who love you; and you need to love them back. You need to connect right then and there. That means knowing what to do, and having the technology and capabilities that enable you to do it. It means providing what we call an All-Channel Experience.

An All-Channel Experience enables you to act in exactly the right way at exactly the right moment across all channels. It gives you the latest technology and capabilities (Figure 1, following page) so you can orchestrate individual customer relationships, and hit the right note when you need to. It makes it possible for you to provide an integrated, meaningful and personalized experience to customers at the moments that really matter: the moments of truth.



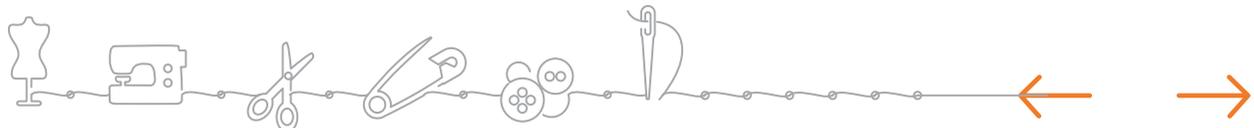
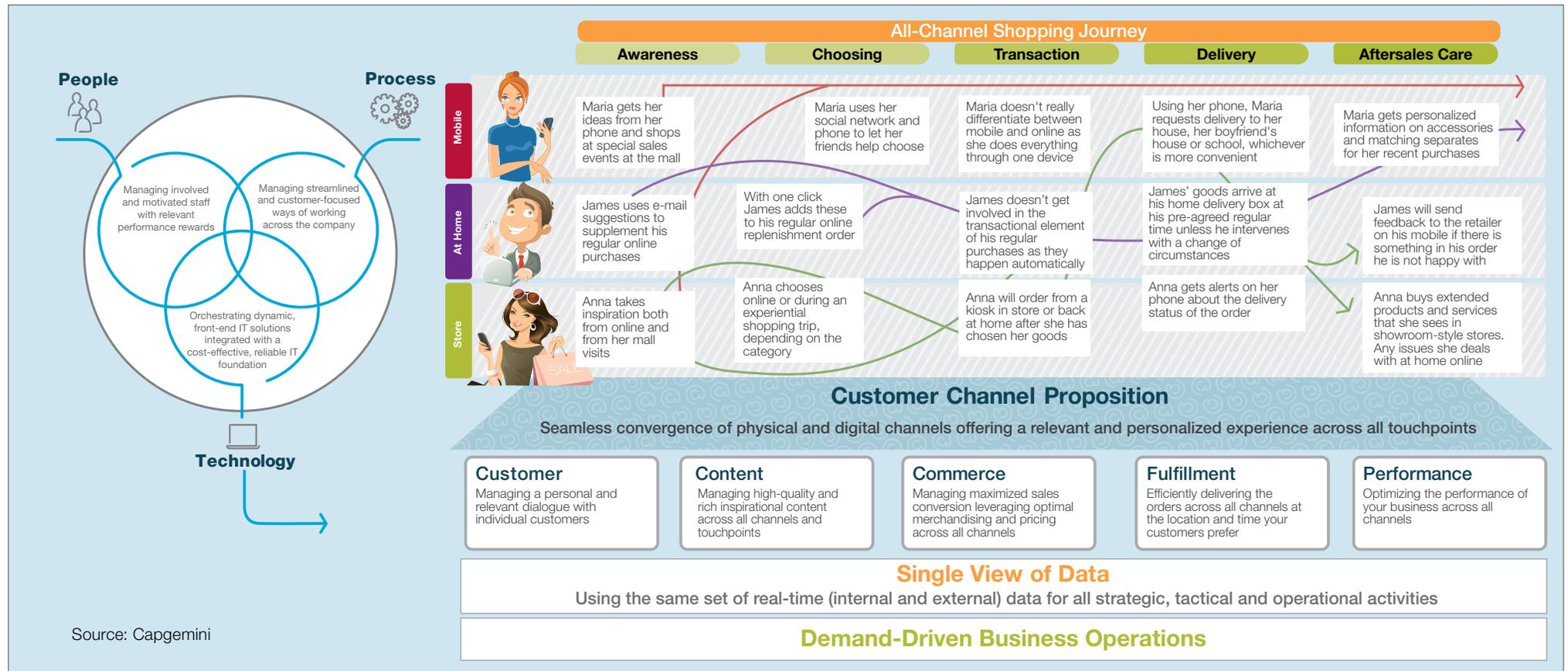
All-Channel Experience

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All-Channel Consulting Services » All-Channel IT Services » All-Channel Managed Services

Figure 1: All-Channel Experience Requires a Well-Balanced Set of New and Integrated Retail Business and IT Capabilities



All-Channel Experience

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Experience Counts



Capgemini worked as our trusted partner in developing the business concept for our global online solution and successfully managed multiple complex deployment activities.”

Head of Online Sales, Global Retailer

New World, New Capabilities

Many companies address this in a tactical manner – by launching all kinds of new website features, mobile apps, social media campaigns and in-store kiosks on top of their traditional retail capabilities. But this is not enough. To provide a true All-Channel Experience companies must leverage new business and technology capabilities in new ways and, above all, make sure that all channels, including the physical store, provide a consistent brand experience. Here are a few aspects to consider:

- **Customer:** Managing a personal and relevant dialogue with individual customers
- **Content:** Managing high-quality, rich inspirational and consistent content across all channels and touchpoints
- **Commerce:** Maximizing sales by having optimal merchandising and pricing across all channels
- **Fulfillment:** Efficiently delivering orders across all channels at the location and time your customers prefer
- **Performance:** Optimizing the performance of your business across all channels

Solutions for Success

Capgemini's All-Channel Experience approach helps fashion companies transform their businesses to deliver a seamless and relevant customer experience across all touchpoints. Our solutions cover the initial strategic roadmap all the way through to the underlying technology and business processes in three distinct areas:

- **All-Channel Consulting Services**
- **All-Channel IT Services**
- **All-Channel Managed Services**



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All-Channel Consulting Services » All-Channel IT Services » All-Channel Managed Services



All-Channel Consulting Services: Benefiting from the Digital Advantage

What It Is

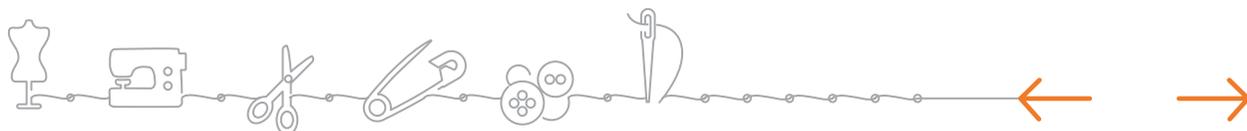
Although the impact of digitization is not new, the digital economy is entering a new age that presents unprecedented challenges for all companies. Digital tools are invading the business environment, provoking significant changes in the way we work, communicate and sell. This has given rise to new opportunities and challenges, and has triggered the Digital Transformation of enterprises.

At Capgemini, our mission is to enable this transformation through the use of technology to radically improve the performance and reach of enterprises. It's a transformation that pays off. Recent research by Capgemini Consulting and the MIT Center for Digital Business reveals that the most digitally mature companies are 26% more profitable than their industry competitors.²

How We Do It

We help fashion companies benefit from the digital advantage, by assisting with the development of an all-channel strategy and roadmap and the subsequent transformation of their overall digital capabilities. Services include All-Channel Experience Strategy, Customer Journeys and Experience, CRM/Digital Marketing and Digital Transformation. Our approach helps companies build a compelling case for change and identify the mission-critical capabilities needed to deliver a seamless and relevant all-channel experience.

² "The Digital Advantage: How digital leaders outperform their peers in every industry," Capgemini Consulting and MIT Center for Digital Business, 2012, <http://www.capgemini-consulting.com/ebook/The-Digital-Advantage/index.html>



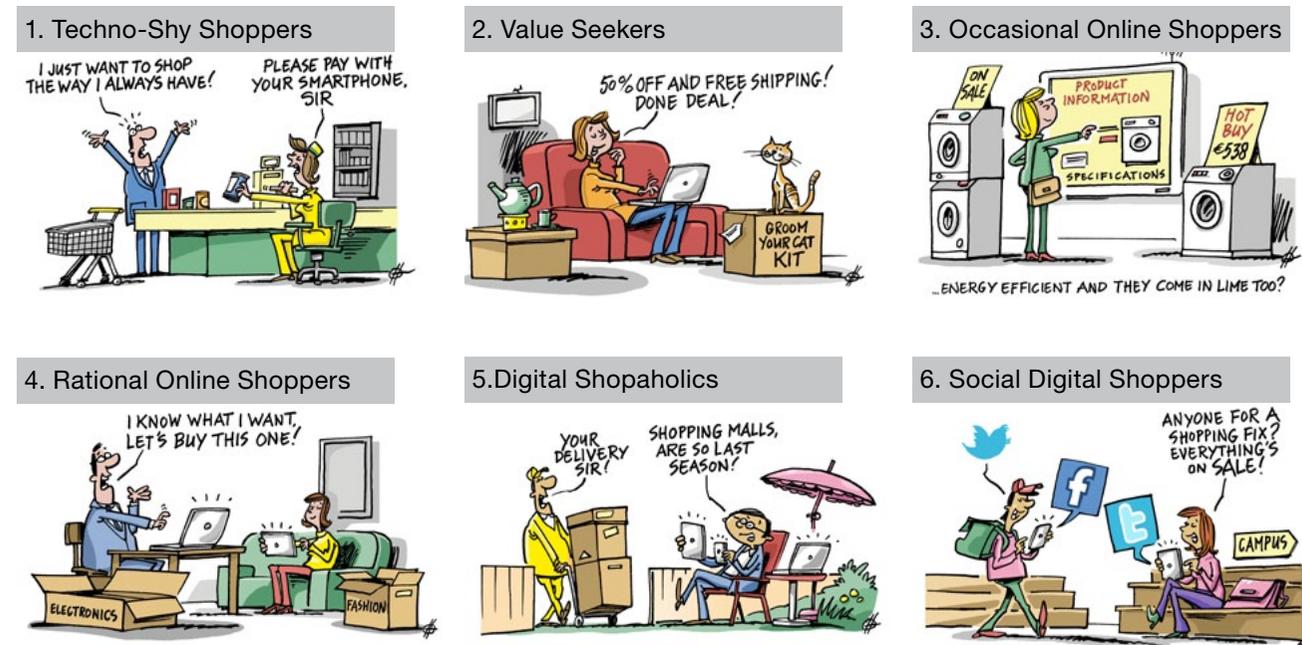
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All-Channel Consulting Services » All-Channel IT Services » All-Channel Managed Services

Figure 2: Digital Shopper Relevancy Study Identifies 6 Shopper Segments



Source: Capgemini

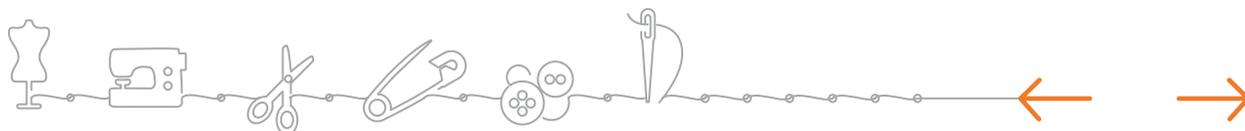
Fashion: Digital Channels Rule

Recent Capgemini research, titled "Digital Shopper Relevancy," found that digital channels play a particularly important role in the fashion segment. About half of shoppers surveyed had purchased fashion products online in the prior six months, making it the second most popular category after electronics.

Our research found that the shopper base in the fashion category was quite heterogeneous, with Digital Shopaholics and Social Digital Shoppers particularly important segments (Figure 2). Younger consumers are especially likely to buy fashion through digital channels. Compared to the average, fashion digital shoppers will purchase more products in a single transaction online than in physical stores and are interested in shopping online with friends.

Social media is used in the fashion category more than in any other product category studied, particularly in the Awareness and Choosing phases of the shopping journey. Mobile apps are also popular in this category for making transactions and tracking delivery of orders.

For more of the key findings and to download the full report, please visit www.capgemini.com/DigitalShopperRelevancy.



All-Channel Experience

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All-Channel Consulting Services » **All-Channel IT Services** » All-Channel Managed Services

Experience Counts

Desigual Sets Up B2B Channel for Multibrand Stores and Sales Representatives

Capgemini is collaborating with one of the fashion industry leaders in developing and implementing a new relationship channel between the headquarters and its sales network worldwide.

"Capgemini's experience has enabled us to develop an attractive and efficient channel for collaborating with our sales network within a very short time frame."

Desigual

All-Channel IT Services: Addressing Digital Demand

What It Is

Shoppers no longer feel loyal to an individual channel but rather to an experience across channels. To drive value in this new shopping environment, it's important for fashion companies to create a business and technology architecture that puts the shopper in the center. Our All-Channel IT Services focus on integrating the commercial activities of fashion companies in all relevant physical and digital channels. Services include Solution Architecture, Cloud Services Orchestration, Mobile Platforms, Agile and Big Data.

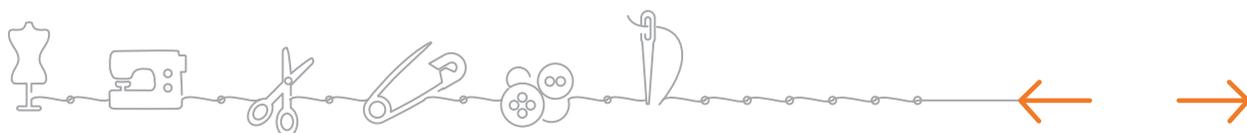
How We Do It

We work with many solution providers, both large, such as IBM, Oracle and Salesforce.com, and a variety of small companies that are leading the innovation wave. All of them are increasingly moving to a Cloud provisioning model, for which we have a proprietary integration and orchestration offer that we call "Immediate." It provides a flexible integration model, because all-channel solutions are typically delivered from multiple vendors and the landscape is changing fast.

Among our All-Channel Experience solutions that focus on digital demand is OCommerce, jointly developed by Capgemini and Oracle. OCommerce is designed to enrich companies' customer experience strategies by improving shopper interaction, loyalty and margins. No matter where fashion companies are on the customer experience spectrum, OCommerce has cutting-edge functionality to help businesses serve their customers in a seamless and meaningful way. OCommerce can be implemented in its entirety or as a "point" solution addressing a single area of need. It can also be implemented by focusing on "gap" needs and expanded over time based on budget and priorities.

In addition, we partner with IBM to drive performance through the entire all-channel customer journey, by harnessing the Smarter Commerce initiative – powered by IBM market solutions – which puts the customer at the center of any business.

In partnership with salesforce.com and its powerful Cloud technology, we provide a complete, customer-centric view across all channels via our CustomerConnect Retail solution.



All-Channel Experience

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All-Channel Consulting Services » All-Channel IT Services » **All-Channel Managed Services**



All-Channel Managed Services: Enabling the Consumer Dialogue

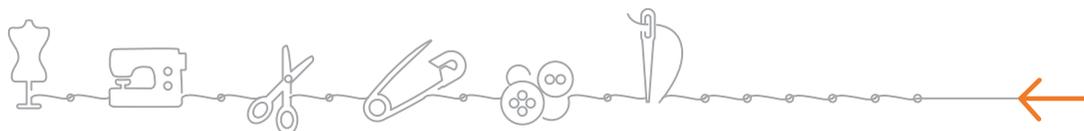
What It Is

Given the key role that social media plays in the fashion industry today, companies must succeed in establishing a two-way dialogue with consumers by harnessing the power of social media. This requires managing the relevant personal interactions with shoppers and consumers via social media channels, mobile applications and location-based services. It also means that companies need to have a better view of who their shoppers are, without being intrusive. The key is determining the extent to which shoppers are willing to share their information in exchange for better service, pricing or special promotions.

How We Do It

Capgemini's approach is designed to help fashion companies understand and engage with their customers more effectively. Our approach pulls together data from all available sources (customer, product, order, inventory) to create a single, coordinated view of the customer. This gives companies the knowledge to deliver a relevant, personalized experience, and one that is consolidated and consistent across all channels. Services include Social Media Management, Digital Asset Management and Consumer Insights.

For example, our Social Media Management solution provides the insights and analytics to improve customer experience on social media. Our team draws on a comprehensive, multi-layered suite of services to provide strategies, tools and insights for better communication with your customers. Using an integrated set of technologies, we help you hear and understand what your customers are saying, then analyze and respond in a fast, efficient and scalable manner.



All-Channel Experience

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All-Channel Consulting Services » All-Channel IT Services » **All-Channel Managed Services**

Clienteling: Empower Retail Employees to Sell More and Deliver Better-Informed Customer Service

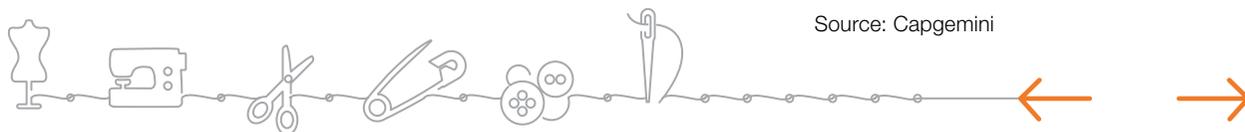
Capgemini's Clienteling solution transforms the customer experience within fashion stores. The solution is rolled out onto tablets (iPad, Android, Windows), enabling sales associates to search for customers as they enter the store and view their complete buying history and recommendations within a few seconds based on real-time data.

Our Clienteling solution connects the front end to back-end CRM data and integrates multiple social media channels such as Facebook, Foursquare, Twitter and blogs. Built into the application is information such as sales performance data of store associates (KPIs, goals, etc.), virtual closets, catalogs, events, promotions, customer profiles, work schedules, aftersales service in the form of "thank you" and "come back" incentives, and alerts for store compliance actions (planograms for new store layout, posters, promotions).

The result: Store associates sell more and deliver a better and a more intimate level of customer service.



Source: Capgemini





Demand-Driven Supply Chain

- » Integrated Planning & Execution
- » Capgemini's SAP Solution for Fashion
- » Shelf and Floor Space Planning



Demand-Driven Supply Chain

Fashion Transformation | All-Channel Experience | Demand-Driven Supply Chain | Concept to Market | Accelerated Delivery



Integrated Planning & Execution » Capgemini's SAP Solution for Fashion » Shelf and Floor Space Planning

Digital Transformation of Supply Chains

Digitization has touched all aspects of businesses, including supply chains and operating models. Today, technologies such as RFID, GPS and sensors have enabled organizations to transform their existing hybrid supply chain structures (combination of paper-based and IT-supported processes) into more flexible, open, agile and collaborative digital models.

Digital supply chains enable business process automation, organizational flexibility and digital management of corporate assets. We believe a holistic approach to digital transformation of fashion industry supply chains, starting with a digital strategy and a digital operating model, will set the direction for integrated execution.

Demand-Driven Supply Chain: Enabling a 'Pull' Business Model

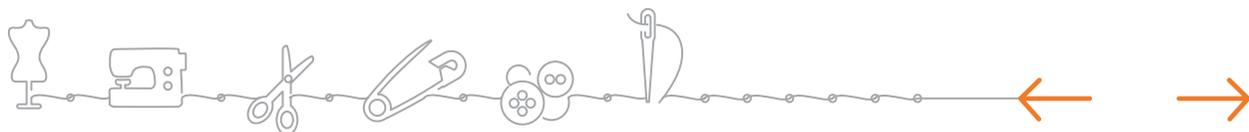
In a perfectly rational fashion supply-demand chain, the shopper would find the right product, in the right place, at the right time. Achieving this scenario in the real world is challenging, due to complex supply-demand chains, lack of synchronization between planning and execution, and poor real-time data availability with no common view across all businesses, channels and brands. All-channel retailing, in particular, poses an extra challenge to the responsiveness of supply chains.

Capgemini's Demand-Driven Supply Chain helps fashion companies create a "pull" business model where all supply chain activities are focused around consumer and shopper demand. With this approach, companies can better read and react to actual customer purchases, thereby achieving more accuracy in assortments, more control over inventory and more success in merchandising.

Fashion Frameworks

Our Demand-Driven Supply Chain approach includes frameworks that address key issues facing the global fashion industry:

- **Integrated Planning & Execution (IP&E)**
- **Capgemini's SAP Solution for Fashion**
- **Shelf and Floor Space Planning**



Demand-Driven Supply Chain

Fashion Transformation | All-Channel Experience | Demand-Driven Supply Chain | Concept to Market | Accelerated Delivery



Integrated Planning & Execution » Capgemini's SAP Solution for Fashion » Shelf and Floor Space Planning

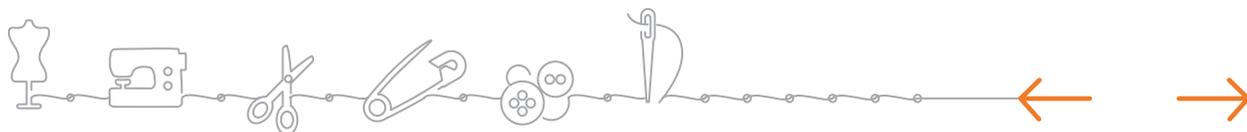


Integrated Planning & Execution: A Synchronized View of Demand

What It Is

The importance of planning and agility in the fashion business cannot be overstated. Integrated Planning & Execution (IP&E) offers a framework to provide fashion companies with a common view of supply and demand to better manage planning and execution (Figure 3, following page). IP&E provides a single system of record and clear visibility across all businesses, channels and brands, thereby allowing everyone to see – and act on – the same data, at the same time. We call it a “synchronized view of demand.”

IP&E enables a fashion organization to align top-down sales and merchandise plans with bottom-up assortment, space and demand plans. It synchronizes supply and demand plans with execution processes, making it possible to monitor purchase orders, shipments and inventory movement – real time – down to the store level, while using exception management to enable a more efficient supply and demand chain.



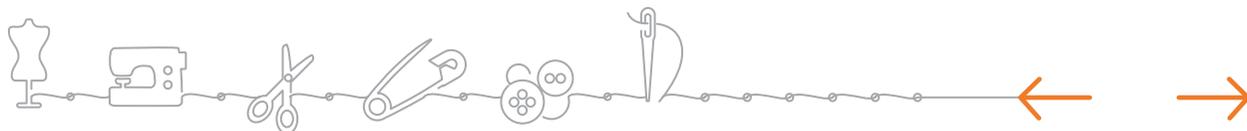
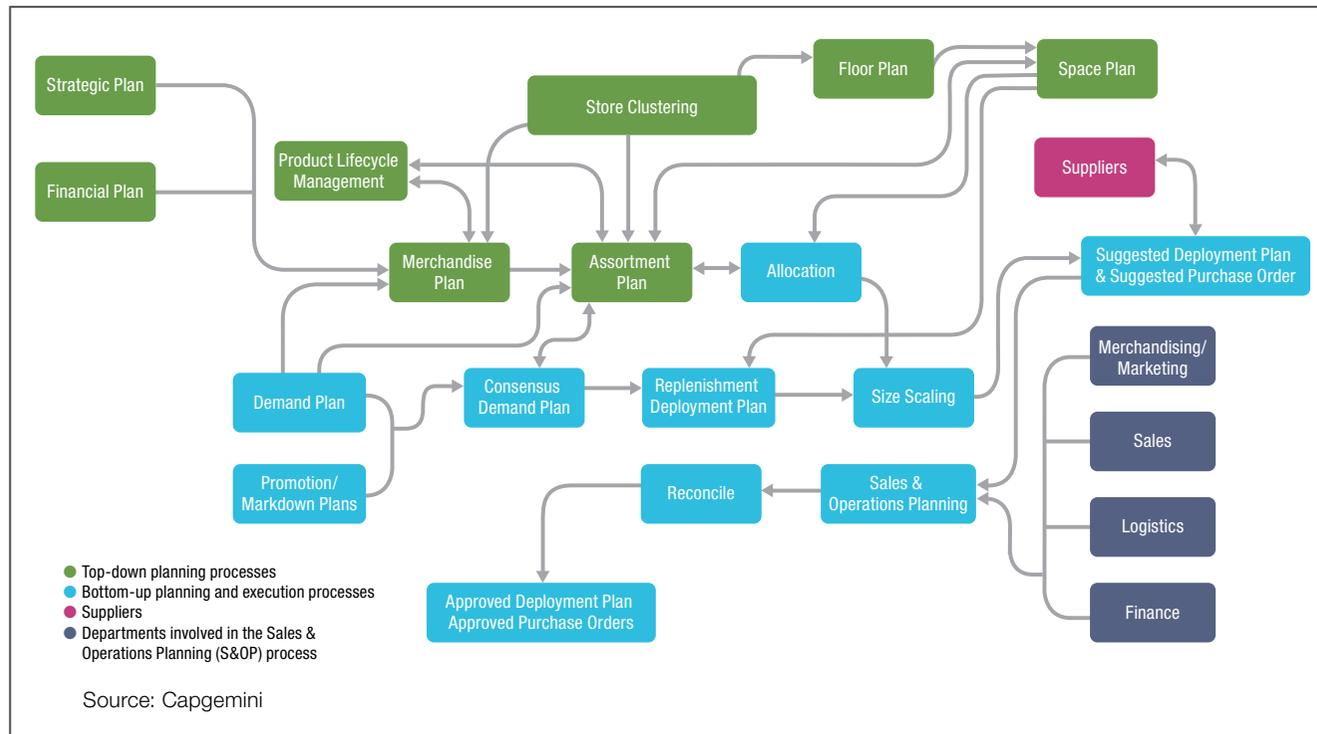
Demand-Driven Supply Chain

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Integrated Planning & Execution » Capgemini's SAP Solution for Fashion » Shelf and Floor Space Planning

Figure 3: Integrated Planning & Execution



Demand-Driven Supply Chain

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Integrated Planning & Execution » Capgemini's SAP Solution for Fashion » Shelf and Floor Space Planning

Experience Counts

Luxury Retailer Benefits From Supply Chain Planning Transformation

Capgemini helped a large U.S. luxury retailer improve its supply chain visibility and analytical capabilities by transforming the planning and fulfillment operation.

"One of the big benefits of this project is an improved visibility of our inventory throughout the supply chain – from vendors to Business Unit customer. The Capgemini team helped us develop and manage a more collaborative and efficient business process between the planning teams that has led to a significant reduction in planning cycle time."

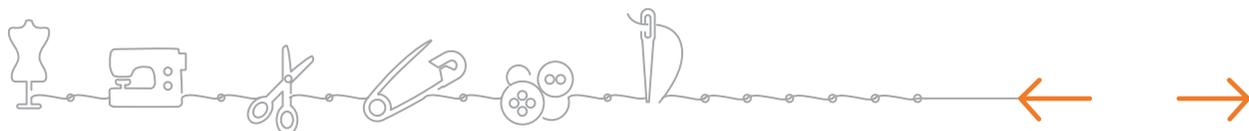
Supply Planning Manager
U.S. Luxury Retailer

How We Do It

With IP&E, the teams responsible for creating and influencing demand (via advertising, promotions and pricing) are connected to and communicating with the teams responsible for supplying just the right quantity of inventory. When a product is purchased in the physical store or from the website or a mobile app, it is automatically replenished. If an item sells more or less than planned in any location, the replenishment cycle adjusts: hot spots get more inventory; cold spots get less.

IP&E delivers significant business benefits by improving accuracy in planning and agility in execution:

- **Improved levels of integration:** Better integration of top-down and bottom-up plans.
- **Improved sales and margin performance:** Shoppers find more of what they want to buy and stores experience lower out-of-stocks, increasing customer loyalty.
- **Inventory optimization:** Improved in-season management allows quick response to market trends, maximizing inventory investment and reducing inventory liabilities.
- **Standardized KPIs:** Maintain consistent benchmarks and measurements between categories and channels.
- **Improved in-store experience:** Display products preferred by the customer more prominently and in higher inventory quantities.



Demand-Driven Supply Chain

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Integrated Planning & Execution » **Capgemini's SAP Solution for Fashion** » Shelf and Floor Space Planning



Capgemini's SAP Solution for Fashion: A Single Version of the Truth

What It Is

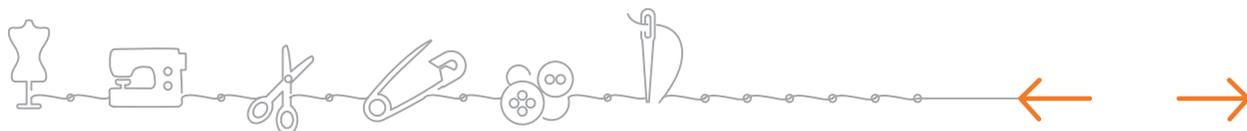
Capgemini's SAP Solution for Fashion allows apparel and footwear companies to manage their full concept-to-cash cycle including both internal and external operations. By extending their ERP systems to manage the entire ecosystem of supply chain partners, fashion companies gain a centralized flow of information, real-time visibility into inventory orders, and production processes, and collaboration with all stakeholders responsible for getting the next season right while maximizing overall profit.

Capgemini's comprehensive fashion solution leveraging SAP platforms fully integrates supply chain planning, replenishment, inventory and capacity management from vendors to stores, as well as supplier collaboration with accurate financials and total cost integration. In addition, with new SAP HANA supply chain solutions, operations can be managed at a more detailed level in near real time to improve retail business processes.

The result is a remarkable competitive advantage: a single version of the truth, which allows end-to-end synchronization of processes and operations with the goal of having the right inventory at the right place and at the right price. Everyone in the business shares the same data at the same time – data about consumer demand, actual sales, pricing and promotions, inventory replenishment, store-by-store and channel-by-channel performance, landed costs and margins.

How We Do It

These solutions are built on Capgemini's proprietary SAP templates. The templates are based on our Fashion Reference Models, which incorporate best practices from our extensive domain knowledge and rich experience of SAP implementation for leading fashion companies. In working collaboratively with fashion companies and SAP, Capgemini helps deliver meaningful and measurable value: sustainable business benefits, rapid and long-term ROI, and scalability for future growth.



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Business Benefits

The value delivered by Capgemini's SAP Solution for Fashion is apparent in our work with several multi-brand, vertically integrated fashion companies:

Customer-centric merchandising and supply chain management. Our approach enables companies to put the right products in each store, in the right quantities, at the right price points. Fashion companies can ensure that correct inventory, production and distribution decisions are made throughout the supply network.

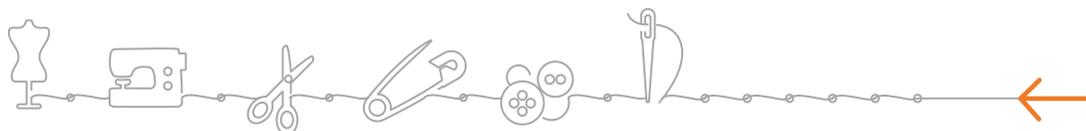
Streamlined and synchronized business processes. All planning and execution processes are fully integrated. The information needed to run the business is streamlined and delivered to the relevant internal and external stakeholders. This provides a centralized flow of information that enables organization-wide collaboration and essential real-time visibility for faster and more accurate decision making.

Store-by-store visibility for better planning and faster execution. With a real-time, enterprise-wide view of customer purchasing behavior across multiple brands, a retailer is positioned to hit aggressive growth targets.

All-channel retailing. With a single version of the truth, a company can do a better job of reaching the customer at every moment of value – in the brick-and-mortar stores, on the website, through social media, and call centers and catalogs.

Integration with vendors. Fashion companies can integrate and collaborate with their global vendors and mills to jointly plan plant capacity and fabric needs, react faster to changes in demand and supply, and develop postponement strategies for lead-time reduction and enhanced customer service.

Reduced total cost of ownership. Our approach seamlessly integrates SAP solutions to minimize customizations while delivering optimal functionality for the fashion industry, reducing total cost of implementation and operation.



Demand-Driven Supply Chain

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Integrated Planning & Execution » **Capgemini's SAP Solution for Fashion** » Shelf and Floor Space Planning

Capgemini's Extreme Applications for Retail, Powered by SAP HANA: Maximizing Profitability and Loyalty, in Real Time

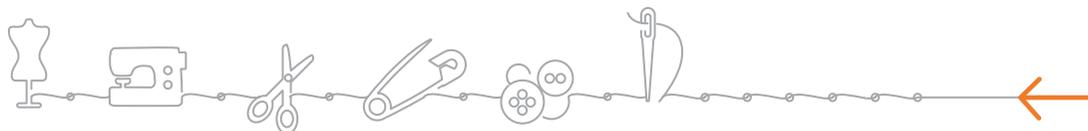
A key to fashion success today is agility. Companies need to adopt smart, data-driven strategies that allow them to instantaneously leverage all relevant information to maximize the potential of every customer interaction, sales promotion and marketing campaign.

Capgemini has responded to this challenge with Extreme Applications for Retail powered by SAP HANA, the only applications designed specifically for SAP HANA and the retail sector. As suggested by the name, they enable never-before-possible retail scenarios leveraging SAP HANA's game-changing analytics. Pre-built, pre-packaged and ready-to-use, Extreme Applications for Retail incorporate Capgemini-developed data models, analytics and predictive algorithms to drastically accelerate your time-to-value with SAP HANA.

Just as smartphone users can quickly install an application on their mobile device instead of developing the desired functionality themselves, companies can adopt Extreme Applications for Retail on top of SAP HANA and start seeing the desired results in mere weeks, a fraction of the time it would take to build a similar solution from scratch. This means they can spend more time focusing on the critical needs of their business.

Capgemini is currently building the first release of its Extreme Applications for Retail, together with SAP and MS Mode, a Dutch fashion retailer operating over 400 stores in the Netherlands, France, Belgium, Spain, Germany and Luxembourg.

Linda Hoebe, CFO, MS Mode, said, "The speed and power of these Extreme Applications are giving us truly insightful analyses in our merchandising and finance departments and delivering answers in an instant where we used to expect a three-day turn-around in response."



Demand-Driven Supply Chain

Fashion Transformation | All-Channel Experience | Demand-Driven Supply Chain | Concept to Market | Accelerated Delivery



Integrated Planning & Execution » **Capgemini's SAP Solution for Fashion** » Shelf and Floor Space Planning

Experience Counts

Retail Transformation in Action

Capgemini worked with a leading global luxury brand with manufacturing, wholesale and retail operations on an SAP-based business transformation program to strengthen the client's back office, supply chain and retail operations. The new solution has provided the client with benefits that include:

- A single consolidated view of financial and management information
- A near real-time view of daily sales, stock and margins across all retail trading
- Procurement savings from improvements in non-stock procurement processes and compliance
- Consistent ways of working and visibility of process and performance across divisions and geographies
- A supply chain that can take advantage of global scale, particularly in terms of procurement, planning and replenishment
- Improved operating capabilities with greater efficiency and economies of scale



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Integrated Planning & Execution » Capgemini's SAP Solution for Fashion » **Shelf and Floor Space Planning**

Shelf and Floor Space Planning

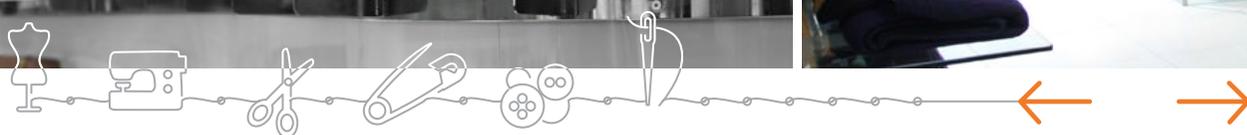
What It Is

Our proprietary Shelf and Floor Space Planning Framework enables retailers to have the right products available in the right stores by integrating space and floor planning processes into the enterprise merchandising and supply chain processes.

How We Do It

The methodology is based on detailed insight into the behavior of fashion customers, who are extremely sensitive to the store environment and who rely on visual cues to navigate through the store. Our approach takes into account shoppers' "focal range" – that is, the viewing range that shoppers focus on from where they are standing. These include feature and primary display zones and high focal zones.

At a macro view level, our floor planning tool focuses on store block plans, store layouts and merchandising adjacencies, which enables fashion companies to support new store opening processes and better align assortments to space constraints. At the micro view level, our space planning tool focuses on planograms to optimize fixture capacity and improve store communication. The framework provides various programming methods, such as core, seasonal, promotional, brand, price and lifestyle.





Concept to Market

- » Product Lifecycle Management
- » PTC FlexPLM



Concept to Market

Fashion Transformation | All-Channel Experience | Demand-Driven Supply Chain | Concept to Market | Accelerated Delivery



Product Lifecycle Management » PTC FlexPLM



Concept to Market: Bringing Ideas and Innovation to Life

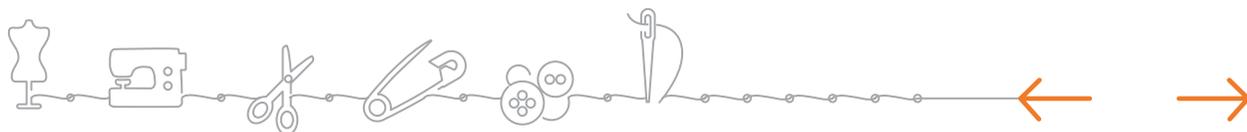
Product innovation is the key to success for fashion companies. But shrinking product lifecycles and demanding shoppers raise new challenges. Effective product management during the concept-to-market process can help companies bring ideas to market faster, while increasing revenues by enabling:

- Distinct product positioning toward profitable customer segments
- Maximization of revenues throughout the entire product lifecycle
- Well balanced portfolios, based on known product performance

Driving Cost Reduction

At the same time, product management initiatives can reduce costs by providing the capability to direct resources where they make the most sense:

- Allocate resources to profitable products
- Invest in the right product innovation initiatives
- Understand which product costs truly generate value



Concept to Market

Fashion Transformation | All-Channel Experience | Demand-Driven Supply Chain | Concept to Market | Accelerated Delivery



Product Lifecycle Management » PTC FlexPLM

Experience Counts

Custom PLM Solution Improves Data Exchange

For an international fashion group, Capgemini designed a custom PLM solution. The lean solution reduced the amount of data exchanged between SAP and the PLM system, and provided more timely and accurate design data to the downstream business processes.

Product Lifecycle Management: End-to-End PLM Support

What It Is

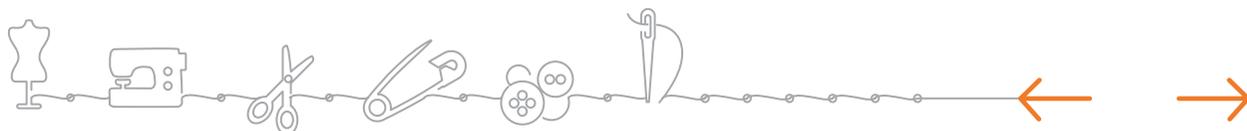
Capgemini can help fashion companies leverage, extend, accelerate, secure and transform their Product Lifecycle Management (PLM) systems and processes. We mobilize the assets of our global organization to maximize solution usage, build standard solutions to reduce recurrent costs, manage a smooth transition and take advantage of the latest technologies while minimizing risks.

How We Do It

More than 20 years of experience in implementing various PLM systems at leading manufacturing companies have made it clear that businesses follow the same overall growth strategy in PLM. Based on this experience, Capgemini developed the PLM Maturity Model. We use this model to assess our clients and to determine an appropriate short- and long-term strategy for addressing the key challenges and implementing PLM.

Capgemini has designed an overall phased approach to PLM, which has been successfully applied with customers in various industries. The approach comprises preparation, solution development, implementation and rollout, and application management and transfer phases.

Our experience working with clients demonstrates that it is possible to successfully address the challenges and realize the benefits of PLM by building off the best practices learned over many years of helping companies implement PLM solutions. These best practices are housed in our dedicated PLM Centers of Excellence in France, India and Italy.



Concept to Market

Fashion Transformation | All-Channel Experience | Demand-Driven Supply Chain | Concept to Market | Accelerated Delivery



Product Lifecycle Management » **PTC FlexPLM**

Experience Counts

PTC FlexPLM Solution Improves Portfolio Management

Capgemini implemented PTC's FlexPLM solution at a global integrated fashion company. The results include an improved ability to manage the portfolio of products to develop, and an ability to fluidly and rapidly funnel thousands of ideas through the system and into commercial products in a highly compressed speed to market.

PTC Flex PLM: Flexible, Easy-to-Use Solution

What It Is

Among our key partners in the fashion segment is PTC, a market leader in PLM. A combination of PTC's expertise in PLM solutions and Capgemini's offers around project security, services, IT consulting and migration, provides our mutual clients with the opportunity to leverage maximum value.

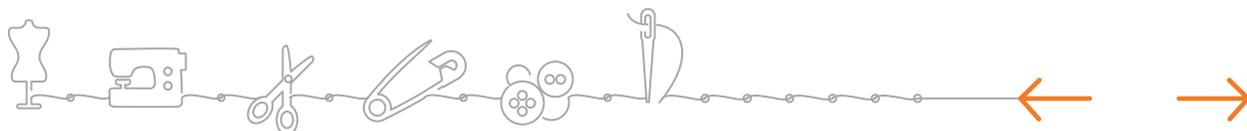
Based on extensive experience working with world-class fashion customers, PTC has developed FlexPLM to provide a flexible, easy-to-use enterprise PLM solution that can be implemented quickly and cost effectively.

Key features of FlexPLM include:

- **Ease-of-use:** Designed specifically for the retail, footwear and apparel and consumer products markets
- **Breadth of functionality:** Supports collaboration – early in the product development process – among merchandising, design, product development and sourcing
- **Depth of functionality:** Supports the unique requirements of designing and manufacturing apparel, footwear, accessories, home goods and other consumer-related products

How We Do It

FlexPLM leverages PTC's Windchill architecture – a fully integrated platform that has improved the productivity of thousands of concurrent users in process-intensive industries. With FlexPLM, customers have realized significant improvements in cycle time, margin, product quality and overall operational efficiency.





Accelerated Delivery

- » The CRESCENT Advantage: Proven Tools for Successful Transformations
- » Rapid Design & Visualization for Information Systems Development
- » Accelerated Solutions Environment: Speeding Up Benefits and Reducing Risk



Accelerated Delivery



The CRESCENT Advantage » Rapid Design & Visualization » Accelerated Solutions Environment

Experience Counts

Apparel Company Prepares for Growth with Consolidated IT Platform

Capgemini and SAP collaborated with a leading Italian apparel company to implement SAP AFS (Apparel and Footwear Solution) leveraging assets such as readymade process templates and reusable development objects for AFS from CRESCENT (Capgemini's Consumer Products & Retail Solutions Center).

"We really appreciate the commitment, team strength and skills level developed by the Capgemini team."

Group CIO
Global Apparel Company

Accelerated Delivery

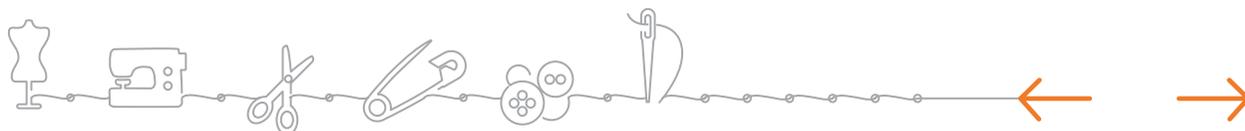
Capgemini is committed to delivering on time and above client expectations. Supporting our consistent delivery and quality are a number of tools unique to Capgemini. These innovative methodologies and delivery centers, networked around the globe, accelerate our clients' speed-to-solution.

The CRESCENT Advantage: Proven Tools for Successful Transformations

Capgemini's fashion industry solutions are supported by our Consumer Products & Retail Solutions Center (CRESCENT). Located in India, the center is focused on capabilities, industrialization and solution development. In collaboration with our global industry practitioners, CRESCENT has industrialized leading practices, accelerators and frameworks for the fashion industry, as well as those specific to partner solutions.

For example, CRESCENT has developed process models across the value chain of the fashion industry – manufacturing, wholesale and retail. The business scenarios within this model reflect best practices of leading ERP providers and those we have implemented at our clients. Templates are based on Capgemini's SAP Solution for Fashion platform with relevant fashion-specific enterprise structure and master data. The template can be used for scoping, proof-of-concept development, blueprinting and process discovery.

CRESCENT also houses our Integrated Planning & Execution (IP&E) solution for fashion retailers, including Demand Forecasting, Fulfillment, Allocation and Space Planning modules.



Accelerated Delivery



The CRESCENT Advantage » Rapid Design & Visualization » Accelerated Solutions Environment

Experience Counts



We were impressed by the quality and professionalism of Capgemini's Mumbai operations and by the way they combined a UK team at our doorstep with highly cost-effective support from India. Working with Capgemini has already enabled us to reduce costs and boost quality, and we look forward to continuing and accelerating these trends."

IT Director
Matalan

In addition to process models and template solutions, CRESCENT features tools that are designed to help fashion companies reach their objectives more quickly, while minimizing risk and cost, and maximizing overall quality of the solution. The toolset includes:

- **Pre-configured demand-driven supply chain solutions** around Supply Chain Planning; integration between wholesale and retail systems; Business Intelligence
- **Frameworks and demos** of All-Channel Experience solutions on IBM and Oracle technologies
- **Reusable development objects** – interfaces, layouts, reports and enhancements that reduce development effort by 15% to 40% on a like-to-like basis
- **Ready-to-go test scenarios** and test scripts to streamline the testing process
- **Project accelerators** like reusable configuration documents, ready-to-run data migration programs and super-user training manuals
- **An SAP Solution Manager setup** compliant to iSAP, which is Capgemini's world-class delivery methodology that enables clients to quickly realize benefits without compromising on the quality of SAP implementation
- **Application maintenance tickets** with solutions to enhance post-implementation support



Accelerated Delivery

Fashion Transformation | All-Channel Experience | Demand-Driven Supply Chain | Concept to Market | Accelerated Delivery



The CRESCENT Advantage » **Rapid Design & Visualization** » Accelerated Solutions Environment



Rapid Design & Visualization for Information Systems Development

It starts with an idea. This idea is nurtured and developed. It is tested and challenged. And in the end, it is realized.

Ideate. Create. Iterate. Innovate. That's the idea behind Rapid Design & Visualization (RDV) from Capgemini. RDV is an interactive tool that allows companies to see, challenge and explore options, and modify and validate future-state solutions for their businesses' high-risk areas.

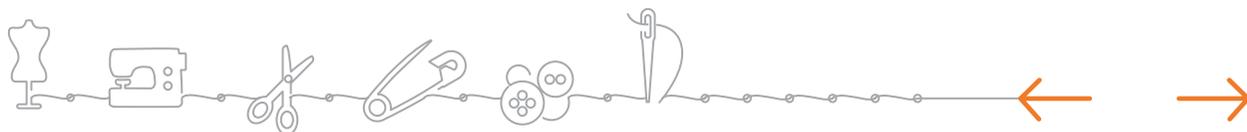
RDV drives early ideation and manages complexity at every phase of the project lifecycle. United with Capgemini partnerships and methodologies, RDV accelerates business solutions at a fraction of the cost.

Real Results from RDV

Using our RDV methodology, companies have realized significant benefits, including:

- Reduced rework costs by nearly 70%
- Three to four times more innovation in solution design
- 20% acceleration of solution time-to-market

RDV is applicable across many industries and channels to drive improved business solutions. Consider how it can be applied in the case of our All-Channel Experience approach. Capgemini's RDV Lab houses multiple channels to create user simulations. By truly understanding the needs of the fashion shopper, a simulated shopper experience or customer journey can be developed in the most appropriate environment. So be it a tablet, mobile phone or in-store kiosk, RDV can help turn a typical development initiative into a consumer-centric model for success.



Accelerated Delivery



The CRESCENT Advantage » Rapid Design & Visualization » **Accelerated Solutions Environment**

Experience Counts



This has been an amazing event when you consider where we were when we came in and what we have achieved over the last three days."

Division President
Global Consumer Products Company



We got six months of work done in three days."

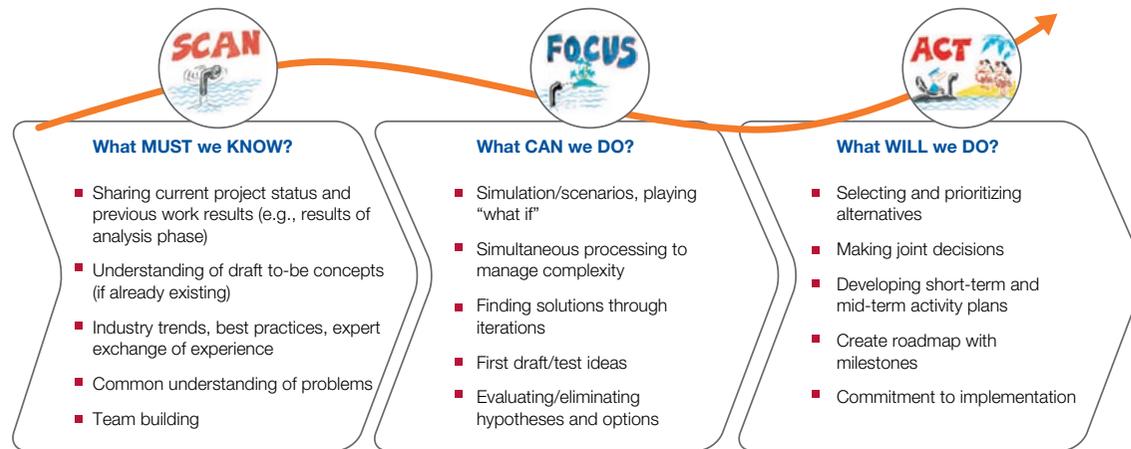
CIO
Major Retail Chain

Accelerated Solutions Environment: Speeding Up Benefits and Reducing Risk

Capgemini's Accelerated Solutions Environment (ASE) enables companies to speed up executive decisions and alignment. The ASE is an intense collaborative working environment that enables large groups of people to creatively solve complex problems much faster than traditional methods.

For over 15 years, the ASE's patented facilitation environment and process (Figure 5) has been a key differentiator in decision-making, accelerating benefits and reducing risk for our clients' most urgent issues worldwide. Through our ASE work, we have helped more than 250,000 executives around the world; 55% of Fortune 100 companies are or have been ASE clients. With well-defined procedures and a specialization in producing step-by-step solutions to complex problems, the ASE has helped many of our consumer products and retail clients to reach the objectives they had set.

Figure 5: Capgemini's Accelerated Solutions Environment Methodology



Source: Capgemini





To learn more about how our fashion solutions can help your business, please contact:

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About Capgemini

With more than 125,000 people in 44 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2012 global revenues of EUR 10.3 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at

www.capgemini.com

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People matter, results count.