

# SoftShoe Newsletter

## International Footwear Sourcing System

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### K-Swiss Implements SoftShoe in China

K-Swiss Inc. – a leading supplier of athletic footwear for high performance sports use, fitness activities and casual wear – recently completed its third and final implementation of SoftShoe in their Dongguang, China office. Now, staff members in Taiwan, China and California headquarters, who are engaged in product development activities, are successfully linked and exchanging product and sampling data via the Internet.

"Presenting new technologies, like SoftShoe, to our group in China is critical to our supply chain initiative," said Ed Flora, Chief Operations Office, K-Swiss Inc. "The majority of our suppliers are now developing and producing footwear in China, resulting in the expansion of our operations there. Therefore, it was extremely important for us to bring our China staff on-line with SoftShoe as it will enable them to process requests and transactions, generate documents, update and exchange product data specifications as well as track events related to product development of footwear. Our visibility and collaboration is now completely in-sync and global which should go a long way to reducing cycle time, increasing accuracy and improving customer responsiveness."

"SoftShoe is a proven application in automating sourcing operations on a global scale. Our solution offers the unique capability to scale both high and wide for the right price-performance to meet our customers' application and budget requirements," said Janet Kelley, Director of Marketing, Global Trading Systems, Inc. "Together with K-Swiss, we hope to focus our attention next on the implementation of our costing and analysis module in their global operations."



### Internet-based Inspection System

GTS will be releasing an Internet-based Inspection System in May. The new system is designed for laptop connectivity to SoftShoe via the Internet, allowing Inspectors to work from any location.

Inspectors usually work on-site – at factories, on loading docks and in warehouses. Traditional server-based applications are not equipped to handle this mobility. GTS, as part of a strategic move to take advantage of Internet connectivity, is nearing completion of an IP-based Inspection system that will allow Inspectors to work from their laptops at remote locations.

Functionality available in the new system includes:

- View Factory information
- View Target inspection quantities and corporate quality standards
- Schedule upcoming inspections based on current production status
- Submit Inspection results and comments on a per Order basis
- Submit Inspection results and comments across Orders by Factory
- Summary reporting capabilities

According to Dan Mathews, Product Director, "This is the first of our new on-line products we will be rolling out over the next six months. GTS is committed to the ongoing investment in technology and upgrading our applications to take advantage of rapid market changes."

The SoftShoe Suite is the leading collaborative sourcing system for the international footwear industry. The system plans, executes and tracks the myriad critical processes associated with global sourcing. SoftShoe helps transcend traditional communications boundaries, allowing global partners – staff, agents, suppliers and customers – to collaborate more efficiently by executing, managing and exchanging transactions, product data and status – from product concept all the way through to shipment of product.

**Coming this Spring:**

## Excerpts from upcoming White Paper: Extending the concept of the enterprise

The following is a summary excerpted from an upcoming White Paper on technology in the footwear industry. Visit our web site [www.gts-us.com](http://www.gts-us.com) for more information.

If a customer were to call you tomorrow and ask that they be able to view order status on-line, could you provide them such visibility? What if one of your suppliers offered to send you up-to-the-minute production status in data form, would you be able to use it? Chances are you, and many of your competitors, do not have the structure or the systems to include customers and suppliers in your business process flows and applications. But that is exactly what the much-touted 'New Economy', is about: breaking down departmental barriers and including your business partners in your own business processes.

With a single exception, footwear companies have not made a serious attempt at including their suppliers and customers in their own process planning. Traditionally this is because of the costs and resources required. But the Internet changes that by providing the technical infrastructure to overcome the international communications barrier and driving down the cost of implementing and maintaining inter-enterprise applications and processes. And the payoff can come in many forms:

- Reduction of transaction costs by streamlining processes and eliminating unnecessary steps in moving product from design to market.
- Enhanced management of orders and inventory through a more accurate and up-to-the-minute view of production and order status.
- Improved customer service through on-line order status.
- Increased market share as a result of better customer service or lower costs.

Although new to footwear, this concept has already been embraced in other industries. Take, for example, Cisco the world's largest networking and communications equipment company. Cisco has linked functional areas within its organization to external suppliers resulting in:

- New product introduction time to volume accelerated by a quarter (annual contribution margins enhanced by \$100 million)
- Lead times reduced from six to eight weeks to one to three weeks.
- Engineering change notice time down from 25 days to 10 days
- Annual operating costs reduced by \$75 million

Numbers like these offer a compelling argument to automate the extended enterprise.

### *Technology Corner: Are Browser-based applications best?* David Tsai, R&D Director, Global Trading Systems



GTS is in the process of converting all existing functionality to the Internet so that Users can access the system from anywhere they have an Internet connection – instead of from their office PC connected to the LAN.

During our evaluation of technology, the first question that came up was what technology to use, browser-based (HTTP) or n-tier (IP)?

GTS has chosen to take the 'thin-client' approach in its development. This differs from browser-based in that the User must have a small executable on their PC in order to link to the data server on the Internet. The potential issue of distributing the executable is easily corrected by making it available for download from any number of Web sites.

The most obvious advantage of the n-tier approach is security. By controlling the way the client connects to your data, you can have complete control over who sees what and what information they can change.

Another, less obvious, but crucial advantage is performance. We calculate that using IP technology will be up to 5 times faster than an HTTP-based approach because of all the screens exchanged and back-and-forth validation that needs to be performed. It is interesting to note that Microsoft, in its Windows2000 product, has taken a similar approach. They are bypassing HTTP protocols and using an enhanced IP scheme to allow Users to access data and programs over the Internet.

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According to A.T. Kearney's research, supply chain inefficiencies can waste up to 25% of a company's operating costs. James T. Morehouse of Kearney argues that, in tomorrow's market arena it will be supply chain vs. supply chain as opposed to company against company. Building brand awareness and a good shoe will only be part of the formula. On-time deliveries, reduced cycle times and on-line customer service will be just as important.

As your systems and processes adapt to a new way of doing business, what you'll find is your organization will change as well. Fewer people will be required to monitor activities between you and your partners. Their time can then be spent on more important, exception-based issues so vital to keeping your customers happy.