

SoftShoe Newsletter

International Footwear Sourcing System

Vol. 5

www.gts-us.com

Fall 2000

News: Nina Footwear installing SoftShoe in US, Europe and Asia

Internet-enabled system to be installed in New York, Spain and China offices to coordinate international product development and commercialization.

Kirkland, Washington, August 14, 2000 – [Global Trading Systems, Inc.](#) – announced today that [Nina Footwear Corporation](#) – a leading fashion footwear designer, importer and distributor – has signed an agreement to implement the [SoftShoe](#) Suite of modules for product development and commercialization. Nina's offices in New York, Spain and China will use the system to collaborate as one team on sampling, product specifications, costing, line building and pre-production tasks. SoftShoe's Internet-based communications will give everyone on the system immediate access to current business data regardless of physical location.



"At Nina, international sourcing is a critical component to maintaining the quality and styling our customers have come to expect in our various brands. We were looking for an application that could help us more efficiently manage our global development and commercialization processes. We chose SoftShoe, in part, because of its functionality in automating these processes, but also because it is designed specifically for international operations such as ours," said Scott Silverstein, President of Nina Footwear.

"We are excited to be working with a high-profile footwear company like Nina," said Janet Kelley, Marketing Director at Global Trading Systems. "Our experience in automating other footwear companies' US and overseas operations makes us confident that SoftShoe will enable Nina to achieve their goals," Ms. Kelley added.

Product Update: Product Manager Upgrade

GTS continually improves SoftShoe to meet our Users evolving needs. Within this year, we have improved the functionality of Sourcing Manager and introduced both an [Inspection System](#) add-on and a [Business Intelligence](#) tool for Sourcing Manager at the WSA show in Las Vegas.

In October, GTS is releasing a significant upgrade to SoftShoe's Product Manager component. The biggest change for Users is the introduction of a 'Tree View' of that allows Designers, PD and managers to browse through their Product Catalog through a user-defined hierarchy - by Category, Line/Collection, Year, Style Name, Season, Sample Stage, etc.



Other improvements include:

- The ability to link different Specs together during editing so that a change to a component in one SKU can more easily be one compared and change can be linker with related SKUs
- Enhanced handling of graphics files attached to the spec for Users who want to communicate changes through annotations to drawings in addition to SoftShoe's comments feature.
- Numerous other changes such as batch processing and drag & drop.

Contact us for more information.

Outsourcing Continues to Grow

Outsourcing is not a new concept for the footwear industry. To stay competitive, many companies began outsourcing the manufacture and shipment of product from Asia and Latin America some 30 years ago. And like many other industries, recent years have seen a trend towards outsourcing the technology that enables their business. The Y2K issue forced many footwear companies to abandon their in-house systems and implement packaged software solutions.

Now, technical advances in Internet tools and the growing access to the Internet in those same countries Asian and Latin American countries, is providing the footwear industry with an extraordinary opportunity to use technology to incorporate their suppliers into their businesses. Tools, that in the hands of suppliers, customers and competitors, can compress business cycles. So how should firms take advantage of this new technology? Do they develop applications in-house or outsource them?

In the US and around the world there is a shortage of people with IT skills. This shortage means that if systems are to be developed in-house then footwear companies need to compete in the market with high-tech companies, glamorous pre-IPOs and the rest for that finite set of skilled programmers. Given this, is investing in IT staff really core to a company's success or, if outsourcing of technology is a valid alternative, should the company invest instead in its brand, marketing, sourcing or quality programs to increase real corporate value?

Assuming a footwear company wishes to outsource development of an application, what alternatives are available?

Licensing Packaged Solutions: Whether it's client-server or Internet Protocol (IP) based applications, purchasing packaged software is still the most popular method of obtaining access to technology. Many software providers are now offering monthly/rental type payment plans like those offered by ASP's.

Custom Development: Widely used when there are no turnkey solutions available or special conditions or integration work is required such as, integrating a consumer web site into a supply chain or catalogue system.

ASP (Application Service Provider): Companies pay a monthly fee to use applications that are housed on a server at a remote location. The service provider is responsible for making sure the applications are running whenever users need them, as well as upgrading them in a timely fashion. Unfortunately, at present few applications offered on an ASP basis have any applicability to the product sourcing side of footwear.

global trading systems, inc

Whether you choose to rent or buy (packaged or custom) software, choosing the right outsourcer is as important as selecting a factory to produce your footwear. Assess any IT outsourcer carefully; clearly define what your requirements are and how you will be measuring the results. And, effectively manage the relationship for success!



Highlights

- The market for outsourcing was 9 billion in 1990. This rose to 99 billion in 1998 and is estimated to exceed 120 billion by the year 2002, reflecting a 16% growth rate in the 1997-2002 period.

- IDC, a major IT research firm,

predicts worldwide spending on ASP services will grow at a compound annual rate of 92% over each of the next four years, creating an 8 billion dollar market by 2004. IDC pegged worldwide ASP spending at 296 million in 1999. However, the 8 billion dollar figure predicted only represents roughly 10% of all of the packaged software purchased last year.

- Dun & Bradstreet's research suggests that companies that outsource are more financially stable than other companies. An analysis of companies using outsourcing, coupled with D&B data, shows that 90% of companies that outsource are considered good credit risks, compared with 60% of all companies. Furthermore, D&B's modeling indicates that just 2% of companies that outsource are likely to pay debts slowly, compared with 10% of companies who do not outsource.

Choosing an IT Outsourcer – a Check List

- Have a proven track record
- Specialize in the business processes outsourced
- Guarantee meeting specific service levels in its contract
- Maintains close contact to prevent loss of control
- Provides ongoing training to staff
- Has experience in the company's industry

Reasons Outsourcing Can Fail

- Unclear metrics
- Organizational resistance
- Loss of control of processes