

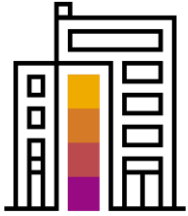


SAP® Innovation Awards 2020 Entry Pitch Deck

Project “Pursuit” – Business Excellence with SAP S/4HANA Fashion Implementation

Raymond Limited





Company Information

Headquarters	Mumbai, Maharashtra, India
Industry	Textile Manufacturing, Garment Manufacturing, Apparel and Retail Operations
Web site	https://www.raymond.in/

- Incepted in **1925**, Raymond has been synonymous with **Trust**, **Quality** and **Excellence**.
- Raymond is a diversified group with majority business interests in **Textile** & Apparel sectors as well as presence across diverse segments such as FMCG, Engineering and Prophylactics in national and international markets. Having enjoyed the patronage of over a **billion consumers**, Raymond as a brand has been consistently delivering world class quality products to its consumers since the past nine decades.
- Being a **Vertically** and **Horizontally** integrated manufacturer of Textile & Garment, Raymond produces 'The **finest fabric** in the world'.
- Raymond Group also has an extensive presence in the B2B space, through its **Garmenting** business. Garmenting is contract manufacture of worldwide renowned and leading brands. Raymond's state of the art & wholly owned subsidiaries such as Silver Spark Apparel Ltd, Celebrations Apparel Ltd & Everblue Apparel Ltd by crafts suits, trousers, shirts & Jeans for leading fashion labels across the world and is the only manufacturer of Full canvas premium Jackets in India.
- **Retail Presence with 1100 + Exclusive Stores | 55 Countries | 380+ Cities | 20000+ PoS** (includes Tier IV & V towns)
- Aggressive player in Ready to wear **Apparel** segment with reputed brands such as Park Avenue, Raymond Ready To Wear ColorPlus & Parx that are a part of its product portfolio.

Pursuit : Implementation of S/4HANA Fashion for Fiber-to-Fashion

Raymond Limited



“As part of ‘Raymond Reimagined’ vision, we have stayed invested in many future-ready technologies and cutting-edge IT platforms, SAP S/4HANA Fashion being one of them. I am delighted that Raymond is one of the leading companies globally in the Textile & Apparel industry to deploy this fiber-to-fashion SAP S/4HANA ERP platform.

This robust IT foundation enabling real time quality data and analytics across the business value chain will help us transcend in becoming an agile, nimble and highly responsive organization.”

– Mr. Sanjay Behl, CEO, Lifestyle, Raymond Ltd

Challenge

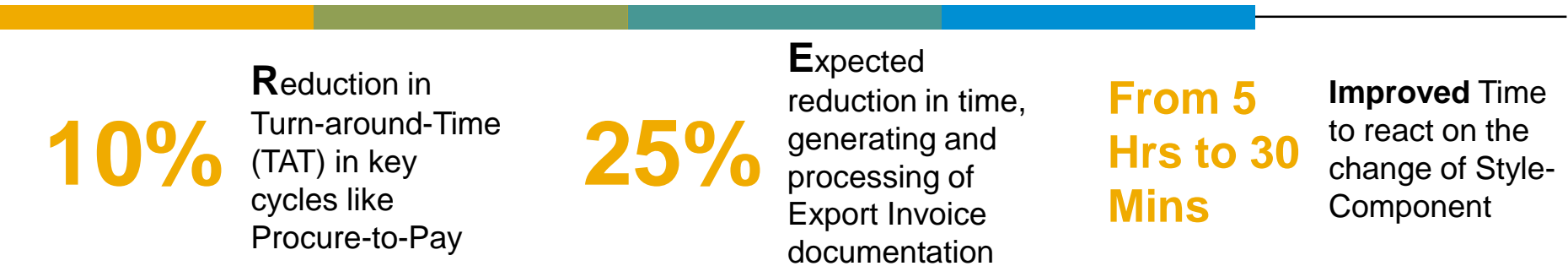
Varied ERP systems, Master data management, Non harmonized business processes across the various verticals of Textile, garmenting & Apparel, Analytics for decision making. Organization wishes to improve the customer centricity by overcoming the challenges with the S4Fashion platform for the entire value chain covering the manufacturing of fabric, garments and retail operations.

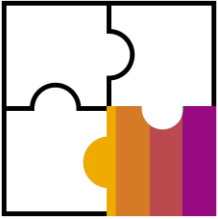
Solution

SAP S/4HANA Integrated Fashion Suite with functionalities of Standardisation of Article Master with Fashion Attributes across the value chain | Article Personalisation | Segmentation | Custom build solution for Pre-order costing and Time & Action Plan | Production with dynamic pick list generation for combined order | Order Allocation Run | VAS | Human centric design/development of Merchandising Cockpit | Change Workshops

Outcome

Project “Pursuit” was launched with the vision to drive – **Standardisation**, **Scalability** and **Agility** with consumers at it’s core.





Participating Partner Information

PricewaterhouseCoopers Ltd.

Design Thinking led SAP S/4HANA Implementation focused on user experience



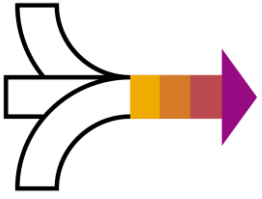
“PwC is proud to partner with Raymond Lifestyle on this first of its kind prestigious project. Our human centric, outcome focused approach and deep capabilities in SAP S/4HANA helped us deliver a future ready solution on time in collaboration with the Raymond team. We are delighted to continue our journey with Raymond and are confident of delivering successful outcomes for the remaining phases as well.”

– Mr. Aravind Ramamoorthy, Partner – Consulting, PwC India

“India is one of the largest and fastest growing markets for consumers who understand and want a digital experience. Raymond trusts technology to play an integral role in their digital transformation strategy.”

– Mr. Pravin Pachagnula, Regional Director, SAP India

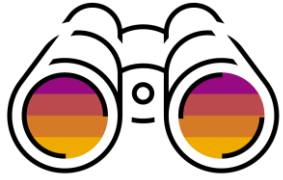




Business Challenges and Objectives

- Different ERPs for different Business verticals and hence No single source of truth
- No real-time Inventory View
- Sample management for various types of samples (Proto, Fit, Production etc.,)
- Detailed level Pre-order costing
- Dynamic change in Consumer Trend and hence change in Style and Components
- Order wise Time and Action Plan for micro level tracking
- Key parameter tracking in the journey of Fabric to Fashion and analysis

- Standardisation of Article Master with Realtime & Onclick inventory visibility across the value chain of Fabric Generation to Garment Manufacturing to Apparel and at Store
- Single SAP S/4HANA Suite replacing multiple different legacy systems
- Increase in Plant Productivity & efficiency - Smooth integration of Cutting, Sewing & finishing line production/planning
- Provide flexibility to Merchandisers daily business operations like Planning, Procurement, Scheduling, Delivery
- To provide real-time status tracking and visibility to B2B customers & MTM Consumers
- Track and trace of Garment
- Efficient and Improved Demand and Supply Planning for the Fabric and Trims



Project or Use Case Details

Project “Pursuit” is the digital transformation journey to re-engineering Lifestyle business as a part of the larger program “Raymond Reimagined 3.0”.

Raymond is at the forefront in implementing all the modules of SAP S/4HANA Fashion. As a first step, the company has gone live with their garmenting operations based out of India and Ethiopia. A design thinking led SAP S/4HANA implementation approach has been used to understand the unmet unarticulated needs of the stake holders. Even design of organization structure, master data and common process areas done in the first phase itself to keep it standardized across businesses.

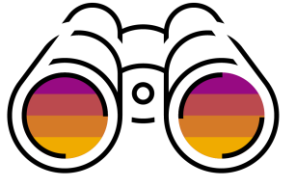
SAP S/4HANA for fashion and vertical business management with Design Thinking | One of few 1st with E2E value chain | Change Management

Billion Customers | 55 Countries | 20000+ Production Range | Presence in tire IV and V areas

1st Phase : Garmenting || 5 Legal Entities | Fabric to RMG | 5 Mfg. Units | 4 Countries | Made to Measure | B2B | Live on **01st Dec**

2nd Phase : Apparel & Retail || 2 Legal Entities | 8 Brands | 5 WHs | 1100 + Exclusive Stores | 70 MTM Stores | B2B & B2C

3rd Phase : Textile || 2 Legal Entities | Fiber to Fabric | 4 Mfg. Units | 2 WHs | B2B & B2C | 60+ TRS Stores



Project or Use Case Details

Deployment Details

- Implementation coverage:
 - Simple Finance, Simple Logistics with Fashion attributes & components (which covers simplification of earlier Mill, AFS, Retail & Manufacturing Functionalities), CAR, Treasury, BPC, B4H, Solution Manager, Fiori
- Master Data Standardization and Process harmonization across Lifestyle business segments (Textile, Garmenting, Apparel, Retail) & bringing best practices in area of Procurement, manufacturing, finance & controls, Sales
- Big bang Go-live on all the Garmenting Locations and Processes - 01st Dec 2019.
- 350+ users in production system includes Logistic IDs for RFID enabled devices,
Bangalore | Mumbai | US | Ethiopia | Dubai
- 90+ dedicated team members consisting,
Garmenting Core Team | PwC SAP Team | PwC Design Thinking Team | PwC Change Management Team | Central Business Team | Center of Excellence Team | SMEs
- 10000+ man-days efforts put in for a period of 8+ months
- 120+ go-live critical customizations only in Garmenting, which is a remarkable achievement and focus on standard adoption in one of complex business operations
- Seamless integration with Garber, Gate-pass system, MTM Portals, Fast-react



Benefits and Outcomes

Business or Social

Standardized Product master with attributes across businesses & single view of Inventory

Management of Huge product variant & master data with frequent new products development approvals

Realtime insights on Product costing to derive estimated profit and sales price

4 % - Increase in Inventory Turnaround

10 % - Reduction in Plan to Procure cycle time

Reduced Cost Allocation and Reporting time from **8 days to 3 days**

IT

With Integrated approach, redundant work like data collation and compilation in Excel, is reduced, approx. by **25-30%** across organization

Data consistency and Data Quality have improved leading to data-driven insights across functions which helped in Timely Decisions.

With real time reports, there is reduction in pilferage of material like fabric, trims, consumables etc.,

There is a positive impact on the health of Employees due to reduced TAT, reduced stress levels, lesser phone calls & follow-ups.

Approx. **15%** Reduction envisaged in IT costs due to single ERP across the business segments replacing all Legacy (Mill, AFS, Retail, Stage)

Human Empowerment

Empowered Employees are now able to cut down time for the same amount of work with ease.

Clients perception has significantly improved which is attributed to robust processes on globally accepted platform.

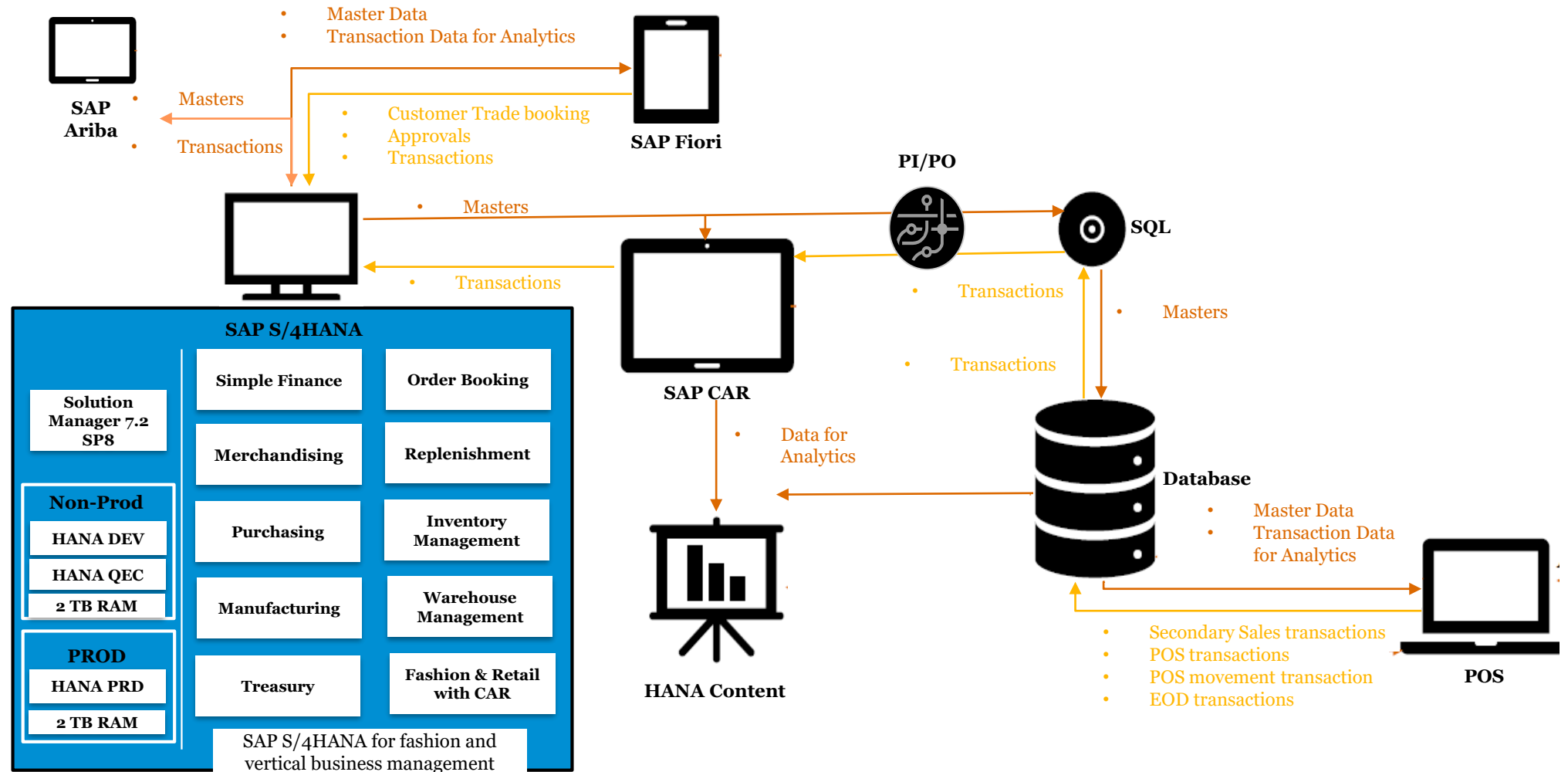
Vendors perception has improved due to system driven approach, which in earlier in some cases could have been person-driven.

Investors trust has increased in the Financial Reporting metrics that there is no scope of misrepresentation of facts and figures.

Auditors are empowered with the robust tools and audit trails for track and trace fraudulent activities, if any



Architecture





Deployment

Deployment status

Live

Date

01st December 2019

Number of users

1500+, Currently 300+ in live system for Phase 1

SAP technologies used:

	SAP product	Deployment status (live or proof of concept [POC])	Contribution to project
1	SAP S/4HANA for fashion and vertical business management	Live in Dec'19	Live on 01 st Dec 2019. Overall 50% contribution to the Project. As Organisation Structure, standardize Master Data and Key Common/Shared Processes Design and Developed for all the businesses done together
2	SAP SuccessFactors	Live in Dec'19	Integration with SAP S/4HANA
3	SAP Ariba	Planned Go-live in Jan'20	
4	SAP Customer Activity Repository	Planned Go-live in May'20	2 nd Phase with Retail-POS, Blueprint design in progress

If you have used one of the services or support offerings from SAP Digital Business Services during the implementation or deployment phase, please select with ☒ one or more of the following offerings:

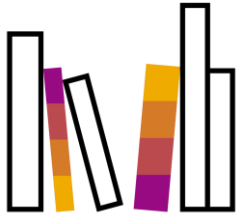
- ☐ SAP MaxAttention™
- ☐ SAP ActiveAttention™
- ☐ SAP Advanced Deployment
- ☐ SAP Value Assurance
- ☐ SAP Model Company
- ☒ Others: - Digital Transformation Office - IBA
- ☐ SAP Innovation Services
- ☐ SAP Innovative Business Solutions
- Development Angel



Advanced Technologies

The following **advanced technologies** were part of the project.

	Technology or use case	Yes or No	Contribution to project
1	3D printing	No	
2	Blockchain	No	Planned for future
3	Internet of Things (IoT)	No	
4	Machine learning or AI	No	
5	Conversational AI	No	
6	Robotic process automation	No	Planned for future
7	Data anonymization	No	
8	Augmented analytics		



Additional Information

Innovation

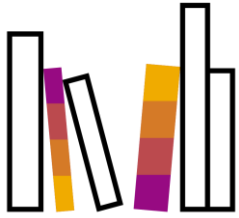
Concept & Architecture Design Innovation:

- **Style change with each Bulk order with a combination of color and size, the tech pack changes till the last minute from the vendor**
 - Fashion changes rather fast and the customer come up with new styles every season. The Article goes through multiple iterations before finalized for manufacturing. Flexibility in handling style is important. Lead-time ranges from 60 days to 150 days and the Styling/Material changes often until manufactured. Merchandisers need to create style / articles for every order. Samples have to be made to quote customer, preproduction samples and production samples are needed at a various stages of an order.
 - Customers at times confirm only the Fabric for Ordering and provide Fabric Trims, Sewing Trims and Packing Trims at later stages. Revisions in BOM are frequent. At times they are revised even after generating production orders. Materials are ordered and consumed against a sale order.

SAP Solution - Implementing SAP, provided a Merchandising Cockpit, which can handle Style, Article, SO and BOM creation with ease. Articles are created for shades of fabric and sizes as variants. Users have been given an option to make BOM for SO and all variants in a single screen, which not only simplified BOM creation but also provided an opportunity to work at sale order level. Provision is also made to copy BOM from one style and another, thereby even simplifying BOM creation.

- **Presale order costing**
 - Contract manufacturing in Garmenting starts with Sample development for customer styles and initial quote costing. Quote stage, we may or may not have a Material in the system which makes it difficult to track profitability of an order if not validated against internal expense while buying and actual expense while manufacturing. The quote would change multiple times before customer accepts the offer.

SAP Solution - has been customized to make possible quote / costing of a product without material or buying history at material type level. Provision is made to input budgetary cost at BOM stage so that the sourcing is controlled under quoted price. Finally a comparison can be drawn between quote vs. actual through system.



Additional Information

Innovation

Innovation that brings Agility and Operational Efficiency with Transparency:

- **Export and Import Module**

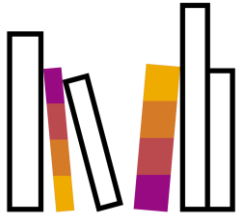
- Manufacturer, primarily export, need proper handling of Export and Import documentation especially when Government provide many schemes for import and export that would benefit the Export industries. While schemes help claim duty benefits while importing materials for Export, key is the documentation, as stringent laws guard such benefits.
- Key import schemes like Annual Advance License and Special Licenses to import duty free raw materials need traceability of its usage in exported finished garments. They should conform to standard norms and are validated against such norms. Given the volume of import, both in terms of, number of materials, qty and value, it would make it difficult for business to keep a track on import vs export, validity of licenses and produce documentation that is scheme friendly and compliant to avail these benefits.

SAP Solution- SAP has been customized to handle EXIM transaction from import schemes till export benefits with a very well transactional integration and documented flow, validated at all stages of execution.

- **Production Tracking**

- Garment Manufacturing today sells capacity and it is efficiency driven. Better the efficiency, lower is the manufacturing cost. Live tracking of production lines help monitor efficiency. Operation – wise product tracking help identify bottlenecks quickly and act on them to improve production output.

SAP solution - Each garment is being barcoded at Cutting stage and scanned through manufacturing process (Cutting, Sewing, Finishing and Packing) in real-time to monitor the output. Once in warehouse Finished Garments will be scan packed before shipping.



Additional Information

Innovation

Innovation that helped to build competitiveness:

- **Made to Measure- Consumer specific measurements and fabric to be used for manufacturing**

- Made to Measure is a business where every article is unique and customized as per customer requirement. Customer can make a choice of his style for a product and chose the material from what is offered. Order is received in an electronic form by way of XML's through SFTP to the plant. Plant has to create that many sale orders to manufacture them. In absence of an automation, it would not be possible to manually accept the orders (1000+), process and track them through manufacturing process, and ship to multiple destination across US.
- Customers also need Inventory update at an automated regular intervals and invoice XML's be sent through VAN over internet.

SAP Solution - SAP is customized to handle incoming orders with an interface with customer SFTP, interfaced with GERBER system to auto pick consumption and override default BOM, issue, track and pack n ship using unique barcodes that were printed for every garment from order receipt till shipping. No manual input anytime in the flow. This helped as unique selling point to customer (Order anywhere from the world and with SLA of 8 days to deliver and tracking of Garment production status)

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