

“We had a number of customers that might never have automated if we hadn’t consciously reached out to them. That experience helped us understand that on the supply side, it makes no sense to mandate solutions with which our suppliers would struggle. We try and make connectivity to our systems as easy as possible.”

— DAVID PERSSON,
DIRECTOR OF B2B E-COMMERCE AND
EDI AT LIZ CLAIBORNE



LIZ claiborne inc

“We want to share in GXS’s vision while understanding their technology roadmap, so we believe we must get as close to them as possible”

— DAVID PERSSON,
DIRECTOR OF B2B E-COMMERCE
AND EDI

GXS SOLUTIONS USED:

- EDI*EXPRESSSM Service
- Application IntegratorTM
- Enterprise Gateway
- Global Product CatalogueSM
- Desktop EDITM
- Desktop ASNTM

Liz Claiborne Turns to GXS to Digitize its Supply Chain

Corporate Profile

Leading Global Fashion Designer and Marketer

Founded in 1976, New York-based Liz Claiborne Inc. designs and markets an extensive range of women’s and men’s fashion apparel and accessories. With 26 owned and licensed brands, including Mexx, DKNY Jeans and Kenneth Cole New York, Liz Claiborne has one of the broadest portfolios in the fashion industry. Its brands are available at more than 22,000 different retail locations throughout the world, including virtually all upscale, mainstream, promotional and chain department stores and mass merchandisers in the United States, as well as in more than 250 of its own specialty and outlet stores. The company has annual revenues in excess of US \$3 billion.

The Business Challenge

Managing Complexity in the Supply Chain

Liz Claiborne interacts daily with thousands of retailers and suppliers, ranging from small manufacturers in distant countries with limited communications technology to the largest US retailers with state-of-the-art trading systems. Whether supplier or customer, large or small, local or international, Liz Claiborne must communicate seamlessly with all its trading partners and maintain the agility to continuously add new partners to its supply chain.

The company pushed forward with digitizing the supply and demand chains, but recognized that there were a number of customers that would never automate. “The problem was how to reach out to them,” says David Persson, Liz Claiborne Inc.’s director of B2B e-commerce and EDI. At the same time, Liz Claiborne was actively seeking to get its suppliers to adopt automated processing techniques. This would help them combat the relentless pressure on cost due to the way goods are ordered in the fashion industry, and adapt as the company’s aggressive expansion strategy demands.

Liz Claiborne sells its merchandise to its retail customers four times a year. Once the retailers have made their selections, the company has a short period of time to determine the distribution and shipping break down of the bulk orders it has received. This typically generated a considerable amount of paperwork. Moreover, as the paperwork grew, the opportunities for error, coupled with the labor-intensive nature of the bulk transport allocations, were making distribution a difficult and costly exercise. “We were looking to improve inventory management, and that meant getting closer to both our customers and our suppliers during the order capture process,” says Persson.

The Solution

Creating Better Relationships Through Digitization

The company has a long history of working with GXS, starting with GXS’s EDI*EXPRESSSM Service to transact electronically with major retailers and suppliers. Later, the company chose

LIZ CLAIBORNE'S RESULTS:

- Most extensive application of B2B integration in apparel industry
- 500,000 electronic documents transacted per year
- 93 to 94 percent of purchasing documents digitized
- 96 percent of all revenue activity handled electronically
- Processing throughput increased by up to ten times
- Reporting time reduced by two days

GXS's Desktop EDI™ and Desktop ASN™ products to link suppliers in Latin America and the Caribbean into its Electronic Data Interchange (EDI) network. "The purpose of having these different solutions is to ensure that we can include as many of our business partners as possible, but in the way that works best for them," says Persson. "This is really about partnership, and while we want documents in formats that comply with industry standards, we don't want to force one or another solution upon the business partners," he continues.

As those suppliers grow, GXS's Application Integrator™ and Enterprise Gateway enable them to integrate their own back-office systems into the company's network. Liz Claiborne uses GXS's Global Product CatalogueSM to manage the more than a half million product SKUs that are generated each season and to communicate product information to its retailers. Liz Claiborne made these choices in order to create a long-term strategic partnership with GXS. "We are committed to a best-in-class, open architecture approach to all our systems. This is critical for us as a global enterprise and it is a vision that we believe GXS shares," says Persson.

The Results**Industry-Leading e-Business Infrastructure**

Liz Claiborne has developed its e-business infrastructure from basic supplier transactions to what is now the most extensive application of B2B integration and EDI in the apparel industry. More than half a million electronic documents traverse GXS's global network each year between Liz Claiborne and its supply chain community members. Persson estimates that 93 to 94 percent of the company's purchasing documents—which account for approximately 96 percent of all revenue activity—are handled electronically.

In purchasing, this represents 28 different document types that are transmitted between Liz Claiborne and its business partners. The company continues to push forward digitization efforts by increasing both the volume and variety of electronic transactions with suppliers and retailers, and by expanding the reach of electronic trading to encompass more supply chain partners around the world.

From an operational perspective, cycle time reductions have been stunning. In one instance, Persson reports processing throughput increase ten times. This allowed the company to reduce reporting time by two days out of each week, giving decision makers information about point of sale, order status and credit information by seven in the morning on the Monday following the weekend close. "Decision makers are getting information when they need it, and not when the business can process the results," notes Persson.

The company believes its experience working with GXS has helped it to develop and foster relationships on both the supply and demand side that are based on mutual trust. "It all comes down to our looking for common sense ways of doing business that have long-term benefit," concludes Persson.

**About GXS**

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration among trading partners. Organizations worldwide, including more than 70 percent of the Fortune 500, leverage the on-demand services on GXS Trading Grid® to extend supply chain networks, optimize product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. GXS Managed Services, GXS' B2B outsourcing solution, empowers customers with the expertise, technical infrastructure and program support to conduct B2B e-commerce with trading partners globally. Based in Gaithersburg, Md., GXS has an extensive global network and has local offices in the Americas, Europe and Asia-Pacific regions. GXS can be found on the Web at www.gxs.com.

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