CASE STUDY:

VT Garment Improves Productivity by 95%, Plan Accuracy by 92% and Increases its On Time Delivery Performance by 50% with FastReactPlan

The adoption of FastReactPlan helped VT Garment secure the prestigious 'Golden Award' at the 'Thailand Lean Award 2017' in recognition of its outstanding LEAN manufacturing and management processes.

About the customer

Founded in 1981, VT Garment Co. Ltd., is an award winning global manufacturer of outerwear, sportswear and protective equipment, such as: ski jackets and pants, boardshorts, polyester padded jackets, woven jackets and pants, knitted jackets and bulletproof armour-plated materials. Around 20 per cent of VT Garment's electricity usage comes from solar energy and it has ISO 9001 certified facilities in Thailand and Myanmar which produce over 136,000 pieces per month.

The company boasts an annual turnover of 50 million USD and its customers include: Patagonia, Jack Wolfskin, Montbell, O'Neill and other big and small brands in the United States and Europe. VT Garment supports a workforce of 2,000 and has one of the largest Original Equipment/Original Design Manufacturing (OEM/ODM) factories in the world with Fair Trade certification. The company's dedication to innovation, local sustainability, environmental protection, fair wages, and advanced digitisation has secured it a raft of awards including: Thailand Lean Award (Golden), Thailand Quality Award (Golden) and the Thailand Kaizen Award (Golden).

FASTREACTPLAN

Key Facts

Customer
VT Garment Co. Ltd.

Location
Bangkok, Thailand

Key challenges
- Manual processes meant planning was inaccurate & laborious
- Capacity was often over- or under - booked
- Lack of visiblity caused late delivery and overtime costs
- Poor planning resulted in material waste and loss of business.

Key benefits and ROI
- Productivity improved by 95%
- OTDP improved by 50 %
- Plan accuracy improved by 92%
- Planning time reduced from 3 days to 2 hours
- Reduction in time spent loading orders by 67%

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The Challenge- *Inaccurate Planning Processes Negatively Impacted the Whole Business and Restricted Business Growth*

Prior to implementing FastReactPlan, VT Garment found that the lack of automation and real-time visibility in the production planning process not only meant there was limited information sharing between different departments, but also that manually produced capacity plans based on unreliable historical data, were time consuming and cumbersome to produce and not accurate enough to make informed production decisions from.

As a result, VT Garment's management and planning teams found that capacity was often over-booked or under-booked, causing late deliveries and unnecessary staff overtime costs.

Insufficient tools and resources for monitoring and optimising production efficiency, lengthy reporting times and limited information sharing and coordination between departments also meant that VT Garment was unable to respond to customer demands for quicker order confirmations, resulting in lost business and poor customer satisfaction levels. This led to increased pressure on staff, wasted resources and decreased profitability. An inability to make informed business decisions consequently not only negatively impacted overall company performance, but also its potential for growth.

The Solution- *Accurate, Highly Visual Capacity Plans Have Significantly Increased Productivity, Optimised On Time Deliveries and Enabled Staff to Work on Other Business Improvements*

Following the implementation of FastReactPlan, VT Garment now has the ability to view capacity plans from multiple perspectives, resulting in a comprehensive understanding of its production capabilities and limitations. The solution has enabled VT Garment to easily compare different plans and select the most optimal option based on factors such as cost, efficiency and delivery time. The automation of planning processes has also freed up time for staff to focus on other important tasks, such as improving customer satisfaction and supporting new innovations and business growth.

A significant reduction in errors and a more accurate representation of its production capabilities has also led to an unprecedented 92% improvement in plan accuracy which has improved VT Garment's ability to meet customer delivery expectations. The ability to quickly review and revise plans immediately by monitoring late order requests and on-time items has also increased its OTDP performance by 50%.

Since the implementation of FastReactPlan, VT Garment is now able to quickly evaluate the efficiency of each plan variation, which has reduced the time spent on planning from four hours to 10 minutes.

This has helped the company reduce planning time by 57%, reduce order plan loading by 67% and improved its overall productivity efficiency by 95% across the whole business.

The Solution- *FastReactPlan Has Eliminated Overtime Hours, Improved Staff Morale and Enabled the Company to Take on More Complex Orders*

The solution has enabled VT Garment to save significant staff hours by streamlining the planning process, from order placement and checking delivery dates to tracking production activities, which has meant that extra time can be dedicated to delivering an enhanced customer experience.

VT Garment found that the FastReactPlan implementation had a positive impact on staff morale by simplifying the challenging task of planning and reducing unnecessary and unplanned overtime hours, so that staff had a more consistent, stress-free working environment.

With the ability to anticipate future plans and understand available capacity, VT Garment can now accurately calculate working hours effectively to take on additional business orders that it would have previously shied away from. FastReactPlan has also enabled the company to handle a wider range of orders, including shorter and more complex order requests, as it has the visibility and agility needed to make informed decisions based on accurate plan variation assessments.

The Solution- *FastReactPlan Helped Company Become Award Winners in Lean Manufacturing*

The adoption of FastReactPlan was instrumental in helping VT Garment secure the coveted 'Golden Award' at the 'Thailand Lean Award 2017,' - an influential government-subsidised nationwide awards ceremony covering all manufacturing industries. The annual Thailand Lean Award recognises companies that have undertaken strategic changes to their businesses to adhere to lean management principle. Award winners serve as exemplary leaders to others who are looking at adopting lean management for quality, savings, delivery and speed.

Hyperinflation leads to softening market conditions leaving large amounts of excess stock for brands and retailers. This, in turn, adversely impacts order volumes for manufacturers. Against this backdrop, apparel manufacturers need to rethink and overhaul their operations. To combat the current 'fluid' fashion environment, it is inevitable that we needed to be more lean, digital and agile. We, consequently, chose Coats Digital as our transformation partner because of their experience in delivering innovative solutions that support our journey towards operational excellence. One of the defining reasons for our selection of Coats Digital was to support our entry at the 'Thailand Lean Awards 2017'. We were subsequently delighted to win the prestigious 'Golden Award' for recognition of our adoption of FastReactPlan. The award is a testament to the effectiveness of how the FastReactPlan system has been instrumental in supporting our Lean Manufacturing objectives to help us achieve significant improvements in our production processes.

**Chalumpon Lotharukpong,
Managing Director, VT Garment**

We are exceptionally pleased with FastReactPlan. It allows us to plan better because we can choose the plan based on different factors, such as Capacity, Efficiency and OTD percentages, which has eliminated the need for manual calculations altogether. The customer experience has also greatly improved as a result of our ability to provide timely and accurate information, which is crucial for customers to make informed commissioning decisions. With the implementation of FastReactPlan, we are now able to send accurate plans and information to customers in less than two hours, rather than the usual 3 days it took before the implementation.

**Chalumpon Lotharukpong,
Managing Director, VT Garment**

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> FastReactPlan has effectively eliminated the need for overtime work. Prior to its implementation, our planner often had to work four to six additional hours of overtime to meet delivery deadlines. Since implementation, our planner now has much more time for other tasks that can greatly enhance the business. Because all are plans are now based on accurate data, we are also benefiting from a significant reduction in overtime hours on the factory floor, as well as greatly reduced levels of firefighting, since we can now anticipate potential issues with future orders – such as delayed raw materials or late orders – and address them proactively.

Chalumpon Lotharukpong,
Managing Director, VT Garment

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> With its many functions, FastReactPlan has enabled us to cope with all situations, whether large or small orders. In a nutshell – it is awesome. Each order is now identified by different colour codes, which makes it much easier for executives or planners to differentiate tasks, assess work in progress and act immediately if there are any issues. We can also plan activities super effectively, such as communicating the date to send a pattern file, since everyone involved in that job receives an alert when the file needs to be sent. This makes the whole production process run seamlessly and smoothly. And as an old industry saying goes, 'if you have a good capacity plan, then half of the victory has already been achieved'. Greater resilience and agility will undoubtedly enable us to navigate through and respond quickly to supply chain shocks, and future proofing for agile manufacturing will undoubtedly be the key to our success in 2023 and beyond.

Chalumpon Lotharukpong,
Managing Director, VT Garment

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> We are absolutely thrilled that VT Garment has experienced such unprecedented results since its adoption of FastReactPlan. The solution has positively impacted all areas of the business and proves just how vital, accurate and highly visual capacity plans are to the future growth of a fashion apparel manufacturer. We are also extremely proud that Coats Digital has played such a pivotal role in helping VT Garment secure its much-deserved recognition as one of the most innovative manufacturing companies in Thailand.
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> With its strong commitment to sustainable practices, fair wages, great working conditions and technological innovation, we are honoured to be continuing to play an important part on VT Garment's journey towards increased award-winning digitisation and further global success.

Pakawan Veerarote,
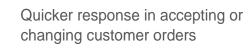**Customer Success Manager, Coats Digital**

Key benefits and ROI

- Overall planning time reduced from 3 days to just 2 hours

- Quicker response in accepting or changing customer orders

- Elimination of costly overtime hours

- Reduction in last-minute firefighting

- Plan-based capacity monitoring in minutes

- Standardised PO, Colour & delivery level visibility across all departments

- Increased productivity across all departments

- Improved staff morale

- Automated data capture and consolidation.

- OTDP improvement of 15%

- Reduced shipping freight costs

- Reports on Shipment & Plan Vs Actual generated within less than 10 minutes

FastReactPlan is the market-leading apparel production planning software solution, supporting a faster, more reliable order confirmation process and production plan which is optimised for delivery, speed and efficiency.

For more information about FastReactPlan's features and benefits, or any of Coats Digital's supply chain solutions,
visit: **www.coatsdigital.com** or
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