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Faster fashion: How to shorten the apparel calendar

To get new styles into stores more quickly, fashion companies must improve internal collaboration, tap into consumer insights, and start to digitize the value chain.

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When Burberry and Tom Ford began experimenting with the fashion-industry concept known as "see now, buy now" in 2016, their efforts were met with a little skepticism and a lot of excitement. The thinking was that consumers, especially millennials, have become accustomed to instant gratification and are therefore much less willing to wait several months to own the latest runway styles. The so-called "fast fashion" companies—the likes of Forever 21, H&M, Inditex, and Primark—were already producing replicas of fresh-off-the-runway items and selling them in stores in a matter of weeks, and consumers were rewarding their speed to market: revenues at those companies rose 8.2 percent in 2017 in aggregate, whereas overall apparel retail grew only about 3.5 percent in that same period.[1] With a see-now-buy-now sales model, luxury fashion companies, too, could capitalize on the media coverage sur-rounding Fashion Week events in New York, London, Milan, and Paris, and translate the buzz into full-fledged sales campaigns.

But skeptics wondered whether "see now, buy now" could work for higher-end apparel. Indeed, it hasn't been an unqualified success. A handful of designers, including Tom Ford, have since reversed course, citing the misalignment between the timing of Fashion Week and store-shipping schedules. Still, more than 15 leading fashion companies are continuing to experiment with "see now, buy now." Is it a feasible model for the long term?

Our answer is yes—so long as fashion companies are willing to embark on a dramatic transformation of their processes and mind-sets. Shortening the fashion cycle isn't a quick-fix undertaking.

The phases of the fashion cycle

Broadly speaking, the fashion cycle consists of three phases: planning, design, and product development; sell-in; and production and delivery. The length of each phase varies widely by company. A phase can be as short as 12 weeks or as long as 30. The planning, design, and development phase is typically the longest and has the widest variability among companies (exhibit). Therefore, that's where the greatest potential for compressing the calendar lies.

The length of the end-to-end fashion cycle depends on a number of factors, including the company's business model and retailer requirements for the assortment. For example, vertically integrated players (such as H&M and Zara) can make decisions faster and skip the sell-in phase because they operate their own stores. Even within a brand, different product groups might follow different calendars: women's tops are typically refreshed more frequently than women's jeans, for instance. Basic items (such as plain white T-shirts) don't have to follow a seasonal collection rhythm because sales of such items are fairly consistent and easier to predict. Still, some basics retailers—Uniqlo, for one—are constantly finding ways to shorten their fashion cycle.

Speeding up each phase

To shorten time to market, the first step is to define a viable target length for the full fashion cycle, taking into account the company's business model, retailer requirements for the assortment, and benchmarks from competitors—especially those that have successfully shortened their own calendars. Once the target length for the full cycle has been set, the next step is to eliminate time-wasting activities and accelerate processes in each phase.

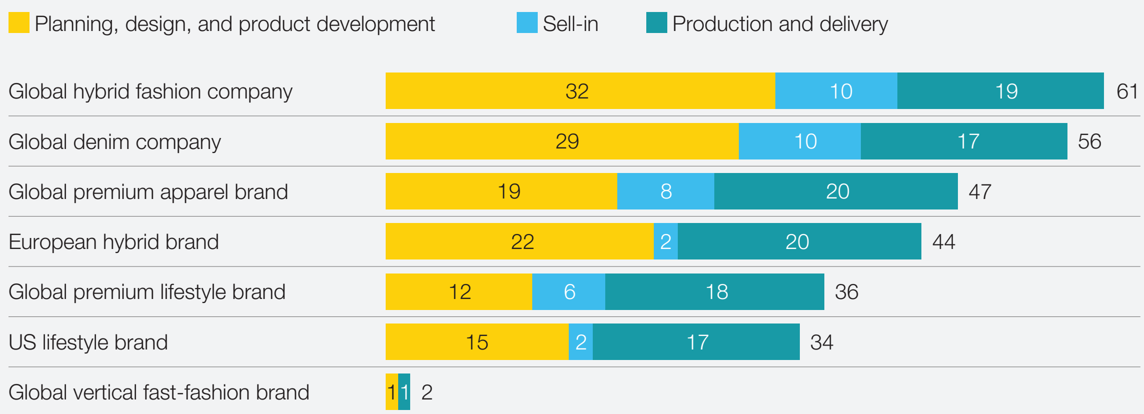
Planning, design, and product development

In this first phase, the finance team sets financial targets for the collection while the creative teams for each division (such as women's, men's, and children's) determine the creative direction of the season's collection: What narratives or themes will the collection embody? What will be the overall look and feel? What fabrics and color palettes will it feature? The creative teams also develop a master plan specifying the breadth and depth of their

Exhibit

The duration of an end-to-end fashion cycle widely varies by company.

Fashion cycle duration, weeks[1]



[1] Approximate.

respective collections, along with price ranges. An example: the spring 2019 menswear collection will have 12 styles of pants—four each in shorts, casual khakis, and dress pants—all in the $85 to $95 range.

At some apparel companies, the finance and creative teams work separately, with each team unaware of what the other is doing. This often results in inefficiencies and rework. Leading-edge companies have instead established a central merchandising team composed of staff from both the financial and creative sides of the business. This team collaborates on the creative direction, the financial targets, and the master plan; they agree on parameters early in the fashion cycle. This collaboration can cut out unnecessary iterations and shave up to five weeks off the initial phase.

The central team typically reviews sales data from the previous year, which can yield valuable consumer insights and form the basis of sensible business constraints. Advanced analytical tools and techniques can help increase the reliability of forecasts by isolating the factors that drove sales, down to the SKU level: Did a particular shirt sell well because of its color? Cut? Logo design? Was it especially popular in a certain city or neighborhood, or with a specific type of customer? The most forward-looking companies analyze additional types of publicly available data such as online searches, social media, competitor websites, and online product ratings. These analyses not only unearth nascent trends but also warn of receding trends. Some fashion companies have even begun experimenting with natural-language processing and visual processing, although these technologies can't yet reliably translate text or images (for example, from tweets or Instagram posts by influencers) into clear, actionable insights.

Generating consumer insights is one thing; instilling a culture of insight-driven decision making is quite another. It represents a major change, particularly for fashion companies, which tend to see their business as creative rather than data driven. The most successful companies are those that strike a balance between art and science. They invest in advanced-analytics systems and tools and, just as important, they ensure that there are "translators" and "connecters" within the organization—people who are data savvy, thoroughly understand the company's business processes, and have credibility among all internal decision makers—to bridge the gaps between analysts and designers.

Armed with data and insights, the company then produces the first prototypes of the new collection. We've found that this process can be compressed by up to three weeks if the company opts to create mostly digital prototypes rather than physical ones.

Sell-in

Digital prototypes, which are 3-D images on a screen, can shorten the sell-in phase as well, by lessening the need for producing and shipping physical samples. With digital prototyping, fashion companies can showcase the collection to smaller retailers remotely; those customers can then place their orders without having to travel to a showroom at all. For larger customers, fashion companies can create a few physical samples but show most of the collection via customized digital showrooms.

Initially, buyers may balk at being shown digital prototypes instead of being able to touch, feel, and try on every item in the collection. But we've found that buyers come to appreciate the fact that 3-D design allows them to give more input into the design process: their suggestions can be incorporated into the designs right away. Many more colors, cuts, and styles can be tested and prototyped.

Digital prototyping is fast and scalable. Using body scans of human models, 3-D technology can show sizing, fit, and how the garment would look on a person. It becomes even more attractive as the technology improves and renderings become more detailed and truer to life (see sidebar, "Sprinting toward a shorter fashion cycle").

Production and delivery

Opportunities for shortening the production and delivery phase are fewer, but still meaningful. One lever is disciplined manufacturer management. Leading fashion companies have so tightly integrated their manufacturing partners into their business that manufacturers take responsibility for a variety of tasks and approvals. In some cases, manufacturers bypass several sign-offs from the head office, thereby cutting as many as ten days from the production process. In other cases, fashion companies have placed specific tasks (such as quality control) on-site at the factories, eliminating the need to ship samples and products back and forth between factory floor and design studio or corporate office.

As for capacity planning and booking, the earlier and the more detailed, the better. At many companies, the design teams for various divisions each have their own schedule and process for informing vendors of their needs for fabric, materials, and factory capacity. By contrast, at best-practice companies, a central supply-chain planning team consolidates orders from across the divisions. Much as a central merchandising team helps shorten the planning and product-development phase, a central supply-chain team helps compress the production phase. The team can approach vendors with a single view of what the company's needs are, as early as six months in advance of production.

Another lever for shortening the production phase is standardized vendor-management tools and interfaces. Currently, fashion companies use a mishmash of legacy systems, making vendor management cumbersome; a lack of standardization results in wasted time and rework. Each system asks for different inputs in different formats, so

Sprinting toward a shorter fashion cycle

One company aimed to shorten its fashion cycle from 60 weeks to 44, largely by digitizing the value chain. To do so, the company used an agile approach—a way of working that more closely links conceptualization to implementation through "sprints," or fast-paced units of progress. The idea of a sprint, aside from moving quickly, is to constantly readjust so that each successive sprint yields better results.

The company treated each season as a series of agile sprints. Prior to each sprint, the team defined the elements that would be tested. For instance, one test involved digital design and prototyping of one product group. The test was conducted in only two of the four divisions, on a strict timeline following a "freeze and release" logic. After each sprint, the team would discuss what the obstacles and pain points were and agree on how to do things differently in the next sprint, which would have more ambitious targets. In one sprint, designers felt that the design software was too slow, the rendering of images was poor, and the library of fabrics was too limited. A cross-functional team of designers, process experts, and IT specialists worked together to address these pain points.

The company not only achieved its goal of a 44-week calendar—a goal that some in the organization initially felt was unreachable—but it also produced a smaller and less complex assortment. On-time availability and production planning improved as well, thanks to better forecasting that allowed the company to book factory capacity ahead of time.

the inputs are often incomplete or inaccurate. Companies that have moved toward a single, intuitive product-life-cycle management tool—one that can accommodate sketches, photos of comparable products, many types of product information (on fabric, fit, color and so on)—have seen tremendous benefits.

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Traditional fashion companies must be willing to not just make cosmetic changes to their calendars, but also thoroughly examine each of their activities and processes. They must also be willing to effect a change in mind-sets across the organization. In doing so, they could give the fast-fashion companies a run—maybe even a sprint—for their money. ■

[1] According to the 2017 McKinsey Global Fashion Index and company annual reports.

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