

CASE STUDY



FOUNDED IN 1976, LIZ CLAIBORNE INC. IS ONE OF THE MOST RECOGNIZED NAMES IN FASHION AND FRAGRANCE. THE COMPANY WENT PUBLIC IN 1981 WITH NET SALES OF \$116.8 MILLION AND HAS GROWN EXPONENTIALLY SINCE, WITH NET SALES OF \$4.63 BILLION IN 2004. LIZ CLAIBORNE PRODUCTS ARE SOLD WORLDWIDE IN MAJOR DEPARTMENT AND SPECIALTY STORES, AS WELL AS IN ITS OWN RETAIL STORES. THE COMPANY EMPLOYS MORE THAN 10,000 PEOPLE WORLDWIDE, WITH CORPORATE OFFICES IN NEW YORK AND NEW JERSEY.

"Utilizing 7thOnline COLLABORATESM enables us to drive profitable sales through customer specific assortments. The software contributes to Liz Claiborne's micro-merchandising capabilities and facilitates improved order placement."

*– John Sullivan
Chief Information Officer
Liz Claiborne Inc.*

Liz Claiborne Inc. Embraces Collaboration

Liz Claiborne Inc. is a leader in using collaboration to improve the buying and selling processes with its major retail trading partners. The company recently launched its collaborative LizPlanning initiative as part of a larger micro-merchandising strategy that ensures each door has exactly the right merchandise assortment for its defined consumer base, ultimately helping to maximize sales opportunities and minimize excess ownership. It thus has the potential to increase full-priced selling and reduce manual efforts, affording greater productivity and efficiency for both partners. Liz Claiborne Inc. has more than 200 trading partners, including major retailers such as Federated Department Stores, May Company, Dillard's, and Saks Inc.

Searching for the Best Collaborative Solution

LizPlanning uses 7thOnline COLLABORATESM to allow the Liz Claiborne account executive and the retail buyer to collaboratively develop visual and financial assortment plans several weeks prior to market - significantly earlier than in the past. The plans, which can be refined during market, become bulk order commitments once agreed to by both parties. Anne Cosini, Vice President of eCommerce/Customer Service at Liz Claiborne Inc., says, "When we were evaluating collaborative assortment planning and order placement solutions, our overall goal was to drive top line sales by decreasing the complexity of the market appointment and surrounding work, enabling increased focus on product opportunities. 7thOnline COLLABORATESM helped us meet those objectives."



LIZ claiborne

Bijan Vujosevic, Buyer at Macy's East, explains the benefits of using 7thOnline COLLABORATESM.

"I know I'm on the same page as my Liz Claiborne Account Executive since we are always looking at the same set of accurate, up to date information. Also, having immediate summary capabilities is great and allows me to focus on product and opportunities. Overall, using COLLABORATESM has greatly simplified and improved my buying process."

Partner Collaboration. Realized.

Knowledge is power. By working together earlier in the financial and assortment planning processes, merchants are empowered to select product with the aid of 7thOnline's sophisticated tools. The merchants' goal is to get the right product in the right store at the right time. As a result of earlier product collaboration, time spent in post-market reconciliation is significantly shortened resulting in better inventory matching and profitability.

The Way It Was

Prior to implementing COLLABORATESM in June of 2002, Liz Claiborne Inc. used fax and email to communicate spreadsheet-based assortments to buyers, a process which was highly inefficient. Furthermore, these assortments often did not reflect the latest product information, making "buy" decisions more difficult. In addition, the lack of version control and the absence of a single data set resulted in a high error rate. This was further exacerbated by frequent product additions and deletions, which are common in the industry.

How COLLABORATESM Works

7thOnline COLLABORATESM enables merchants to create and manipulate an assortment plan with detailed product information and images. Management's visibility to product is heightened, which means that costly production inventory mistakes are avoided by earlier access to product information.

7thOnline COLLABORATESM allows merchants the ability to

analyze assortment plans with real time summaries and reports, enabling better decisions.

Why 7thOnline COLLABORATESM?

Anne Cosini, Vice President of eCommerce/Customer Service at Liz Claiborne Inc., explains why Liz Claiborne chose 7thOnline COLLABORATESM.

"We were correct in believing that 7thOnline would successfully guide us through the implementation process. They provided a deep understanding of the buying and planning process coupled with outstanding support. From the outset, we established a partnership with 7thOnline and have been very pleased with their integration capabilities and industry expertise."

Product Highlight: COLLABORATESM Provides Greater Visibility and Improved Buying/Selling

7thOnline COLLABORATESM is the only assortment planning tool that provides two-way communication, collaboration and sharing of key business information between trading partners. The key to survival in business today is the ability to listen and adapt quickly. This requires close communication and real-time collaboration with partners in a way that is effective and accurate. David Swetlik, a Senior Account Executive at Liz Claiborne Inc., points out,

"By using COLLABORATESM, information is shared far earlier in the process, enabling the buyer and I to more proactively shape the assortment and tailor it to their individual needs. We can uncover issues in advance of market, giving us time to call out opportunities and get ahead of production."



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