

AVIRAT SONPAL
Managing Director, 4004 Inc.

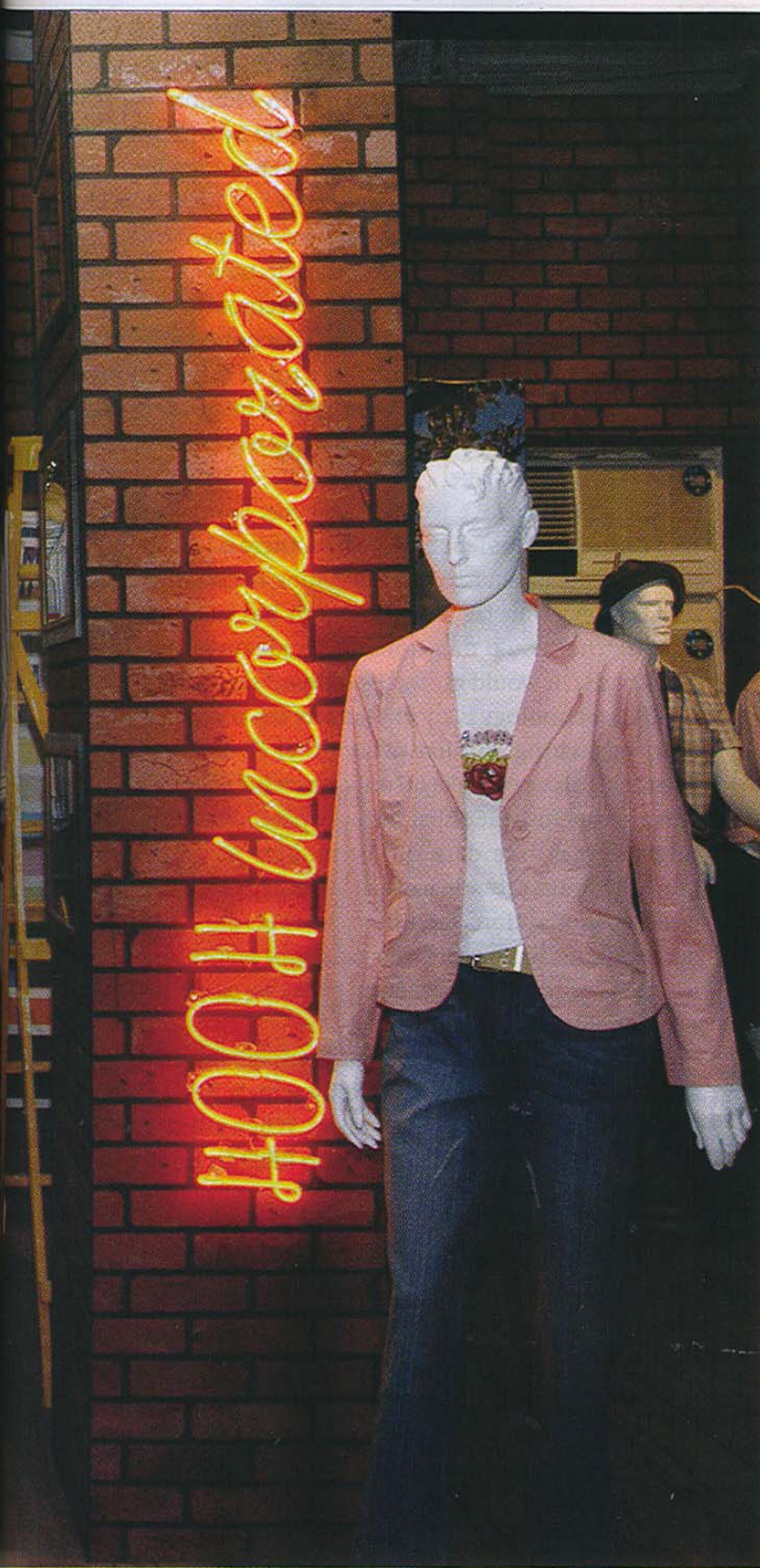
Dress rehearsal

In a bid to match pace with the growing sourcing needs of its US-based retail parent Steve and Barry's, 4004 Inc has few interesting supply chain innovations up its sleeve. BY ADITYA KELEKAR



The technology rush in the thick of the retail boom appears quite riveting for the apparel retail industry. The emergence of innovative modules within IT solutions like tariff engineering makes this synergy truly avant-garde.

Pioneering it in a small yet significant way is Mumbai-based 4004 Inc., a global procurement affiliate of Steve and Barry's, an apparel retail chain that runs a network of over 130 casual and collegiate apparel stores in the US.



Headquartered in Mumbai, 4004 Inc. orchestrates the entire supply chain management circuit: from conceiving a design, creating a technical specification, getting an online product, issuing a purchase order, quality testing, inspection to the final delivery.

Strutting their stuff

One of the recent innovations that proved critical to the way 4004 Inc. conducts business is the module on

tariff engineering. It is a strategic planning module that gathers in-depth information on Free Trade Agreements (FTAs) and quotas subjective to different countries. The module developed by Supply Chain Management Solutions (SCMS) team of 4004 further compares a particular apparel component's cost from a particular country to a component from another country.

The process is interesting: When the company checks on the price of a particular product from a particular area, it looks up for relevant information on the pricing of the same product from other areas, which could be completely dissimilar owing to varying freight rates and duties across sourcing nations. This is quite an effective replacement to physically evaluating the price differences.

"If we have one bid from Jordan and another from India, we get to do an apple to apple comparison," says Avirat Sonpal, Managing Director, 4004 Inc.

On similar lines, the company is also working on a cost-based module that would bring in more efficiency to its purchase transactions. Typically, there are about 20 components that go into the making of a shirt produced by the company.

The cost-based module would check the viability of a manufacturing process. The manufacturers are further required to key in their component cost and an average cost of the product is automatically generated based on the specific criteria each department feeds.

Typical input here would be information from a fabric technician, who would key in the fabric costs and the quantity of fabric required. Other inputs include data from a garment technician, who would put in the number of man-hours spent on his work.

Earlier, there would be someone who would get all the information but now flexibility reins such processes. With real-time entry of information on an IT database, the person negotiating a business deal can afford to be far removed from the opposite party. "It helps the negotiator focus on the negotiations," says Sonpal.

Stitch in time

Established in 2001, the company has overhauled its IT system to meet the increasing business needs of Steve and Barry's network. Around the end of 2003, the company was a fledgling organization with 50 employees and a bare-bone IT infrastructure. Beginning 2004, the company began upgrading its applications by scaling up its systems from few modules to a company wide ERP.

Perhaps 4004's most remarkable achievement is that the entire application is developed in-house on ASP.net. Much of the impetus for the development happened because of a sizeable increase in organizational strength from 50 employees to around 300 employees, which resulted in a slew of functions that never existed before.

Accompanying the increase in headcount was the growth in the business: a rise in volumes of raw material

