



## Propper International Salutes Lawson M3

A top supplier of U.S. military, law enforcement and commercial military uniforms depends on the Lawson M3 Fashion software solution to shorten time-to-market, increase supply chain visibility and, most importantly, satisfy customer demand. By deploying Lawson M3's enterprise-wide, integrated application software and adding Lawson M3's e-commerce customer order-entry software, Propper International has optimized the ability to manage its business processes, to provide excellent customer service and to realize a substantial return on the investment made to implement the Lawson M3 software solution.

“In phase one, we not only improved our available-to-promise capabilities, but we also gained powerful forecasting and planning tools to enable us to run a leaner business in a make-to-stock and make-to-order environment, thus providing a timely flow of goods to customers, where and when they are needed.”

**Devin McCarthy, Director of information technology**



## Business benefits

During its Y2K IT systems assessment, Propper International made a strategic decision. The main application software—including order entry, inventory control, manufacturing, distribution, general ledger and financial reporting—comprised three discrete, unintegrated applications that lacked the functionality to enable the company to effectively manage its worldwide operations. This in turn made it increasingly difficult to meet customer requirements, which change based on national and international events. Rather than attempt to write additional functionality and build integration bridges, which could have taken years to accomplish, Propper decided to implement the Lawson M3 Fashion enterprise-wide software solution.

The strategy paid off handsomely for the company. Thanks to the Lawson M3 Fashion solution, Propper increased its inventory turns from two to six a year, a 300 percent improvement, while more effectively meeting customer delivery requirements. Inventory levels have dropped 25 percent, resulting in significantly improved cash flow. Accounts receivable days outstanding have been reduced from over 100 days to 35 days. With controls for past due accounts and credit limit checks built into the software, customer orders receive greater scrutiny before being released for shipment. In addition, with production more tightly synchronized with demand, Propper was able to consolidate its two sewing operations in the Dominican Republic into a single plant. Furthermore, the number of IT personnel necessary to support the application software and main IT processes was reduced from 15 to 5. The number of administrative and accounting personnel was also dramatically reduced with the integration of purchasing, accounts payable, accounts receivable, cash application, product costing and general ledger and financial reporting, while the end-of-month closing process now takes 7 days instead of 60 days.

"In phase one, we not only improved our available-to-promise capabilities, but we also gained powerful forecasting and planning tools to enable us to run a leaner business in a make-to-stock and make-to-order environment, thus providing a timely flow of goods to customers, where and when they are needed," says Devin McCarthy, Propper's global director of information technology. "In phase two, we gave customers timely access to the product catalog, and order-entry and electronic-communication capability to our sales, customer service and accounting personnel with Lawson M3 e-Sales. Our customers can now do business with us 24 hours a day seven days a week."

Customers showed their appreciation of these efficiency improvements. Notably, Propper received the 2004 Vendor Excellence Award in the Large Business Category from the U.S. Defense Logistics Agency (DLA). This coveted award honored Propper's responsiveness to the DLA's recent surge in demand to support U.S. combat troops. For the management team and more than 3,000 employees, the award also signaled recognition of their long and steadfast journey to continued process improvement.

## The company

Propper International is one of the largest suppliers of uniforms for the U.S. Department of Defense. Since 1967, the ISO 9001-certified manufacturer has produced over 50 million garments, ranging from U.S. armed forces combat apparel, chemical weapons suits, gloves, hats, extreme cold weather jackets and pants, and other high-tech apparel, to the Improved Load Bearing Equipment (ILBE) system of the U.S. Marines. The company also provides custom packaging options and vendor managed inventory for the Army and Air Force Exchange Service (AAFES).

In addition to the government business segment, which supplies the United States Department of Defense, Propper has two other business segments. The public safety segment produces tactical uniforms and related apparel for police, fire, correctional and municipal emergency services personnel. The commercial business segment produces rugged outdoor apparel and related apparel items to specialty retailers and army/navy surplus stores.

Headquartered in St. Louis, Missouri, the company has manufacturing facilities in the Commonwealth of Puerto Rico and the Dominican Republic. The company also has a large distribution center in Waverly, Tennessee, from which it ships orders to customers around the globe.

"Lawson M3 filled the bill on all counts. We could see how the Lawson M3 Fashion software solution would allow us to achieve the level of functionality and enterprise-wide collaboration we needed to shorten time-to-market, increase supply chain visibility, and improve customer responsiveness,"

**Devin McCarthy,**  
Director of information technology



## Why Lawson M3?

Before the company had an integrated enterprise information system, control over customer demand—entering orders in a timely manner; forecasting demand for the public safety and commercial business segments, and tracking government delivery order fulfillment through production and distribution—was performed in various departments through the use of spreadsheets and handwritten ledgers, due to deficiencies in the functionality of the legacy software applications. This led to inefficiency, inaccuracy, duplication of effort and lack of visibility across critical business processes. The first requirement, therefore, was for a software application suite that allowed the company to get control over customer order demand and integrate that demand with production and distribution resource requirements, and to provide enterprise-wide visibility across critical business processes.

Propper management appointed a cross-functional internal team, comprised of manufacturing managers, IT personnel, network administrators and finance department personnel, to search for an enterprise-wide solution. Working closely with an industry consultant, they evaluated and compared several leading software solutions and ultimately selected the Lawson M3 Fashion solution, developed specifically for the sewn-products industry.

"Lawson M3 filled the bill on all counts. We could see how the Lawson M3 Fashion software solution would allow us to achieve the level of functionality and enterprise-wide collaboration we needed to shorten time-to-market, increase supply chain visibility, and improve customer responsiveness," says McCarthy.

Propper also wanted to streamline key business processes, such as purchasing, forecasting and demand planning, production scheduling, quality control, and warehouse management, to help optimize capacity planning and resource utilization. Lawson M3 met all of these criteria and more.

"We were particularly impressed with the industry-specific functionality of the software," McCarthy says. "Its ability to handle electronic data interchange (EDI), as well as its multi-dimensional product matrix for customer order entry were key decision factors. Also, since our public safety and commercial customers rely on us for just-in-time delivery and timely inventory replenishment, it was very important for us to gain real-time visibility of our operations and supply chain."

## The implementation

The implementation of the Lawson M3 Fashion software throughout the international operations of Propper took a highly strategic and coordinated approach based on establishing priorities as to which software modules would deliver the greatest business value and return on investment (ROI). "As an intensely customer-focused company, the order entry, distribution, MRP, forecasting and demand planning, and production scheduling modules of Lawson M3 were the primary focus initially," McCarthy explains. "These were the 'big payoff' applications to maximize our internal efficiency and productivity, as well as supply chain collaboration."

The next phase involved the company's other business processes, including accounting and financial management, purchasing, receiving, cost accounting, customer service, manufacturing, and engineering. The company was willing to reengineer internal processes as required in order to take advantage of the functionality of the software.

Once up and running on the Lawson M3 Fashion software, Propper decided to expand its customer service capabilities by integrating the Lawson M3 e-commerce software solution in order to bring product selection and ordering capability to the customers via the Internet. The e-commerce implementation was completed in early 2004 and has added significant value to Propper's technology portfolio.

Customers can now access the company's product catalogs, with photographs, product features and specifications, twenty-four hours a day, seven days a week. Using the e-commerce portal, customers and distributors can configure and enter orders online, check order status, track shipments, analyze account statements and view their order history. This saves them time and minimizes paperwork.

"We were particularly impressed with the industry-specific functionality of the software,"

**Devin McCarthy,**  
Director of information technology

"Our goal is to maintain our leading position as the highest-quality, lowest-cost producer of uniforms and specialty apparel for many years to come.

**McCarthy concludes.**



**Headquarters:**

**USA**  
380 St. Peter Street  
St. Paul, MN 55102-1302  
Tel +1 651 767 7000  
info@lawson.com

**Regional Offices:**

**Americas**

Brasil, Chile, Canada,  
Mexico, Honduras,  
United States, Venezuela

**United States**

Tel +1 651 767 7000  
info@lawson.com

**Asia**

China, Hong Kong,  
India, Indonesia, Japan,  
Korea, Malaysia,  
Philippines, Singapore,  
Taiwan, Thailand, Vietnam

**Singapore**

Tel +65 6788 8769  
Fax +65 6788 8757  
infoasia@lawson.com

**Australia & Oceania**

Australia, New Zealand

**Australia**

Tel +61 2 8437 5600  
Fax +61 2 8437 5699  
infoanz@lawson.com

**Northern Europe**

Denmark, Estonia, Finland,  
Norway, Sweden

**Sweden**

Tel +46 8 5552 5000  
Fax +46 8 5552 5999  
inonordic@lawson.com

**Northwestern Europe**

Belgium, The Netherlands,  
Ireland, South Africa,  
United Kingdom

**United Kingdom**

Tel +44 1344 360273  
Fax +44 1344 868351  
inonw@lawson.com

**Central Europe**

Austria, Czech Republic,  
Germany, Hungary,  
Poland, Slovakia,  
Switzerland

**Germany**

Tel +49 2103 89060  
Fax +49 2103 8906 199  
infoce@lawson.com

**Southern Europe**

France, Israel, Italy,  
Portugal, Spain

**France**

Tel +33 1 34 20 80 00  
Fax +33 1 40 39 25 07  
infos@lawson.com

[www.lawson.com](http://www.lawson.com)

Propper's sales and marketing team can track customer orders and sales, and can process smaller orders more quickly and easily, thereby saving administrative and customer service costs. Changes to product specifications and pricing can be posted quickly to the e-commerce site to ensure that everyone has access to the most up-to-date information. Online ordering eliminates virtually all the order errors and confusion that result from outdated brochures and product sheets.

"Lawson M3 e-commerce is a big hit with our customers," notes McCarthy. "They appreciate the ease and convenience of our site's clear navigation and self-service efficiency, as well as the increased speed with which we can ship their orders. The software also allows us to tailor sales campaigns and promotions for each of our business units and post them to the site with minimal time and effort. The beauty of Lawson M3 e-commerce is that it is a dynamic solution that can help a company grow sales while providing higher levels of customer interaction, service and support."

## Future plans

Spurred on by its successful Lawson M3 Fashion software implementation, Propper continues to search for innovative ways to improve its day-to-day manufacturing operations and its overall business performance. For example, the company recently invested in state-of-the-art Gerber cutting equipment and plans to link this system with Lawson M3. Also under consideration is Lawson M3 Enterprise Collaborator, an XML-enabled application that will help Propper to automate additional workflow processes and gain easier online access to U.S. government information databases.

Currently Propper is pilot testing a bar-coding and radio frequency identification (RFID) system in order to comply with new Department of Defense mandates for shipping of RFID-labeled product cases and pallets. Once implemented, this system will also be integrated with Lawson M3 and is expected to provide the company with valuable business intelligence data for analysis and decision support.

"Our goal is to maintain our leading position as the highest-quality, lowest-cost producer of uniforms and specialty apparel for many years to come. This is an ongoing journey of continuous improvement—and Propper is pleased to have Lawson as our technology partner; helping us leverage Lawson M3 capabilities in ways that make us more efficient as a company and enhance our relationships with our suppliers, distributors and customers," McCarthy concludes.

## About the solution

Applications implemented/Business areas covered:

- Core business functions
- Sales and marketing management
- Product data management
- Advanced planning and production
- Maintenance scheduling
- Supply chain applications: forecasting, resource and material planning, inventory management, distribution order processing, capacity planning, warehouse and transportation management.

Hardware/Operating system: IBM iSeries

## About Propper International

Propper International is one of the largest suppliers of military apparel and related items to the U.S. Department of Defense. In addition, it manufactures, markets, and distributes uniforms and specialty apparel to law enforcement and correctional personnel, as well as specialty retailers. Propper manages its global supply chain from headquarters in St. Louis, Missouri.