

RIACHUELO

**RIACHUELO ACCELERATES TIME TO MARKET AND MEETS
FAST-CHANGING CONSUMER DEMANDS WITH CENTRIC PLM™**

**LEADING BRAZILIAN DEPARTMENT STORE USES PLM TO DELIVER
PRODUCTS WITH SPEED AND EFFICIENCY AMID
GLOBAL MARKET DISRUPTIONS**

 CentricSoftware™

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“Because of the agility that PLM gives us, like the reduction of time to market and product development lead time, we are now able to capture new trends. For example, with changes sparked by the pandemic, our customers want more products for indoor, at-home living. We are now able to respond and quickly adapt our collections to what our customers are asking for.”

Flávia Mártino, Product Manager at Riachuelo, explains how Centric’s Product Lifecycle Management (PLM) software was crucial to delivering the exact products consumers want. PLM enabled the company to work faster and achieve cost savings, even during a time of major market disruption.

In 2020, online retail traffic in Brazil grew an average of 39%. Riachuelo’s investment in digital transformation solutions helped the company eclipse the country-wide growth. Riachuelo’s e-commerce traffic grew 249% and sales increased by 124%.

FROM THE BEGINNING

Riachuelo is the third-largest department store chain in Brazil and is part of the Guararapes Confecções Group. In 1947, brothers Nevaldo Rocha and Newton Rocha founded the Guararapes Group with a textile store named The Capital. Four years later, they opened a small factory and established new points of sale. In 1979, Guararapes Group acquired the chains Riachuelo and Wolens, expanding operations to apparel retail. In the 1980s, Riachuelo adopted a fast fashion format, bringing well-known designers to its clothing collections, such as Ney Galvão, Daslu, Versace and Karl Lagerfeld.

Today, Riachuelo has more than 300 stores and 40,000 employees and operates the largest industrial facility in Latin America. This expansion came without losing sight of the brand’s main purpose: delivering quality, fair-value fashion to consumers.

Mártino says, “Riachuelo is a fashion retail company. It has annual sales of approximately 8 billion Real (about 1.4 billion USD) a year. Today, our business model is vertical, so it ranges from producing the thread used to make fabrics, weaving the fabrics, on to the final product. So, we have an extensive supply chain, from product development through to purchasing, logistics and transportation.”

LINKS IN THE CHAIN

Given Riachuelo’s large number of users, the roll out of Centric PLM was carefully planned throughout all stages of product development—from merchandising to sourcing, from management to design.

Leandro Silva, Sales Director for Centric Software in Brazil, says, “Each area had its own way of working with its own tools and spreadsheets. Standardization of all of that was a point of contention. People didn’t want to change their own processes. Instead, they wanted others to adapt to their standard. We frequently come across this, but in big companies with multiple departments, the challenge is greater.”

Centric’s team also set out to study the company’s product development workflows due to the verticalization of the business. Centric PLM serves many types of organizations. As Silva explains, “We have all kinds of customers. Customers who are purely retail, customers with or without manufacturing, customers who locally source, customers who import, and customers who source one part and produce another. Riachuelo has it all.”



“ THIS FLEXIBILITY GAVE US A ‘MAKE’ OR ‘BUY’ SCENARIO, AS WE CALL IT. IT WAS A VERY BIG BENEFIT AND, OBVIOUSLY, IMPROVES OUR PRODUCT MARGINS. ”

STANDARDIZING PROCESSES DOWN TO THE LAST DETAIL

Centric Software is an out-of-the-box solution designed and continuously innovating using years of industry knowledge and digital transformation expertise. Centric's unique Agile DeploymentSM methodology means that the platform is configurable and can be adapted to the business realities and requirements of individual organizations right during the deployment.

When the team started planning Riachuelo's workflows, Centric PLM was able to meet all potential configurations of their product development processes. Märtino says, "I think one of the biggest benefits is process standardization—obviously taking into account that the characteristics of each product category are different. Centric PLM is extremely flexible in the management and control of the entire workflow. You have full control of your process, and it is updated online. So, everyone always has the latest information. As a fashion company, this has always been very difficult."

With Centric's real-time access to product, people and departmental information, Riachuelo can simulate different scenarios before making strategic and sourcing decisions. Märtino explains, "I can do all the product creation, development and the quotation with an external supplier, simulating how much that product would be in the factory. This flexibility gives us a 'make' or 'buy' scenario, as we call it. It's a very big benefit and improves our product margins."

The benefits of standardization capabilities extend even further. The recent increase in online shopping made size standardization a priority for consumers who couldn't use fitting rooms. Märtino explains that Centric PLM stands out again. "You can make a standard product fit and measurement chart, with pre-established standardized patterns inside the system, which makes the customer feel more secure when they buy online. They know that the one brand will always fit in that size, so this has also increased purchases via digital channels. The customer has confidence that when they buy a medium Shirt, that medium will always work," says Märtino.



CHALLENGES

- + Vertical business model
- + Different workflows for manufacturing and retail
- + Different product categories
- + Each function invested in its own way of working
- + Version control issues
- + Teams daily trying to find the latest information
- + Little insight into final costs and budget analysis

SUSTAINABILITY AND PRODUCTIVITY

In addition to style, color, and material libraries, which facilitate design and production compliance, Centric PLM features industry-leading Adobe and 3D tool integrations. These integrations are important because they connect all functions, including suppliers, in the product approval process. In a pant sampling cycle, for example, it takes two to four iterations before that item is approved for production. This involves time and logistics, with trucks delivering the material used to make the garments and also the sample pieces themselves from one location to another.

“When streamlining and facilitating communication with those who are producing these samples, you save time, effort and material, and you have much more precision when producing the item. You can even decide not to make physical samples or only one sample, since the 3D renderings are so realistic,” says Silva.

CREATIVITY IN THE PALM OF YOUR HAND

Centric PLM is a cloud-based solution, enabling users to update information from anywhere in the world. In addition, there are mobile apps that work from research to retail, accelerating product development.

Riachuelo uses six apps that add mobility to the design and R&D process. Mártino explains one of the features of the apps: “On a research trip, the team can capture an image of a store window display from anywhere. It goes directly into PLM—and the team will immediately be able to work from the image itself. We also have an app to do all the product testing and an app to do all the material research. So, I can go to a fair, take a picture of a fabric, and the designers will be able to apply that texture to a new product on the spot.”

It is also possible to test the product and adjust the measurement chart and the fit via the app. When the team travels to China to negotiate with suppliers, if it is necessary to make adjustments to products, the team can do so within the app.

RESULTS

- + Faster time to market
- + Shortened timeline to meet market trends
- + Standardization of processes in different departments
- + More products meet quality criteria
- + More sustainability and speed in the sample cycle
- + Faster decisions regarding products or supply chains





RIACHUELO (www.riachuelo.com.br)

Riachuelo is one of the largest fashion companies in Brazil, with more than 300 stores. Riachuelo is part of the Guararapes Group, which is the largest clothing group in Latin America with two industrial parks, which allows us to offer an excellent cost-benefit ratio to our customers. Today there are more than 22 million Riachuelo card customers and 40,000 employees.

We are the only major fashion retail chain that researches, designs and produces most of its products. We are the direct distribution channel for Grupo Guararapes products and we adopt the fast fashion concept – agility in the production and distribution of collections – to ensure the rapid dissemination of new trends and generation of added value for each collection. Midway Financeira, Shopping Midway Mall (Natal - RN) and Transportadora Casa Verde are other companies belonging to the Guararapes Group.

CENTRIC SOFTWARE (www.centricsoftware.com)

From its headquarters in Silicon Valley, Centric Software® provides a Product Concept to Consumer Digital Transformation Platform for fashion, retail, footwear, luxury, outdoor, consumer electronics and consumer goods including cosmetics and personal care and food and beverage. Centric's flagship Product Lifecycle Management (PLM) platform, Centric PLM™, delivers enterprise-class merchandise planning, product development, sourcing, quality and product portfolio optimization innovations specifically for fast-moving consumer industries. Centric Visual Innovation Platform (CVIP) offers highly visual digital board experiences for collaboration and decision-making. Centric Retail Planning is an innovative, cloud-native solution powered by Armonica Retail S.R.L., that delivers an end-to-end retail planning process designed to maximize retail business performance. Centric Software pioneered mobility, introducing the first mobile apps for PLM, and is widely known for connectivity to dozens of other enterprise systems including ERP, DAM, PIM, e-com, planning and more as well as creative tools such as Adobe® Illustrator and a host of 3D CAD connectors. Centric's innovations are 100% market-driven with the highest user adoption rate and fastest time to value in the industry. All Centric innovations shorten time to market, boost product innovation and reduce costs.

Centric Software is majority-owned by Dassault Systèmes (Euronext Paris: #13065, DSY.PA), the world leader in 3D design software, 3D digital mock-up and PLM solutions.

Centric Software has received multiple industry awards and recognition, including being named by Red Herring to its Top 100 Global list in 2013, 2015 and 2016. Centric also received various excellence awards from Frost & Sullivan in 2012, 2016, 2018 and 2021.



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