

How PPJ digitalized operations with WFX to reduce costs and increase efficiency

PPJ GROUP
Boundless solutions



www.worldfashionexchange.com

ABOUT PPJ GROUP

PPJ Group, better known as PPJ, is among the top five textile and garment manufacturers and exporters in Vietnam with its headquarters in Ho Chi Minh City. A privately held enterprise, PPJ was founded in 2007 and runs 30 Facilities spread over five different locations, with more than 18,000 employees.

The company promotes vertical manufacturing of denim, woven, and knit fabrics to produce high-quality apparel such as jeans, work pants, casual pants, and knitwear for distribution to international markets.

Some of the biggest clients Target, Express, American Eagle, Pacsun, Torrid.

With a focus on innovation and technology, PPJ has invested heavily in developing its production facilities in such a way that it can continue meeting the needs of fashion trends while staying committed to sustainable development practices such as using renewable energy sources such as using eco-friendly denim washing techniques or 3D virtual sampling and prototyping.

CHALLENGES FACING THE COMPANY

When PPJ came to WFX, they were facing major challenges in integrating inventory and production across multiple companies. Their production processes were linked between inter-company, and they had one single CM source order from their parent company. This made material movements for raw materials and WIP incredibly complex due to the differences in reporting for compliance and MIS.

It was clear that PPJ's business had outgrown its technological infrastructure. With over two dozen factories located in five different zones, they were struggling to ensure data integrity, consistency in workflows, and adherence to internal standard operating procedures and compliance. It was also difficult to keep track of costs, deadlines, and the status of products at every stage of the manufacturing process.

'We were missing important deadlines as problems would often go undetected for long periods due to the lack of visibility into our own processes. This also escalated costs and ate away at our revenues,' says CEO Dr. Dang Vu Hung.

PPJ knew they needed something much more powerful to have an iron grip over their product and manufacturing operations because emails, spreadsheets and phone calls were just not allowing them to scale the fast-growing business.

HOW WFX TRANSFORMED PHONG PHU (PPJ)'S MANUFACTURING OPERATIONS

Phong Phu has experienced exponential growth in recent years. To keep up with the demand, they decided that instead of just adding more people and processes, they will re-engineer their end-to-end manufacturing operations to make them more efficient. And they partnered with WFX to make it happen!

Let's take a deeper look at some of the key ways WFX made a positive impact on PPJ's operations:

1. Before WFX, PPJ had no way of centrally managing its style libraries. Each department had their own catalogs, with information about the styles themselves stored in emails and spreadsheets. With WFX, PPJ was able to create a **centralized digital system for managing and accessing digital style libraries** and catalog items across the organization. Now they have access to all information about any style as it gets updated—including supplier data and technical specifications—and they can share this information easily with anyone who needs it.

2. Before WFX, PPJ had separate cost sheets for different manufacturing processes. This meant that top management didn't have a consolidated view of 'total cost' by expense heads, processes, items, and other parameters.

Dr Hung explains, 'With WFX, we have now configured further cost controls with cost ceilings, total production costs, amongst others. We have also worked together to configure the system so that it provides a **consolidated view of all costs** incurred by each department while also providing individual views for each department.'

3. Before WFX, PPJ was using a traditional email-based sourcing model, which was prone to errors and lacked visibility into how much money was being spent.

Now that they've implemented WFX, PPJ has **centralized its sourcing processes into a cloud-based management system** which automates supplier price lists, procurement delegation and approval of expenses. With this system in place, they have reduced errors and made approvals much quicker. Every purchasing manager is provided with the exact material details for procurement, and material indents generated automatically based on production schedules and targets. The system also considers the contracted terms with respective suppliers to indicate minimum order quantities for any purchase.

4. Before WFX, PPJ had to rely on manual processes that were vulnerable to human error and could not keep up with the pace of their business growth.

WFX helped PPJ make their production much more efficient, thanks to an **integration between WFX and FastReact's planning tool**. The two systems are connected using APIs so that they work together seamlessly. When a new order comes in, it automatically gets sent to FastReact for processing and then back to the WFX system for production. This saves time and ensures that there is no room for human error as planning, material availability and production output are automatically transferred between the two systems.

5. Before WFX, PPJ had a labor-intensive inventory tracking system that relied on paper receipts. With WFX, all this manual tracking has been eliminated by **integrating barcodes into the inventory tracking system**. The materials delivered to the warehouse and those used in production are all tracked in WFX with barcodes via an integration with a barcode tracking utility. This saves human effort and time as no manual entry is required for material receipts or movements.

6. Lastly, WFX has empowered PPJ to **ensure compliance with all statutory regulations** without manual data entry or inaccurate documentation.

This was an essential requirement because Vietnam has unique local requirements for customs declaration that can create discrepancies between actual sales quantity and quantity declared at customs. WFX handles these unique local regulations to ensure PPJ can stay compliant with all statutory regulations.



RESULTS ACHIEVED:

98%

Reduction
in data redundancy

20%

Increase
in productivity

30

Man-hours
Saved/month

Learn more about WFX at
www.worldfashionexchange.com

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WFX has been the right technology partner for our fashion business, handholding us step-by-step to a new way of doing things digitally—one with increased visibility, smarter decision making, better coordination and no cost overruns. We couldn't be happier.

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- Dr. Dang Vu Hung
CEO, PPJ Group