

CASE STUDY Tibi: Fan Favorite in Women's Fashion

Discover how integrated systems support strong omni-channel growth for one of the fashion industry's iconic brands

Tibi: Fan Favorite in Women's Fashion

How integrated systems support strong omni-channel growth for this iconic brand



Amy Smilovic, Tibi Founder

Amy Smilovic's 22-year journey in building a globally coveted fashion brand has been underpinned by taking thoughtful risks and following her instincts. Founded in 1997 in Hong Kong, Amy and her husband own and operate Tibi with 100 employees working between company headquarters in New York City and its warehouse and fulfillment center in Brunswick, Georgia.

Perhaps the most notable of entrepreneurial risks came in 2010 when Smilovic creatively shifted gears and started to reposition the brand, moving from the contemporary market into the advanced / young designer segment. At the time, Tibi had an established contemporary business that was primarily known for its colorful dresses. But, Amy instinctually sensed that the contemporary segment was

going to be increasingly squeezed by fast fashion and believed that Tibi's longevity depended on delivering a consistent, distinct, and creatively-driven point of view in its design. Now, nearly 10 years later, sales have tripled and the brand thrives in some of the most selective stores around the world. And season after season, the fashion audience looks to Tibi as one of the most influential voices shaping the creative conversation.

Smilovic explained, "The world is moving at a really quick pace and it's extremely important as an entrepreneur that you are able to sift through data very quickly to make decisions on where/how to move forward. If I had to rely on bar graphs and focus groups to point me in the right direction, I would still be back at point A." ¹

These days, Tibi has a flourishing flagship store in Soho, a fast-growing direct-to-consumer ecommerce business, its own distribution center in Smilovic's native state of Georgia, and a third-party logistics partner in the Netherlands. Its wholesale channel includes major retailers such as Neiman Marcus, Saks Fifth Avenue, Net-a-Porter, Lane Crawford, MatchesFashion, SSENSE, MyTheresa, and Harvey Nichols. Notably, Tibi started its ecommerce business earlier than many of its peers in 2011, building the business and operational capabilities in-house instead of outsourcing to a third-party. Now, the business has grown to comprise almost 30% of the overall business.

"We started in 1997," noted Smilovic, "but I would say that the last four years have been the most exciting and fulfilling. The Internet and social media gave us unbelievable freedom once that became the vehicle of choice for buying your clothing or absorbing your content. We finally had a place where we could control the message, and I never had that before. I was able to take control of everything and really see our potential. It's just now that I feel like I know what our voice is; it was squashed for a long time." ²

Technology Supports Growth, Streamlines Operations

To efficiently manage this impressive cross-channel growth, Tibi recognized the need to provide its teams with more capable and targeted software tools. After evaluating several options, the company replaced its existing business system with a more functional and flexible all-in-one solution from RLM Apparel Software Systems IncTM in early 2017.



"The move to RLM gave us fully integrated ERP, PLM, Warehouse Management (WMS), EDI Translator, and Financials all in a single package that is designed exclusively for the fashion business," noted Tibi's head of finance Gina Chang. "We are particularly pleased with the depth of capabilities the system gave us for managing our raw materials, omni-channel inventory and fulfillment, and financials. The fact that they had so much experience in integrating with other systems such as Joor and Shopify was also important to us."

Tibi's use of the RLM software spans its global operations, from the New York headquarters to the Georgia fulfillment center and a third-party logistics partner in the Netherlands. The Product Lifecycle Management (PLM) capabilities in the system are used to source raw materials (RM), create RM purchase orders (PO's), and manage all RM inventory. The company creates product spec sheets and Bills of Materials (BOMs) to develop new concepts and styles. Product attributes and tags are added, which carry all the way through to support ecommerce product searches.

Tibi also benefits from the comprehensive and timesaving Warehouse Management System (WMS) capabilities. Using a single system to manage all retail, wholesale, and ecommerce activity significantly streamlines operations and reduces time, errors, and complexity. Because RLM is used to fulfill orders for all sales channels, no third-party software or manual updates are required to manage inventory. For added flexibility, Tibi also has the ability to quickly transfer goods between wholesale, retail, and ecommerce inventories if needed.

To eliminate data entry time and related errors, scanners are used throughout the warehouse to receive all goods into inventory, pack all outbound goods, and even place first-quality returns back into inventory. RLM also provides integration with small parcel shipper UPS, which is critical for providing shipment tracking numbers to ecommerce customers.

Earlier this year, Tibi leveraged RLM's expertise to integrate with new 3PL partner Bleckmann B.V in the Netherlands, which now manages the company's growing European fulfillment duties. This integration, which is also used by many of RLM's clients, ensures accurate and timely sharing of information, greater visibility, and collaboration for both parties.

The natively integrated Financial Management tools support automated invoicing of orders to eliminate manual customer invoice creation. RLM also provides important 3-way matching reports, which streamlines purchase orders, receipts and AP vendor invoices all into an easy to use payment report.

Shopify and Returnly Integrations Transform Ecommerce

Tibi has undertaken a transition to the Shopify ecommerce platform, aiming to simplify and improve Tibi's digital customer experience. Thanks to RLM's API-level integration with Shopify, Tibi will also be able to automate many of its ecommerce processes and ensure communications between the systems. This provides all stakeholders with a global view of inventory and frees-up time for Tibi team members to focus their attention on higher-value activities.

A summary of key processes reveals how this integration automates and minimizes manual intervention in Tibi's ecommerce operations.

- 1. Items originate in RLM PLM (complete with attributes and tags)
- 2. RLM pushes items to Shopify (eliminates double entry in disparate systems)
- 3. RLM keeps items updated in Shopify
- 4. RLM sends inventory data to Shopify and automatically updates changes
- 5. Online orders in Shopify are automatically pulled into RLM ERP/WMS for fulfillment
- 6. Once fulfilled, RLM updates Shopify with shipping information
- 7. With that information, Shopify updates end-customers with tracking number

Tibi is also using the Returnly® returns management plug-in for Shopify to empower consumers to self-manage their returns. The process for managing first quality returns includes:

- 1. Consumer requests a return and return label through Returnly
- 2. Returnly creates the return and automatically sends return information to RLM
- 3. RLM manages return as an open RMA (waiting to be received back in the warehouse)
- 4. RLM scans receipt of the return in the warehouse (against the RMA)
- 5. RLM communicates receipt back to Returnly
- 6. Returnly triggers a credit memo within Shopify which is downloaded by RLM
- 7. Credit memo triggered in RLM and returned units are placed back into inventory

By streamlining this process, RLM not only provides a rapid return on investment, but it also empowers Tibi to take a management approach to the process rather than focusing on data entry.

With its industry leadership, growing ecommerce success, European expansion, and smart technology strategies, it appears that the Tibi journey not only continues but serves as a model for others seeking to realize their fashion dreams.

About Tibi, LLC

Headquarters: New York, NY

Founded: 1997

Founder: Amy Smilovic, Founder and Creative Director

Owners: Amy and Frank Smilovic

Business Focus: Clean, relaxed, and modern fashion

Product Categories: Clothing, handbags, shoes, accessories

Sales Channels: Tibi.com, Tibi retail and outlet stores, department stores, specialty boutiques, and

independent ecommerce sites.

Flagship Retail Store: Soho (New York City)

Retail Partners: Neiman Marcus, Saks Fifth Avenue, Net-a-Porter, Lane Crawford, MyTheresa,

SSENSE, MatchesFashion, and more.

Distribution Center: Brunswick, GA (Tibi owned and operated)

System of Record: RLM ERP/PLM/WMS/Financials

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RLM Apparel Software is a trademark of RLM Apparel Software Systems, Inc.

Shopify is a registered trademark of Shopify Inc.

Returnly is a registered trademark of Returnly Technologies, Inc.

 $^{^1}$ Forbes – Jan 2018 - https://www.forbes.com/sites/carriehammer/2018/01/16/tibi-founder-amy-smilovic-makes-second-acts-look-easy/#516b5aed2673

 $^{^2}$ Refinery 29 – Feb 2019 - https://www.refinery 29.com/en-us/2019/02/222954/tibi-amy-smilovic-designer-interview-history