



**JOHNNY WAS:
THE SYSTEMS BEHIND A GROWTH JOURNEY**

Learn how this fashion brand is supporting growth amid amazing omnichannel expansion



RLMApparelSoftware.com

Johnny Was, known for its modern Bohemian fashions, has a look as laid-back and vintage as it comes. It's California dreaming and global meditation all wrapped into one. The company's very existence was inspired by the steady strains of a melancholy mid-seventies reggae hit with the eponymous line, "Johnny Was a Good Man," by Bob Marley and the Wailers.



But behind the scenes, the pace at this L.A.-based lifestyle brand is anything but languid. Over 30 years, the business has nurtured its wholesale roots, expanding to reach approximately

1,500 specialty retailers and better department stores.

Within the past decade, Johnny Was accelerated yet further, opening its own retail stores, launching an e-commerce website and creating a catalog. Its company-own store count has practically doubled in five years from 15 to almost 30, and e-commerce now represents about 20 percent of sales.

Along the way, Johnny Was has steadily expanded the breadth and depth of its product offerings, building on a strong heritage of selling intricately embroidered tunic-style tops and dresses. Today the company offers vibrant silk scarves, a variety of tops and bottoms (including jeans), footwear, handbags, jewelry, accessories and home fashions.

Automating for Greater Efficiency

How does Johnny Was do it? The company recognized that automation would be essential to continue meeting demand without dramatically expanding its workforce. About 120 employees are based in Los Angeles between the headquarters and a warehouse that fulfills 100 percent of orders.

In January 2017, the company went live with an enterprise resource planning (ERP) solution from **RLM Apparel Software** to manage all aspects of its wholesale operations, including financials, design, EDI and warehouse management. The system also provides critical linkages to the rapidly growing Johnny Was store network and website.

The system has dramatically improved visibility, efficiency and control around the company's outsourced garment dyeing and finishing processes. Johnny Was imports a significant amount of its styles undyed. Then close to the selling season, the company will decide what quantities of garments it wants to dye into different colors. The firm sends these sewn products out to local garment dyeing houses in California to be transformed into colorful tunic dresses, tops and bottoms. These and other Johnny Was products also require some finishing, such as attaching buttons and trim, also performed by local contractors.

Before implementing the RLM system, the comings and goings of these garments was a bit of a blind spot.

"We really didn't know what our inventory position was before we got RLM," says Robert Fagan, CFO, Johnny Was. "We had to do quarterly inventory counts manually."

With the new software, the company's Shanghai Office accesses the system and creates production and inbound shipments. They also create Purchase Orders (PO) through RLM and distribute them to the factories. When the sewn (undyed) garments are received from overseas into its warehouse, and, when it's ready, Johnny Was allocates the appropriate quantities of these undyed styles into the different colorways. Upon issuance of a PO to the dye house for the desired colorways, undyed item product data is automatically transferred to a special dye house location within RLM.

Then when the units are received back into the warehouse after garment dyeing and finishing, stock is created in the colorways, and the undyed inventory units are automatically adjusted out. Even when units are out being garment dyed, Johnny Was can see the value of those undyed units at the dye house as well as the value of goods in finished colors stocked in the regular inventory.

Overall, this automated process assures:

- A full audit trail of garment-dyed product POs, without duplicating work in process
- An audit trail from the undyed into the actual dyed colorways
- Inventory valuation
- Three-way matching of all POs for both dyed and undyed garments.

RLM has also helped streamline operations for Johnny Was with respect to invoicing and shipping products to specialty retailers. Some of these customers pay via credit card and require a pro forma invoice from Johnny Was to **Integrating for Omnichannel Excellence**

review all charges, including actual shipping costs.



Before RLM, Johnny Was warehouse employees had to manually enter a customer's account information into the FedEx or UPS machine to get the shipping cost. They wrote this on the invoice and then called the customer to confirm the amount was acceptable. Only then could they charge the credit card and ship the goods.

Now an interface between RLM and small parcel shipping providers (UPS/FedEx) allows for estimated freight costs to be automatically generated and added to the pro forma invoices, which Johnny Was personnel can send to the customer. Upon approval, they charge the retailer's credit card with a single click, triggering all the necessary packing slips and tracking information to be created for every carton being shipped.

In addition, RLM is integrated with Johnny Was' factoring partners so orders can be approved systematically inside the ERP. RLM also interfaces with Joor, the global wholesale marketplace. Many of Johnny Was' specialty and department store customers use Joor to review the brand's line sheets and place orders.

"The biggest benefit of working with RLM is their willingness to truly understand our operation and be a thought partner on opportunities for improvement," Fagan says.

One of those major opportunities is omnichannel retailing. In the first quarter of 2018, Johnny Was plans to go live with an integration between the RLM ERP solution and its retail software, which supports POS and fulfillment for the company's growing chain of stores. Within the same timeframe, Johnny Was expects to go live with version 2.0 of the Magento e-commerce solution. These systems will power fulfillment for both company-owned stores and the website, drawing on product data from RLM.

"RLM is the source of the item master," Fagan says. "The initial product creation is done in RLM, and that information feeds over to the retail systems. All of our products are brought into RLM before they're sold, or transferred, to our retail operations. Everything flows through the wholesale system first."

As a result of this integration, Johnny Was will be well positioned to respond to diverse omnichannel scenarios, from click-and-collect to ship from store. It also will have a single view of all inventory, with the ability to seamlessly transfer goods from the "wholesale side" of its business to fulfill demand as needed from the "retail side" (i.e., company-owned stores and e-commerce), and vice versa.

"Once all of these systems are in place, we'll have really good visibility, and everything will be in our control, right here," Fagan says. "We'll have the omnichannel capability to reach the customer however we need to."

In conclusion, Johnny Was is leveraging technology to meet customer demand

across numerous customer touch points, from its network of specialty retail partners to its own stores, website and catalog. Scalable systems are able to support simultaneous growth from all of these channels without the need to add more staff, facilities or third-party logistics providers. Everything can keep on flowing through the company's L.A. operations, where it all began back in 1987, to the echo of a reggae ballad. That's Johnny Was.

Do you need greater visibility, control and omnichannel capabilities in your operations? Call (201) 531-5959 or visit RLMApparelSoftware.com to learn more about how Johnny Was uses RLM Apparel Software and discuss how RLM can support your business success.

About Johnny Was

**JOHNNY
WAS**

Headquarters: Los Angeles, CA

Founded: 1987

Ownership: Founder Eli Levite and family, and Endeavour Capital

Business Focus: Boho-chic, vintage-inspired lifestyle apparel and accessories for women

Brands: JOHNNY WAS Collection, JWLA, 3J Workshop, BIYA, Pete & Greta, 4 Love and Liberty

Wholesale Customers: 1,500+ primarily specialty retailers

Company-owned Stores: 29*

**expected by year-end 2017; another 8-10 planned for 2018*