



**Microsoft Customer Solution**

**Case study**

**Major Apparel Designer Streamlines Sales Cycle, Saving Time, Money, and Customer Goodwill**

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**Jeremy Spehar**

Project Lead  
GUESS? Inc.

With 2002 revenues of U.S.\$1 billion and distribution worldwide, GUESS? Inc. is a major player in the world of high-fashion apparel. To maintain its enviable position as a leader in a fiercely competitive industry, the company works hard to expedite its sales cycle and deliver outstanding service to its customers. Toward these goals, GUESS? has developed a solution based on Microsoft Office XP Professional that will trim crucial time from the start of the sales cycle and help to ensure the accuracy of ordering information—both of which are vital to maintaining a timely and profitable approach to manufacturing.



CUSTOMER PROFILE	BUSINESS SITUATION	SOLUTION	BENEFITS
<p>Founded in 1981 as a small California jeans company, Los Angeles-based GUESS? has developed into a global lifestyle brand, designing and marketing a full collection of men’s, women’s, and children’s apparel and accessories worldwide. In 2002, GUESS? recorded revenues of U.S.\$1 billion across its wholesale and retail divisions.</p>	<p>To record customer orders in the company’s wholesale division, GUESS? sales representatives relied on an approach involving two days of rekeying data from a stand-alone spreadsheet into the corporate ordering system. This approach incurred significant administrative costs and introduced delays and inaccuracies.</p>	<p>Using Microsoft® Visual Basic® .NET to create a COM add-in for Microsoft Excel 2002, developers from Microsoft Consulting Services, Comdyn, and GUESS? developed a new solution that eliminates rekeying and provides users timely views into the corporate ordering system.</p>	<ul style="list-style-type: none"> <li>▪ Two days shaved from the sales cycle at a critical point</li> <li>▪ Thousands of hours of administrative time saved yearly</li> <li>▪ Reduced risk of production delays and missed volume discounts</li> <li>▪ Greater profitability and protection of customer goodwill</li> </ul>

## Situation

“Having up-to-the-minute order information available within 30 minutes after the buyer leaves the showroom makes it far easier and faster for sales assistants to consolidate orders from different customers. This enables design departments to know earlier than ever what buyers like and don’t like. It also enables GUESS? to reach the other side of the production team—the overseas manufacturing contractors—that much sooner.”

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In the fashion industry, one of the most critical steps in the sales cycle occurs when a customer places an order. For the wholesale division of GUESS? Inc., those customers are buyers from the major department stores who meet seasonally with sales representatives at the company’s showrooms, primarily in New York, Los Angeles, and Dallas.

A typical meeting, which involves a full day of showing an assortment of apparel styles, can result in an order exceeding a half-million dollars. Consequently, the information detailing these orders is a valuable asset that must make its way into the corporate ordering system and, ultimately, to overseas manufacturers in a smooth, speedy, and accurate manner if GUESS? is to maintain profitability and its enviable market position. Until recently, however, the company’s sales reps lacked the tools they needed to efficiently generate and process vital ordering information.

In the past, the sales reps entered ordering data on styles, sizes, colors, and other product details into a Microsoft® Excel 2000 spreadsheet running on portable PCs that they carried into the showroom meeting. As Project Lead Jeremy Spehar explains, users liked the interface of the Excel spreadsheet, which GUESS? developers had built to support a highly specialized, industry-standard format. But the spreadsheet lacked key functionality.

“For one thing, because the spreadsheet was not integrated with the corporate ordering system, it could not provide up-to-the-minute information on product availability and manufacturing production capacity,” Spehar says. “A user might well enter an order that could not be filled and would have to contact the buyer after the fact to suggest an alternative order.”

Another drawback of the stand-alone spreadsheet was that the ordering data entered into it had to be rekeyed into the corporate ordering system. This was done following each buyer meeting by a sales assistant, who typically spent at least two days on the task. “This amounted to two days of delay at a critical point in the sales process, costing the company thousands of hours of administrative time yearly and introducing the risk of error that’s inherent in any manual process,” Spehar says.

In an attempt to solve the problem, GUESS? developed a Web application based on Active Server Pages (ASP) technology and a Microsoft SQL Server™ database that tapped directly into the corporate ordering system. But this application, too, had its drawbacks.

“Users missed the familiar Excel interface and the way it enabled them to present the data in an industry-standard format and tailor the order forms for different customers,” Spehar points out. “More critically, users chafed under the restrictions that the application imposed on them. The application’s real-time access into the corporate ordering database came with a stringent set of validations and restrictions, which made the application cumbersome to use.”

For example, sales reps could not request details on a given style—which a customer might require multiple times during the buyer meeting—without tying that request to an order. This forced the sales reps to refer to a 75-page printed catalog, which provided the information that they needed, but which was quickly outdated.

“In the fashion industry, things change hourly,” Spehar explains. “While sales reps are sitting with buyers in New York, design merchandising teams are learning what’s selling and what’s not in Los Angeles and adjusting pricing, adding items, and dropping others. Printed

material becomes outdated pretty quickly—by lunchtime on some days.”

For Spehar and his colleagues, it became clear that GUESS? needed a solution that would give sales reps and sales assistants the interactivity with the corporate ordering system of the ASP-based application, yet freed them from the “shackles” that system imposed when they tapped into it. “An ideal solution would enable users to connect to the corporate system when they needed immediate access to product availability and pricing information, and to disconnect from the system when they needed to work within the Excel spreadsheet without the restrictions of the corporate system,” Spehar says.

## Solution

When it was time to select a technology for developing the solution they envisioned, Spehar and his colleagues liked what they learned about Microsoft Office XP Professional, particularly its smart tags and compatibility with the Microsoft Visual Basic® .NET development system. “When we saw the smart tag functionality in Office XP, we figured that it was perfect for providing the kind of flexible view into the corporate ordering system that users need,” Spehar reports. “We also counted on using a Visual Basic .NET-based COM add-in to support the flexible usage scenario, and we found that development environment to be more stable and reliable when targeting an Office XP-based client than when targeting Office 2000, our then-current desktop software. So it was an easy decision to base the new solution on Office XP.”

To tackle development, GUESS? enlisted the help of Microsoft Consulting Services and The Comdyn Group, a Los Angeles-based Microsoft Certified

Solution Provider. A team consulting of Spehar plus one individual from each of those organizations created the solution, from concept to deliverable, in a timeframe that he initially considered “ludicrous.”

“It was three years ago that we first tried to address the order-entry problem with our Web-based application, and we had been modifying it piece by piece ever since,” Spehar notes. “But when we decided to base our approach on Visual Basic .NET and Office XP, we had a solution done in just three months. For this, I credit the compatibility advantages of those technologies as well as the consulting expertise available from Microsoft Consulting Services and Comdyn.”

Initially, GUESS? is deploying the solution to about 30 users in all six segments of the wholesale division—men’s and women’s majors, exports, and specialties—and ultimately will deploy it to the entire company.

## Benefits

### “A Greatly Improved Process”

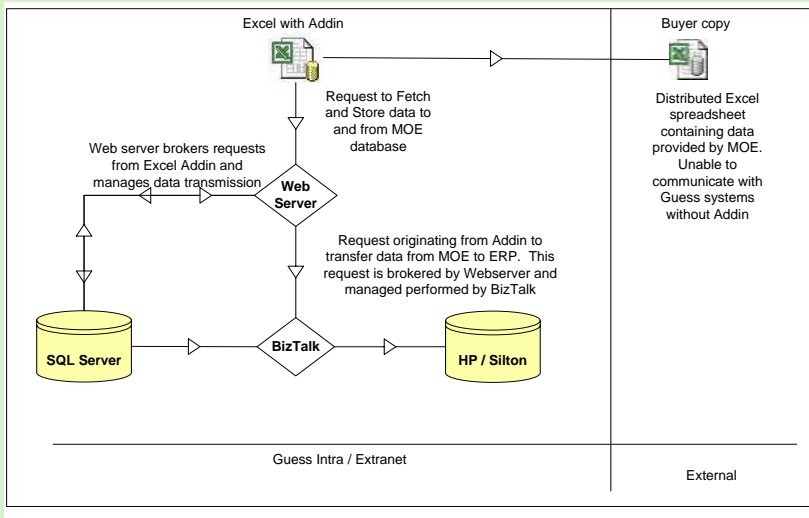
Even after the Office XP-based solution was deployed to just a half-dozen GUESS? users, it was supporting “a greatly improved process of creating, validating, correcting, and updating a sales order,” according to Spehar. This process, he explains, is divided into three steps:

1. Before each sales rep/buyer meeting, a sales assistant opens an Excel 2002 spreadsheet and, using the Visual Basic .NET-based COM add-in, connects through Web services to a SQL Server 2000 database that in turn connects as needed to the corporate ordering database. Drawing customer-specific information from the SQL Server database and product availability information from the corporate database, the sales assistant

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The Office XP–based order-entry solution deployed at GUESS? is so flexible that the Excel 2002 spreadsheet that forms its foundation can be used by customers who want to enter or update orders themselves.

“If we overorder, we could lose money in unsold merchandise. If we underorder, we could lose a customer who expected a certain volume of product but didn’t receive it. With this solution, we significantly reduce the risk of either scenario.”

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2. During that meeting, the sales rep enters the buyer’s order requests. If product detail or availability information is needed at any point, the user accesses it through an Office XP smart tag that provides all the information that in the past was available to sales reps only through the printed catalog.
3. After the meeting, the spreadsheet goes back to the sales assistant, who reconnects to the SQL Server database through Web services and uploads the order, which is then passed to the corporate ordering database and ultimately to the manufacturer.

Under this new process, Spehar adds, GUESS? executives anticipate dramatic improvements in timeliness, accuracy, and flexibility in ordering.

### Time Saved at a Critical Point

The Office XP–based solution eliminates the delay stemming from rekeying data from the spreadsheet into the corporate database. As a result, says Spehar, GUESS? sales reps and customers will have access to more timely information.

“After the buyer meeting, when the sales assistant steps back in, the spreadsheet is reconnected to the SQL Server database through Web services, and all its information is automatically uploaded in about half an hour,” Spehar explains. “This means that after each sales rep/buyer meeting, the company will save two days—at a point in the sales cycle where every hour or minute counts.”

Spehar goes on to say that this approach helps to expedite not only the delivery of ordering information for a given customer, but also the consolidation of multiple customer orders. Speedy consolidation is critical because the overseas factories with which GUESS? contracts will not begin production of a given style unless the order meets a minimum volume.

“Any delay in consolidating orders will delay the start of production, risk the loss of a volume price break, or, even more serious, threaten our ability to reserve a manufacturer’s capacity,” Spehar says. “Such delays can cost the company millions of dollars or the goodwill of a customer if they result in a missed delivery.”

With the new, Office XP–based order-entry solution, GUESS? can minimize the likelihood of such delays. “Having up-to-

the-minute order information available within 30 minutes after the buyer leaves the showroom makes it far easier and faster for sales assistants to consolidate orders from different customers,” Spehar points out. “This enables design departments to know earlier than ever what buyers like and don’t like. It also enables GUESS? to reach the other side of the production team—the overseas manufacturing contractors—that much sooner.”

### Accommodating the Variables of Overseas Manufacturing

By no longer having to rekey order data from one system into another, GUESS? will enjoy not only a speedier sales process, but also a smoother one. According to Spehar, removing the rekeying step will dramatically reduce errors in data entry so that GUESS? and its manufacturing contractors can be more confident of the accuracy of a given order. “Accuracy is very critical at that point in the process, especially because overseas contracting involves so many complex variables,” Spehar says. “If we overorder, we could lose money in unsold

merchandise. And if we underorder, we could lose a customer who expected a certain volume of product but didn’t receive it. With this solution, we significantly reduce the risk of either scenario.”

In sum, Spehar says he’s “elated” by what his team has been able to do with the capabilities of Office XP in such a short timeframe.

“At the beginning, we knew we faced a challenge because users needed a solution that would support the entering of order data in an industry-standard format,” Spehar says. “With Visual Basic .NET and Office XP, we did that. Users also needed a solution that would enable a flexible connection to and disconnection from the corporate database and user-driven accessibility to vital availability data. With Visual Basic .NET and Office XP, especially the smart tags, we did that. Moreover, we needed to deliver that solution rapidly, and with Visual Basic .NET and Office XP, we did that, too.”

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