

Under Armour Inc.

HEADQUARTERS: Baltimore, MD | www.underarmour.com

NOMINATED BY: Army & Air Force Exchange Service (AAFES) | www.aafes.com
 Dassault Systemes ENOVIA | www.3ds.com/products/enovia
 Optimize LLC | www.optimize.com
 TEXbase | www.TEXbase.com



Not a company to rest on its laurels, Under Armour has aggressively expanded into footwear in the past few years in competing aggressively with the Nikes and Reeboks of the world.

To adopt an adage from a signature campaign of years' past, Under Armour is "protecting its house," when it comes to its technology infrastructure.

Growing at an astonishing pace of 40 percent annually over the past couple of years, the leading brand of performance apparel and footwear has demonstrated its commitment to invest significantly in enterprise systems to keep up with retailer and consumer demand—and to deploy its systems through teamwork and best practices at a breakneck pace in order to keep up with the growth.

Recently for instance, the company chose to replace a series of manual and outdated systems with an integrated product lifecycle management platform from Dassault Systemes ENOVIA in order to meet its specific product development needs. Despite the minor modifications and integration work that were required, Under Armour was live on the ENOVIA MatrixOne Apparel



Accelerator in less than 20 weeks (such deployments are orchestrated typically within a year to 18-month timetable).

The ambitious schedule helped ensure that the system would be up and running for the company's spring and fall 2009 seasons, which required planning to begin this past November.

The company is banking on the software to help it with its latest splash—the competitive athletic footwear category—a push that began with its launch of football and baseball cleats for men, and softball and lacrosse cleats for women. As part of its latest foray into the category, Under Armour ran its first-ever Super Bowl ad in February for a cross-trainer sneaker scheduled to be released this month.

Under Armour CIO Jody Giles says the combination of Dassault's expertise in the world of 3D aircraft design combined with its development of a PLM solution tailored specifically for apparel producers has made the software a natural fit for its needs, given the company's recent initiative. "If you can use the product to create 757s we believe their product can help us with the design of technical footwear," he says.

The rollout followed a phased approach according to Giles, taking process re-engineering into account—a factor recognized as a critical factor toward the long-term success of the project.

The rapid PLM implementation was facilitated by Optimize, whose services assisted in the project by providing clarity during the system selection process to facilitate a timely decision, while providing insight into the process issues that

By establishing itself as a pioneer in introducing revolutionary performance apparel and by building enormous brand strength, Under Armour sales have risen from \$50 million in 2002 to more than \$600 million in 2007.

could become problematic in a typical PLM implementation.

Post-selection, Optimize served on the project team, working alongside the vendor services group and internal project manager to review all business processes, adapt manual processes to the system environment and focus on process and data handling improvements. Optimize complemented the project team with its years of experience in areas where industry knowledge of best practices was otherwise lacking.

Other systems are also supporting the exponential growth and product development. Under Armour recently launched a supplier collaboration initiative based on the TEXbase system to help it collaborate with suppliers on critical business processes in the product development lifecycle, such as lab testing management.

TEXbase allows collaboration on performance specifications and real-time visibility into supplier fabric libraries, all performed via a web browser. According to Under Armour, the solution helps it maintain brand integrity and offers a strategic advantage when it comes to fabric integrity and quality control.

"When it comes to materials, quality, integrity and consistency are key," says Bill Mickle, Under Armour's director of material innovation. "TEXbase provides us with a stable web-based platform for vendor communication and project management from concept through commercialization. ▶

TOP INNOVATORS

Data is easily and efficiently managed, which allows our teams to dedicate more time to material innovation."

On the supply chain front, Under Armour has partnered with TradeCard to automate processes from purchase order through payment and transit seamlessly with factories overseas. Between 2002 and 2006 it doubled the number of countries from which it sourced materials, while increasing its sales tenfold. Through TradeCard, Under Armour automated purchase orders, payments and settlement processes to obtain visibility and access to key data.

"The ability to have consistent communication in a standard format and the ability to share it in real time is really important," said Brad Dickerson, vice president of finance for Under Armour. "Prior to integration with TradeCard, we were dealing with e-mail, faxes, different time zones,

lack of visibility, the potential of losing invoices and invoice discrepancies. We spent most of our time just fixing problems and trying to get people paid."

Through TradeCard, Dickerson says visibility into the whole process of purchase order through payments has reduced the company's problem solving "by 90, 95 percent."

"Where we found this system helps is that it's paperless and approvals are done electronically, so the backup and the audit trail are all in one spot," he says. We have purchase orders, purchase order approvals, invoice, invoice approvals, and payments all on the TradeCard platform in one place." The system he notes, also provides consistent information to suppliers regardless of language.

Under Armour was also nominated as an Apparel Innovator by AAFES (a joint

Army and Air Force agency with a mission to provide merchandise to military and their families at low prices). AAFES nominated Under Armour for its support of soldiers in Iraq, Kuwait and Afghanistan, many of whom wear Under Armour's moisture-wicking clothing as relief from the hot climates in the Middle East.

"Under Armour's Microfleece and Armourfleece have provided key technical fabrics to the military customer," commented Leigh Bishop, AAFES purchasing manager. "They continue to be important layering garments to our deployed troops and all active duty and family members."

Bishop says Under Armour has supported AAFES with the introduction of vendor-supplied concept shop fixtures at many of its military bases. Currently there are 27 concept shops, with an additional 10 scheduled for 2008. ◀