2019 Annual Survey: Digital Product Creation Maturity in Retail, Footwear and Apparel
Today, most product leaders in retail, footwear and apparel (RFA) are actively pursuing some form of a **3D digital product creation (DPC)** initiative. Both retailers and brands are experimenting with various digital use cases, but actual maturity and link to business value varies widely.

Kalypso, PI Apparel and the Indiana University Kelley School of Business Center for Education and Research in Retail have partnered again on this annual research.

The goal: to create an aggregate picture of industry maturity – both current and future state – and allow individual retailers and brands to understand where they fall on the maturity curve relative to industry average.
Research Methodology

40+ RFA companies weighed in on 20 DPC use cases that apply to the ways they Create, Make and Sell products. They ranked their current and future maturity in these areas on a 1-5 scale.

They also indicated when they plan to invest in each use case.

And for companies who indicated that they are “Already Investing” in certain use cases, we dug in to ask which categories they are investing and scaling in.
Kalypso’s digital maturity model provides an aggregate picture of the industry’s current and future maturity based on this year’s survey responses.

Each use case’s maturity average is plotted on a 1-5 scale graph providing visibility to adoption efforts.

- **Little to no effort has been done**
- **Develop strategy and plan**
- **Formal Proof of Concepts have been implemented**
- **In process of scaling beyond PoC**
- **Use case has been implemented company-wide and all users are trained**
CURRENT STATE: Where is the industry with DPC adoption?

While most industry players are conducting POCs or pilots, virtually nobody is operating at scale with DPC.

Source: Annual Survey on Digital Product Creation Maturity in Retail, Footwear and Apparel. Kalypso, 2019
FUTURE STATE: Where does the industry plan to be in 2 years (summer 2021)?

Respondents expect to make strides towards POCs within the next 2 years, while Leaders expect to be Scaling key Capabilities.

Source: Annual Survey on Digital Product Creation Maturity in Retail, Footwear and Apparel. Kalypso, 2019
Why Are Companies Failing to Scale?

13 COMMON DPC PITFALLS (in no particular order)

1. Executive sponsors are too junior
2. Don’t really understand the technology
3. No/limited business case and/or definition of success
4. Limited, inadequate budget
5. Attempt to execute with part-time resources
6. Apply it too narrowly to the business
7. Don’t invest in talent re-skilling & hiring
8. Don’t fully leverage vendor partners
9. Don’t build a proper foundation of standards, libraries and foundation technology
10. Don’t properly charter POCs and Pilots
11. Don’t properly redesign the underlying processes
12. Underestimate people impact
13. Fail to anticipate the technical integration needs
### Leading Practices to Overcome Scaling Challenges

<table>
<thead>
<tr>
<th>Cross-Functional DPC Sponsorship and Governance Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined Program Plan Including POCs, Pilots, and Foundational Work</td>
</tr>
<tr>
<td>Holistic Benefit Case with a Focus on Tracking Value Metrics and Adoption</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program Charting and Phasing with Clear Success Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Threads that Logically Structure the Transformation Work</td>
</tr>
<tr>
<td>Investments to Stand Up New Processes, Resources &amp; Technology</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consistent Terminology around Use Cases with Common Understanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Organizational Chart that Defines Roles and Accountabilities</td>
</tr>
<tr>
<td>A Focus on Leading the Organization through the Change</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aligned Vision that Prioritizes the Use Cases into Clear Program Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scaling Plan that Outlines how Scope will Increase Over the Life of Program</td>
</tr>
<tr>
<td>Technology Integrations that Enable Efficiency, Automation, and Speed</td>
</tr>
</tbody>
</table>
Although many companies have started executing proofs of concept, they often find real obstacles that they must overcome to successfully launch and scale DPC.

**Lessons Learned**

- **Collaboration Inside & Outside**
  Requires greater levels of collaboration and a complex RACI Model

- **Holistic, Cross-Functional Strategy**
  A portfolio of connected DPC activities across functions is needed

- **It’s More Than Just One Technology**
  It’s not just about selecting a 3D tool for designers

- **Process Flows & Tools Vary by Category**
  Each category has specific needs for 3D, and often a specific suite of tools and processes

- **Solid Data Foundation is Critical to Scale**
  PLM and DAM are interdependent and necessary for DPC success

- **New Talent and Org Structures**
  3D is a different skillset; there will be years of parallel pathed talent

- **Proof of Concept Purgatory Is Real**
  It’s easy to run a POC, but very difficult to fund it & scale it afterwards

- **Doing Something is Better…**
  DPC is a multi-year journey. Better to start now than wait

For further reference: *Eight Common DPC Pitfalls and How to Avoid Them, by Will Yester & Steve Riordan*
Find out how you compare

Visit Kalypso.com/retail2019
to request a personalized analysis of your maturity,
relative to industry average and industry leaders