

# Simplicity Pattern Cuts a New, Sleeker Shape with OCR for Forms™

The home sewing industry is reinventing itself in the late 1990s with new patterns for productivity; patterns that mean massive change for manufacturers, and new opportunity for the savvy. As the ranks of working mothers increased in the 1980s and '90s, sales of home sewing goods shrunk. Manufacturers of fabrics, threads and patterns had to recut internal business processes and build an infrastructure that was nimble and lean.

Simplicity Pattern Company Inc., one of the largest home sewing pattern makers in the world, decided to ready itself for a new era by revamping its means of discarding old patterns from retailers' inventories. The company implemented OCR for Forms™ (information capture software from Microsystems Technology, Inc.) and trimmed data processing costs, bettered inventory control, and boosted productivity in nearly every area of the company's operations.

Simplicity Pattern sells patterns for more than 1,500 styles of apparel, home decoration, costumes and crafts worldwide, including its flagship Simplicity product line (NewLook, Style and It's Sew Easy lines), and instructional books and videotapes. More than 6,000 retailers in North and South America carry one or all of these lines, including large retailers like Wal-Mart and fabric store chains such as Jo-Ann Fabrics. When consumers enter a fabric retailer, they see familiar filing cabinets bearing a red Simplicity (or other product line) logo. Cabinets are usually topped with a glossy Simplicity catalog of styles, and filled with various sizes of each pattern number.

## Time Sewn Up In Processing

At its manufacturing site in Niles, MI, Simplicity Pattern employed nearly 30 staffers whose sole focus was discarding patterns Simplicity eliminated from its catalogs. At inventory change-over,

four times annually, Simplicity issued a "Product Book" for each of its product lines to retailers, with up to 20 pages per book of fine print listing the full inventory of patterns and sizes. Retailers receive a "pulled-pattern" credit from Simplicity for each discarded pattern (calculated by taking the full retail value of the pattern, generally US\$8 to \$15, less a discount). These credits mean millions of dollars are riding on the accuracy of the count. Retailers had to dig through their Simplicity filing cabinets, manually pull all discarded patterns, box them up, and ship them to Niles. An eight-person department then opened boxes and an outsourced service reviewed and marked up the inventory books. A separate group of more than 20 Simplicity operators then manually rekeyed data from each product book into a computer, credited each retailer's account, and uploaded the data to the corporate database. The process of receiving boxes, sorting discards, entering data, and delivering the data as usable information for production, marketing and billing, took weeks. By the late

1990's, market conditions demanded a better way.

Bob Risenhoover, vice president of operations at Simplicity, hired Bacompt Inc., a systems integrator in Indianapolis, IN to develop a scanning system for customer inventory records. Simplicity chose OCR for Forms as the centerpiece of its system to retrieve scanned data, verify the data

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belongs in each predefined field, and automatically fill in these fields on an on-screen form. By early 1998, Simplicity's scanning system was in full production. The software eliminated the need for most manual rekeying of data, maintained the highest levels of data accuracy, and streamlined the process of providing electronic data for corporate databases.

### Cutting Scrap From the Process

Having OCR for Forms allowed Simplicity to change its discard process so that retailers now throw out the patterns that are no longer carried by Simplicity, and merely tally all the inventory in stock onto the pages of their Product Book. Retailers now mail these product books to Simplicity, which scans them, compares retailer tallies against Simplicity records, then computes replenishment levels and discard credits. OCR for Forms let Simplicity redeploy the entire staff of the discard department that formerly opened boxes and counted patterns; and reduce processing staff from 28 to four, to usher in a new era of efficiency in internal operations.

In this new automated system, Simplicity staffers batch the product books into groups of 20, check for torn or skewed pages, then feed about 300 product books daily (during peak volume) into a Bell + Howell scanner. OCR for Forms automatically retrieves scanned characters and places them into an electronic, on-screen version of Simplicity's discard form. The software flags any form with missing fields or information requiring verification, such as incomplete fields, numbers printed in the wrong place or illegible hand-print. Staffers working at three correcting stations manually review any suspect forms, make corrections, and then, at day's end, forward all data to Simplicity's IBM mainframe. Average time to process a form was cut from 15 minutes to 45 seconds. Aggregate data is available the very next day to create a product ticket for manufacturing. This ticket helps determine materials and labor needed to print the quantities required for each pattern literally overnight after receiving a retailer's form.

### Weaving A New Fabric of Productivity

"This system led a ripple-effect increase in productivity throughout the corporation," says Risenhoover. "Automating the information capture process changed production scheduling efficiencies, and gave us data not available in the past for in-store inventory management. Simplicity is able to compute the value of inventory and credits for discontinued product faster; so as to better manage inventory costs and identify exact shipment requirements for each pattern," Risenhoover adds. The company knows demand levels for specific patterns sooner, and can better schedule the production of product, including materials and staff to create them. Simplicity's marketers now see which styles and retailers sell best — fast. Customer Support can determine quickly if certain retailers are under- or over-stocked.

In addition, Simplicity cut costs significantly, both from decreased labor required to input the data, and from tightened inventory management, by using OCR for Forms. Instead of waiting weeks to compute, then resolve disputes over retailer discard credits, Simplicity now computes credits fast, and works to manage cash flow and retailer satisfaction. "We began to capture far more information from the same forms, and could also get this information into usable form, faster," explains Risenhoover. "Accuracy became something we could monitor and control. We know now we're running at more than 99% accuracy, and saving costs associated with inaccurate data."

Since Simplicity's acquisition by Conso Inc., maker of decorative trimmings for the home, in mid-1998, new doors have opened for Simplicity, capitalizing on the surge of interest in home interiors. Joint marketing efforts are underway to sell Conso's trimmings with Simplicity's home-decorating patterns and books, and to leverage each firm's distribution channels. Simplicity is exploring the extension of an OCR for Forms-driven system for faxed-in reorder forms, and more, as the company explores new avenues for growth. "There are lots of applications we can streamline now with this system in place," Risenhoover concludes.



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