

**NEWS RELEASE**

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**Senior Consumer Goods Execs Identify Top 4 Issues on ‘What Keeps You Awake at Night’ Meter**

[***Centric Software***](http://www.centricsoftware.com/) ***customer advisory board lists China as No. 1 concern***

**CAMPBELL, Calif., September 15, 2010 –** As consumer goods manufacturers adapt to today’s “New Normal” economy, a team of senior industry executives from companies based throughout North American and Europe has identified the top four issues they face, and their strategies for managing those issues.

[Centric Software, Inc](http://www.centricsoftware.com/)., provider of product lifecycle management (PLM) solutions for makers of hard and/or soft lines in the fashion and consumer goods industries, assembled its Customer Advisory Board (CAB) in late August. Members—representatives from the apparel, sporting goods and recreational equipment, consumer electronics, home products, office products and outdoor products industries—conferred on the challenges they face today.

Four distinct topics emerged as the most prevalent for the group, whose collective impressions Centric views as front-line issues faced by senior managers and thought leaders in the business, according to Chris Groves, Centric’s president and CEO. Scoring highest on the “What Keeps *You* Awake at Night?” meter:

1. **China:** Rising production and labor costs, quality control and appreciation of the Chinese currency are creating new challenges for what was an offshore mainstay.

*Supplier move:* Suppliers are looking to optimize their costs by shifting factory locations from coastal areas to internal regions. While costs are decreasing as a result, concerns remain as to whether infrastructure and logistics can catch up.

*Supplier shift:* Suppliers are now choosing with whom who they want to do business.

*Unreliable orders:* Vendors confirm delivery dates, but then push them out (sometimes repeatedly). Or they accept orders, but won’t confirm pricing for 90 days or more.

*Infrastructure problems:* Many factories have unreliable power supplies, and can be without power one or two days each week. Skilled labor is at a premium, labor rates are rising, and some factories can’t find or keep staff. Some are shutting down or are unwilling to accept orders.

To cope with the shifting China manufacturing landscape, CAB attendees noted two primary response strategies, each requiring the need to carefully weigh benefits and costs.

* *Move business elsewhere*. CAB members already have moved orders to manufacturing sites in Bangladesh, Cambodia, Laos, India and Tunisia. However, they note that bringing new suppliers on-board carries significant added expense in training and development of the new relationship. Members repeatedly raised the question: “With so much capacity at stake, who in the world can replace China?”

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* *Develop a new level of partnership with trusted suppliers.* Tying existing Chinese suppliers into longer-term, deeper relationships will help brand owners maintain priority positions, but also will require unprecedented time, effort and commitment.
1. **Quality:** The CAB expressed concerns about assuring quality, especially in light of the changing manufacturing scene.
2. **Compliance management:** Topping the charts are federal security compliance mandates. These include the U.S. Customs & Border Protection’s Importer Security Filing and Additional Carrier Requirements (“10+2”) and the Customs-Trade Partnership Against Terrorism (C-TPAT), the joint effort between the U.S. government and businesses involved in importing goods into the United States. Without appropriate compliance and certification, companies with offshore manufacturing operations could find their shipments slowed or even cut off.

The board also cited social and contractual compliance. Brand owners want to do the “right thing” socially and environmentally. Contractualcompliance, essential for fulfilling terms and satisfying customers, is complex and varies from customer to customer.
3. **Efficiency:** An urgent and ongoing need to do more with less continues to drive business. Pressure continues for staff to become ever more productive and efficient.

“At Centric, the CAB’s collective voice functions as the compass that guides our product direction to help every customer be a better partner to its suppliers, to be more efficient, and to help every supplier be a more valued asset,” says Groves. “Our suite of PLM and Sourcing applications are an essential part of the consumer goods competitive puzzle – one part that we believe, with fast implementation and fast results, can go a long way to increasing the productivity of a customer’s worldwide development and supply chain.”

**Centric Software, Inc.** [(www.centricsoftware.com](http://(www.centricsoftware.com))

Centric Software is a leading provider of product lifecycle management (PLM) solutions for makers of hard and/or soft lines in the fashion and consumer goods industries. Centric 8 delivers easy-to-use functionality to manage critical, inseparable business processes, including product development, sourcing, line planning and profitability management, through a modularized system that implements and delivers value rapidly.

With Centric 8, companies are able to cut costs and inefficiency, speed new products to market, drive margin improvement, and improve global collaboration and compliance. Global enterprises including INTERSPORT France, The Coleman Companies, KlimUSA, Bass Pro Shops, Bravo Sports, Longchamp, Western Glove Works and United Stationers use Centric solutions to achieve revenue growth, reduce costs and deliver trend-right products to their customers.

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