



Unlocking the Power of Digital Supply Chain: Avery Dennison Enables Yunfu Fashion's New Retail Paradigm

Collaboration Unveils a New Supplier-Retailer Partnership Model

Avery Dennison Solutions Group
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Avery Dennison Yunfu Fashion Case Study



About Yunfu Fashion

Founded in 1977, Jiangsu Yunfu Fashion Co., Ltd., a subsidiary of Yunfu Holdings, is a multinational company that integrates garment manufacturing, trade, and export. With a primary focus on woolen knitwear, cotton knitwear, and woven apparel, Yunfu Fashion has emerged as a prominent player in the US market. The company has curated a diverse portfolio of self-owned brands and operates over 100 physical retail outlets nationwide. To support its operations, Yunfu Fashion maintains a well-equipped design, research & development, and sales office in New York, alongside a strategically located warehouse and logistics center in Los Angeles. By harnessing the US team's expertise in sales and design, coupled with their robust technological capabilities in sampling and production in China, Yunfu Fashion has successfully built a comprehensive business model that covers the entire supply chain, from research and development to design, manufacturing, warehousing, wholesale, e-commerce, and retail.

The partnership between Avery Dennison and Yunfu Fashion

Yunfu Fashion and Avery Dennison have forged a solid strategic partnership based on years of collaboration and mutual trust. In response to evolving business needs and delivering optimized services and experiences to our clients, Yunfu Fashion has proactively embraced the New Retail paradigm. Recognizing the importance of implementing digital solutions to upgrade and transform the entire supply chain, Yunfu Fashion chose to partner with Avery Dennison. This endeavor encompasses improvements in supply chain management, operational efficiency, and business capacity, and facilitates overseas expansion. The first phase of our partnership project has been successfully completed, enabling end-to-end digitization from product rollout in China to product delivery in the US. The second phase of the project was officially launched on 15 March this year, aiming to extend the digital management capabilities to all retail stores of Yunfu Fashion.





RFID Solutions to Reinforce Cross-Border Supply Chain Management and Accelerate Client-Centric New Retail Transformation

Market Challenges

As a well-established apparel company specializing in international trade, Yunfu Fashion is actively seeking to enhance its business agility in today's rapidly changing market. Under the traditional supply chain management model, each step of the process, from the factory to the warehouse and finally reaching the retail stores, heavily relies on manual labor. Inventory counting and verification are done through barcode scanning, which not only demands significant time and effort but also increases the risk of human errors. Additionally, the lack of interconnected data makes it difficult to trace the information of each piece of a garment from

source to consumer effectively. It is crucial for Yunfu Fashion to address these issues by strengthening product lifecycle management, improving operational efficiency, and encouraging collaboration among teams in their pursuit of a supply chain upgrade.

The Solution

Yunfu Fashion has adopted Avery Dennison's full suite of RFID solutions, which integrates software platforms, hardware devices and customized applications, that seamlessly connect with Yunfu Fashion's existing ERP, MES and other business systems, streamlining supply chain transparency and traceability

from product rollout to eventual sale. Each garment is equipped with an RFID tag that carries a unique digital ID before leaving the production line. This allows real-time tracking of product data, ensuring end-to-end data transparency and propelling the company's digital management capabilities to new heights.

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Results

- With the implementation of RFID technology, goods storage has been transitioned from the previous ground stacking method to a multi-floor distributed warehouse system, leading to enhanced inventory accuracy and reduced losses.
- Warehouse operations have been shifted from manual paper-based processes to information-assisted workflows, improving overall efficiency.
- Facilitating synergy between upstream and downstream, enhancing the speed of receiving and shipping, and enabling agile responsiveness to business needs.
- Data tracking adheres to GS1 international coding standards, supporting the exportation of goods to international markets.
- The RFID solution not only improves supply chain transparency and operational efficiency but also aids the company in making data-driven decisions.

Dennis Khoo, vice president and general manager, North Asia, ID Solutions and AD Smartrac, Avery Dennison, says:

“The digital economy has prompted a new industrial revolution, compelling traditional retailers to realize the necessity of undergoing digital transformation to stay competitive in the era of New Retail. Together, Yunfu Fashion and Avery Dennison have achieved significant milestones in the past years. We have developed a comprehensive RFID solution customized for Yunfu Fashion, spanning the entire product life cycle that drives supply chain digitization, enhances transparency, improves operational efficiency, and fosters the development of a high-quality New Retail ecosystem for sustainable business growth.”

Ally Feng, vice president and general manager, North Asia, Apparel Solutions, Avery Dennison, adds:

“While many retailers and manufacturers grasp the concept of digital ID technology, the real breakthrough lies in its potential to seamlessly link every aspect of the supply chain. Avery Dennison, with its distinctive position as one of the worldwide frontrunners of the digital revolution in the apparel industry, we are connecting the physical and digital to solve some of the most complex challenges, aiming to enlighten and empower Yunfu with end-to-end visibility.”

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Yunfu's Shipping and Receiving Operations
Enabled by Avery Dennison's RFID Solution

Looking ahead

Yunfu Fashion and Avery Dennison are committed to advancing the digital transformation of the supply chain, targeting to extend the RFID solution to all retail outlets. The RFID-enabled digital identity verification and traceability feature expedites the efficiency of receiving and inventory management in stores while effectively preventing theft and counterfeiting to protect the brand's reputation. Looking ahead, the integration of RFID technology into retail stores opens up exciting possibilities for a more personalized and interactive shopping experience. By scanning the RFID tags or QR codes on garments, customers can access detailed product information, further earning consumers satisfaction and loyalty.

Haiyang He, head of the information technology department of Yunfu Fashion, says:

"It is Yunfu's strategic vision to unveil the new supplier-retailer partnership model and establish a consumer-centric new retail platform. Accelerating the digital transformation and upgrading of our supply chain has brought us notable improvements in efficiency and service quality. We're hugely grateful to Avery Dennison for their technical support and services, and we look forward to deepening our collaboration as we embark on Yunfu Fashion's digital transformation journey!"

Dennis Khoo, vice president and general manager, North Asia, ID Solutions and AD Smartrac, Avery Dennison, says:

"We are thrilled to collaborate with Yunfu Fashion to build an efficient, flexible, and digital supply chain, enabling Yunfu Fashion to embrace a fully digitized future. We also look forward to partnering with more local clients, leveraging our technical expertise and successful experiences to facilitate the smooth expansion of Chinese enterprises into the global market, allowing 'Made in China' products to reach the world stage."

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