

In the News! – Apparel Manufacturing

Fabric Company Has Designs on Improving Processes,
Adding e-Commerce Channel with Microsoft Dynamics NAV



REDMOND, Washington — March 6, 2008 —

Microsoft Corp. today announced that Clothworks Textiles, a Seattle-based manufacturer of quilting fabric, has selected Microsoft Dynamics NAV to serve as the technology foundation for its business. A designer and distributor of fabric to independent stores around the world, including 3,000 shops in the United States, Clothworks chose Microsoft Dynamics NAV 5.0 over an upgrade of its previous software because the Microsoft product best fit its fashion-oriented business needs.

Microsoft Dynamics NAV is an enterprise resource planning solution that allows small and midsize businesses to automate, integrate and better manage finances, e-commerce, manufacturing, supply chains, accounting, field service, customer relationships and human resources.

Clothworks Textiles and Microsoft Gold Certified Partner Micro Accounting Systems Inc. (MASI) of Bellevue, Wash., integrated the Pebblestone Fashion software into Microsoft Dynamics NAV, enabling Clothworks to gain exceptional business intelligence and analysis of sales for each fabric design, brand, color and season. In its second phase of implementation, the technology will allow Clothworks for the first time to sell fabric directly to its wholesale customers through e-commerce.

Previously Clothworks was using outdated DOS-based software from Sage Software that provided no easy access to information and no analysis ability.



“With our old DOS-based software, all our internal processes were managed with paper,” said Clothworks Textiles President and CEO Ted Hoffman.

“Now we will eliminate all the paper and run our business on the software. Microsoft Dynamics NAV and Pebblestone Fashion will enable us to keep everyone in sync as to where we are for every piece of the process, from design conception to customer service.”

The Microsoft Dynamics NAV - Pebblestone Fashion integration allows Clothworks to meet a number of requirements specific to its industry and to expand its business efficiently:

- **Integration with industry-specific software.** Beyond integrating with Pebblestone Fashion software, Clothworks Textiles' Microsoft Dynamics NAV is integrated with Tableau Software's application that provides advanced visual modeling of business data. Also integrated into the system are Lanham Associates' E-Ship, which permits UPS shipping of fabric directly with Microsoft Dynamics NAV, and a solution created by Artifex Partners Inc. to manage credit card transactions.



- **E-commerce capabilities.** In phase two of the Microsoft Dynamics NAV rollout, Clothworks will add DVP. Nav-to-Net Web store software to Microsoft Dynamics NAV to gain an e-commerce channel that will expand revenue, speed the ordering process and give customers visibility into the status of their own accounts.
- **Improved reporting and business intelligence.** Hoffman anticipates that, compared with his previous system, five times as much information will be available through Microsoft Dynamics NAV, and that it will be easier to view with the Tableau software. "We can slice and dice information like we were never able to do before and be better in touch with what's selling, providing more of the most popular products to customers," Hoffman said.
- **Forecasting.** Clothworks pre-sells its fabrics to stores and then produces it to meet that demand. "We may have five different patterns in eight different colors," Hoffman said. "Pebblestone Fashion and Microsoft Dynamics NAV enable us to work from a matrix instead of from paper."
- **Improved accuracy and flexibility.** Clothworks will be able to create a P&L statement for each of its fashion collections by designer to see which designs are selling best, with all the associated costs. For the first time it will have very accurate numbers at a detailed level.

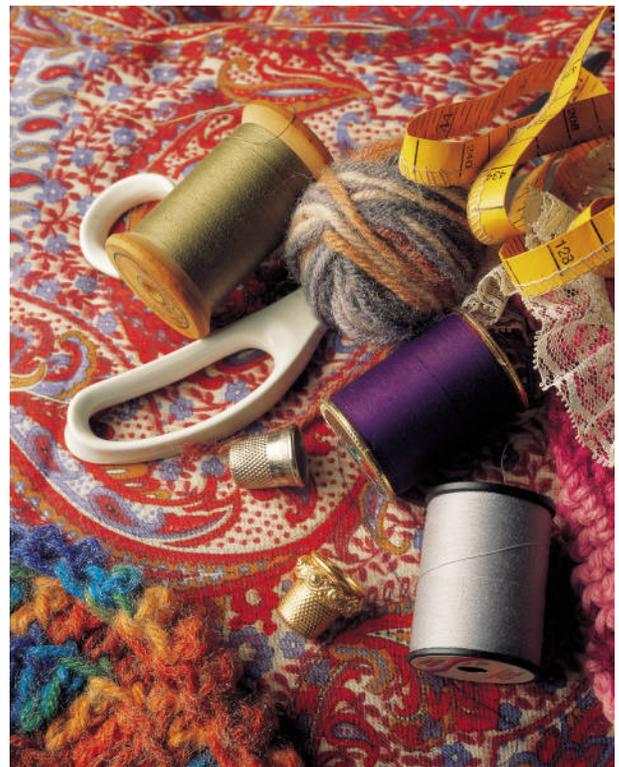
- **Better tracking.** Clothworks employs some 90 steps in its design process, and its new technology will track each phase. In addition, Microsoft Dynamics NAV will enable the company to better track and manage the printing and shipping of fabrics from its suppliers in Asia, improving its promised-delivery dates.
- **Support for company growth.** Microsoft Dynamics NAV offers the ability for Clothworks to manage its internal processes and to grow without the need to hire large numbers of additional staff. Previously growth demanded more people to handle the company's paper-based system.
- **Time savings.** The company will be able to accomplish more in less time and be much more efficient, without being slowed down by shuffling paper all over its facility.

Hoffman also finds great value in the familiar Microsoft Dynamics NAV interface. "My staff understands the fundamentals of Microsoft Outlook and e-mail," he said.

"Microsoft Dynamics NAV has a user interface that resembles Microsoft Outlook, which was a big selling point. I can get people who are not used to ERP to understand it quickly."

Hoffman said that partner MASi quickly learned what the important pieces of his business are and demonstrated a dynamic product line to meet those needs.

"Microsoft Dynamics NAV is helping companies fashion new ways to look at their businesses, new online channels of revenue and new levels of customer satisfaction," said Michael Park, corporate vice president for the U.S. Dynamics business at Microsoft. "With Microsoft Dynamics NAV, small and midsize companies are gaining the kinds of competitive insights and scope that once were available only to the largest companies."





About Clothworks Textiles

Clothworks Textiles is a Seattle-based designer and distributor of fabrics for manufacturers, quilters and home sewers around the world. Clothworks produces fabrics with a diverse range of designs, styles, themes and colors that are perfect for a multitude of creative uses. The company features the designs of many of today's most creative artists and textile designers including among others Laurel Burch, Diane Knott, Sue Zipkin and Marsha McCloskey. Clothworks fabrics are available in more than 3000 shops throughout the United States and are distributed to more than 25 countries.

About Microsoft Dynamics

Microsoft Dynamics is a line of financial, customer relationship and supply-chain management solutions that helps businesses work more effectively. Delivered through a network of channel partners providing specialized services, these integrated, adaptable business management solutions work like and with familiar Microsoft software to streamline processes across an entire business.

About Microsoft

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

About ITA Corporation

ITA Corporation is a Gold Certified Microsoft Partner, has been helping businesses with the planning, implementation and ongoing support of their information systems. Its clients are primarily Mid Atlantic East Coast companies with subsidiaries around the world whose business is made-to-order manufacturing, apparel manufacturing, waste and recycling, wholesale distribution, and other inventory-intensive industries. With full-service offices in the U.S. and South America, ITA Corporation serves 2000+ users throughout the world.

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