Retail Strategy Group

LECTRA

FROM STITCH TO SCALE: RSG X LECTRA SURVEY REPORT

2025-2026

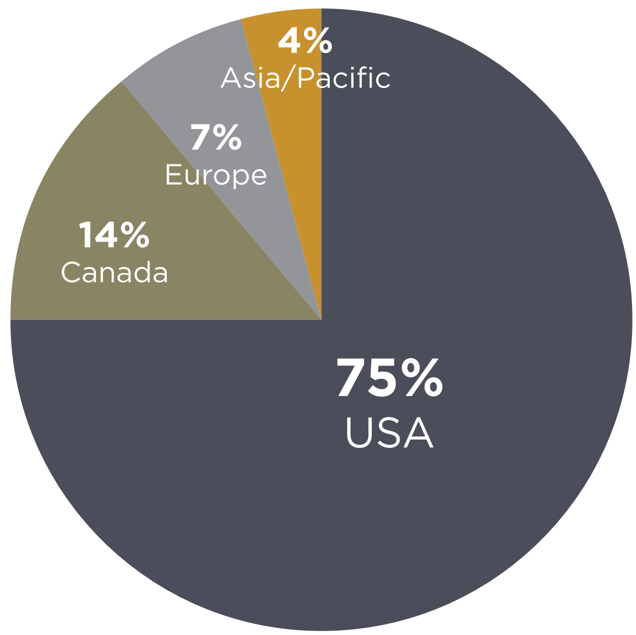
From Stitch to Scale captures current sentiment from retailers, brands and manufacturers.

WHO WE ASKED

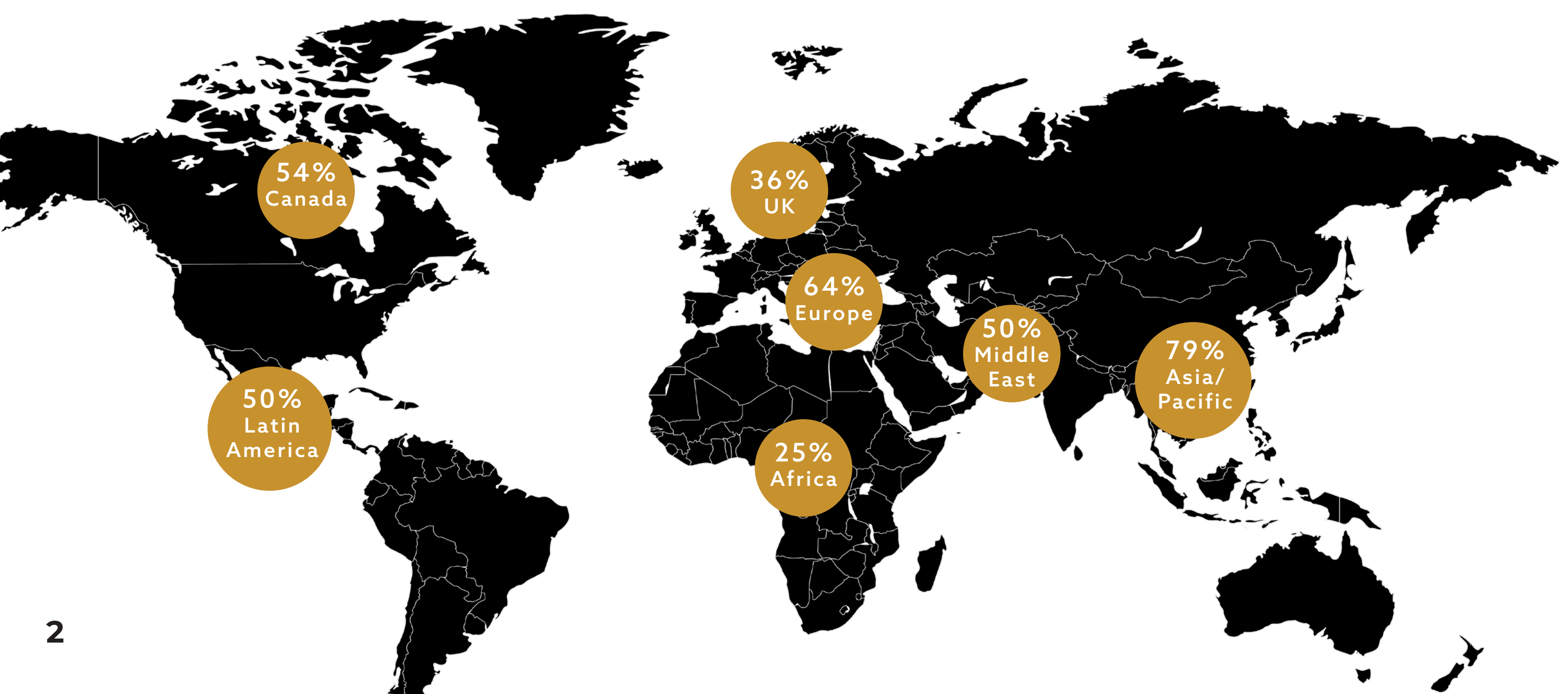
We asked respondents to rank the industry's top issues (e.g., overdevelopment, supply chain disruptions, tariffs, technology, sustainability, shifting customer behavior). We then probed operations: how often opportunities are missed due to limited flexibility and how hard it is to react when data is siloed. We assessed visibility by asking whether teams understand its benefits and whether poor visibility is a current problem. We examined first-mile planning (fabric planning accuracy and timing), captured consequences (slower decisions, revenue loss, output, costs, and forecasting), gathered basic regional segmentation, and gauged pricing/markdown difficulty. The survey collected 30 complete responses from leaders at retailers, brands and manufacturers.

REVENUE PROFILES SPAN THE FULL RANGE, **FROM UNDER $50M TO OVER $5B** WHICH INDICATES A MIX OF EMERGING, MID-MARKET, AND LARGE ENTERPRISES.

RESPONDENTS' PRIMARY HEADQUARTERS



RESPONDENTS' OPERATING FOOTPRINTS



INTRODUCTION

THERE ARE RARELY BORING MOMENTS IN FASHION.

If you have been reading headlines over the past year, you have seen the uncertainty as well as how rapidly changes ripple through the entire supply chain.

As such, we became highly motivated to conduct this survey because the industry is wrestling with well-known and systemic issues. They include chronic oversupply and excess inventory that erodes profit. Also, mounting pressure to shorten lead times and consider nearshoring to respond faster. Finally, decisions drag from fragmented data and siloed processes that blunt cross-functional execution.

Our survey looks at these issues with the intent of capturing a broad sentiment of the impact on business today. We also want to present the results not as a definitive report with all the answers, but rather as a means to spark further inquiry and discussion.

So, why now? The softlines supply chain has (again) been thrust into the spotlight thanks to the imposition of new and unpredictable tariff policy. This situation has highlighted the difficulty of moving production from China and into other countries. Nearshoring is on the table, but how tenable is the approach? Brand/vendor relationships have been shown to be partnerships on paper only. In reality, brands exert their advantage over vendors to squeeze further discounts to deal with tariff pain. Finally, according to many experts, there is a reckoning within the fashion supply chain that is on the horizon for 2026 that will further test weak links.

However, not all is doom and gloom. There are opportunities to create meaningful progress. That progress begins with assessing where we are today. With that in mind, we can tell you that our survey reveals that retailers, brands, and vendors alike acknowledge the importance of overdevelopment as an agenda-setting issue. We also highlight the areas where companies can capitalize on growth opportunities. Furthermore, material planning accuracy is surprisingly rare and drives up costs. Lastly, inefficiencies in the manufacturing process undermine growth, and process innovation might be the right fix to unlock margin, speed, and resilience.

TOP 3 CONCERNS

IN THE FASHION INDUSTRY

1. OVERDEVELOPMENT
2. SUPPLY CHAIN DISRUPTIONS
3. TARIFFS/COSTS OF DOING BUSINESS

When we asked respondents about their approaches to better capture growth opportunities, the top answer is improving collaboration. The second is reducing overdevelopment/aligning buy quantities earlier.

On the one hand, we are discouraged because overdevelopment has been a long standing issue in the softlines supply chain. The commercial impacts on margin, profit, and excess inventory has been articulated very well in John Thorbeck's "Make 10, Sell 3" model. Meanwhile, the outgoing President of the International Apparel Federation (Cem Altan) has said that overproduction, markdowns, and lost sales are among fashion's largest sources of waste.

At the same time, we are encouraged that overdevelopment is top of mind because clearly the topic of conversation is moving more center stage. We surmise that the combination of supply chain disruptions and tariff pressure is forcing all players in the softlines supply chain to take a much harder look at the issue of overdevelopment.

"Process innovation is the most underrated opportunity in the fashion supply chain today. If we can take advantage of this opportunity, the business outcomes are highly consequential. Are we ready to take advantage is the question."

- Liza Amlani, Chief Merchant and Principal at Retail Strategy Group

https://www.retailstrategygroup.com

"For several years now, technology decisions have been framed as choices about how to improve individual tasks and increase output, instead of as opportunities to positively change strategic business outcomes – and this now has to change."

- Maximilien Abadie, Deputy CEO at Lectra

https://www.lectra.com/en/library/achieving-profitability-in-an-era-of-economic-volatility

CASE STUDY

Italian fashion manufacturer **Roversi Simone** transformed its production process with **Lectra's Valia Fashion**, optimizing panel management to cut fabric waste and boost efficiency. With real-time visibility and smarter material utilization, the company reduced costs while maintaining its signature craftsmanship.

The result: precision, sustainability, and profitability seamlessly woven into every garment.

OVERDEVELOPMENT IS TAKING CENTER STAGE

Our findings also show that overdevelopment becomes an even more pressing issue when underlying fundamentals are weak. For instance, **overdevelopment is more dominant when respondents report a lack of visibility in the supply chain and/or difficulties in forecasting.** Furthermore, overdevelopment is decoupled from brands updating their go-to-market calendars periodically or even not at all. These findings affirm that the issue of overdevelopment resides upstream in the supply chain and product development.

This means that brands, retailers and vendors alike have to come together to solve the overdevelopment problem. The benefits are significant if the problem can be solved - both from a financial and sustainability perspective.

DYNAMIC CUSTOMER. STATIC BUSINESS.

As mentioned in the previous section, when we asked about approaches to better capture growth opportunities, the top answer is improving collaboration. When we pursued this topic, we found that siloed teams and data that is "held hostage" in the organization is a major barrier towards progress. **For instance, when asked about the impacts of siloed collaboration on the ability to develop and launch new products, respondents identified slower-decision making as the top answer.**

81% feel it is difficult for their teams to respond to changing product needs.

4% tell us that their data is integrated fully across all departments.

60% have partial integration.

36% are not integrated at all.

Many brands and retailers proclaim that they are "customer-centric." Yet, most do not have the processes and infrastructure to back up the claim. The customer is far more dynamic than most organizations. At the same time, brands and retailers consistently flag that keeping up with changes in customer behavior is a consistent, top of mind issue. Our results show that different functions that exist siloed from one another hampers decision making and the ability to respond to changes in the market. Moreover, if data and information are confined to specific areas of the organization, then different functions do not have the proper insights to make informed decisions. Candidly, this is much like tying your legs together before running a race. Organizations hamper themselves before getting out of the starting block.

What is also interesting to note is how skills transfer and succession planning make an appearance here. **When we ask how well does your organization transfer knowledge from seasoned experts to new employees, 57% say not very well.** There are breakdowns in knowledge transfer as a result. And documented processes and best practices might be lost in the shuffle. As such, we can infer that getting new employees ramped up rapidly while contending with siloed teams and data contributes to missing out on growth opportunities.

CASE STUDY

As a leading athleisure brand, **Zumba** supercharged their product creation process with **Lectra's Kubix Link PLM**, connecting design, development, and sourcing in one digital ecosystem. By breaking down data silos and streamlining collaboration, the brand now moves from concept to consumer faster than ever.

"Having 95% of our suppliers working in Kubix Link has changed our product life cycle visibility drastically. We are able to track more data than ever before, and everyone gets the same information in real-time."

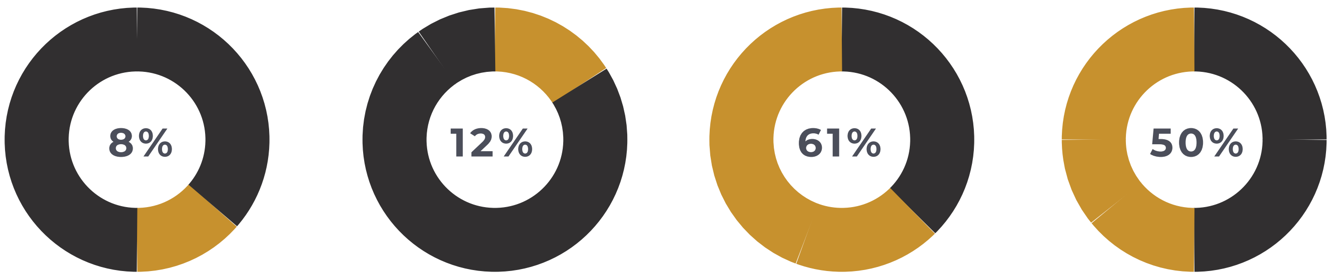
- Lina Saldarriaga, Vice President Product Development

The outcome: a more agile, insight-driven operation that turns speed and efficiency into a true competitive edge.

MANUAL ERRORS & COST IMPACT

69% REPORT MANUAL ERRORS WITH FINANCIAL IMPACT

29% ARE NOT SURE TO WHAT EXTENT THEIR PROCESSES ARE MANUAL



FREQUENT/ HIGH COST

NOT AN ISSUE/ MODERATE COST

OCCASIONAL/ MODERATE COST

and report that at least half of their processes are manual in nature.

DUPLICATION OF EFFORTS

as a reason why brands are hindered in developing and launching new products

MANUAL PROCESS STILL DOMINATES

Digital transformation is not something that happens overnight. The process needs several components including underlying process changes, shifts in mindsets, and adoption/compliance. Until such transformations are complete, manual processes will still dominate day-to-day operations. However, there are those organizations that do not have the sufficient inertia needed to make an investment in technology. As such, we wanted to ask about the implications of manual processes at work today.

We can infer that, combined with a lack of data sharing across departments, there is never a real-time signal that alerts someone that a soon to be completed task has already been completed. In our experience working within brand and retail organizations, **manual processes are abundant across every function from concept to market and in how internal teams work and communicate with external partners.** Sadly, not much has changed. From 2D design to the use of spreadsheets and workarounds to upload data in outdated tech stacks, manual ways of working is how teams work. Automation, predictive analytics, real-time collaboration is often out of reach for organizations. Or, at least, the transformation moves at a glacial pace.

CASE STUDY

Automation and real-time data with Lectra’s Valia Fashion enable a century-old company to scale efficiently. **Chicago Protective Apparel** manages over 1000 different product families with 234 different fabrics. In an effort to scale their business they knew they had to leverage technology and automation to get there. With Valia Fashion, they are able to react to the market faster, shorten leads times and offer more customization to their customers making them more competitive. Since signing with Lectra, CPA has realized significant operational improvements, including 10% reduction in quality defects in the cutting process and an increase in overall nesting efficiency from 83% to 89%, translating to 6% material efficiency gain.

““We’re thinking really positively. In the next five years, we believe we’ll grow our business fourfold — and Lectra will help us get there.”
- Ernesto Alacio, Director of Operations, CPA Lectra

https://www.lectra.com/en/library/boosting-productivity-and-precision-at-chicago-protective-apparel

CHALLENGES IN MANAGING/TRACKING
MATERIALS IN THE MANUFACTURING PROCESS

1. DIFFICULTY IN FORECASTING PRODUCTION OUTPUT
2. POOR VISIBILITY IN THE SUPPLY CHAIN
3. INEFFICIENT TRACKING SYSTEMS

Higher production costs and inflexibility in the supply chain are the top reasons that prevent companies from manufacturing closer to market. As such, brands also look at investments in agile manufacturing technologies as a means to capture growth opportunities.

60% frequently miss out on opportunities due to a lack of capacity.

TOP IMPACTS OF MANUFACTURING DOWNTIME

1. DECREASE IN PRODUCTION OUTPUT

2. LOSS OF REVENUE

These, of course, are not surprising but showcase the tangible outcomes when the manufacturing process is paused for whatever reason. Respondents also note that downtime also opens up the opportunity for process improvements to help mitigate downtime going forward.

We offer a point of view that suggests that brands change how they approach assortment planning and map such changes back to manufacturing capacity. The commonly used linea and single-calendar approach breaks down as seasons overlap and deadlines pile up. We recommend a shift to a multi-track calendar that groups products by track and complexity. Stagger design, development, and production to create flexible timelines, reduce downtime on the factory floor, and improve flow from concept to delivery.

When these types of process improvements are made, then technologies can be layered on top because the operational foundation is solidified.

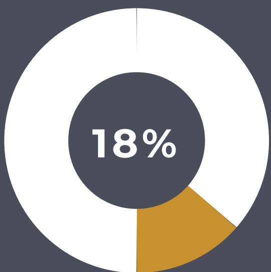
CASE STUDY

MAS Holdings, one of South Asia's largest apparel manufacturers, partnered with Lectra to digitize its design-to-production process—reducing material waste, improving speed to market, and enabling data-driven decision-making across its operations. By integrating Lectra's cutting solutions and digital platforms, MAS strengthened visibility and agility across its global supply chain.

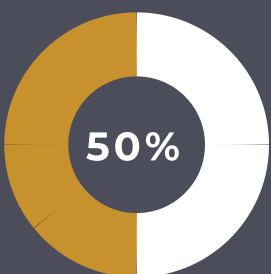
The result: a more sustainable, efficient, and innovation-ready manufacturing model that sets a new benchmark for the industry.

MATERIAL PLANNING ACCURACY IS RARE

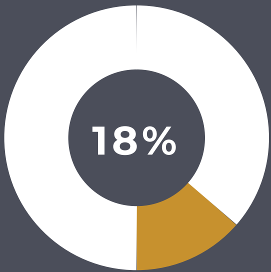
Because there is significant opportunity that resides upstream in the supply chain, we wanted to ask about material (specifically, fabric) planning. We asked brands how accurately they plan for fabric consumption in production.



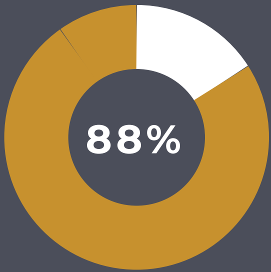
Plan accurately and also pre-position fabric with their vendor partners.



Do not plan enough quantities. We would expect that in addition to surcharges from the vendor, there is the additional cost of premium (likely air) freight. On the other hand, although not formally explored, we can infer that any organization that over-orders ties up cash in excess materials and storage costs.



Do not plan early enough and incur surcharges as a result.



Report some level of impact of fabric waste on manufacturing costs and sustainability goals.

Materials are the foundation of every product: fabrics, trims, patterns, and color. Yet, they are often treated as an afterthought. From our vantage point, materials teams sit far from design and merchandising, scattered across time zones and disconnected from strategy. Raw material planners are often left in the dark and guessing how much material to book and how far ahead they should plan. The result: hand-offs, rework, and delays. Ultimately, increasing the cost of the product and hurting the bottom line.

HOW BRAND, RETAILERS AND VENDORS WIN

1. COME TOGETHER TO KNOCK OUT THE PROBLEM OF OVERDEVELOPMENT.
2. BREAK DOWN ORGANIZATIONAL SILOS AND ENABLE INFORMATION SHARING ACROSS FUNCTIONS.
3. ENABLING VISIBILITY AND IMPROVING THEIR FORECASTING ABILITIES.
4. INVEST IN PROCESS INNOVATION AS A RESPONSE TO SUPPLY CHAIN DISRUPTIONS AND TARIFF UNCERTAINTIES.
5. ACCEPT THAT THE CUSTOMER WILL ALWAYS BE MORE DYNAMIC THAN THE ORGANIZATION. THEN ADAPT ACCORDINGLY.

A CENTRALIZED DATA SYSTEM, LIKE LECTRA'S VALIA FASHION, REDUCES MANUAL ENTRY ERRORS BY UP TO **80%** AND ACCELERATES ORDER PREPARATION BY **30%**

https://www.lectra.com/en/library/5-key-steps-how-to-get-the-best-cutting-order-planning-for-your-fashion-manufacturing

CONCLUSION

We believe the findings in this report provide a valuable overview of what is top of mind in the fashion supply chain today. The sentiment that has been captured here lends itself to more discussion about approaches towards reducing overdevelopment. We are eager to know more about how to transform brand-vendor relationships so that all parties win. How can material planning be more accurate and what are those cost savings when it is?

Brands, retailers and vendors are poised to fall behind if they let the problem of overdevelopment go unchecked. Their ability to respond to the market will continue to be hindered if organizational silos continue to persist. In short, failure to modernize planning, visibility, and aiming for operational excellence leaves brands slower, inefficient and exposed for when the next supply chain shock hits.

CASE STUDY

“Before Valia Fashion, our planning was reactive. We spent hours adjusting orders manually and still faced delays. Now, with automated rules and real-time dashboards, we anticipate issues before they happen. Our fabric savings alone paid for the system in less than a year.”

- Operations Director, European garment manufacturer

https://www.lectra.com/en/library/why-cutting-order-planning-is-the-key-to-achieving-cutting-room-productivity

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Thorbeck, John. *Under the Banyan Tree: Buyers and Suppliers in Fashion*. International Apparel Federation, White Paper, October 2024.

FDRA Executive Survey

Retail Strategy Group Leadership. *The Material Life: Process Innovation for Retailers and Brands*. Routledge/Productivity Press, forthcoming 17 Dec. 2025.

Multi-Track Calendars are discussed extensively in the upcoming The Material Life: Process Innovation for Retailers and Brands authored by the leadership at Retail Strategy Group. The book will be available starting on December 17th, 2025 and is published by Routledge/ Productivity Press.

LECTRA

At the forefront of innovation since its founding in 1973, Lectra provides industrial intelligence technology solutions—combining software in SaaS mode, cutting equipment, data, and associated services—to players in the fashion, automotive and furniture industries. With boldness and commitment, Lectra accelerates the transformation and success of its customers in a world in perpetual motion thanks to the key technologies of Industry 4.0: AI, big data, cloud and the Internet of Things.

Learn more at www.lectra.com

Retail Strategy Group

We work with top global brands including Columbia/Mountain Hardware, Under Armour, and Lands' End to achieve dramatic growth and increased profitability. Even in turbulent times, we deliver immediate results and powerful insights for our clients. Our books include The Whole Sale - Profitable Wholesale Strategies for Brands (2025) and the upcoming The Material Life - Process Innovation for Brands and Retailers.

Learn more at www.retailstrategygroup.com