

# **CENTRIC SOFTWARE RECEIVES THE 2023 COMPANY OF THE YEAR AWARD**

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*Identified as best in class in the global fashion,  
retail, and consumer goods PLM industry*



## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Centric Software excels in many of the criteria in the fashion, retail, and consumer goods PLM space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

### *PLM Challenges for Fashion, Retail, and CG*

The fashion, retail, and consumer goods (CG) industries face significant external challenges centered around inflation, interest rates, supply chain and inventory. Market participants must react quickly to market trends by producing more product lines and brands quickly, thereby they must decrease time-to-market to maximize profits of each stock keeping unit (SKU). Additionally, as retail, fashion, and consumer goods industries have globalized product portfolios, companies must optimize product allocation to align product placement with regional demand. Current product lifecycle management (PLM) methods are inefficient and require time-consuming, manual management that many times uses spreadsheets, creating data silos and ineffective product assortment allocation, decreasing overall revenues and making companies unable to react effectively to changing market trends.

### *The Future of PLM Solutions: Centric Software*

Founded in 2012 and headquartered in Campbell, California with 25 locations worldwide, Centric Software provides market disruptive PLM solutions for retail, fashion, and CG. Its portfolio of PLM solutions empowers unmatched data analysis to optimize product management from product concept through development, sourcing, packaging, and selling. The company maintains a laser focus on customers' needs across various industry verticals, tailoring innovation directly to their feedback. As such, Centric Software recently expanded its offerings with Centric Pricing, giving customers access to competitor product matching and e-commerce analytics to optimize product allocation and pricing. Together with its Centric Planning solution Centric Software's complete portfolio of innovative solutions reduces time-to-market

for new products, decreases customer inventories, and improves productivity. As such, Frost & Sullivan believes that Centric Software is a market leader in the PLM solutions for retail, fashion, and CG industry due to its unmatched customer value.

### ***Centric Software's Exceptional Support Promotes Customer Satisfaction***

PLM in fashion, retail, and consumer goods such as food & beverage, cosmetics & beauty and consumer electronics is underserved and inefficient with limited scope. Even with a PLM in place, many companies still rely on spreadsheets or cloud-shared documents for basic spec-pack related functions like materials libraries, vendor databases, rankings and RFPs as well as researching and tracking trend, competitor product offer positioning and pricing. Without a PLM In place, the product go to market process is even more inefficient and internal teams, interns and contractors spend hours and days collecting, entering and analyzing data in spreadsheets. As a result of the time-consuming way of working, human error and the continuously changing product/materials availability, spreadsheets are out of date almost as soon as data is input. Additionally, spreadsheets are oftentimes not exact or do not provide all the data needed, and since data is siloed in spreadsheets or shared documents, it is ineffective in driving assortment or product development decisions. Centric Software identifies that 35% to 40% of its customer base replaced their legacy PLM due to ineffective flexibility as the economic environment or business changed or would focus on the wrong or simply limited scope. Centric Software also identifies that 5% to 10% of its customer base created their own in-house solution or attempted to but decided to switch due to lack of scalability

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Research Director, Industrial***

and/or high Total Cost of Ownership (TCO). And finally, 50% to 60% of those who purchased Centric solutions previously only relied on spreadsheets, emails and shared drives prior to implementing Centric PLM.

Centric Software created its portfolio with these pitfalls in mind, and designed its product offering to help customers orchestrate a competitive retail and product strategy and maximize revenues by increasing agility and decreasing time-to-market using data-driven insights. In 2021, Centric added retail planning

capabilities to its PLM platform. Centric Planning is a fast, flexible, and intuitive retail planning solution turning numerical and visual data into actionable insights and empowering strategic decision making. Configurable and cloud-native, Centric Planning enables brands and retailers to plan accurately and dynamically to build profitable assortments with advanced clustering, to keep inventory lean and agile with AI-driven forecasting and demand planning, and to minimize markdowns and improve sell-through across all channels.

In 2022, Centric Software expanded its platform again, with the addition of Centric Pricing. This solution aggregates market and competitor product data in actionable manners, allowing users to analyze and sort real-time information with customer-led specificity down to the SKU level. For example, clients can view competitor's product assortment in each type of product offered at pre-determined price point range to identify gaps in competitor's offerings to shape internal development. Moreover, customers can perform



the same analysis internally, identifying gaps in their own product line, product location, or underserved price points.

The Centric platform comprised of PLM, Planning and Pricing contains modular capabilities that are leveraged by different companies in different ways. For example, in the consumer electronics marketplace, many companies leverage an engineering PLM which stands at the heart of their R&D, however, marketing, retail, sales and go-to-market teams are left out working in manual systems or spreadsheets as these engineering PLM's do not have product portfolio management capabilities leaving these teams challenged to optimize SKUs and offer the right product to the right channel at the right time. As such, Centric Software's solutions integrate with external engineering PLMs, offering its consumer electronics go-to-market and commercialization management solutions. In food or cosmetics, many brands, retailers and manufacturers/producers leverage Centric PLM for labelling, packaging and proofing capabilities. Recipe management and formulation capabilities (or connectors to such systems) can be added to ensure compliance and ingredient traceability. Retailers often rely on RFI functions to accelerate sourcing and cost what-iffing.

As a result of its best-in-class technology, Centric Software is used to bring over 12,500 brands to market and has \$1.5 trillion per year in revenue attainment impacted (e.g., the value of goods brought to market in terms of customer's sales and revenue).

### ***Customer-driven Innovation Empowering Brand Equity***

Centric Software is an industry disruptor within the PLM for fashion, retail, and CG industries; it attributes its leadership to being market driven tied to specific customer feedback. The company places customer feedback at its core using its customer advisory board and working with user groups to gain insight into

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features or capabilities that customers can receive value from them. As a result, every new feature that Centric Software integrates into its technology has one or multiple customer use cases attached to it, guaranteeing value. One key example of tailoring innovation to customer feedback is the company's expansion with Centric Planning and Centric Pricing, both requested by customers. Additionally, the company is focusing future innovation on further expanding artificial intelligence (AI) and machine learning (ML) capabilities into its product line to increase efficiency by reducing the number of clicks or non-value-added work on the user side. Additionally,

AI and ML empower more informed and automated process planning by using market intelligence, making the overall product development and management process more efficient. Finally, sustainability, traceability, and compliance are large focus areas across all industries in the consumer verticals, thus Centric Software focuses innovation efforts on finding manners to further empower customers to achieve sustainability goals. As a result of its overall customer-centric focus, Centric Software has a 99% customer retention rate.

Centric Software operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices. Since its founding, Centric Software has grown to more than 700 employees. The company's market-leading portfolio emerged from its customer-centric strategic approach. It hires passionate and experienced members across the enterprise, including sales and support members who are experts in their industry verticals. As such, sales and support staff members understand challenges specific to a customer's industry and provide customers specific support and value starting during the pre-sales process. As many PLM projects change continuously in reaction to a market or season, customer satisfaction must be an ongoing and central tenant. As such, Centric Software performs weekly service team checks to gauge and safeguard customer satisfaction. Additionally, it maintains 24/7 follow-the-sun support with teams in North America, EMEA, China, India, and Brazil. As a result, the company maintains an unprecedented 97% reference ability and 100% go-live rate. Additionally, Centric Software designed its platform for a quick implementation (ranging from 2 weeks to 6-9 months, based on the customer), empowering users to begin streamlining product management as soon as possible. The company is the first to market with mobile applications for PLM, further showcasing its innovation tied to customer feedback.

### ***Industry-disruptive Technology***

Centric Software identified the pitfalls of the traditional PLM systems, primarily using spreadsheets or manpower to attempt to manage product development and allocation, finding these systems time consuming and not easily updated, thus ineffective and inaccurate in the long-term. As a result, Centric Software offers three main solutions (Centric PLM, Centric Planning, and its most recent expansion, Centric Pricing) to give customers a single platform for end-to-end product management from product concept to launch. The platform addresses problems across the entire market value chain, from understanding the market, product design and development, sourcing, packaging and compliance, and selling by optimizing omnichannel revenues. Customers leveraging Centric Software see significant return on investment (ROI) from the platform, including 20% to 100% improved operating margins and 5% to 15% reduced cost of goods sold (COGS).

- **Centric PLM** is a market-leading PLM platform that empowers intuitive product design throughout the entire product lifespan, from development to delivery. Centric Software designed Centric PLM with various technology levels and modules, allowing brands, retailers and manufacturers of all sizes to tailor a platform meeting their management needs to safeguard overall ROI. The company also offers product-specific modules that integrate into the platform, including formulation, packaging and proofing, workflow managing, engineering change management, three-dimensional (3D) connectors, mobile apps, and sustainability connectors. As a result, customers can customize the solution to meet their PLM needs. Since modules are connected, data transfer between product stages is simplified, ensuring that information from development is accurately reflected in labeling and packaging and complies with industry regulations and standards. Finally, the solution is vendor agnostic and integrates with other enterprise solutions such as engineering PLMs, 3D-computer aided-design solutions, ERP's, Ecomm, PIM's and more empowering heightened data visibility and product accuracy. Customers have experienced a 40% to 60% time-to-market reduction and a 10% to 50% productivity improvement.

- **Centric Planning** is the company's best-in-class AI-driven planning optimization technology. The solution empowers financial forecasting, merchandising, range, demand, assortment, and in-season planning, store allocation and replenishment, and forecasting and vendor replenishment. As such, customers can optimize product location to ensure products are in the correct place, lessening inventory needs and increasing sales potential. Customers have experienced a 10% to 30% reduction in inventories and a 5% to 10% increase in sales.
- **Centric Pricing** is Centric Software's newest groundbreaking offering acquired from StyleSage in 2022. Centric Pricing is an AI-powered competitive assortment benchmarking price optimization and trend focusing solution. Centric Pricing allows users to pull information from competitor websites and display it into a common taxonomy for like-to-like comparison. The solution pulls both text-based phrases and images, using its best-in-class image matching technology that is 98% accurate, allowing users to compare offerings and pricings directly to competitors' offerings. As a result, it gives clients the full picture of competitor's pricing strategies, including by assortment, length of time before an item goes on promotion, pricing by country, and verify map pricing, allowing customers to react to competition effectively. Finally, the solution aggregates Google trend data, allowing customers to identify upcoming trends and proactively allocate products to meet the upcoming demand.

Finally, Centric Software created its Visual Board modules to overlay the entire platform, preserving the solution's flexibility to a customer's strategic allocation plan while offering a visual orientation to help customers make product choices. Visual Boards are also displayed simultaneously with the traditional numerical view, giving users more visibility to guide allocation strategies.

### ***Customer First Focus Promoting Explosive Growth***

Centric Software is at the forefront of the fiercely competitive PLM for fashion, retail, and CG market. With a deep-rooted history of purpose-fit innovation, the company shapes the industry's trends, impacting its role in the market. As a result, Centric Software has over 725 clients in 46 countries worldwide, including China, Asia, the Middle East, New Zealand, North America, throughout Europe, India, and Latin America. The company recorded an explosive growth of over 1,800% revenue growth in 10 years, showcasing its brand equity and recognized industry value. For example, since January 2022, the company has 169 new customers with 130 go-lives ranging from four to six weeks. Centric Software attributes this massive growth to its continued commitment to customer satisfaction, whether through new product innovation or customer support. In 2018, Centric Software was acquired by Dassault Systèmes. The company operates autonomously from Dassault Systèmes but keeps members from Dassault Systèmes on its advisory board, forming a partnership in which Centric Software can thrive.

While evolving from a technology standpoint, Centric Software never loses sight of its clients' perspective, innovating to expand its customer base while remaining flexible to its customers' specific needs. For example, in 2016, its research and development team expanded Centric Software's platform to allow a single customer to have over 10,000 concurrent users, making it available to small and large companies in various industries. As the platform remains flexible for specific customers, companies can experience high ROI regardless of if they have five concurrent users or thousands. Moreover, during the COVID-19 pandemic, Centric Software reacted quickly by creating a remote deployment process, which many

customers were previously hesitant to do, and effectively continued gaining clients throughout the pandemic. Additionally, the pandemic forced companies across all industries to recognize that they needed greater flexibility in how they worked, particularly needing solutions to empower visual collaboration in remote and hybrid settings. Centric Software integrated its Visual Boards modules based on this feedback, allowing customers to continue merchandising and buying strategies remotely using its visual orientation views.

## Conclusion

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Customer-centric strategies help companies safeguard leading positions in markets, but only if the approach is authentic and the implementation is seamless. Centric Software incorporates customer-centric strategies from support to driving innovation. As a result, its complete portfolio of product lifecycle management (PLM) solutions provides unmatched value to customers through improved productivity, reduced cost of goods sold, improved operating margins, and inventory reduction. This overall customer-first approach offers immense value to existing and new customers and solidifies Centric Software's reputation in the market. As a result, the company impacts \$1.5 trillion in revenue attainment and boasts a 99% customer retention rate.

With its strong overall performance, Centric Software earns Frost & Sullivan's 2023 Global Customer Value Leadership Award in the fashion, retail, and consumer goods PLM industry.

## What You Need to Know about the Customer Value Leadership Recognition

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Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

### Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Business Impact*

**Financial Performance:** Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

**Customer Acquisition:** Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

**Operational Efficiency:** Company staff performs assigned tasks productively, quickly, and to a high-quality standard

**Growth Potential:** Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

**Human Capital:** Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty



