



UNDER ARMOUR® CASE STUDY

WHY UNDER ARMOUR SELECTED CENTERSTONE

CENTERSTONE SOLUTION SELECTED: IVENDIX

KEY CHALLENGES

- Provide technology solutions that will support Under Armour’s constant innovation, reinvention and continued growth and global expansion.
- Improve the productivity of the sales force by delivering a web-based technology platform to help the sales force deliver increased sales through a significantly improved order-entry process.
- Drive revenue growth and reduce the total cost of sales.
- Improve the efficiency of the customer service department.
- Increase the level of service that specialty retailers receive from Under Armour.
- Support the international growth of the Under Armour brand with a scalable I.T. solution.
- Make “being easy to do business with” a feature of the Under Armour product offering. Under Armour already delivers a superior product – and the company continues to improve that product – so let’s make it easier for customers to buy that product.

BENEFITS OF CENTERSTONE’S SOFTWARE AS A SERVICE MODEL

Proven Track Record

CenterStone has a proven track record and is the “industry standard” and solution of choice for a host of other brands in the apparel and footwear markets. Furthermore, a significant percentage of Under Armour dealers were already familiar, and actively using, CenterStone’s solution. Bottom line, with CenterStone, up-front costs are lower, and there is quicker deployment, which results in faster time to value and lower risk to Under Armour.

Reduced Risk

There is no question that the solution works. CenterStone had already processed more than \$600,000,000 in 2006 in wholesale orders when Under Armour selected their solution. With traditional licensed software, or with building an in-house solution, there is the “unknown” as to how well the software will function once it is “live.” The CenterStone solution is up and running right now. It is being accessed by thousands of users in North America and Europe 365/24/7. Implementation risk is virtually nonexistent.

Quick Implementation

Traditional, enterprise or licensed software applications are expensive and time consuming to implement. CenterStone’s solution requires minimal customization, and the use of the company’s existing infrastructure significantly reduces the initial implementation work. As a result, the CenterStone solution can be deployed in a matter of weeks, rather than months or years as with traditional licensed software. Up-and-running quickly equals fast time to value.

Lower Up-Front Cost

CenterStone’s Software as a Service (SaaS) solution is delivered via the internet in a fully hosted and supported manner. Under Armour did not need to purchase and install software or hardware infrastructure, nor pay for expensive or time consuming customization. CenterStone’s solution was fully configurable to fit the way that Under Armour does business. As a result, the initial up-front costs were less than traditional software, and Under Armour could focus its resources on its core competencies.



Large, Established User Community

The CenterStone solution delivers a guaranteed user community. And it is the adoption rate by the user community of any solution – whether you build it in house or buy it off the shelf – that drives the ROI. With a proprietary, in-house solution, or a bolt-on solution from an ERP provider, there is the very significant adoption risk associated with an unknown application. Specialty retailers have indicated that they do not want to learn – and will not use – multiple, proprietary software packages provided by individual vendors. Under Armour selected CenterStone because they knew that on Day 1, when the solution went “live,” they would begin to receive orders from their specialty retailers, a large community of users who are already very familiar with the intuitive and easy-to-use CenterStone solution. CenterStone has leveraged the look and feel of the internet, so its solution is instantly familiar to a large and rapidly growing user base.

On-Going Support and Training

Under Armour is keenly focused on providing unsurpassed customer support to its dealer community. CenterStone has the same focus. With the CenterStone model there is a strong incentive to provide high levels of service and support and to keep its software at the forefront of the industry – or risk losing clients. The economics of the CenterStone SaaS model depend on high levels of customer retention, and service is a critical component of success. CenterStone also provides the training of sales reps and the dealer base. They also deliver on-going support at trade shows and annual sales meetings, which further ensures that their solution is used, and Under Armour receives a high ROI.

More-Frequent Improvements to Functionality and Built-In Upgrades

With CenterStone’s solution a client can be certain that they always have the most current, up-to-date version of the software. And as a result of the SaaS model, the client automatically has the newest version without having to re-implement or customize it. In addition, because there is only one version of the application being maintained, upgrades are typically more frequent – at least 3X per year with CenterStone. With traditional, licensed software, clients frequently delay, or even skip, these upgrades because they lack the resources that are required to carry through customizations and integrations, resulting in lost opportunity costs while missing out on the improved or newly released functionality.

Lower Total Cost of Ownership

Although the CenterStone model may – over the lifetime of the project – result in higher costs compared to traditional, licensed software, Under Armour believes that these costs are more than offset by the higher costs normally associated with traditional software licensing such as ongoing I.T. support, maintenance and customization, as well as the cost of ongoing technical support of the user community that would be required. Furthermore, the CenterStone solution is scalable – and Under Armour only pays as users are added – the costs scale with application usage. Therefore, the risk of paying upfront for licenses and application development that are not fully utilized is significantly reduced.

CenterStone’s solution is designed to need less customization but still be able to support the client’s specific business requirements through a configuration process. This multi-tenant system spreads the cost of computing over a large group of users, and therefore each client bears a small percentage of the total overall cost. The result: CenterStone was able to accommodate all of Under Armour’s unique business rules while at the same time avoiding the scope creep of a customized application.

Multi-Currency and Multi-Language Solution

To maintain its international expansion, Under Armour needed a proven, multi-currency and multi-language solution, and CenterStone had a solution that was already receiving orders from 16 countries and in 7 currencies. The application is currently “live” in 6 languages.

TESTIMONIAL:

“One of the pillars of our enterprise is “service the customer”. We recently selected CenterStone Technologies to help improve the timeliness of order fulfillment as our fast-growing distribution operation continues to expand. We are already seeing that CenterStone is making it easier for our customers to do business with us. Because of Under Armour's rapid growth, the company is upgrading and expanding its current technology infrastructure, which includes its SAP enterprise software. CenterStone has a proven history of being able to integrate their solution with SAP, which was an important factor in our selection of their platform.” **Joseph (“Jody”) D. Giles, CIO of Under Armour.**

About Under Armour®

Under Armour,® Inc. (NYSE: UA) is a leading developer, marketer and distributor of branded performance apparel, footwear and accessories. The brand's moisture-wicking synthetic fabrications are engineered in many different designs and styles for wear in nearly every climate to provide a performance alternative to traditional natural fiber products. The Company's products are sold worldwide and worn by professional football, baseball, and soccer players, as well as athletes in major collegiate and Olympic sports. The Under Armour,® Inc. European headquarters is located in Amsterdam's Olympic Stadium, and its global headquarters is located in Baltimore, MD. For further information, please visit the Company's website at www.underarmour.com.

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