

SOUTH AFRICAN RETAIL GIANT, FOSCHINI, IMPROVES FLOW OF GOODS

with Manhattan Associates

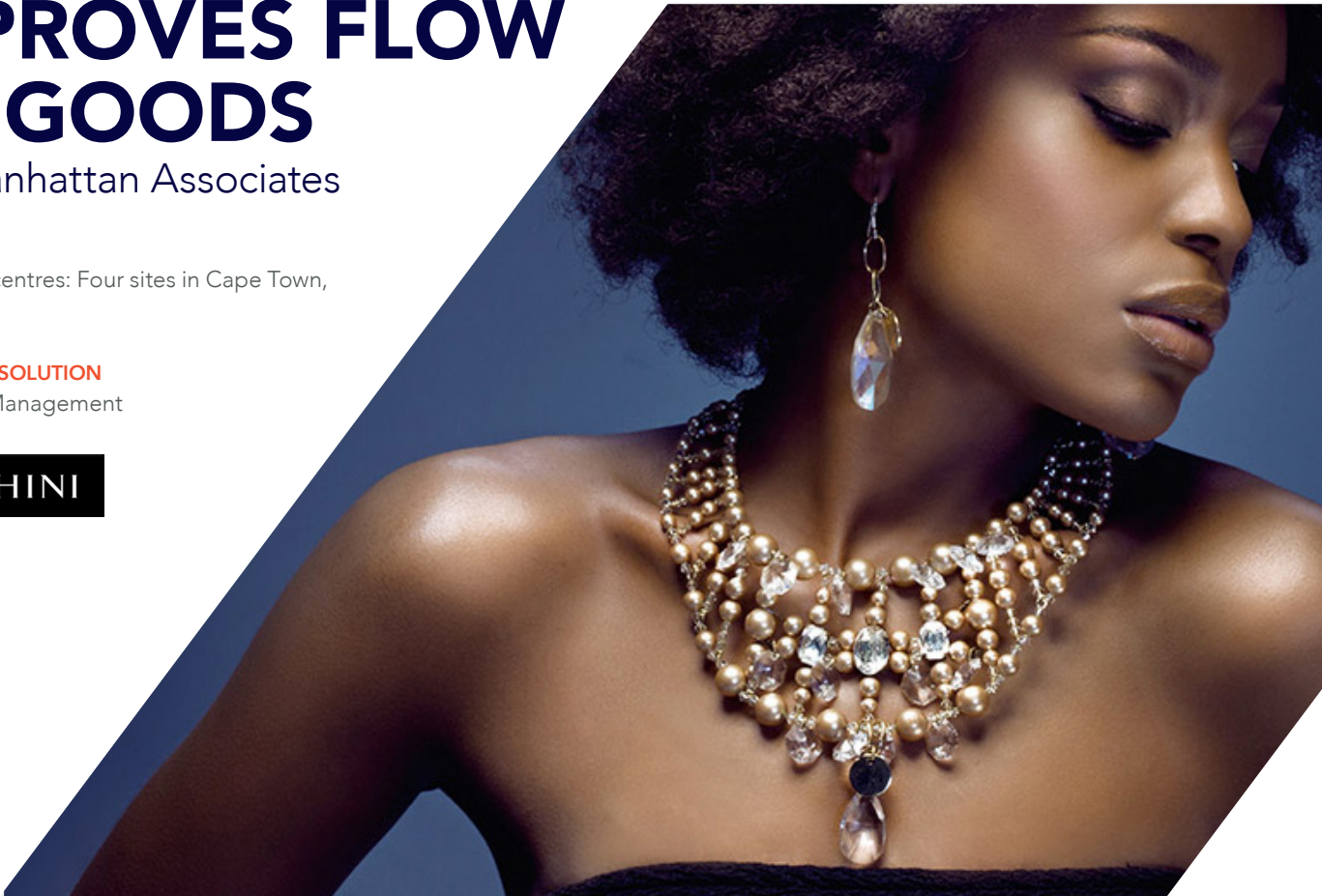
OPERATIONS

Distribution centres: Four sites in Cape Town, South Africa

MANHATTAN SOLUTION

Warehouse Management

FOSCHINI



CHALLENGE

Changing market conditions and Equip the business with flexible and agile system as part of supply chain improvement programme.

SOLUTION

Standardise the supply chain with Manhattan software and develop a template for quick deployment across 14 trading divisions.

PROGRESS & RESULT

Shipping volumes higher within 5 days of system go-live; system modules can be deployed in one day rather than over several months with previous solution.

“Manhattan’s retail and domain expertise made it an obvious choice for us. The company is ranked highly by independent analysts, but has high calibre customer testimonies to give us the proof we needed. We wanted a partner that we could learn from and one that would enable us to interact with similar businesses to share experiences of specific challenges and opportunities.”

JAN TUKKER, GROUP LOGISTICS DIRECTOR, FOSCHINI

STANDARDISING THE SUPPLY CHAIN

at Foschini

THE NEED FOR SPEED

Foschini Group, one of South Africa's leading fashion and lifestyle retail chains, consists of 14 trading divisions dealing in products that range from fashion, jewellery, cosmetics, sporting and outdoor apparel and equipment to homewares. The group, which was formed in 1925 by George Rosenthal, a Russian immigrant, trades in over 1,500 stores, making it the foremost speciality retailer in South Africa.

Today the business employs in excess of 9,000 full-time staff and processes more than 40 million units of stock per year across its four distribution centres. The company has enjoyed a period of steady growth and the legacy system was struggling to cope with the sharp peaks in customer demand and the need to adapt to change in a short space of time. For example, each time an adjustment was made to a warehouse process, the existing system would require programme development which could take several months.

"It can be easy to identify areas where you can make improvements in a DC environment, but if those changes take months to implement then you are losing out," explained Jan Tukker, group logistics director, Foschini. "We needed to upgrade to a system that offered us much more flexibility and could provide a template for a quick, effective roll-out across the remaining divisions."

DUE DILIGENCE

Foschini conducted a thorough review of the market and short-listed three suppliers for consideration. Manhattan and its channel partner, Supply Chain Junction, a specialist supply chain consultancy focusing on the South African market, proved to be best in class and beat off the competition.

"Manhattan's retail and domain expertise made it an obvious choice for us," Jan Tukker explains. "The company is ranked highly by independent analysts, but has high calibre customer testimonies to give us the proof we needed. We wanted a partner that we could learn from, and we also appreciated the opportunity to interact with similar businesses to share experiences."



"Manhattan's warehouse management system is already providing the foundation stone for Foschini's supply chain transformation. We are looking forward to developing our partnership as we grow."

The implementation at the first site was completed within 12 months, but the team have produced a system template which can easily be dropped into the remaining three sites. The second site was live after just two months with the remaining two not far behind.

"The joint collaboration of Foschini, Manhattan and Supply Chain Junction cannot be faulted," commented Jan Tukker.

"The warehouse management system was delivered on time and under budget thanks to the commitment of the team. On the day we went live with the first site, we reduced volumes for the switch-over to the new system to give us the opportunity to iron out any problems—but there weren't any. We were back up to full capacity within five days and shipping greater volumes of goods than before."

LOOKING AHEAD

"It is too early to say the percentage increase of efficiency in our DCs since we deployed the Manhattan solution, as it has only been running for a couple of months," explained Jan Tukker. "What we can say with conviction is that we have met one of our main objectives in that we have designed a series of system templates which can be dropped into the remaining sites. Whereas it may previously have taken us up to six months to deploy cross docking with our legacy system, we can now do the same thing in one day."

Foschini's phased deployment will see all four Cape Town DCs running on Manhattan's software across the 14 trading divisions.

"Manhattan's warehouse management system is already providing the foundation stone for Foschini's supply chain transformation," concluded Jan Tukker. "We are looking forward to developing our partnership as we grow."