

Moving Fashion Forward

THE FOSCHINI GROUP

Top South African Fashion Retailer Foschini Group Goes a Step Further in Meeting Customer Demand with JDA Software

Foschini Limited Fast Facts

Industry
Specialty Retailer

Headquarters
Cape Town, South Africa

Description
As a South African investment holding company with a core focus on retail and financial services, Foschini consists of 13 trading divisions that include lifestyle products such as fashion, jewelry, accessories, cosmetics, housewares and sporting and outdoor apparel and equipment.

Revenues
7 billion Rand

Number of Employees
13,500

“Because of the number of stores and the number of different trading formats, technology plays a key role in the business. Foschini has been working with JDA for nearly nine years, based on seven separate installations of JDA’s merchandising system – one for each of its trading divisions. Today, all divisions are now running JDA Portfolio Merchandise Management for one version of the truth.”

- Brent Curry,
chief information officer,
Foschini Limited



Business Challenge

After expanding into Botswana, Swaziland and Namibia, Foschini realized that it needed sophisticated technology to enable targeted ranges for all of the company’s trading groups.

Business Solutions

- JDA[®] Allocation
- JDA[®] Portfolio Merchandise Management
- JDA[®] Size Scaling

Business Benefits

- More efficient, accurate distribution of products in the right mix of sizes to the right stores
- Reduced markdowns, leading to increased profits
- Increased customer satisfaction
- Improved data accuracy, resulting in “one version of the truth”
- Improved ability to meet local demand, positively impacting the bottom line



Foschini's target fashion market ranges from the budget-conscious to the top-end fashionista. After expanding into Botswana, Swaziland and Namibia, the company realized that offering different, targeted ranges was vital to its success.

"It's a place where one size doesn't fit all," said Brent Curry, Foschini Group's chief information officer. "We have to cater to the differing clothing size requirements in different regions, and different ranges for the many market sector groups throughout the country. The weather also plays its part, with some areas of South Africa being extremely hot and dry, and other regions requiring clothing for wetter, cooler conditions."

The retailer also fosters competition between its trading divisions among its own market. For instance, Fashion Express competes mainly on cost, while Markham focuses more on quality. Donna Claire specializes in plus-size clothing, and

Foschini, which makes up around 45 percent of its R7 billion turnover, offers high-street fashion.

Solutions Hit the Mark for Diverse Business Divisions

Foschini has been using an integrated mix of JDA Software to help with the complex range planning for all of its trading groups. Given the immense spread of different cultures, living standards, lifestyles and financial constraints across South Africa, Curry acknowledged that range planning must be very sophisticated.

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Merchandise Management for one version of the truth."

JDA® Allocation is also being used by all of the major Foschini apparel divisions and JDA® Size Scaling was recently implemented in the 160-store Markham chain, with plans for another three retail divisions.

Exceeding Expectations

As the leading retail software provider, JDA was able to meet the exact needs of Foschini's business. Commenting on the solutions, Curry explained, "Foschini was the first company to test JDA Size Scaling in Markham, our menswear division, and it has exceeded our expectations. The software fills the major gap in addressing the size issue."

"Before, many stores suffered from selling out of certain sizes, but now we can provide the right mix of sizes to the



right stores. With 1,300 fashion stores throughout South Africa and with such large volumes of merchandise, we can't manage everything manually. In fashion retail, it is imperative to offer the right price in the right quantities at the right time," Curry added.

Curry sees markdowns as lost opportunities and lost profit. JDA solutions help plan ranges to meet local demand more accurately, positively impacting the bottom line.

"The average size of most stores is quite small, so it's critical that merchandise sizing is spot-on," said Curry. "There's simply not enough storage room to have spares of everything, nor do you want to have lots of unwanted sizes left at the end of the season."

Foschini's Baziel Barends, merchandise system executive, added, "JDA's Size Scaling solution measures sales patterns to see how demand for a particular size varies, and ensures that the right quantities for all sizes are delivered to the appropriate stores."

JDA: The Right Fit for Foschini

During the competitive selection process, SAP was very keen to help as it had recently acquired a retail technology software company. Oracle was also considered. But neither of these vendors were able to meet Foschini's exact requirements. JDA was able to tailor its solution and offer a beta release specifically for Foschini. The result? An effective product that meets Foschini's

business requirements. According to Curry, the extra effort at the beginning of the process has no doubt contributed to every release and implementation with no need for modifications.

"The level of support JDA provides has made all of our projects highly successful," said Curry. "The JDA team members are experts in their field and are always around if needed. We've also benefited a lot from being involved in the customer advisory groups and special interest groups (SIGs), giving us an added say in how we feel the software can help our businesses."

Focusing on the Customer Through One View of Demand

Prior to implementing the JDA solutions – on time and on budget – Foschini had 27 systems that required manual markdowns and range planning, without any access to real-time information on sales.

"With only one store, it's possible to manage with Excel, but with more than 1,000 it's impossible," said Barends. "It took us several months to profile stores. Now, thanks to JDA we have one version of the truth based on accurate data from one source."

With JDA Allocation, the company has been able to reduce markdowns.

"We've had a lot of success in clearing all of our lines, with more stock being sold out at full price – meaning more profit in retail," commented Barends.

JDA's Allocation solution automates and fully integrates with JDA Portfolio Merchandise Management and with the distribution center. Now Foschini can easily make adjustments to the stock required, and if necessary, change deliveries to meet demand.

By integrating the disparate systems into one JDA system, Foschini can now focus on the heart of its business – satisfying the customer.

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS), The Supply Chain Company®, is a leading provider of innovative supply chain management, merchandising and pricing excellence solutions. JDA empowers more than 6,000 companies of all sizes to make optimal decisions that improve profitability and achieve real results in the discrete and process manufacturing, wholesale distribution, transportation, retail and services industries. With an integrated solutions offering that spans the entire supply chain from materials to the consumer, JDA leverages the powerful heritage and knowledge capital of acquired market leaders including i2 Technologies®, Manugistics®, E3®, Intactix® and Arthur®. JDA's multiple service options, delivered via the JDA® Private Cloud, provide customers with flexible configurations, rapid time-to-value, lower total cost of ownership and 24/7 functional and technical support and expertise.

WEB	AMERICAS	EUROPE	ASIA PACIFIC		
www.jda.com	US	UK & Northern Europe	Singapore	Japan	Bangalore
EMAIL	+1 800 479 7382	+44 (0) 1344 354500	+65 6305 4350	+81 3 6418 1100	+91 80 4120 8506
info@jda.com	Canada & Latin America	France & Southern Europe	Australia	China	Mumbai
	+1 480 308 3555	+33 (0)1 56 79 27 00	+61 2 8912 7900	+86 21 2327 9400	+91 22 6770 3343

