

CUSTOMER SOLUTION CASE STUDY



Summary



Customer:
Edcon

Country or Region:
South Africa – JHB

Industry:
Retail

Company Profile:
Edgars Consolidated Stores Limited (Edcon) is the leading clothing, footwear, and textiles (CFT) retailing group in South Africa trading through a range of retail formats. Since opening its first store in 1929, Edcon, with more than 20,000 employees, has grown to 10 retail brands trading in more than 900 stores in Botswana, Lesotho, Namibia, and South Africa.

Business Situation:
The previous Edcon online procurement system was cumbersome and often created problems when employees attempted to order stationery and control stock levels. Edcon required a new improved online procurement system that would make ordering items far less complex, introduce better control measures and provide enhanced management control.

Technologies used:
Core:
K2.net Workflow
Microsoft SharePoint Portal Server 2003

D/B:
Microsoft SQL Server 2000
O/S:
Microsoft Server 2003
Development:
Microsoft .Net
Microsoft Visual Studio 2005

3fifteen develops an online procurement solution for Edcon

Situation

Edcon approached its Microsoft applications development partner 3fifteen to assist in developing an online stationery ordering, storing and warehousing facility that would assist its staff with online procurement of stationery, store bags and uniforms.

Previously, ordering was a manual paper-based process that led to a lot of confusion between stores in terms of accounting reconciliation. 3fifteen was asked to develop a solution that would automate the ordering process and also eliminate the manual reconciliation process. Edcon also required a solution that would offer better fraud detection control over its staff and suppliers.

Furthermore, Edcon required an online solution to manage and control the entire ordering process and needed a facility for the cost centre to verify and approve all transactions.

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Client Background

Edcon is the leading clothing, footwear and textiles (CFT) retailing group in South Africa trading through a range of retail formats. The first Edgars store was opened on 6 September 1929 in Joubert Street, Johannesburg. Since then, the company has grown to nine retail brands trading in over 700 locations in South Africa, Botswana, Namibia, Swaziland and Lesotho.

Edcon's retail business has, through recent acquisitions, added top stationery and houseware brands as well as general merchandise to its CFT portfolio. Defined by the target markets served, all business is structured under two divisions: Department Stores Division, including Edgars, CNA, Boardmans, Prato and Red Square, serving middle and upper income markets and Discount Division including Jet, Jet Mart, Jet Shoes and Legit, serving middle to lower income markets. Edcon Financial Services provides credit facilities and financial services products to the Group's 3.5 million active account customers.

Solution

The Edcon on-line Procurement system is now an online stationery ordering, storing and warehousing facility that also allows employees to select whatever stationery they require, as well as store bags and staff uniforms. The introduction of an online search facility has added to the on-line procurement system's enhanced ease-of-use.

The entire ordering process is far simpler to use and manage. All transactions are controlled electronically, starting with a Web browser to place orders, and followed by an e-mail facility to the cost centre where all orders are first verified and then approved. The online procurement solution makes ordering items far less complex, it has introduced better control measures and also provides enhanced management control.

By drawing on its understanding of technology and the Edcon business, 3fifteen's innovation team was able to develop and implement improvements to Edcon's internal processes and systems so as to enhance the returns on its e-business investment.

3fifteen had to conduct a thorough analysis of the previous on-line procurement system before recommending improvements. The consensus was to create a Web interface that is easy-to-use by employees who are accustomed to Internet Explorer. It was then developed and tested onsite by the 3fifteen innovation team.

The online procurement project was simulated as a proof of concept idea for three weeks before going live. Feedback was positive and the decision was made to implement the system on a countrywide basis.

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Colleen van der Decken
Edcon Business Integration
Manager

The screenshot shows a web application interface for 'My Orders'. At the top, there's a 'Create New Order Header' section with a table listing order details like Order Number, Date, Description, Business Unit, Status, Document Type, Source, Initiator Name, Exchange, and Total. Below this is a 'Create New Order' form with various input fields and dropdown menus for selecting order details, supplier, and requester information. The form is organized into sections for Order, Supplier, and Requestor details.

Figure 1: My Orders Page

The new online procurement system is operational countrywide and all processes and transactions are running smoothly. Fifteen has taken the concept of a dynamic e-business solution to a new level by providing continuous improvement and the means to institute changes on the fly. By its nature, e-business should be totally adaptable and sensitive to changing market conditions and requirements.

This system has automated the ordering process and also allows for spend tracking. It has eliminated the manual reconciliation process and allows for better control over suppliers. Furthermore, easy fraud detection of both employees and suppliers is now possible.

Benefits

Edcon has provided its staff with an online stationery ordering, storing and warehousing facility that also allows employees to order stationary and uniforms online. It has also introduced an online search facility that has added to the online procurement system's enhanced ease-of-use.

The entire ordering process is far simpler to use and manage as all transactions are controlled electronically, starting with a Web browser to place orders, and followed by an e-mail facility to the cost centre where all orders are first verified and then approved.

The solution has made the ordering process far less complex. It has introduced better control measures and provides enhanced management control.

Fifteen's innovation team has developed and implemented improvements to Edcon's internal processes and systems so as to enhance the returns on its e-business investment.

This new system has automated the ordering process and has enabled Edcon to track spend. It has eliminated the manual reconciliation process. Edcon has better control over its suppliers and can now easily detect fraud on both the employee and supplier side.