

# 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:**  
3fifteen develops and implements a Store Communications portal for Edcon to improve the communication between head office and its estimated 900 stores.

**Technologies used:**  
**Core:**  
Microsoft SharePoint Portal Server 2003  
Microsoft SQL Reporting Services

**D/B:**  
Microsoft SQL Server 2000

**O/S:**  
Microsoft Server 2003

**Development:**  
Microsoft .Net  
Microsoft Visual Studio 2005

## 3fifteen develops Store Communications solution for Edcon

### Situation

In 2004, Edcon made a strategic decision to standardise its e-commerce ICT infrastructure on Microsoft technology. With the help of Microsoft Gold Certified Partner 3fifteen, it implemented and integrated a standardised platform based on Microsoft Office System and Microsoft server software, including Microsoft Office SharePoint Server 2003, Microsoft Content Management Server, Microsoft Commerce Server, Microsoft Windows 2003 Server, and Microsoft SQL Server. The portal also uses K2.net workflow technology to automate complex accounting and budget approval processes that were previously managed manually.

Edcon approached its Microsoft applications development partner, 3fifteen, to develop and implement a Store Communications portal to improve the communications channel between head office and its estimated 900 stores.

Email communication was extremely inefficient and costly. Edcon required an easy-to-use, highly effective communication tool. There was a huge need for improved access to information; Edcon stores required a single view of events that was relevant to the specific store.

Furthermore, the solution had to provide Edcon head office with better control over tasks allocated to each store. Previously, there were challenges establishing whether or not store managers received specific communiqué. The portal had to incorporate a verification system whereby confirmable and non-confirmable circulars could be tracked.

The Store Communications portal had to incorporate a 'Golden Opportunities' section where customer suggestions and complaints could be posted. This would enable Edcon to react fast and efficiently to customer's needs, improving overall customer satisfaction.

The reliance on email and the lack of a mechanism to target specific groups resulted in a huge volume of emails and ineffective control over tasks allocated to specific stores. The result was that a flood of emails cause

### Client Background

Edgars Consolidated Stores Limited (Edcon) is the leading clothing, footwear, and textiles (CFT) retailing group in South Africa with a 31.4 per cent share of the CFT market. Listed on the Johannesburg Stock Exchange since 1946, Edcon is a multi-brand retailer with a dominant sub-Saharan footprint and stores in all major locations in South Africa, plus outlets in Botswana, Lesotho, and Namibia. It comprises the retail clothing and footwear chains of Edgars, Jet, Super Mart; homewares group Boardmans, and stationery and books chain CNA.

With a strong database of 4.1 million customers, Edcon has grouped its business into two broad divisions based on the target markets they each serve: the department stores division including Edgars, CNA, and Boardmans, which focuses on middle and upper-income consumers, and the Discount division, incorporating Jet and Super Mart, aimed at the lower-income market. The 2005 Markinor/Sunday Times Top Brands Survey rated Jet and Edgars the top two clothing retail brands in South Africa.

Since opening its first store in 1929, Edcon has grown to 10 retail brands trading in more than 900 stores. In 2002, Edcon began aggressively expanding through acquisition. It added top stationery and houseware brands, as well as general merchandise stores - including cosmetics, books, fashion, furniture, and household goods - to its CFT portfolio. It is still actively looking for new opportunities both in Africa and worldwide.

Edcon is supported by world-class IT and distribution systems, as well as efficient operating procedures. Edcon Financial Services provides credit facilities and financial services products to the group's 4.1 million cardholders. As a result of its successful business strategies, sales in the financial year to April 2006 rose 20 per cent to R16.31 billion (U.S.\$2.25 billion).

"These tools are unlocking efficiencies in processes and shaping the way in which we work. This technology is now the core of our business. I would not dare switch this off. It is entrenched in the way we work and what we have seen is only the Landing page for Store Communications Portal."

**Frank Pinto**  
Technology Executive Manager  
Edcon

## Solution

Moving to a standardised technology platform, Edcon strives to provide its customers with the right products and outstanding personal service. The company is also committed to creating wealth for the benefit of all stakeholders by keeping its cost base as low as possible.

These twin business challenges require an IT environment that is both robust and able to grow with the company, while guaranteeing enterprise-level integration and interoperability. Edcon requires a technology environment that offers excellent functionality, but which also provides highly efficient connectivity to overcome bandwidth constraints.

The interoperability between systems also hampered data integration, preventing enterprise systems from communicating and sharing business critical information. Furthermore, the numerous systems acted as a sizable hurdle to the rapid deployment of new applications, preventing the company from reacting quickly to changing market demands and opportunities.

In 2004, the company made a strategic decision to standardise its e-commerce IT infrastructure on Microsoft technology, in a bid to create the agile environment its business strategy required. With the help of Microsoft Gold Certified Partner 3fifteen, it has deployed a number of applications based on Microsoft Windows SharePoint Services that are accessible from the group's new enterprise portal.

Workflow software is a key technology component that helps ensure correct procedures are followed at all times. Many of the applications use K2.net workflow technology to automate complex accounting and budget approval processes that were previously managed manually—at the expense of efficiency and accuracy.

Versatility is the key strength of the company's technology strategy. To date, the company has deployed 12 applications that control business processes as divergent as wedding registries, finance, product quality assurance, and travel bookings.

The speed with which these new tools have been developed, coupled with the efficiencies they have brought to the group, have ensured that the company can meet its strategic objectives.

Employees are familiar with Microsoft applications and so they have adapted quickly to the new IT environment. Consequently, Edcon has bypassed expensive training fees and quickly realised tangible productivity gains.

Edcon has enjoyed rapid return on investment (ROI), low cost of development, and effective, group-wide communication. By making its IT infrastructure an integrated part of its business strategy, the organisation has a strong foundation on which to create and deploy new applications that boost operational excellence and meet the ever-changing demands of customers.

The Store Communications Portal offers staff access to key tools and applications that cover sales, stock availability, and customer complaints. It also reduces dependency on e-mail and bandwidth requirements.

With more than 900 locations across southern Africa, Edcon relies on clear and effective communications to run its business efficiently. Sophisticated supply chain management, coupled with real-time business management strategies, demand reliable and rapid communication between store managers, senior managers at head office, and shop floor workers. Without fast and efficient communication channels, business-critical developments can be overlooked, resulting in stores failing to recognise new directives. In many cases, this will have a direct effect on bottom-line results.

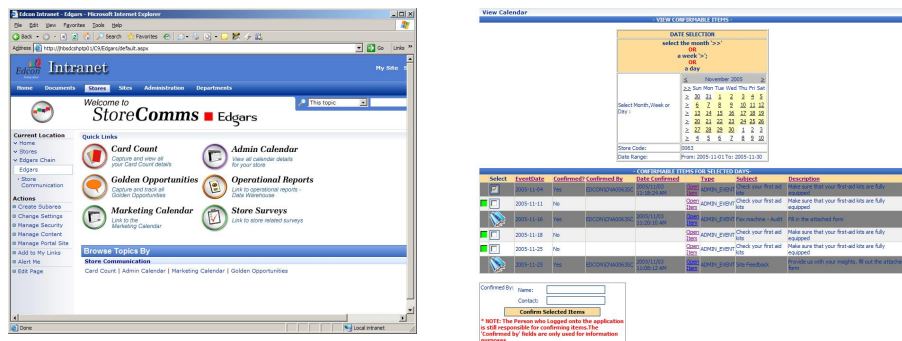


Figure 1: Landing and Confirmable Item Pages

Store Communications Portal has had a pronounced effect on efficiency across the group. The previous communications processes relied predominantly on e-mail based correspondence from multiple users at head office to all Edcon stores. This resulted in several challenges, including:

- Multiple e-mail messages containing the same information being repeated in numerous correspondences.
- The absence of a communications audit trail meant that important tasks were sometimes not carried out as people assumed other employees were handling a job.
- The flood of e-mail messages caused the server to become overloaded and communication channels were extremely ineffective.

Store Communications Portal was deployed to remedy these concerns by automating paper-based communications channels and helping to ensure correspondence was sent to and received by the right employees.

## Benefits

The Store Communications Portal is an easy-to-use, highly effective communication tool. With improved access to information, each store now has a single view of events that is relevant to the specific store.

Managers and administrators can create events and send to a specific store audience, in this case a fax machine audit. All these events are communicated with clear start, end, and recurrence details and there is a clear audit trail that ensures completion of each activity.

The solution also allows Edcon the following benefits:

- Better control over tasks allocated to each store - the portal has incorporated a verification system whereby confirmable and non-confirmable items can be tracked.
- A marketing calendar to remind stores when to start sales or display specific POS materials.
- Stock availability forms available for completion online.
- A "Golden Opportunities" feature helps ensure that customer complaints are logged online and dealt by head office within the appropriate timeframe.
- Reduced bandwidth charges because less e-mail communication is required.
- Increased productivity at store level because all communications are consolidated.
- More control over store operations, ability to track instructions communicated to stores.
- Improved access to information—each store now has a single view of events that are relevant to the specific store.
- Reduction in email traffic.