

iWeb
BPM 2013
SUMMIT



Doing things differently and better
ASCO Case Study – Creating Competitive
Advantage

By Robert Priebatsch and James Robertson

#ITWebBPM

Agenda

ASCO Case Study – Creating Competitive Advantage



1. Overview of the business
2. The challenge – overview of the situation before the investment
3. The opportunity – implementing a new ERP and Warehouse System taking a strategic view
4. The solution – highly structured Product Class, integration with Projects Module, custom software
5. The outcome – greatly improved brand management and other capabilities supporting profitable growth and competitiveness

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ASCO Case Study – Creating Competitive Advantage



1. Overview of the business



Overview of the business



1. Moderate size
2. Family owned
3. Imports and distributes fine fragrances and luxury cosmetic brands like Dior, Givenchy, Gucci, Dolce and Gabbana, Paco Rabanne, Carolina Herrera, Prada, Calvin Klein, Hugo Boss and others
4. To retail vendors like Edgars, Foschini, Truworths, Stuttafords, Woolworths, Dis-Chem and others
5. Prescribed service levels
6. Also provides a Brand Management Service closely allied with the distribution side of the business

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1. Overview of the business
- 2. The challenge – overview of the situation before the investment**

The Challenge



1. Old customized software grown with tight budget
2. Brand related costs managed with over 20,000 accounts in the General Ledger
3. Other aspects of Brand Management were manual
4. Tracking costs and reporting on many brands to multiple Suppliers was a major challenge

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The Opportunity



1. Integrated suite of ERP and Warehouse Management System purchased
2. Comprehensive workflow analysis undertaken but the project stalled
3. Restarted with a strong strategic and precision configuration focus (process maps shelved)
4. Tight project management
5. High level of executive custody
6. Brand management budgeting and expense allocation was a particular focus

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The Solution



1. Brand Hierarchy in the form of a highly structured Product Class
2. Highly structured fundamental product attributes
3. Intelligent Product Master maintenance
4. Rule based automated creation of Marketing projects
5. All of these components together have created a holistic and integrated intelligent information platform that has resulted in the business having a much stronger analytical focus, capability and culture
6. And supported growth and increased competitiveness

Product Category Custom Taxonomy



Custom Form -- PRO001 -- Product Category	
Code	Description
1.	FRAGRANCES -- CORE PRODUCTS
1C	Eau de Cologne
1P	Eau de Parfum
1T	Eau de Toilette
1Z	Other Frangance Products
2.	COSMETICS -- CORE PRODUCTS
2B	Body care
2C	Complexion
2E	Eyes
2F	Face care
2L	Lips
2N	Nails
2Z	Other Cosmetic Products
4.	BODY PRODUCTS -- CORE PRODUCTS
4A	After shave
4B	Body soap
4D	Deo stick and roll-on
4G	Shower gel
4L	Body lotion

Brand Hierarchy In the Product Class Tailored Structured Taxonomy



Code	Description
C...	COTY PRESTIGE
CC..	CHLOE
CCC.	CHLOE
CCCN	Chloe Narcisse
CD..	DAVIDOFF
CDC.	COOLWATER
CDCC	Coolwater
CDCD	Coolwater Deep
CDCO	Goodlife
CDCV	Coolwater Wave
CDCW	Coolwater Woman
CDCF	Davidoff - Game Feminine
CDCM	Davidoff - Game Masculine
CDD.	DAVIDOFF
CDDO	Davidoff - Silver Shadow Altitude
CDDS	Davidoff - Silver Shadow
CDDE	Echo
CDDW	Echo Woman

Custom code maintenance



Inventory and A&P Maintenance System

Brand Hierarchy (Product Class)

Inventory Take-On

- Stock Item
- ASCO Barcode
- Temporary Barcode
- Edit Stock Item
- Replace Temp. Code
- New Reference No
- Generate EAN
- Reports
- Logout

A&P Applications

- Bonding Job Receipt
- Bonding Job Posting
- A&P Budget
- Job Closure
- Budget Roll-up

EDI Applications

- Truworths Prod. Info.

Admin Menu

- Brand Hierarchy
- Expense Code Maint.

Hierarchy

- ⊕ M... - MAURER & WIRTZ
- ⊕ N... - ANNICK GOUTAL
- ⊕ P... - PROCTER & GAMBLE
- ⊕ Q... - LALIQUE
- ⊕ R... - SELECTIVE BEAUTY
- ⊕ U... - PUIG
- ⊕ X... - ALEXANDER MCQUEEN
- ⊖ Y... - YSL
 - ⊕ YB.. - YSL BEAUTE
 - ⊖ YF.. - YSL FRAGRANCE
 - ⊕ YFF. - FEMININE - YSL FRAGRANCE
 - ⊖ YFM. - MASCULINE - YSL FRAGRANCE
 - ⊕ YFM7 - YSL - M7
 - ⊕ YFMB - YSL - Body Kouros
 - ⊕ YFMH - YSL - L'Homme
 - ⊕ YFMJ - YSL - Jazz
 - ⊕ YFMK - YSL - Kouros
 - ⊕ YFML - YSL - Live Jazz
 - ⊕ YFMO - YSL - Opium pour Homme
 - ⊕ YFMR - YSL - Rive Gauche pour Homm
 - ⊕ YFMX - YSL Masculine - Ltd Eds
 - ⊕ YFMY - YSL Masculine - Sumr Ed
- ⊕ Z... - ERMENEGILDO ZEGNA

Product Class:

Custom data entry screen with custom taxonomies



Inventory and A&P Maintenance System

Edit Stock Code

Barcode: [Load Stock Item](#)

SKU Description:

Brand Hierarchy (Product Class):

Item Masters

Product Status:

Target Gender:

Product Category:

Sales Category:

Qualifier Stockcode:

Matching codes in unrelated modules provide logical integration



Hierarchies for Job: CY002009

File Edit Options Job Query

Hierarchy

- [-] CY002009
 - [-] Y - YSL
 - [+] B - YSL BEAUTE
 - [-] F - YSL FRAGRANCE
 - [+] F - FEMININE - YSL FRAGRANCE
 - [-] M - MASCULINE - YSL FRAGRANCE
 - [+] 7 - YSL - M7
 - [+] B - YSL - Body Kouros
 - [+] H - YSL - L'Homme
 - [+] J - YSL - Jazz
 - [+] K - YSL - Kouros
 - zE. - MEDIA
 - zE1 - Advertising Space
 - zE2 - Mailers
 - zE3 - Billboards / Outdoor
 - zE4 - Production
 - zE5 - Television
 - zE6 - Promotional
 - zE8 - Other Media
 - zE9 - Rec Consult Fee -Distribn
 - zH. - LAUNCH COSTS
 - zH1 - Travel & Accomodation
 - zH3 - Venue Hire
 - zH5 - Catering
 - zH6 - Joint Launch Cost
 - zH7 - Materials
 - zH9 - Other Launch Costs
 - zT - TRAINING

Getting the ERP to do what it supposedly cannot do

Other attributes redefined



Original Credit Note Reason codes

Reason	Description
01	Incorrect Price
02	Damaged Goods
03	Incorrectly Supplied

Strategically aligned Credit Note Reason codes

ReasonCode	Description
C.	ORDER CANCELLED
CC	Order Cancelled Credit Control
CS	Order Cancelled by Consumer
CT	Order Cancelled by Customer
D.	DAMAGED OR DEFECTIVE
DF	Defective Product
DM	Damaged Product
DP	Damaged Packaging
DT	Consumer Complaint
P.	PRICE ERRORS OR DISCONTINUED
PD	Discontinued
PI	Incorrect Price
S.	SUPPLY ISSUES
SD	Order Duplication
SF	Customer Non-Franchise Holder
SI	Incorrectly Supplied
SK	Overstock
SL	Late Delivery
SO	Oversupplied
SV	Not in Customer Inventory Master
T.	USED AS TESTER
TT	Used as Tester
Z.	OTHER
ZN	Not Known

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The Outcome



1. Improved expense allocation accuracy
2. Detailed ROI analyses
3. Increased competitiveness
4. Informed allocation of resources
5. Facilitated growth
6. New Distribution Centre a business necessity
7. Developed a highly analytical culture
8. Positioned ASCO as an industry leader in the management of information and therefore Brand Management in its category

The Outcome



9. Practices and ways of working (Processes) have changed and evolved in response to the new capability in an organic internally led manner
10. Flow from the improved decision making capabilities

Summing up



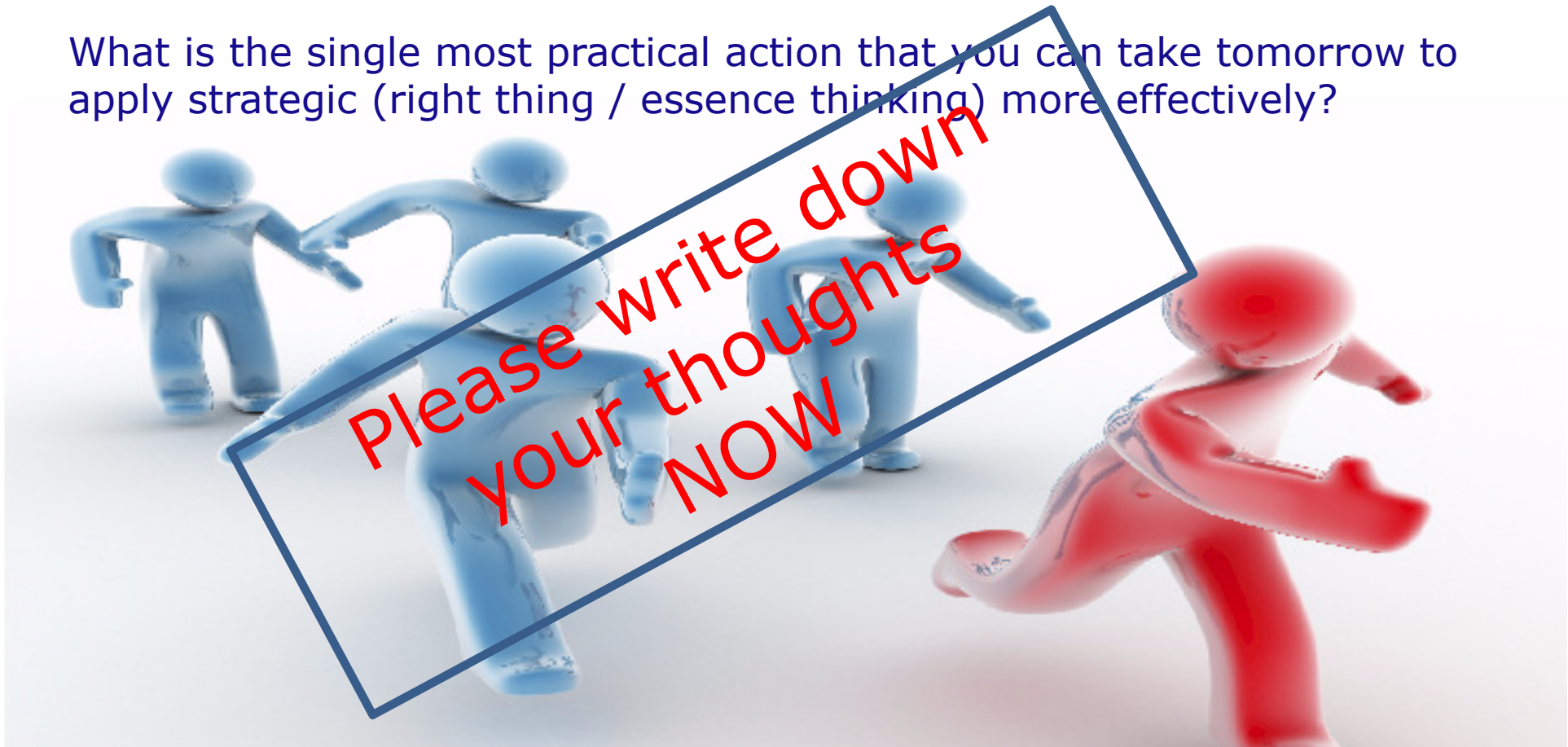
1. High level of Executive Custody (Robert)
2. High level of Strategic Facilitation (James)
3. Focus on creating a “strategic weapon”
4. Highly structured precision configuration
5. Limited scope business specific custom software leveraged the value potential of the configuration
6. Very substantial strategic benefits in terms of Supplier Satisfaction, competitive advantage and analytical ability
7. Have assisted ASCO to achieve significant growth

If you do not act within 48 hours you probably never will
Act TODAY! 😊



What is your single most important insight from this presentation?

What is the single most practical action that you can take tomorrow to apply strategic (right thing / essence thinking) more effectively?



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Questions?

THANK YOU

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