ACKERMANS

BUYING INTO THE VISION:
CREATING A PLM COMMUNITY AT ACKERMANS

CentricSoftware™

THE VALUES BEHIND VALUE

Ackermans is both the leading value retailer and a prominent fixture in the history of South Africa. Founded by Gus Ackerman in Cape Town – where the business is still headquartered – the company's focus has remained consistent for a century. Ackermans celebrated 100 years of "bringing value to life" in 2016.

Now part of the Pepkor retail group (which spans South Africa, Australia, New Zealand and Eastern Europe) Ackermans sells affordable styles for men, women, children and infants through more than 600 stores spread across Southern Africa.

SYNCHRONIZING INFORMATION

Although the company sells in Southern Africa, its buying, merchandising and sourcing operations are global. As Raynard Potgieter, Buying Director, explains, these had become impossible to manage in an informal, Excel-based environment.

"The work our buyers were doing was almost entirely on paper and in spreadsheets which created a great deal of unnecessary complexity and allowed a lot of errors to creep in," Potgieter says. "Since our communication with international suppliers was mainly based on email, we had no audit trail for information and it was becoming increasingly difficult to track the progress of a product through its lifecycle."

Slow communication and limited collaboration were also proving problematic elsewhere in the business introducing delays and affecting financial outcomes.

"A lack of visibility into key things like margins, exchange rate and supplier loading was causing us significant problems," says Renée Jain, Supply Chain Systems Manager at Ackermans. "To analyze our margins, for example, one team member would have to walk all the way around the building, collecting different spreadsheets in different formats, then attempt to re-collate, re-format and consolidate all that data into one big roll-up. That process could take two to three weeks and in that time the margins would have moved and the data would be already outdated."

Ackermans turned to PLM as a way of centralizing this critical information as well as to standardize and streamline buying and other processes - providing instant intelligence and allowing core teams to focus on productivity rather than administration.

"Ours were complex processes," says Jain, "and we needed a system structured and sophisticated enough to help our users to concentrate on what they do best, but also flexible in a way that would allow us to make it our own."

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AN EVOLVING STORY

Initially, Ackermans intended to develop its own in-house PLM solution but abandoned that idea when, as Jain puts it, "we realized that, after three years of development, we had built perhaps a quarter of what we really needed." Shortly thereafter, Ackermans began to evaluate PLM vendors, seeking the right balance of data centralization and configurability.

"We evaluated another vendor and while the software did exactly what it said on the box, we would never have been able to configure it to support our changing processes," says Jain. "And I really do mean changing processes; even after we made our selection and began implementation, we were still mapping out our PLM journey."

The flexibility to accommodate the fast pace of change of the fashion industry is one of the pillars of Centric Software's Agile Deployment™ methodology, which caught Ackermans' attention while attending an event celebrating the Silicon Valley-based vendor's expansion into South Africa.

"That event was the first time I realized what a highly-configurable solution could mean to a company like Ackermans that was still figuring out what PLM could do for us," says Jain.

Ackermans then invited Centric to conduct a further proof of concept demonstration, where local consultants configured the solution in less than 24 hours to showcase a "day in the life" of an Ackermans buyer working in PLM. "Our whole team was wowed by the fact that every screen was set out exactly the way we'd asked it to be," says Jain, "and it was clear that Centric PLM wasn't going to require our teams to change their ways of working but the solution could be quickly configured to fit our evolving needs".

Results

+ Complete digital transformation; all buying processes now take place within PLM

+ Margin calculations now take seconds, not weeks

+ Tenders produced in two hours, not two days

+ Automatic updates of exchange rates – even in-season

+ All supplier communication handled in PLM, with full auditing and accountability

GROWING INTO PLM

Ackerman's officially went live with Centric PLM in January 2016. Following a short pilot in its Infants Department, the solution was rolled out to all divisions six months later, with the implementation prioritizing, revisiting and perfecting critical processes in line with Centric's agile approach and Ackerman's evolving ways of working.

"It's always a challenge for us finding people that we can rely on and trust, but Centric's local consultants just made the implementation so easy," says Jain. "Their flexibility and their ability to make changes and have them ready the very next day, meant that we could actually grow into the system as it was being implemented."

CLEAR OUT PAPER AND ADOPTING DIGITAL TRANSFORMATION

Although Ackermans has quickly realized a range of benefits since going live with Centric, one of the most significant is what Jain refers to as a digital transformation.

"Before PLM, our buyers' desks would be piled high with files upon files containing printouts of Excel spreadsheets and emails and everyone had their own different ways of working," she says. "Now, working in Centric PLM, all of that information is standardized and digital: all our buyers are working inside the system and everything, from quoting and tendering to supplier communications, is in one place allowing us to cost accurately on the basis of clear, consistent information. Desks where you can actually see the desks might sound like a funny way to measure success, but that transformation has really been critical to our business strategy."

LIVING IN THE MOMENT, IN REAL-TIME

For Ackermans, the most significant result of this digital transformation is immediate access to business-critical information and insights that might once have taken days or weeks to analyze.

"I'm most excited about the way that Centric allows us to access information right away and that it aggregates that information without any manual intervention," explains Raynard Potgieter. "Combining Excel spreadsheets was time consuming and included a huge amount of scope for error, meaning that decisions being made were not based on accurate information. In Centric, a single button click gets us real-time intelligence that we can use to make informed decisions."

One example of the value of this in-the-moment intelligence lies in the aforementioned margin roll-ups, which once took weeks to assemble. "Today, we have views into the same information that are online and immediate," says Jain. "Any changes a buyer is making now, this second, are reflected in those roll-ups with no delay, giving us information that everybody can rely on."

Similar reductions in time spent manually extracting and updating information were realized in Ackermans' international supply chain operations. While the company sells its products in South African Rand, it sources in other currencies, making it prone to in-season fluctuations in exchange rates. Before PLM, Ackermans' buyers would spend up to a week re-calculating costs to account for these changes in the foreign exchange market, whereas today that same information is pulled live into Centric PLM, and costs and margins are adjusted automatically.

With the ability to communicate with suppliers on a style by style basis, the time it takes Ackermans' buying team to produce tenders has also been reduced from two days to two hours. And at the same time, much larger bottlenecks have also been eliminated elsewhere in the company's operations – notably planning and purchase order management - reducing stress on internal teams as well as suppliers.

FOCUSING ON THE FUTURE

Beyond raw results, Ackermans and Centric Software both believe strongly in forgoing long-lasting partnerships. With the solution now live in all departments, Jain cites Centric's work ethic and hands-on approach as being instrumental to the success of the project.

"The people Centric had on the ground with us delivered what they promised, within the project timelines, with go-live achieved the day it was originally scheduled."

Ackermans is now looking towards the future, targeting extending the project scope to include Centric's suite of mobile applications to deliver the next stages of its vision for value. "Working with Centric gives us the ability to develop better product, to better serve our customer and to scale the business for future growth," says Potgieter.

Challenges

+ Paper and spreadsheet-based processes with no audit trail

+ No standardization between processes and departments

+ Time-consuming manual administration, resulting in outdated information

+ Complex balancing of foreign currency exchange rates

+ No real-time communication with suppliers, leading to inaccurate costing

ABOUT ACKERMANS

The Ackermans story goes back as far as 1916, when Gus Ackerman opened the first store in Wynberg in Cape Town. His vision for the store was to create a place where customers could find great products at fantastic prices, which is exactly what Ackermans became. Ackermans was, subsequently, bought by the Pepkor Group in 1986.

Today, there are more than 600 Ackermans stores in 5 countries, making us a leading value fashion retailer for the whole family – continuously setting the standard for value and affordability. With a wide selection of fashion for ladies, kids, babies and men, as well as homeware, cellular and key financial products, we'll keep bringing value to your life every day.

ABOUT CENTRIC SOFTWARE

From its headquarters in Silicon Valley and offices in trend capitals around the world, Centric Software builds technologies for the most prestigious names in fashion, retail, footwear, luxury, outdoor and consumer goods. Its flagship product lifecycle management (PLM) platform, Centric 8, delivers enterprise-class merchandise planning, product development, sourcing, business planning, quality and collection management functionality tailored for fast-moving consumer industries. Centric SMB packages extended PLM including innovative technology and key industry learnings tailored for small businesses.

Centric Software has received multiple industry awards, including the Frost & Sullivan Global Product Differentiation Excellence Award in Retail, Fashion and Apparel PLM in 2016 and Frost & Sullivan's Global Retail, Fashion and Apparel PLM Product Differentiation Excellence Award in 2012. Red Herring named Centric to its Top 100 Global list in 2013, 2015 and 2016.