



## FRENCH CONNECTION

# SAP FOR RETAIL HELPS FASHION COMPANY UNDERSTAND AND ANTICIPATE CUSTOMER BEHAVIOR

“SAP for Retail gives French Connection the ability to get the right product to the right store at the right time and at the right price.”

**James Blice**, Head of Change Management,  
French Connection Group Plc

### QUICK FACTS

#### Company

- Name: French Connection Group Plc
- Location: London
- Industry: Retail
- Products and services: Branded fashion clothing for women, men, and children
- Revenue: US\$503.1 million
- Employees: 2,000 (United Kingdom); 3,000 (worldwide)
- Web site: [www.frenchconnection.com](http://www.frenchconnection.com)

#### Challenges and Opportunities

- Improve management of fast product introductions and rapid stock turns
- Support growth
- Enable more transparent information
- Support brand repositioning
- Accommodate company expansion by providing template for fast rollouts

#### Objective

Install solution to understand and anticipate customer behavior in fast-moving fashion industry

#### SAP® Solutions and Services

- SAP for Retail solution portfolio
- SAP NetWeaver® Business Intelligence component
- SAP® Central Process Scheduling application by Redwood

#### Implementation Highlight

Rolled out software quickly and smoothly

#### Why SAP

- Single solution supporting all stages of growth
- Multichannel capabilities for retail and wholesale
- Multicurrency capability

#### Benefits

- Stable and consistent reporting
- Fast, easy access to sales, financial, and inventory information
- Comprehensive support for all business owners
- Ability to understand and anticipate customer behavior
- Lean IT staff
- Template for rapid rollout of new businesses

#### Existing Environment

Custom-developed legacy system

#### Third-Party Integration

- Database: DB2
- Hardware: IBM i5 platform
- Operating system: i5/OS

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**SAP Customer Success Story**  
Retail – Branded Fashion Clothing



French Connection Group Plc is “fashion forward” – it stays ahead of the pack with its branded clothing for women, men, and children. The company grew explosively with its FCUK logo; now it’s repositioning itself. The SAP for Retail solution portfolio has been there every step of the way – helping French Connection manage growth, operate effectively as a larger company, and now retune the brand.

That’s in the face of daunting competition. “Entry level ‘disposable’ fashion brands have exploded in the United Kingdom and Europe,” says James Blice, head of change management at French Connection. “We are a full-price brand. Our challenge is to maintain the customers’ interest and our profitability and growth. Customers have more choices than ever. We need to get fashion to our customers quickly and turn stock fast by creating new looks that generate excitement and repeat purchasing.”

The key is to understand and anticipate customer behavior. French Connection uses the SAP® retail software and the SAP NetWeaver® Business Intelligence component to analyze nightly store sales from POS systems and wholesale, production, and warehouse data from a legacy system.

“We are now able to look at who is selling what, when, where, and how much – along with margin and profitability – with complete confidence in the data,” says Claire Joel, IT development manager at French Connection. “The

retail business has complete visibility across the entire supply chain, from purchasing to what’s in the warehouse and stores. This has been quite an eye opener.”

With open eyes, companies make better decisions. Reports generated in SAP NetWeaver Business Intelligence are read daily across French Connection – by the CEO, the head of retail, the finance controller, as well as retail merchandisers and stock controllers.

“SAP software has given us an understanding of our business,” Joel says. “We can collect data and analyze it; for instance, how one style is performing across Europe. This allows us to anticipate customer need and replenish store merchandise based on what is selling. We also use this market insight to anticipate customer demand for the next season, enabling more accurate buys. The retail arm now has the tools it needs to make decisions that will get customers into the stores.”

When they get there, customers can be confident that they will see something

they want to buy. “SAP for Retail gives us the ability to get the right product to the right store at the right time and at the right price,” Blice says.

### **Powerful Solution Enables Small Team**

SAP for Retail supports French Connection’s European business in the United Kingdom, Ireland, France, Germany, Spain, and the Nordic countries. The focus is on financials; sales, purchasing, and stock visibility; and inventory allocation and reporting. This involves 113 stores, 800,000 SKUs, 750 to 1,000 styles per store, and 250,000 transactions in total during an average month. Processing the data and generating the reports is enabled by the SAP Central Process Scheduling application, which acts as a workload automation broker, providing unattended management of the business-critical processes, interfaces, and data.

That means a few people can do a lot of work. “We are an incredibly small IT team here,” Joel says. And small teams

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Claire Joel, IT Development Manager,  
French Connection Group Plc



move fast. French Connection recently brought its TOAST brand onto SAP for Retail. “It went remarkably smoothly,” says Joel.

That’s another one of the SAP software’s strong suits. SAP for Retail gives French Connection the flexibility it needs to manage multiple brands and retail operations across different geographies.

“Once you’ve got your organizational design confirmed, you can move quickly,” Blice says. “It’s all about understanding your internal business processes and design. Then it’s easy to put them into SAP for Retail.”

London-based French Connection plans to connect its U.S. offices to SAP for Retail. It has also been reviewing the SAP Merchandise and Assortment Planning application and is part way through an implementation of the SAP NetWeaver Exchange Infrastructure component. “SAP NetWeaver Exchange Infrastructure will streamline the transfer of data between our electronic point-of-sale system and SAP software,” Joel says.

She then concludes, “SAP for Retail has given us a platform to consolidate systems and information and install uniform practices so we can move our business initiatives forward quickly. SAP for Retail is central to our operations and our ongoing business strategy.”



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