

CASE STUDY

Client:	Clarins South Africa
Business Partner:	Unisource Software
Product/Software:	Sage Line 500 and Sage BI
Operating System:	Linux for Sage Line 500, SQL for Sage BI
Database:	Informix
Number of users:	16
Country:	South Africa
Date:	2007

Client Profile

Beauty specialist and cosmetics house, Clarins South Africa, is not only a leading provider of skincare products, fragrances and full body Clarins Institut treatments. They are also at the cutting-edge of technology using it to effectively manage their complex distribution and retail business in South Africa.

For nearly a decade Clarins has built a thriving South African business with its premier brands Thierry Mugler and Loris Azzaro. In March 2005, Clarins South Africa became part of the global Clarins family by opening the very first Institut Clarins in Africa, further strengthening their position and broadening the local offering. Adding to an already complex business model, the technology supporting this R150 million retail business subsequently became even more important.

The Challenge

Clarins needed a robust accounting system that could integrate with its retail customers' electronic interchange facility to accept and process orders. It needed custom development of an Electronic Data Interchange (EDI) interface and barcoding system. There was also a requirement for a Business Intelligence (BI) module that would enable Clarins to update sales and financial information in a manageable and concise format, whilst drilling down into the various product brands when necessary.

The Solution

Perry Naidoo, FD, Clarins, explains the main criteria for their decision to go with a Sage solution, "We wanted a robust accounting system and Sage Line 500 was the obvious choice for us. Aside from its international pedigree; Sage Line 500's scalability and availability on Linux, our chosen platform; the flexibility to tailor it to local conditions; and the support from Softline Enterprise and its business partner, Unisource, all made a difference. The product also goes beyond accounting and provides us with a complete business management solution."

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Naidoo says Clarins uses the majority of the modules running on the Linux platform with IBM's relational database management system, Informix. The company also purchased software modules to handle EDI and BI.

The upgrade to Sage Line 500 from Tetraplan took place over a weekend and was seamless according to Naidoo. Two months after implementation the system is stable and running well. The EDI interface, developed locally by Unisource, is a very necessary and successful component of the Clarins solution whilst the BI module, a first for Linux and Informix in South Africa, has given Naidoo the ability to have the business at his fingertips.

The Benefits

Electronically connecting the supply chain

Naidoo says that it was important to implement a solution that enabled Clarins to seamlessly integrate with a retail EDI system. As a supplier to most major retailers in South Africa Edgars, Woolworths, Foschini and Truworths among them Clarins is required to take orders through an electronic interchange facility called Atlas. The orders are electronically uploaded and created on the Sage system at Clarins' head office. Picking slips are then generated and automatically printed at the warehouse, which is situated 20km from Clarins' head office.

Making use of a scanning solution developed by Unisource, the warehouse can now scan the picked items utilising individual product barcodes and confirm the scanned orders. Naidoo says this has eliminated unnecessary finger problems and has increased the speed with which orders are despatched. Once the order has been confirmed it is invoiced and, where necessary, an electronic invoice is then created and sent via the Atlas mailbox. There is the additional option of creating an order confirmation before the invoice is raised to ensure the order has indeed been placed and it is correct. Naidoo says that Clarins now also has the ability to send a customised product list to eliminate the problems previously caused where customers placed orders for items that they were not allowed to sell.

"The solution is a great example of international prowess and local smarts. The development done by Unisource has enabled Clarins to get that much more from its Sage Line 500 solution. It is integral to our business and that of our retail customers," comments Naidoo.

Doing business intelligently

The Sage BI module chosen by Clarins has several advantages for Naidoo. From an administrative perspective he says Unisource developed reports within the BI module that comply with Clarins' international requirements. "At a managerial level we analyse and monitor each brand and its local success. This reporting encompasses the full spectrum of brand management from analysis of sales per product to sales per store nationwide, as well as monitoring the brands in terms of actual marketing spend versus planned," explains Naidoo.

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He says that it is very important to effectively manage the investment made in the various products that fall under Thierry Mougler and Loris Azzaro. Using Sage BI, brand managers are now able to look at a dataset from different angles without the cumbersome process of running multiple reports to get to the same result. “These reports can analyse and monitor the entire Thierry Mougler brand for example, or can drill down into the Angel range and look at its individual brand performance,” says Naidoo.

From a Clarins management perspective, Naidoo says he can have month-end packs ready one hour after the closing period. He says the reporting is also paperless and that he no longer has to provide reams of management information that nobody reads.

Being able to see into the future is a big plus for Clarins. Their promotions are planned at least two years in advance and, using Sage BI, they are now able to get a very quick and accurate handle on which stores are returning promotional items and understand why this is happening. Furthermore they can analyse what the market responds to well, and thus plan any future promotions differently.

“I guess this is one of the most powerful things about Sage BI. It enables Clarins to analyse future periods, which dramatically impacts the development of products and how Clarins responds to the market,” says Naidoo.

The Future

Although Naidoo does not consider himself to be a technology guru he certainly has a firm grasp on what can be achieved, “I am not involved in running the system on a day-to-day basis, but the operation continues to run smoothly. I know of cases where Sage Line 500 servers experience no down time , so I am not a worried man at all.”

Having laid firm technology foundations, Clarins together with Softline Enterprise partner Unisource, will continue to develop and evolve their Sage solution. “Mobility is another area of interest for us, so we will just keep pushing the boundaries of what technology can do for us both in the office, on the road and within our customer base,” concludes Naidoo.