

Doing things differently and better
ASCO Case Study – Creating Competitive Advantage
By
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1. Overview of the business – marketing and brand management

African Sales Company is a moderate sized family owned business that imports and distributes fragrances, perfumes and related products. They also provide a brand management service to their suppliers and distribute fine fragrances and luxury cosmetic brands like Dior, Givenchy, Gucci, Dolce and Gabbana, Paco Rabanne, Carolina Herrera, Prada, Calvin Klein, Hugo Boss and others to retail vendors like Edgars, Foschini, Truworts, Stuttafords, Woolworths, Dis-Chem and others. ASCO does this with prescribed service levels aiming at 98% fill rates and three day delivery times from receipt of EDI orders to goods being available at retail points.

In order to understand the business it is vital to understand the close juxtaposition of brand management and distribution.

2. The challenge – overview of the situation before the investment

The challenge that gave rise to this project was an old customized software suite that had grown with the business on a tight budget. The accounting with regard to brand related costs was handled by more than 20,000 accounts in the General Ledger. Other aspects of Brand Management were manual. Tracking costs and reporting on many brands to multiple Suppliers was a major challenge.

3. The opportunity – implementing a new ERP and Warehouse System taking a strategic view

A point was reached where a new system was required and an integrated suite of ERP and Warehouse Management System was purchased. Initially a comprehensive workflow (process) analysis was undertaken but the project stalled. The project was then restarted with a strong strategic and precision configuration focus with tight project management and successfully brought to completion – the process maps were left on the shelf.

During the project it was identified that areas of the business that would benefit from a new approach – particularly relating to brand management expense allocation and a custom solution was conceptualized, designed, built and implemented in order to maximize the effectiveness of brand management.

4. The solution – highly structured Product Class, integration with Projects Module, custom software

The total strategic solution comprised:

- a. The Brand Hierarchy – a highly structured Product Classification of all products linking from Suppliers down to individual Brand Lines – this created a high value logical information platform that underpins every aspect of brand and business management;
- b. A selection of fundamental highly structured custom product attributes that have opened up diverse strategic intelligence and analytical opportunities;
- c. Intelligent Product Master maintenance that draws on the intelligence in the Brand Hierarchy and attribute lists to ensure that default values are cascaded down the hierarchy so that new product take-on generates high quality intelligent data that impacts every aspect of system operation and management information;
- d. Rule based automated creation of Marketing projects linked directly to the brand hierarchy coupled to a highly structured cost taxonomy provided a comprehensive framework for Brand Management information. This custom functionality, based on knowledge of the codes, opens the door for convenient and powerful marketing planning, cost analysis and reporting;
- e. All of these components taken together have created a holistic and integrated intelligent information platform that has resulted in the business now having a much stronger analytical focus, capability and culture.

5. The outcome – greatly improved brand management and other capabilities supporting profitable growth and competitiveness

Taken together this capability improved expense allocation accuracy, allowed detailed ROI analyses, increased competitiveness through informed allocation of resources, facilitated growth and stimulated profitability in significant measure through the investment in strategic precision configuration and associated custom development. This capability assisted ASCO to grow significantly, take on new accounts and reach a point where a new distribution centre became a business necessity such that a new warehouse is currently in the design phase.

Associated with this capability has been the development of a highly analytical culture which has positioned ASCO as an industry leader in the management of information and therefore Brand Management in its specialized category.

It should be noted that as a consequence of the development of these capabilities there have been further changes to practices and ways of working (processes) which have flowed organically from the original analysis and decision making capabilities.