

Crew Clothing's order management solution

Crew Clothing Co. is just one of the many fashion retailers that slowly expanded into multi-channel marketing and then reached a point where its electronic point-of-sale (epos) and fulfilment infrastructure could not efficiently cope with the volume or complexity of its direct orders. As a consequence it had to adapt its retail system to simultaneously manage and integrate operational and customer data across all channels.

Established in 1993 in the South Devon coastal resort of Salcombe, Crew Clothing today has 36 UK stores, wholesale arrangements with John Lewis and 100 other retail independents, concessions in both the UK and abroad and plans for additional international expansion—no mean feat for a privately owned company. Now based in a 40,000-sq-ft operations centre in Earlsfield, London, the company employs more than 400 staff and has established itself as one of the preeminent British classic casual brands.

The problem

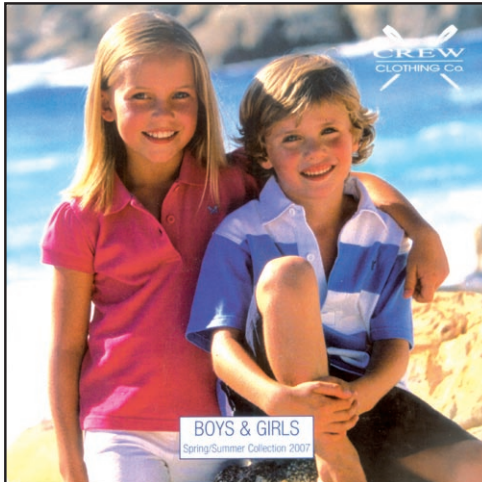
Crew's first steps into multi-channel were very modest. In 1995 the company launched a catalogue that was no more than a pamphlet with line drawings. Four years later it launched a transactional website. Both the print catalogue and the e-commerce site initially accounted for only a small proportion of Crew's total revenue.

But the widespread adoption of broadband in the UK coupled with consumers' growing trust in online purchasing changed all that. Most of Crew's 250,000 customers are cash-rich, time-poor professionals—among the earlier adopters of broadband and e-commerce—so direct orders started to soar. It was then that Crew's order-taking and distribution operations experienced more and more difficulties in providing acceptable levels of customer service. Given that Crew's customer base has high service expectations, the company couldn't afford to alienate them by falling short here.

"We had got to the point where this growing part of the business represented a major opportunity," said Crew operations director James Pascoe, "but we were not getting any economies of scale. In fact quite the opposite was true: As the scale of the direct channel grew, managing it with our existing infrastructure became increasingly difficult and labour-intensive. All the steps in our processes were more complicated and manual than they needed to be, so it quickly became apparent that significant changes to our IT infrastructure were going to be required".

Crew's retail network relied on Futura, an epos-based retail fashion software that provided good store functionality but little in the way of direct-to-consumer functions.

What's more, Futura was not integrated into the Crew website, so the company had to employ a team of full-time staff to print out online orders and manually input them into the system as if they were retail sales. Not surprisingly, this expensive, time-consuming process led to fulfilment delays. And as volumes and enquiries continued to rise, so did the costs and the problems.



Making matters worse, tracking the direct orders was almost impossible. As there was no order status or any other background information available via the software, the staff could only tell customers that their orders had been placed on the system. Even something as basic as sending despatch email confirmations to customers could be done only on a manual basis, if at all.

On a wider front, the lack of data meant that Crew could not generate reports on the efficiency of its direct operations. "Even simple things like quantifying fulfilment times was impossible for us," Pascoe said. "We knew anecdotally that our service levels weren't as good as they should have been, but there was no management reporting to help us pinpoint problem areas." By 2005 the company knew that it had to take action.

The solution

First Crew evaluated whether to undertake some bespoke work to integrate its epos system with its website; after an external review the company concluded that it would obtain far greater benefit from finding an order management solution (OMS) that could be used as a hub to overcome the problems of epos/website integration. Given that Screen Pages, its web provider, had already collaborated with fulfilment software provider MNP in developing a robust, scalable solution that worked very smoothly

for larger companies, Crew decided to go with MNP for its OMS.

"We were already going to have a reasonable challenge on our hands trying to integrate our Futura software with whatever mail order software we chose," Pascoe noted, "so we didn't really want to try to attempt reinventing the wheel to integrate a web application as well. The package of MNP's OrderActive solution and Screen Pages was therefore very attractive".

Crew implemented the order management system last year. Since then the company has significantly reduced fulfilment times and is now able to devote more energy to helping customers with preorder queries rather than dealing with customers chasing up deliveries. It has also been able to reduce the number of telephone operators by more than 50 per cent. While the increase of web orders as a portion of overall sales accounts for some of this ability to cut back on phone staff, another reason is the system's automatic generation of email communications to keep customers informed of order status or any delivery issues.

"Our challenge was that we needed to create accurate and synchronised data flows from retail transactions and direct order transactions to create a single customer-level history on our centralised database," Pascoe said. "This would then be made available on a daily basis to each sales channel".

Not only is Crew managing its customer relationships more effectively, but better management reporting has also enabled it to streamline its fulfilment operation through service level agreements and key performance indicators that track every aspect of the order and fulfilment cycle.

This improved efficiency has provided Crew with the confidence to further expand its direct order operations. It now produces 12 catalogues a year and has just launched a children's catalogue. "Over the last year we have been able to benefit from a multi-channel strategy that has helped Crew achieve substantial double-digit growth," Pascoe said. "One of the major contributors has been our direct business, which we have grown by well over 50 per cent. This has been achieved without increasing our headcount, so the efficiency and profitability of this part of our business has substantially improved." ■



James Pascoe
Crew Clothing operations director