





Some of the benefits will be difficult to measure. As Pierre observes, "Lakeland's business is very seasonal especially around Christmas. You only need Delia Smith to mention a product on TV for there to be a sudden deluge of orders. How do you place a value on being able to confidently manage customer relationships when the supply chain is being stretched?"

One of the other key areas that will represent a significant change for Lakeland Limited is how they use the new system to manage demand. Better quality customer data will feed an in-built 'RFM' tool and put Lakeland Limited in a much better position to model and segment customer data and to improve the responsiveness of their marketing programmes. This in turn will enable them to deploy their resources more effectively by managing the optimum mix for each of their sales channels.

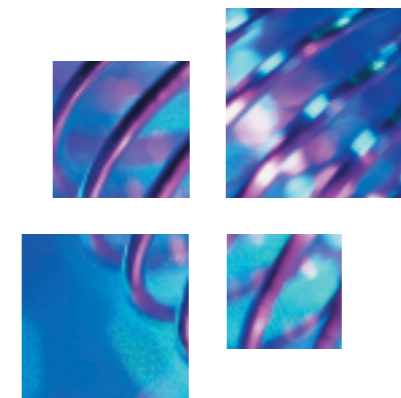
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Already a new warehouse is being planned - indeed the new order management system has been future proofed to cope with a doubling of capacity. The real time environment means that irrespective of future volume, orders now hit the warehouse within seconds - this helps reduce the potential for backlogs and will help Lakeland Limited keep on top of delivery timescales.

As Sam concludes, "Lakeland's challenge has been to retain the values of a family business while maintaining high levels of growth. This means that we have had to ensure that each of our business processes helps exceed our customers' expectation. MNP have designed and delivered an order management system which will provide us with an even better platform to apply our core business philosophy - look after the customer and the business will look after itself."

Many other businesses have the same ambition - Lakeland's secret is that they have turned ambition to reality.

Lakeland Limited a case study



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Ask Sam Rayner, MD of Lakeland Limited, the secrets of their sustained growth and he will tell you that there are no secrets. Dig a little deeper and you first notice that they have totally engineered their business to please their customers at every touchpoint. This is reciprocated by customers who feel as if they belong to a club in which they are encouraged to express preferences and suggest ideas for new products.

As a major mail order and retail supplier of 'creative kitchenware' it may sound a bit obvious, but it has provided the platform for year-on-year growth of 10-20%. Forty years after the company was first founded, they employ 1500 employees, generate thousands of orders per day and have a portfolio of 4000 product lines which now includes product ranges for the home environment.

This customer centric business management philosophy is evident across a range of measures.

Customer communications are relevant and timely. Currently, over 13 seasonally based catalogues are produced every year and mailed to a worldwide customer base of over one million households many of whom shop through their web site. There are no prize draws, competitions or any other gimmicks - just honest, straightforward product descriptions.

Suppliers are encouraged to innovate and develop new products which are thoroughly tested by Lakeland Limited. All products have an absolute guarantee which provides for a full refund without the customer needing to return the faulty item.

Many of their lifelong customers prefer to 'talk to somebody' and for telephone orders they employ a team of Customer Service operators who can offer friendly advice or information on all of their product range. As Sam says, "Great customer service is free".

Customers can shop from their growing network of 30 retail stores which apply the same level of 'customer first' principles.



Whether by mail, web or telephone all customers are guaranteed a rapid delivery of their order. Stand above the gantry in their 80,000 sq. ft. distribution centre in Kendal and you sense a well organised and efficient operation in which a relentless flow of orders are automatically loaded for despatch.

The list could go on but this modus operandi engenders mutual loyalty with customers, staff and suppliers - a series of interlocking 'virtuous circles'.

One of their other key strengths is their attitude to risk. As a family owned company they clearly want to minimise risk but seem prepared to be more innovative and open to new thinking than other organisations that have shareholders to satisfy. Sam comments, "If businesses always offset risk they sometimes end up with solutions which provide little competitive advantage".

For Lakeland Limited, customer management and risk management collided in 2004 when they faced a decision which could have potentially undermined the whole of their business.

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At the heart of their systems they had been successfully using PROPHIT order management software. As Sam comments, "This was an exceptionally stable, scalable and reliable system which had provided us with excellent service for more than 15 years - PROPHIT owed us nothing".

However, Lakeland Limited had recognised that for the sake of their staff they needed to move to a Windows environment and also wanted to add to the systems functionality. Understandably, there was a degree of nervousness about making changes from a proven system. In the end they had little choice but to take action following the announced withdrawal of support for the HP system architecture running PROPHIT.

Not surprisingly, Lakeland Limited asked the existing software support suppliers of PROPHIT to propose a solution and they also explored an in-house developed option - but the scale of the task could not be completed with the available resources or within the required timescales.

What was required was a 'best of breed' solution which had to integrate with other recently acquired warehousing, web trading and epos systems. By any measure this was a complex and demanding project where both the opportunity and risk were considerable.

On top of Lakeland's list of required functionality was a system which holistically managed in real time the whole cycle of order management and crucially linked together each sales channel. As Sam comments, "Over the past few years, our retail network and online store have grown very rapidly alongside our traditional mail order business. As a multi-channel retailer, the management of stock availability is absolutely critical in ensuring we can immediately satisfy customer orders irrespective of their source".

So what were the other key items on the ITT sent to most of the UK's leading order management suppliers?

As PROPHIT was character based, there were a range of improvements which Lakeland Limited now wanted to incorporate into their new system. PROPHIT's command line system meant that operators had to finish each part of the process before starting a new task. So Lakeland Limited required a more flexible, intuitive system which enabled the customer service team to access a complete range of customer information and have a more natural interaction with the customer.

Product imaging was also required to assist the Customer Service team deliver a better service. Simple requirements such as e-mail addresses and multiple telephone numbers needed to be added to the customer's contact record. In addition, a whole new level of 'what if' customer functionality was needed to handle domestic UK requirements as well as the ability to cope with multi-currency, multi-language and multi-tax requirements for web trading and future plans for international expansion.

The system also had to be very user friendly. "It's easy to underestimate the amount of expertise and knowledge that a business accumulates by working with a system for 15 years. When you migrate to a new system you instantly lose this comfort zone - and change is difficult to introduce unless the new system is easy to use and the benefits are real and immediate" comments Sam.

Lakeland Limited eventually chose MNP as their supplier for the project. Although cost and the existing functionality of MNP's software was important, it was MNP's fit with their business and their operational flexibility that was crucial - factors which underpins all of Lakeland's supplier selection.

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However, as Sam comments, the choice of MNP represented a risk. "MNP had established an excellent track record and were growing quickly. On the one hand we were concerned whether they had sufficient additional resources to handle the scale, complexity and importance of this project. On the other hand, we instinctively felt that their in-depth knowledge and expertise of wrapping their software around many different direct commerce businesses would result in a very worthy replacement for PROPHIT."



A year and a half later - after a series of intensive development and testing phases - Lakeland Limited finally switched off PROPHIT and successfully went live with MNP's system.

So what will be the major advantages to Lakeland from their new system? At the moment, it's far too early for them to measure the impact on their business but Pierre D'Arbost, MD of MNP provides some early clues on where they are likely to benefit.

"There are some obvious quick win benefits for Lakeland. During the testing phase, our system reduced average order taking time by about 20%. It also reduced the system training for new members of Lakeland's Customer Service team from 6 weeks to less than 2 weeks. This will have major benefits for a 24 hour operation that employs 200 staff taking an average of six product lines per order. Interestingly, many of the operators have provided good feedback on how the system provides for greater interactivity with the customer". (OVER)

