



CUSTOMER STORY

The Crazy Store

The Crazy Store Generates Serious Results with Demand Forecasting and Replenishment

Introduction

The Melbro Group is an importer of value-for-money merchandise for sale to mid-market consumers of South Africa through retail, wholesale, and cash-and-carry selling channels.

The Melbro Group's retail chain, The Crazy Store, is one of the largest discount variety chains in South Africa. The first store opened in 1995. Today the retailer has almost 400 stores and offers its customers merchandise across more than 40 major product categories.

Industry

- Retail

Solution

- [Demand Planning & Forecasting](#)
- [Automated Replenishment](#)

About the Crazy Store

- 390 stores in South Africa, Namibia and Botswana as of November 2019
- 2,800+ employees
- 4 distribution centers in South Africa.
- 5,000 products are typically in a 220 square meter Crazy Store

Challenges

Melbro had a dated and highly customized replenishment solution which could no longer support the growth and complexity of the business.

Replenishment order execution was slow with limited flexibility. The legacy system had a lack of timely, accurate data to support decision-



These deficiencies were hampering the entire value chain, negatively affecting user productivity and impacting our ability to satisfy customers – effectively compromising the core mission of the company."

– Miles Norman, Merchandise Planning Director, Melbro Group

making and order execution, which resulted in increased staff costs.

The loss of productivity placed customer service levels at risk in the short term, and overall corporate financial viability at risk in the mid-to-long term.

As described by Miles Norman, Merchandise Planning Director of Melbro Group, "The company's replenishment and ordering process would run over days. Manual intervention became the norm to combat system deficiencies. These deficiencies were hampering the entire value chain, negatively affecting user productivity and impacting our ability to satisfy customers – effectively compromising the core mission of the company."

Solution

ToolsGroup provided a solution that was fast and efficient to implement, as well as scalable to accommodate The Crazy Stores' future growth plans. It also gave the ability to add functionality incrementally as needed, avoiding the risks associated with a "big bang" approach.

A completely new ordering and replenishment system was rolled out and operational within six months of initial specification, on time and within budget.

The Crazy Store didn't miss a beat – the new solution was up and running before the critical peak season replenishment deadline.

Result: A Successful Long-Term Partnership

The initial implementation was based on a "start simple" approach, covering key functionality for retail replenishment to familiarize the users with the new solution.

In the subsequent implementation phases, wholesale and cash-and-carry businesses were added, with the introduction of demand forecasting for the group's entire supply chain – all handled in manageable, bite-sized upgrades.

Small but frequent upgrades have proven to be more cost-effective, less risky, and easier to handle, as well as being less time and resource-intensive on business operations.



A major benefit of working with ToolsGroup is that they are constantly enhancing their business solutions. ToolsGroup incorporates best practices from their numerous customer implementations and upgrades around the globe into their standard product offering. This makes us confident that the ToolsGroup solutions are always current and leading edge."

- Miles Norman, Merchandise Planning Director, Melbro Group

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Business Impact

An integrated demand forecasting and ordering system that caters for all sales channels (including retail, wholesale, and cash and carry) was implemented.

The demand forecast for each supply chain channel rolls up into a single demand forecast consolidated supply chain solution, delivering one version of the truth for the entire organization's ordering quantification process.

The frequency rate of orders tripled, allowing for smaller and more frequent orders. These factors reduced stock levels required per item, while increasing service levels. Lower stock holding costs per item allowed the organization to strategically create a competitive advantage – offering customers an increased product range – at no additional stock holding or space requirement costs.

In addition, the new ToolsGroup system has significantly reduced replenishment staff workload, freeing up staff to perform other value-added tasks.

The results included:

- Double digit sales growth annually for the last eight years.
- Increased in-store product availability by over 20 percent, securing a key competitive advantage.
- Improved overall system performance and reduced processing times by as much as 35-40%. System availability to merchandise planners has increased by three hours per day, resulting in higher productivity and work load balancing.
- Refresh rates and response times of the user interface have been significantly enhanced, speeding up business processes such as ordering, and the creation of new item supersessions up to 10-fold.



Overall, with ToolsGroup we have achieved a 35-40% performance improvement in the efficiency of our day end processing and calculations. As a consequence, system availability for users has increased by three hours per day."

- Miles Norman, Merchandise Planning
Director, Melbro Group

Norman shares the measurable results of implementing ToolsGroup solutions, explaining, "Overall, with ToolsGroup we have achieved a 35-40% performance improvement in the efficiency of our day end processing and calculations.

"As a consequence, system availability for users has increased by three hours per day. This contributed significantly to the staff motivation and productivity.

"The extended duration of system availability has allowed for more flexible working hours to be implemented, and made it easier to cope with additional workload when people may be out of office."

+ About ToolsGroup

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