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Jon Granville, The Body Shop's Global Head of IT

AT A GLANCE

Summary

The Body Shop is one of most famous retail brands in the world, noted for its range of naturally inspired skin and hair care products and ethical values. As part of an ambitious three-year growth strategy, the company has rolled out the implementation of SAP for Retail across its entire global operations, and is already reaping the benefits of enterprise-wide consistency in forecasting, ordering, allocation and distribution processes.

Web Site

www.thebodyshop.com

Key Challenges

- Replacing a variety of legacy systems with a single global platform
- Size and complexity of global implementation

Project Objectives

- Provide a solid and consistent global IT infrastructure
- Achieve worldwide consistency in forecasting, ordering, allocation, warehousing and distribution processes
- Enable introduction of a Global Finance Shared Service centre and achieve worldwide consistency in all Finance processes
- Achieve worldwide transparency of sales and stocks throughout the Supply Chain

Solution and Services

SAP for Retail, SAP NetWeaver

Key Benefits

- Enhanced management information quality
- Improved data visibility
- Rapid ROI

NATURAL SELECTION

SAP for Retail is proving the natural choice for The Body Shop as the body care specialist creates consistent business processes across its global retail operations.

As it celebrates its 30th birthday, The Body Shop has grown up. In 1976, Anita and Gordon Roddick opened their first shop, selling just 25 different handmade body care products. Today, the chain offers a range of over 1,000 naturally inspired skin and hair care products and has developed into a major international retailing group with 2,133 stores in 54 countries across the globe.

Throughout this period of remarkable growth, the company has remained true to its founders' original values of using only natural ingredients, refusing to test products on animals, and supporting fair trade and international human rights issues. As a result, in 1999 The Body Shop was voted the second most trusted brand in the UK, and a 1998 survey of international chief executives in the Financial Times ranked it the 27th most respected company in the world.

Yet despite its adherence these values, The Body Shop still has ambitious plans for the future. Committed to continued expansion, it has established a three-year business growth strategy and in 2004 decided to unify its worldwide operations on SAP enterprise software.



ESTABLISHING THE RIGHT FOUNDATIONS

“Historically, The Body Shop had manufacturing operations but now we focus purely on retailing,” says Andrea Alvey, Director of Finance & IT, The Body Shop. “Our main driver is growth, but we knew that we had to stabilise our back office and our infrastructure before we could do that.”

The answer for The Body Shop, an SAP customer since 1999, was to extend the deployment of the SAP for Retail solution beyond the USA to its entire global operations including headquarters, regional offices, warehouses and stores. “We chose SAP largely based on the success of our experience with the US implementation,” says Jon Granville, The Body Shop’s Global Head of IT. “It has generated a very positive ROI, which made the decision process much more straightforward.”

The global roll-out, implemented in partnership with IT service provider Diagonal Consulting, is part of the retailer’s three-year strategic plan to achieve enterprise-wide consistency in forecasting, ordering, allocation and distribution processes. In turn, this will help The Body Shop to improve its productivity, customer responsiveness and time to market with new products – crucial in a fast-moving, fashion-oriented business.

IMPROVING DATA VISIBILITY

The Body Shop sells 2.5 products every second in its 2,133 stores spread across 54 countries throughout the world. This means that millions of customer transactions a year have to be processed by the SAP system, and visibility of accurate data is essential. The first implementation was the POS Data Management solution, which feeds information from all stores around the world such as sales, stocks, events and promotions, prices and margins, and analytical reason codes for returns to a central system. This enables users to analyse consumer behaviour quickly and efficiently – monitoring product sales

and reaction to promotions, for example – and make informed decisions on the discontinuation of products and replenishment of stock according to demand. “Getting hold of all this POS Data from all over the world and producing reports that people can react to is a huge step forward,” says John Fellows, SAP Project Manager, The Body Shop. “In the Far East they have started using POS Data for forecasting stock, which we wouldn’t have been able to do prior to putting in POS DM.”

DELIVERING PRODUCT INNOVATION

In today’s fast paced world, customers expect constant innovation and the lifecycle of retail products is becoming shorter and shorter. In 2000 The Body Shop sold its manufacturing business to COSi, a privately owned company located next to its headquarters at Littlehampton. The Body Shop now focuses exclusively on retail and product

development, and to improve the speed of innovation it has implemented mySAP PLM, an integrated solution that follows a product from concept all the way to the shelf. It’s a process which can take anywhere from six months on trend merchandise to two years on a really big new idea.

While remaining true to its ethical and environmental values, The Body Shop has repositioned the brand upmarket selling prestige quality product at affordable prices.

All Body Shop products are developed using natural ingredients from all over the world. As soon as they arrive at The Body Shop warehouse in Littlehampton, they’re available for global distribution. SAP Business Warehouse Management has transformed the former paper environment: the warehouse is now solely working on Radio Frequency scanners (RF) and supplies warehouses and stores around the world. “The biggest advantage of SAP is clear visibility,” says Andy Wadey, Workflow Manager, The Body Shop. “The system is absolutely transparent from start to finish, and that has been a major benefit. It has allowed the supply chain to see what happens in the warehouse, it’s allowed the warehouse to see what should be happening in transport.”

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LOOKING FORWARD TO A HEALTHY FUTURE

The successful implementation of SAP for Retail is helping to drive innovation across the chain as The Body Shop pursues its ambitious growth targets. In addition to a store modernisation programme, the successful 'Body Shop at Home' concept where customers can enjoy product demonstrations at home with friends and an experienced consultant, is expanding beyond the USA and UK into other countries. "It is technology that enables business processes to be developed," concludes Jon Granville, "but it is people knowing how to use and follow those processes that actually drive results and deliver success. Our global roll-out is not an IT initiative but a business initiative that will enable us to improve key processes that drive competitive advantage at each local outlet. Building on the benefits gained in the US, SAP for Retail will help us provide targeted support throughout our sales and distribution network and, ultimately, deliver better service to our customers."

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