



THE CRAZY STORE **GENERATES** **SERIOUS RESULTS** WITH **Mi9** RETAIL

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.



390 Stores in South Africa, Namibia and Botswana as of November 2019.

ABOUT THE CRAZY STORE



You'll typically find **5000** products in a 220 square metre Crazy Store.

2800+
Employees

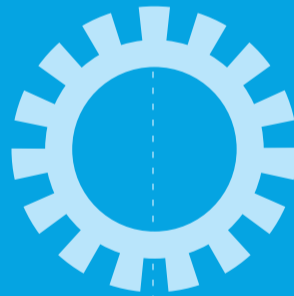


4
Distribution centres in South Africa.



Mi9 SOLUTIONS IMPLEMENTED

Mi9 Retail Demand Forecasting - automates production of demand forecasts for Crazy Store by incorporating predictive analytics, non-linear regression, pattern matching, and autonomous machine learning to optimize inventory ordering and replenishment.



Mi9 Retail Replenishment - creates a digital simulation to produce a forward-looking, time-phased ordering plan, that considers the forecasted demand, the current inventory in the entire supply chain, and future factors such as promotions, causals and events, that all influence future stock positions and drive order requirements for The Crazy Store. Artificial intelligence suggests the most cost-effective ordering pattern to achieve the targeted service levels.

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-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.



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.

Miles Norman, Merchandise Planning Director, Melbro Group

SOLUTION



Mi9 Retail delivered value to our organization within a very short timeframe. Our customer service levels have improved by more than 20% since moving from our legacy system to Mi9. Our company's age of inventory is at the lowest level ever in our history, reducing stock obsolescence, damages and write-off provisions.

Miles Norman, Merchandise Planning Director,
Melbro Group

- ▶ A solution was provided that was fast and efficient to implement, as well as scalable to accommodate The Crazy Stores' future growth plans.
- ▶ 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.

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 size 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 Mi9 is that they are constantly enhancing their business solutions. Mi9 incorporate best practices from their numerous customer implementations and upgrades around the globe, into their standard product offering. This makes us confident that the Mi9 solutions are always current and leading edge.

Miles Norman, Merchandise Planning Director,
Melbro Group

BUSINESS IMPACT



An integrated demand forecasting and ordering system that caters for all sales channels (Retail, Wholesale and Cash and Carry). 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.



Double digit sales growth annually for the last 8 years.



Increased in-store product availability by over 20 percent, securing a key competitive advantage.



The frequency rate of orders was 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 our organization to strategically create a competitive advantage - increased range offering to customers - at no additional stock holding or space requirement costs.



Smaller, more frequent orders assisted in reducing stock holding and costs associated with stock aging and obsolescence.



The new Mi9 system has significantly reduced replenishment staff workload, freeing up staff to perform other value-added tasks.



Improved overall system performance and reduced processing times by as much as 35%-40%. As a consequence, system availability to Merchandise Planners has increased by 3 hours / 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 Mi9 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 3 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.

Miles Norman, Merchandise Planning Director, Melbro Group

ABOUT Mi9 RETAIL

Mi9 Retail is the fastest growing provider of enterprise software for retailers, wholesalers, and brands. Mi9 enables the world's leading retailers to automate and optimize their entire Plan-to-Sell® process, from planning to executing, influencing, and selling merchandise in-store, online, and on any device.

We help Retailers achieve



Revenue Growth



Margin Increase



Inventory Reduction



Expense Reduction
(Planning, SG&A Cost Expense)



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