

# ERP Configuration Lecture: Case Study: Zawe Fashion Shop

## Goals

The goal of this ERP class is to teach how to configure an ERP for a small company or for a non profit organization, hereby call the "implementation field".

In this Case Study you learn how the interview and the configuration was done for "Zawe", a small fashion shop which is located in Paris, France. It mainly sells women clothes and accessories.

The configuration process is based on a questionnaire and a spreadsheet. It is desirable for this configuration to be as simple and concise as possible. Thus, it requires you to precisely define the nature of the implementation field, to identify the goals of the implementation field w.r.t. ERP implementation and to define taxonomies, a.k.a. "categories", which are suitable to reach such goals.

Whenever your answers are precise, concise and show that you are capable of understanding the ERP related management stakes and issues which are relevant for the implementation field, you will get the maximum number of points. On the contrary, if your answers are long, confusing or do not show any understanding of management issues in relation with ERP implementation, you will receive less or no points. Answers should always be formulated as a sentence with subject, verb and complement.

NB: any answer of the form "there is no need of an ERP" is not acceptable in this case. If your implementation field does not need an ERP, find another implementation field.

## **Identity of the implementation field**

Nature (ex. corporation, non profit organisation, agency): Corporation

Name: Zawe

Country: France

Number of employee or of permanent staff: 3

Number of sites: 2 shops in Paris

Case study reference: [Zawe Case](#)

## **Activity of the implementation field (5 points)**

*What does the implementation field sell, offer or produce? (10 lines max.)*

Zawe sells women clothing like T-shirts, dresses, jeans, jackets, skirts and so on. 20% of the clothing it sells are casual style, 80% are fashion style. It also sells accessories such as bags, earrings, necklaces, scarfs and gloves. In addition, it sells women shoes. The clothes and shoes come in different colours and sizes. Thus, sizes and colours are variations of the products. For example, two pairs of shoes with size as the only difference, they are two variations of the same product. Zawe produces nothing on its own.

*What does the implementation field purchase, recycle, receives or uses? (10 lines max.)*

Zawe purchases all the products it sells from different suppliers (mainly wholesale dealers), such as clothes, shoes, bags and other accessories. In addition, it buys internet, electricity, water, accounting service, transport service, internet marketing service (e.g. yellow pages), advertisement (e.g. advertisements on fashion magazines), legal service, shop insurance and furnitures for the shop (e.g. hallstands, boards, hangers). It also purchases office supplies (e.g. papers, pens, packing paper), shop decorations (e.g. festival decorations), marketing materials (e.g. name cards, posters) irregularly. Zawe uses cash registers, card terminals, surveillance cameras, and computers.

*Who are the contacts of the implementation field? (10 lines max.)*

Zawe's clients are individuals, mostly women aged between 25 and 45 who like fashion and have a good income. Many of them are from Paris, live in the neighborhood of the shops. Zawe has many repeat customers. Its suppliers are mostly big wholesale dealers, but also a few small designer companies. It buys standard collections from the wholesale dealers, and limited editions from small designer companies. Other contacts include an accounting firm (Zawe outsourced its accounting to an accounting firm), tax authorities, delivery companies, design companies (to design flyers and posters for the shop), and local press (e.g. fashion magazines).

*What are the typical skills and initial training of the staff? (10 lines max.)*

The most important skills of the staff are sales and distribution skills since they are mainly sales agents. Other required skills are English language skills, inventory management skills ( they need to memorize the number of items in stock and how the items are stocked by brand), packing skills, and shelf organising skills. Sales agents also need to be good looking, have a good taste in fashion, and know well about different products, models and brands. It is required to know how to use the cash register and the card terminal. Normally a three-days training is given to new sales agents which explains some basic tasks of the employees, such as how to do window display, how to present the products, and how to use the cash register.

## **Management of the implementation field (5 points)**

*Please provide an example of management area or of business process which the implementation field is handling in a way which it considers itself as being good or successful. Explain what reasons make this business process or business area successful. (10 lines max.)*

A good example would be Zawe frequently updates its products on its shop display (almost on a weekly basis). This attracts repeat customers to come frequently and therefore increase the sales.

*Please provide an example of management area or of business process which the implementation field is handling in a way which it considers itself as being poor or wrong, and which could be improved according to him or her. Explain from what point of view the management area or business process is currently not well implemented. (10 lines max.)*

The inventory management is very poor. It is mainly based on human memory of the owner and the staff. Memories can often be wrong. If a customer asks for a product which is in stock but the sales people thinks it's sold out, then the shop will lose the sale, and probably leave the customer a bad impression.

*Explain what the implementation field expects from an ERP as 1<sup>st</sup> priority to improve its own management?*

For Zawee, the first priority it expects an ERP to improve is its stock management. The ERP system should provide an accurate view of available stock. By knowing the exact quantities of different products, and the types and numbers of variations in stock will help Zawee to reduce human errors, refilling the stock in time, furthermore, increase its sales.

*Explain what the implementation field expects from an ERP as 2<sup>nd</sup> priority to improve its own management?*

The second priority Zawee expects from an ERP would be to provide an online shop with tight integration between front- and back-office. The ERP system should manage the stock for both online shop and physical stores at the same time. Opening up an online channel will increase the sales, manage the stock for both online and physical shops in a synchronized way will greatly decrease the difficulty of stock management, reduce human errors and save a lot of time in stock management as well.

*Explain what the implementation field expects from an ERP as 3<sup>rd</sup> priority to improve its own management?*

The third priority is to implement a customer loyalty programme through offering fidelity points for its customers. Since its customers can use the points to get discount on their next purchase, this will help Zawee to increase customer loyalty, and attract more repeat customers. Thus, its sales will be increased as well.