



# Accent Group

LIMITED

## A collaborative Supply Chain Transformation

IN ASSOCIATION WITH

fluentcommerce<sub>≡</sub>

temando



# ACCENT GROUP

## A SUPPLY CHAIN TRANSFOR- MATION

Accent Group LTD boasted record profits last year and moved 6.3 million shoes – that's one in five in Australia - thanks to its recent supply chain transformation. Tim Greenstein, General Manager Supply Chain & Technology and Supply Chain Manager, Mark Rizza, reveal the secrets behind their omni channel strategy



WRITTEN BY  
**NIKI WALDEGRAVE**  
PRODUCED BY  
**GLEN WHITE**





**G**one are the days of successful retailers surviving on bricks and mortar alone. To be at the forefront of retail now, businesses need a booming digital presence.

Accent Group Ltd – formerly RCG Corporation Ltd – is on the ASX and delivered its FY18 results in August, revealing a record underlying net profit after tax of \$47.1 million, up 17.9% on the prior year. The business – which has more than 460 stores across Australia and New Zealand – has delivered strong returns over the past five years through its brands including The Athlete's Foot, Platypus, Hype DC, Timberland, Vans, Dr. Martens, Saucony, Merrell, Palladium, Sperry Top-Sider, Stance, Supra, Subtype, and kids' funky online brand The Trybe.

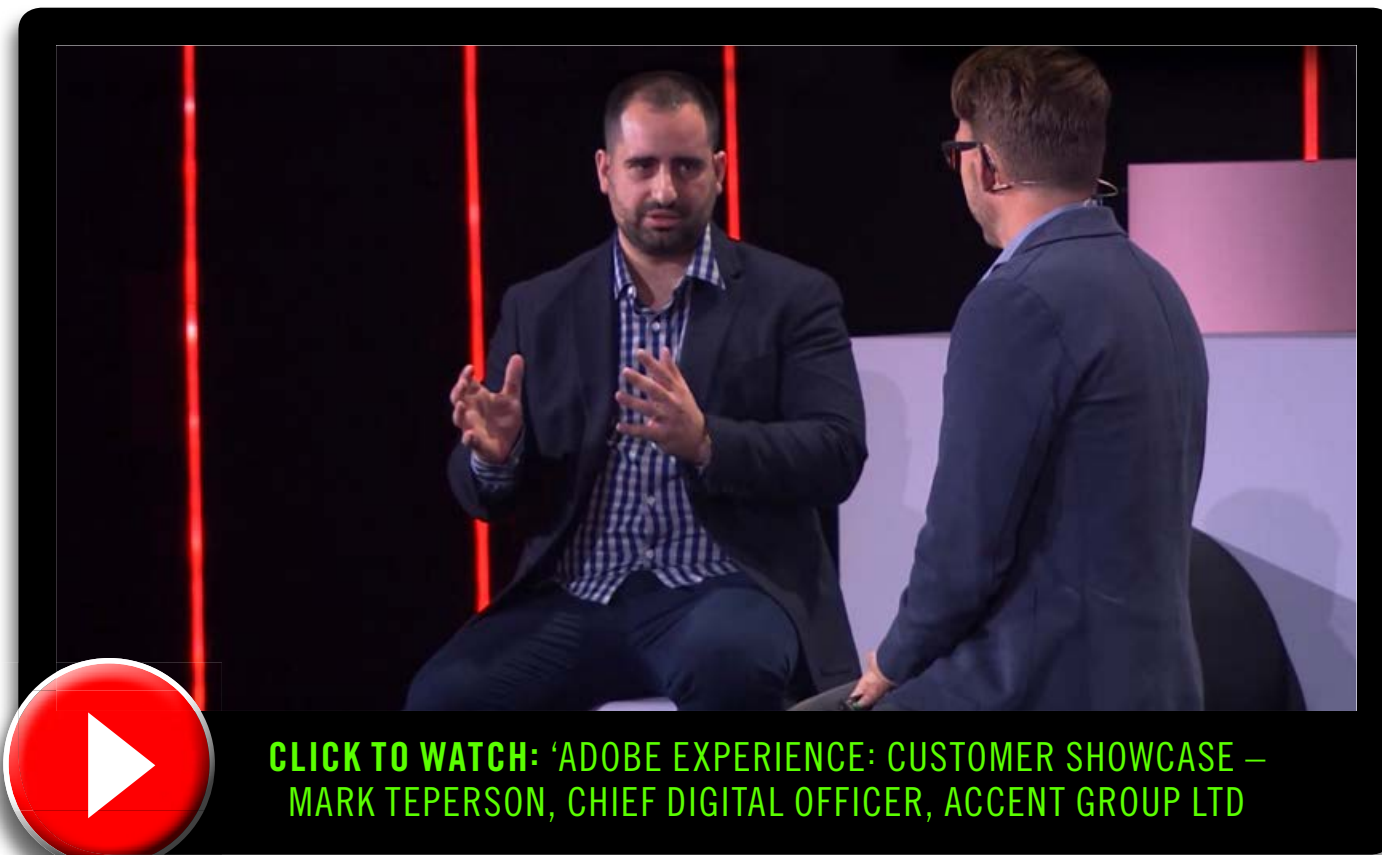
Its recent success is thanks to a major collaboration across many business units involving a stunning digital transformation over the past 24 months, which involved a one key stream full supply chain transformation led by Tim Greenstein, General Manager Supply Chain and Technology, and Supply Chain Manager Mark Rizza.



**“We want to make sure we’re the best retailers out there. Our CEO always says We don’t do average”**

**Tim Greenstein,**  
General Manager Supply  
Chain & Technology





**CLICK TO WATCH: 'ADOBE EXPERIENCE: CUSTOMER SHOWCASE – MARK TEPERSON, CHIEF DIGITAL OFFICER, ACCENT GROUP LTD**

**“The rate at which business rolls out projects is really not matched anywhere else that I’ve seen in my time”**

**Tim Greenstein,**  
General Manager Supply Chain & Technology

“Our digital team led by Mark Teperson, our Chief Digital Officer, in conjunction with our technology team have effectively enabled 13 websites for the business in the last three years,” Greenstein reveals.

“In terms of the space that we play in – athletic leisure footwear and general footwear – we’re fortunate that that space has been growing and we’ve been able to open up more stores across Australia and New Zealand, which has also contributed dramatically to our growth. “But so has listening to our customers.”

Online sales are growing fast – Accent’s FY18 digital sales are up 131% on FY17 and up c88%YTD in FY19 – with approximately 40 to 50 per cent of online sales now coming directly from the stores, of which the majority are omni-enabled. New functionalities including ‘click and collect’, ‘ship from store’, same day delivery and endless aisle, are all now enabled

“We initially projected at 20 or 30%, so you can imagine the overflow of that, and what that means in store land...” adds Rizza. “Adding another layer to

that to give it a bit of context, our business tradition started as a whole-sale business and over the last decade or so has ramped up its retail presence.

“As that footprint has got bigger, having more stores and hitting the market with these technological capabilities is allowing the business to leverage its 460-store network to drive growth with a true omni channel strategy.

“We’ve also enabled new warehousing capability which again, using state-of-the-art automation at our new Toll operated Preston facility in Sydney, will

#### EXECUTIVE PROFILE

**Tim Greenstein** is the General Manager of Supply Chain and Technology at Accent Group Ltd – Australia’s largest footwear retailer with over 445 stores across Australia and New Zealand. Tim has extensive experience in a variety of retail disciplines, focused on Supply Chain, Technology and Ecommerce.

Tim has developed a reputation as a change agent, leading several key high-profile change and strategic projects at Accent group through working with the business to deliver transformative change across The Athlete’s Foot, Hype DC, Platypus Shoes, Skechers, Vans, Merrell, Timberland, CAT, Saucony and Sperry. Tim holds a Bachelor of Commerce and is a Director of a not for profit board.







**"You have to have web and ERP platforms that are capable of handling complex integrations these days"**

—  
**Tim Greenstein,**  
General Manager Supply  
Chain & Technology

#### EXECUTIVE PROFILE

**Mark Rizza** is head of Supply Chain for the Accent Group Limited. Mark is responsible for procurement, international and local logistics as well Customer Care for Brands such as Platypus, Hype DC, Vans, Skechers, Dr Martens and Timberland. Mark has 15+ years of experience in this space and has worked for both local and global retail brands in an executive capacity such as Lululemon Athletica and Bras'n'Things. Mark is highly experienced in transformational projects using his passion for people an approach of simplifying complex issues to deliver what is best for consumers. Mark has completed his MBA through the Australian Institute of Business.

help us handle the business growth, increase volume and improve speed to market requirements, which ultimately advances the service to consumers."

Accent recently constructed a purpose-built digital hub of excellence in Melbourne, which concentrates the digital expertise under one roof. There's not one all singing, all dancing system these days in a big business that handles things end to end, and so Accent has utilised its current providers, as well as new providers to





# Out-convenience your competition. Fast.

With Smart Omichannel  
Order Management

[fluentcommerce.com](https://fluentcommerce.com)



## The Athlete's Foot — As fast as their customers with Fluent Commerce

Fluent Commerce is an Australian software company, headquartered in Sydney. They offer smart omnichannel order management allowing retailers to be easier, faster and more convenient to shop with than their competitors. It means fulfilling orders in the most cost effective and quickest way possible whilst offering the customer as many delivery and pick up options as possible.

Accent Group wanted to create a single, streamlined technology stack in their transition from multi- to omnichannel customer engagement. Fluent Commerce was chosen for their order management requirements as this allowed them to turn their stores into mini distribution centres, enabling click and collect and ship-from-store.

### Digital sales increased by 170% in the first six months of implementing ship-from-store.

The Athlete's Foot now operates seamlessly across channels, its digital arm an extension of the store network. Through Fluent Commerce, they are also able to access real-time inventory throughout the entire operation. This opens up all available stock to all consumers no matter where they are and which channel they choose to shop on; not just the stock available in the warehouse. The Athlete's Foot are making out-of-stock situations a thing of the past.

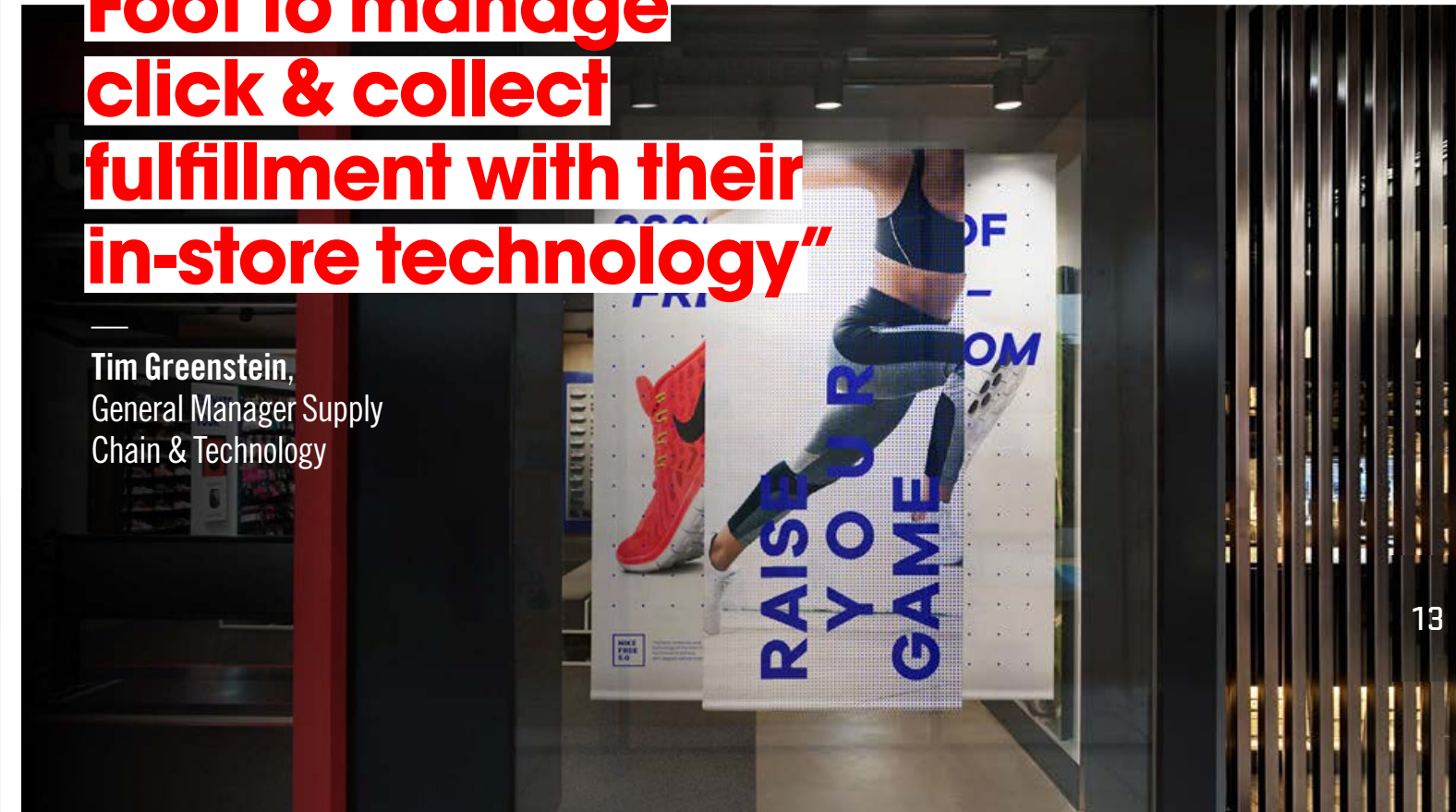
Taking things further, ship-from-store capabilities also ensures that Athlete's Foot can implement an endless aisle strategy, allowing in-store associates to ship out-of-stock items directly to the customer from another store the following day. This means breaking the pattern of discounting stock that doesn't sell in a particular store or losing sales altogether, by redistributing stock according to customer demand and location.

fluentcommerce.com



## "Fluent Commerce is used for The Athlete's Foot to manage click & collect fulfillment with their in-store technology"

Tim Greenstein,  
General Manager Supply  
Chain & Technology



enable its omnichannel strategy. The websites' eCommerce platform is Magento and Accent uses three key enterprise resource planning (ERP) systems – Apparel 21, Erplyand Pronto across its group of stores.

"You have to have web and ERP platforms that are capable of handling complex integrations these days," explains Greenstein. "From our core systems, we needed to facilitate that. The technology must enable the ability

for orders to be taken online and sent to different stores or warehouses for fulfilment, in a particular and ideally seamless way, in particular sequences, based on certain rules that the business requires in terms of being effective.

"Another key system aspect, certainly for our store enablement, was the ability to effectively use third party software (middleware) providing us with intelligent shipping and fulfilment solutions to assist us in handling the freight





## COMPANY FACTS

- Accent Group LTD has more than 446 stores across Australia and New Zealand
  - In 2017/18 total digital sales grew by 13%
- Accent Group has delivered strong returns over the past 5 years
  - Accent is on the ASX, and its total shareholder return over the past 5 years is 177%
  - It has 13 new websites across Australia and NZ, with two launching next year
- Omnichannel sales are on track to reach 15% target of total sales within two years
- Accent's online sales are growing fast – 131 per cent in 2017
- Approximately 40 to 50 per cent of online sales now come directly from the stores, of which the majority are omni-enabled
  - Customer care is front of mind going into 2019
  - 24/7 coverage will include across live chat and email
  - Live chat launched in October across Vans, Skechers, Timberlands, Doc Martens and Platypus, with Hype DC and The Athlete's Foot coming soon
- In the past 12 months, 3.5million customers registered through its various loyalty programs
- Platypus launched same day delivery service in July 2018, more will be rolled out 2019
  - Accent has hubs in Melbourne, Sydney and Manila
- In just the last two months, Accent secured the rights to the Supra brand and launched kids online brand, The Trybe



and dispatch flow, particularly from our store network.”

The middleware, in Accent's case, have three applications, given the numerous business divisions – Temando, Fluent Commerce and Shippit – which allow for distributed order management at stores, as well as integrations with numerous freight providers to produce the freight labels and support the multi option freight requirements to make the store process more seamless. Fluent Commerce is used for The Athlete's Foot to manage click & collect fulfillment with their in-store technology.

Its successful next day and same day delivery services is due to its existing relationships with Australia Post's StarTrack Courier and Direct Courier. Being one of the first businesses to roll this capability out nationally across all stores, Accent hopes to ensure its delivery capability is never far from the customer and will safeguard it from online competitors such as Amazon, which recently launched in Australia.

“Interestingly, some of these purely online players are starting to play around with the physical stores,” muses Rizza. “Many Pure online players have or are





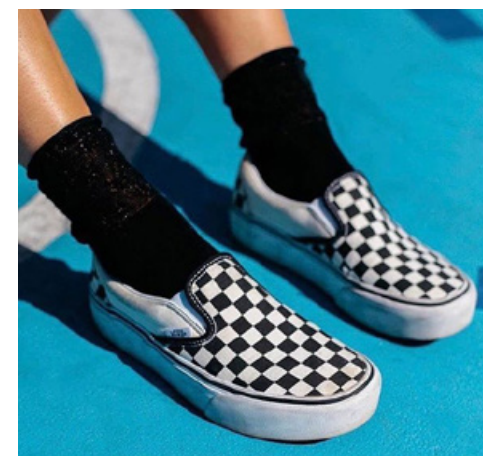
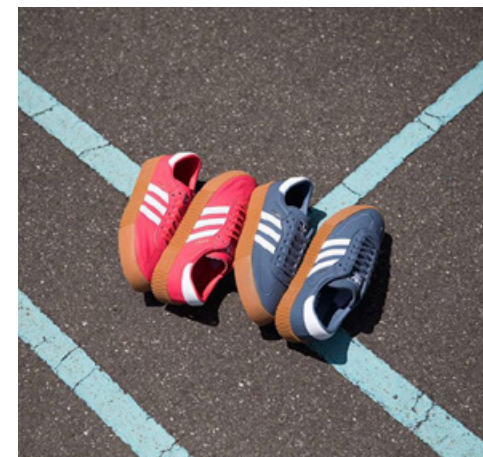
# "We'll never lose focus on our roots here in Australia"

—  
**Tim Greenstein,**  
General Manager Supply  
Chain & Technology

contemplating a physical store presence, with Catch of the Day launching a pop-up recently.

"We'll look to cover everywhere, and because we're utilising our store footprint to assist in the fulfilment process, our aim of faster delivery nationwide will be greatly assisted by this capability.

"We have a really good opportunity, given our current enabled capability across stores and digital, at solidifying, growing this further and continuing to build on our digital and store strategy, so that we can stay at the forefront of the marketplace."



Customer care is also front of mind going in 2019, with 24/7 coverage, including across live chat and email. Live chat launched in October 2018 across Vans, Skechers, Timberland, Doc Martens, Platypus, Hype DC with The Athlete's Foot coming soon.

"Two and half years ago, we had one team member that looked after retail and ecommerce," laughs Rizza. "Now, we have more than 25 people based at the hubs in Melbourne, Sydney and Manila, and that's only going to get bigger. It's driven by consumers demanding our attention and demanding increased support, and also our stores' demands for support.

"We started live chat with some of the smaller brands and in a short space of time it's taken off quickly. To put in perspective, over the last few weeks, it went from being a few tickets to now being nearly a quarter of overall volume through the chat channel, and that's with us currently really only covering business hours, so we know for a fact that consumers want to talk to us."

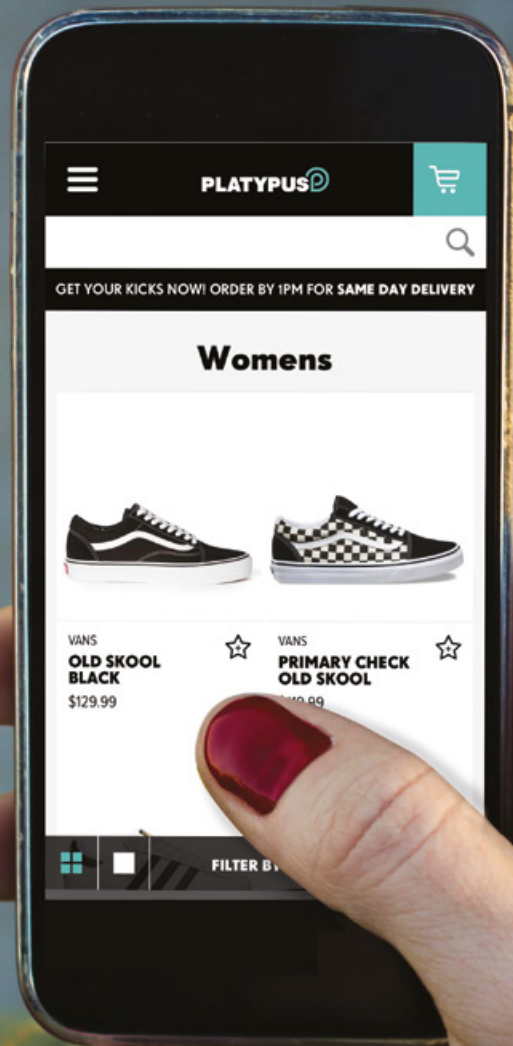
Obviously, such a digital transformation has been a huge culture change in the business, with the technological





**“Our digital transformation strategy included Temando, a multi-carrier shipping solution that supports our vision to provide our customers with a great way to submit returns online – helping us deliver consistent customer experience no matter how busy it gets.”**

—  
Tim Greenstein,  
General Manager Supply  
Chain & Technology



improvements putting increased onus onto the store teams, and what their day to day roles look like.

In some cases, staff have gone from being purely salespeople to having to manage order fulfilments, and the group ensures that with every innovation that's rolled out and executed, full training programmes and mechanisms are there to support the team, who still need to be able to trade and fulfil the consumers' needs.



“Part of the learning for us is that we've created roles that we didn't expect to create,” says Greenstein. “We had a view of how some of the requirements, monitoring procedures and some of the operational processes would work, but what it's actually led to wasn't quite what we thought.

“As a result, we've had to tweak and create new roles to deliver and help with the process management of all these functionalities that we've built on, as these roles never existed in our business before. So, it's been understanding and navigating the training path well.







Promotional banner  
for The Athlete's Foot

**“We’re definitely in the phase of a growing businesses; new digital presence, opening new stores, acquiring businesses, as well as looking for brand opportunities that we can bolt on to our existing business”**

—  
**Tim Greenstein,**  
General Manager Supply  
Chain & Technology

“The business has a strong focus on stock integrity and stock trade mechanisms, as this is key to ensuring the end to end omni channel experience is effective and accurate.”

They both concur that in order to succeed at Accent, employees need commitment, drive and a “can do” attitude.

“We want to make sure we’re the best retailers out there,” explains Greenstein. “Our CEO always says we don’t do average – we try to be different and really make a difference and it’s part of the ‘make it happen’ culture to make sure we try and recruit the right people.

“It’s very important to retain talent and give people the opportunity to grow

within the business. We also need people that can be very agile. The rate at which business rolls out projects is really not matched anywhere else that I’ve seen in my time, so you need people that can come in and be ready to move, depending on your role of course.



“Certainly, from the supply chain point of view, if you’re coming here just to have a day to day job of one task, that’s not going to fly because our business continues to grow and evolves so quickly that you need to have people that can thrive in that environment – it’s not for everyone.”





**“Part of the learning for us is that we’ve created roles that we didn’t expect to create”**

**Tim Greenstein,**  
General Manager Supply Chain & Technology



Accent’s footprint and capabilities are set to increase when Accent moves at some point internationally potentially to Asia in 2019.

“We’ll never lose focus on our roots here in Australia,” adds Greenstein, “as demonstrated by our recently opened 600sqm Platypus Superstore in Melbourne Central and a Pitt Street Sydney Superstore opening mid-2019. But we’re starting to explore how we broaden our footprint is the next stage, especially as the digital economy continues to grow.”

The long-term visions of the AGL Supply Chain team are focusing on that speed to consumer portion. At board level, it’s to create greater opportunities from a vertical product perspective too.

Accent recently secured the rights to the Supra brand, launched kids’ specific online brand, The Trybe, and also purchased premium footwear brand Subtype, which plays in the premium space with one store and an online presence.

“Our strategy at the moment is very much to continue to invest in store infrastructure where it makes sense and where we see growth, while obviously driving all the other channels



at the same time,” adds Greenstein.

“Our CEO and board are very proactive in finding brands that are going to align with us and help us solidify that leadership space in the athletic footwear or the leisure footwear space.

“We’re definitely in the phase of a growing businesses; new digital presence, opening new stores, acquiring businesses, as well as looking for brand opportunities that we can bolt on to our existing business.”

From the market perspective, the consumer continues to come up with new ways and new requirements of wanting product – how they purchase,

and speed, is becoming more and more critical.

“We must make sure that we can keep up with the requirements of what the customer wants while always being flexible and able to make sure that we deliver and meet their requirements,” he surmises.

“Customers these days have a different way of operating and engaging, and what’s convenient for one is not actually the same for another, so the time to be able to keep up with the demand and need is going to be a critical factor going forward.” ■

**\$676mn**  
Approximate revenue

**1981**  
Year founded

**5,000+**  
Approximate number of employees



A photograph of two women roller skating, overlaid with a large white triangle. The woman on the left is wearing a white sports bra with 'WHEELA' written on it and dark leggings. The woman on the right is wearing a white t-shirt with a rainbow stripe and a white skirt. Both are wearing white roller skates. The background is a solid blue color.

# Accent Group

LIMITED

2/64 Balmain Street Richmond  
Victoria,  
Melbourne, 3121  
Australia

**T** +61 3 9427 9422

[www.accentgr.com.au](http://www.accentgr.com.au)