

From zero to hero

From start-up to a multi-million pound brand in less than five years, this is a story of Topgrade Sportswear’s move from successful wholesaler to market-leading online retailer, aided by Elucid, the multi-channel retail solution from Sanderson.

Founded in the 1980s by Paul and Ian Simpson, today Topgrade Sportswear is a leading sports and fashion wholesaler and retailer, supplying discount ranges to diverse customers, from sole traders to high street chains. With over 25 years’ success providing branded sportswear to the wholesale market, Topgrade launched its ecommerce operation, Getthelabel.com five years ago, selling discounted sports and fashion brands direct to customers. With an international client-base and gross annual revenues now approaching £40 million, the company has grown significantly over the last five years. So where did Topgrade’s dramatic ecommerce journey begin?

As a result of its long-term success in ‘the clearance market’, Topgrade found itself the subject of interest of leading sportswear and fashion retailer,

JD Sports. Seeing a gap in the market for discounted clothing, JD Sports decided to seize the opportunity and acquired Topgrade in 2007. Helen Heaton, appointed as Financial Director following the acquisition, picks up the story:

“The brief was to create an online business that would compete with the market leaders for discounted fashion and sportswear. At that point it was nothing more than a concept with potential financial backing from JD Group.” So Topgrade set about putting warehouse systems in place, building a team, acquiring stock and building a small pick face in the corner of the warehouse. Less than 12 months later, Getthelabel.com was born.

Thanks to a combination of highly desirable brand products at exceptionally good prices, Get the Label got off to a flying start. “Because we

Case study at a glance

About Topgrade Sportswear
Market-leading wholesaler and online retailer of discounted branded fashion and sportswear

Challenges

- Identify system to support fast growing ecommerce and wholesale business
- Rapid implementation
- Increase visibility of customer and stock information
- Increase warehouse and picking efficiency
- Replace manual processes
- Integrate third party systems

Solutions

- Elucid multi-channel retail solution
- Elucid Business Intelligence
- Elucid CRM

Benefits

- Pick rates increased by 50%
- Reduced order processing times
- Sales volumes doubled
- Online revenues increased by 100% to over £20 million
- Increased visibility with real time information
- International carrier costs reduced by 40%



"We were able to double sales volumes with Elucid, with no performance issues whatsoever."

Helen Heaton
Financial Director

sell branded products, we were able to pick up on natural searches for famous sports and fashion brands online and our prices were 70 percent cheaper than the high street. We were highly competitive with the other players in the market, and were often able to source quality branded products because of the existing relationships we had with brands through our wholesale business."

"We were running Sage 100 when I joined the company," explains Heaton. "It worked well for the wholesale business, but it was an old platform and wasn't going to be sufficient for the ecommerce side. So the first thing we did was upgrade to Sage 200 for order management and financials, expecting it to give us the support we needed for some years to come."

The right business model, combined with a mixture of retention and recruitment marketing activity (Get the Label has sponsorship and prime-time advertising slots on satellite TV channels), saw Get the Label turnover £3.5 million in its first year. By year two, the ecommerce division had more than doubled its revenues, but the previous system began to struggle.

"We were running into issues with the system in the run up to Christmas, our peak time. We nursed it through that year, but it became clear it wasn't going to get us through the next peak."

So the company went in search of a replacement and following an exhaustive vendor selection process, Topgrade opted for Sanderson and its Elucid multi-channel retail solution.

Heaton says it wasn't enough for the system just to meet key functional requirements, there was a deadline to hit too. "It had to support both wholesale and retail arms of the business and handle the increasing volume of transactions as the business grew. But absolutely the major factor in choosing a vendor, was their capability for getting the new system in place in time for our peak period."

"Sanderson ticked all the boxes," says Heaton. "They took the time to really understand our business and we could see Elucid was going to give us all the major functionality we required, with a level of customisation. Plus, not only were they cost-competitive, they had pedigree - they already worked for similar businesses, so we were



confident the system would work for us too."

Sanderson presented a strict implementation plan, and despite the tight deadline the system went live before Get the Label's critical drop-dead date. Performance was stable through the first Christmas and the benefits have flowed thick and fast ever since.

"Whereas the previous system was struggling to cope with our volumes, we were able to double sales volumes with Elucid, with no performance issues whatsoever."

This growth is echoed in the online channel's revenues too, says Heaton. "Our ecommerce sales increased 100 percent to over £20m within two years of working with Sanderson." No small achievement for a business that started trading with no brand name, no profile and no customers.

Efficiencies in warehouse processes, were delivered from day one. Get the Label has different carriage types (standard and next day), which have to be filtered. "With our old system there was no way of organising the pick notes; the guys in the warehouse would literally print them out and shuffle papers on their desks before handing them out to the pickers; it was massively inefficient and time consuming. With Elucid, you can programme precise criteria into the system to determine which pick notes to produce. For example, a lot of orders are for single products, so rather than print out a whole A4 sheet for each item, we now print labels, complete with barcodes, which are stuck directly on to the product so they can go straight to despatch now without having to be sorted."

Heaton says this has proved a big efficiency for the company: "Two years on, we've seen a 50 percent increase on pick rates," she enthuses. "It's made a huge improvement to production times and reduced our variable costs significantly."

Integration of Elucid with Topgrade's existing Radio Frequency

infrastructure has also provided additional efficiencies in stock management: "Previously we had to re-label all our stock with our own barcodes. Now we can capture the manufacturer's barcodes at the point of delivery. Because 50 percent of products that come in have manufacturers' barcodes on them, the Sanderson system has made a significant reduction to the time it takes to process new stock, with the same number of staff."

With dashboards and real-time metrics, warehouse managers now have constant visibility over orders and the staffing levels required to stay on track, especially for next-day deliveries. It's a far cry from when 'warehouse managers were operating in the dark', says Heaton: "They used to have to do spot checks in the afternoon to make sure they didn't miss deliveries; inevitably they did, albeit rarely."

And it's not just in the warehouse where the company is reaping the rewards. With Elucid's custom-reporting, Get the Label has all the information for management decision-making at its finger-tips right across the business. Heaton sums it up: "We can just see an awful lot more. From a financial point of view I've got much more visibility of what's going on with all the associated costs, across different channels and different countries."

Get the Label is also saving costs thanks to the system's integration with Metapack, a software package that consolidates carrier service providers in to a single interface: "It gives us the flexibility to add new carriers almost instantly. The system chooses the best carrier for each specific package and that particular address, so we can get the best rates and really get control over our shipping costs." The results speak for themselves; last year the company reduced its international carrier costs by 40 percent.

Get the Label is also making use of Elucid's Business Intelligence

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software to provide increased control of the business. With real-time customer information, the company has detailed information on the profitability of different channels and stock lines. "It has massively enhanced our ability to make real profit impacting decisions."

"If we didn't have the Sanderson system we certainly wouldn't be where we are now."

Helen Heaton
Financial Director

One such decision was the integration of the Sanderson system with Channel Advisor, a marketplace solution, which manages feeds from Elucid to third party marketplaces. "It's allowed us to add new channels without any manual labour costs and create business that didn't even exist before."

The benefits from Elucid reach back into Topgrade's traditional business too. With up to 3,000 lines on some purchase orders, data is now imported directly from the supplier into the Sanderson system, to automatically create the PO, replacing a previously manual process. "It's not just labour-saving," says Heaton. "The sooner we get stock onto the system, the sooner we can start selling it."

From start-up to a multi-million pound brand, the growth Topgrade's Get the Label business has witnessed in less than five years has been impressive. "If we didn't have the Sanderson system we certainly wouldn't be where we are now. We would have got to a point where we couldn't have grown any further as our system wouldn't have been able to support it."

And Topgrade doesn't plan to stop now. Get the Label's biggest export markets are near and far, Ireland closely followed by Australia, and the successful ecommerce brand is looking to ramp up its international presence, with the support of Sanderson: "one of the most important things is that Elucid not only handles multiple channels and allows differentiation across them, but it can also handle multiple countries and currencies, which is critical for our international development," says Heaton.

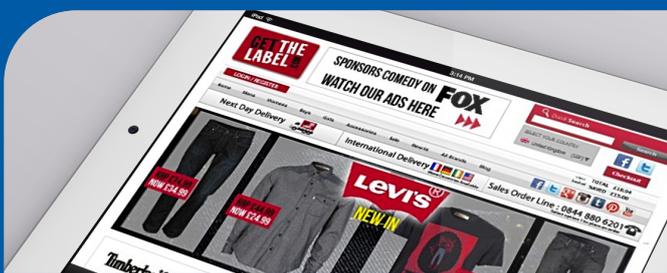
Heaton is confident about the future too: "We're a very young, dynamic brand," she explains. "And ecommerce is a very dynamic market to be in. It changes constantly; you might be ahead of the pack one day and six months later you've fallen behind. It's a culture of constant evolution - so we need a system that can evolve with us, and Elucid continues to live up to expectations."

About Topgrade Sportswear



Founded in the 1980s, Warrington-based Topgrade Sportswear is a prominent name in sports and fashion wholesale and retail, supplying branded sportswear at affordable, discounted prices to a variety of international clients.

After 25 years of success as a wholesaler, the business expanded into the competitive ecommerce market by launching GetTheLabel.com in 2009. Since then, the company has gone from strength to strength, more than doubling its sales volumes and building an enviable brand reputation in an impressively short amount of time.



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