



In the Finest Company

Breuninger of Stuttgart is an institution—a department store steeped in tradition, where things have always been a little different. And better. This means that customers are demanding and sophisticated. In a drive to achieve even greater efficiency, the company decided to work with Porsche Consulting.

By: Elmar Brümmer, Photos by: Breuninger

It is more famous than the town hall next door and, alongside the Church of the Holy Cross, it is more or less the second landmark symbol of the city. If you want to go shopping and have a good time in Stuttgart, you don't go to just any normal department store. You pop down "to Breuninger's." And that's the way it's always been.

The ambience is lavish and cultured, and the goods on offer are of high quality. Customers expect very high standards, and Breuninger sets itself targets which reflect this. Willy Oergel, the director with responsibility for retail, says: "We want to be the most important retailer in the upper echelons of the German market offering an attractive range of fashion and lifestyle products—and in achieving this we want to work even more efficiently."

The retailer worked together with Porsche Consulting as early as 1996—President Willem van Agtmael and Porsche's CEO Dr. Wendelin Wiedeking know each other and appreciate each other's talents. At that time, Breuninger was shown the methods behind the success of the sports car manufacturer at Porsche's factory in Zuffenhausen. In 2003, it was felt that the time was right for a change in Stuttgart's city center. As Oergel said: "We wanted to evolve from a func-

tion-based company to a process-oriented organization. Porsche had set an example for how to do this. And the same rules of engagement apply in auto-making and in retail."

If you are constantly seeking to meet high expectations and ensure that customers receive superb service and treatment, you sometimes also have to adopt different approaches. Eduard Breuninger himself believed this to be true. It was back in 1881 that he, along with two employees, and one trainee founded the company, which was to be modern, lavish, and focus on the needs of the customer. These efforts were soon rewarded. By the mid-1930s, Breuninger already had 2,000 employees, and for decades Stuttgart's showpiece department store was considered to be the largest retailer on the European continent. It was—in the truest sense of the word—always one step ahead of the competition: In the 1950s Breuninger was the first department store to provide elevators and escalators for its customers.

Customers now no longer need to travel to Stuttgart to enjoy Breuninger's quality and level of service. Willem van Agtmael manages fourteen stores throughout Germany, but the flagship store—one of the largest in Europe—is still the original store in Stuttgart that has already been voted >



A fine sight: The retailer Breuninger



Willy Oergel: "Consulting has helped us to help ourselves"

Germany's number one department store on several occasions by an independent jury.

In light of the tough general economic climate and the structural changes the retail trade is undergoing, profound improvements needed to be made to enable the organization to enjoy further growth at its sites in Nuremberg, the Main-Taunus Center outside Frankfurt, and Leipzig. The aim was to achieve significant increases in efficiency in order to align the processes even better to the needs of the customer.

The right partner was found in January 2003 in the shape of Porsche Consulting. Oergel: "The consultants came to us without any preconceived ideas. Instead, they conducted a thorough analysis and worked with us to devise solutions." Willy Oergel does not seek to hide the fact that there were often points of friction here: "The consultants were very awkward."

This is part of the job. If you touch a sore point, you are bound to cause additional pain. The main thing is that you ultimately find a cure. At first glance, it does not seem an easy task at all to clearly recognize and identify added value in the service sector. After all, nothing tangible is actually

produced in a department store. But here too, the consultants from Porsche Consulting were able to provide evidence that lean management can be transferred to many different sectors.

Breuninger implemented the Operation Phoenix restructuring project with the goal of instituting change leading to a process-driven organization. This was the task that Porsche Consulting was facing. The pilot project was successfully implemented in the women's wear department at the BreuningerLand store in nearby Sindelfingen: The reorganization of the way stock was laid out saved a huge amount of time, which the sales assistants are now able to use to provide even more advice to customers. A clear case of added value being created.

The initial skepticism among employees quickly subsided. For six months, the consultants carefully examined the company, pursued their ideas, created improvements and generated awareness within the workforce. These efforts are still having an impact today. "Porsche Consulting," says Willy Oergel, "has highlighted many potential areas where we can improve, and has helped us to help ourselves." The process is ongoing—under direct control. <

