

Safeguarding the Supply Chain

WITH OVER 40 YEARS EXPERIENCE, THE LUXOTTICA GROUP IS A LEADING RETAIL BUSINESS, PROVIDING CUSTOMERS WITH THE WORLD'S MOST POPULAR PREMIUM AND LUXURY EYEWEAR BRANDS.

Luxottica ('Lux' meaning intensity of illumination, and the Italian 'ottica' meaning eyecare) is represented in over 130 countries on all five continents. The company's distribution network reaches the world's key markets in both retail and wholesale, with over 65,000 employees worldwide operating nearly 5,700 sunglass and optical stores.

The Group has a massive portfolio that includes vendors like Sunglass Hut, Laubman & Pank, Budget Eyewear, Bright Eyes Sunglasses, and the largest optical retailer in the Southern Hemisphere, OPSM. Luxottica also boasts a range of high-quality licensed brands such as Ray-Ban, Bvlgari, Burberry, Chanel, Dolce & Gabbana, Donna Karan, and Prada.

Within the Australasian region, the expansion of the Luxottica family is the result of a number of calculated acquisitions. The company is managed from head office in North Ryde, supported by offices in Auckland, Cape Town, Hong Kong and Singapore – a retail network with close to 800 stores.

The wholesale arm of the Group in Australia, Luxottica Australia, has a customer base of over 5,000 clients, including optometrists, sunglass boutiques and corporate clients such as Myer and David Jones, who are able to purchase a product range imported directly from company facilities in Italy. Orders are placed weekly and are dispatched via the Sydney-based distribution centre.

Having a renowned retail presence provides the Group with market

opportunities for the manufacture of prescription frames and sunglasses, plus a constant stream of customised orders. Michael Fretwell, Manufacturing Manager at Luxottica Australia, believes that to stand the test of time it is vital that there are efficient supply-chain processes in place. "In a fast-paced retail environment where we make on average 5,000 pairs of spectacles a day, having processes in place to ensure we deliver a quality product with great service is the point of differentiation for our clients and the reason we exist."

"One of the key elements of customer satisfaction for the Group is the electronic integration available between the company and its internal customers," Michael explains. "This provides the benefit that, should an order be rejected or delayed, the retail store has the opportunity to let the customer know of this delay and prevent them from coming to the store when the product is not ready." It is this integration and visibility between the retail chains and manufacturing and distribution that highlight the superiority of this company's supply chain. According to Michael, "This approach is centred on having our customers raving about the service and the quality that is supplied to them."

Error-proofing safeguards have been put in place, ensuring that the customer's experience with Luxottica Australia is a seamless one. "We like to put measures in place that guarantee customers are satisfied from the product-selection phase right through to when they pick up their ►



“WE LIKE TO PUT MEASURES IN PLACE THAT GUARANTEE CUSTOMERS ARE SATISFIED FROM THE PRODUCT-SELECTION PHASE RIGHT THROUGH TO WHEN THEY PICK UP THEIR FINISHED PAIR OF GLASSES.”

MICHAEL FRETWELL



finished pair of glasses,” Michael notes.

Michael believes that it is essential, in guaranteeing quality product, to look for suppliers who are willing to adapt their products and equipment to suit Luxottica’s special requirements. “It is necessary that our suppliers do not just listen to us, but that they also actively involve themselves in providing solutions and give input and support – whether it is with consumables or equipment.”

Not settling for the cheapest product and searching for a cost-effective, value-for-money option also assures a certain level of quality for the Group. “It is never all about price, even though this is important,” says Michael. “We have a fair tendering system, with all suppliers given the same opportunity. In the end, the decision comes down to this: is the product suitable, can it be delivered when we need it, will we have good support in times of need, and is

the price in a position where it will be commercially sound?”

There is no point working with suppliers if there is no internal management system – the supply chain would be disadvantaged. Luxottica chooses to employ the ‘drum–buffer–rope’ theory to manage its supply chain in-house. “This involves the theory of constraints,” Michael states. “The constraint is beating the drum and minimising work in progress, which ensures we have the ability to be dynamic and able to place urgent orders to the front without human intervention.”

Luxottica uses problem prevention as a way of making certain that its customers are completely satisfied with their purchasing experience. It is this attitude to best practice in all areas of business that makes Luxottica the leader in its field. 🍷



“WE HAVE A FAIR TENDERING SYSTEM, WITH ALL SUPPLIERS GIVEN THE SAME OPPORTUNITY.”

MICHAEL FRETWELL





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