

Building an E-commerce Solution

Coming from a start-up background to running one of the leading retail groups in e-commerce, Freddy Sobin understands the challenges of modernising a brand and breathing new life into a business.

Images by Johan Jeppsson

Freddy Sobin, Group President and CEO of Consortio Fashion Group, expected to work for one of the big-three management-consulting firms upon finishing his formal education. However, life offered him an opportunity to build something from scratch, so Freddy took the road less travelled to forge his own path. "I got a call from a small e-commerce start-up that was only two months old," he says. "I have a mutual friend with one of the founders and CEO who had recommended me, so we got in touch. We had a brief meeting and brief interview and I said, 'Why not, let's take a chance'. I felt it was a great opportunity to see what entrepreneurship is all about, and I joined Tretti in January 2005.

"E-commerce at that time in Sweden was kind of recuperating from the dotcom boom in early 2001 to 2002, so there were a lot

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of skeptics, but I thought this was a very exciting opportunity, so I jumped on board. I joined as the right-hand man for the CEO. On paper, I was marketing manager and business development manager, but as we were a small company, you do everything when you're in a start-up. So besides marketing, I established our IT department, which was outsourced. I sourced that and recruited everybody. I was heading up logistics the same way, setting up our warehouse distribution, et cetera. Doing a lot of things, if not everything, in a small company meant learning the entire value chain, learning every part of the business, and gaining great insights.

"I wasn't part of the board, but I was joining the meetings as secretary of the board and I was there for three and a half years. During the first year, we made an IPO and took the company public, and we raised quite a lot of capital.

That enabled us to grow faster, and that's what we did. During the first year, we went from 0 to 72.5 million SEK in turnover. That was year one, and then during the last quarter of our second year we reached break-even. So it was very fast growth. We reached break-even and profitability fast as well."

Taking the start-up to the stock exchange and achieving unprecedented growth left Freddy feeling like he'd done all he could, particularly since he was still in his mid-twenties. "At the time, I was actually contacted by the new owners of the Halens Group, renamed to Consortio Fashion Group, which was a private investment company that had acquired the Halens Group in 2007." Back then, the group consisted of two brands. It was mail-order only, and Freddy joined the group to head up e-commerce, establish it, and monitor the entire company as it went through a paradigm shift >



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from mail-order to e-commerce. He also established a new office in Stockholm in order to hand pick the best-possible team.

“I established a new office, brought in the right people, and started to work on building up the e-commerce function within the company and began sourcing e-commerce development and building up an online marketing team. I headed up those teams and worked a lot as a change agent in the headquarters in Borås, Sweden.

“For two consecutive years, we actually won both best e-commerce site and best site overall in Sweden according to *Internetworld* magazine, which was a lot of fun of course, but also very humbling, so that drove the teams forward even faster and we experienced a lot of momentum and motivation, which made it easier for us to recruit as well.”

Freddy’s responsibilities at Consortio Fashion Group grew each year, with the introduction of new systems throughout the company while increasing the growth and profitability of the business. He worked in the group for three years before he was offered the role of CEO, and has been in the top seat for more than two years now. However, this hasn’t stopped him from taking on extra board positions within the industry.

“I have been a board member of LensOn, the second-largest lens e-retailer in the Nordics. I was a part of the board between 2006 and late 2012 when we sold the company. Now, I am on the board of another external e-commerce company, Outnorth, selling outdoor equipment and clothing, and I am also the chairman of the Swedish E-commerce Association as of May 2013.”

Consortio Fashion Group acquired the bulk of its brands between 2004 and 2010, building the company and diversifying its offering. “Most of the brands and market organisations were acquired and merged together, but it wasn’t structured and consolidated in a good way. My first challenge was to consolidate the structure of the entire group. We centralised a lot of functions, for example, warehouse operations and logistics, and really did a lot of cleaning up. We also closed down a few offices in a few countries where we centralised back to one market that gained responsibility for a few more markets in that region.

“We went from 650 down to 400 employees as a result of that. We are currently finishing up a huge IT project where we have consolidated all the different ERP systems within the group to one central ERP system for everyone. Today, the group consists of four brands and 14 markets all in all. So just to be able to control the ERP system in a much more efficient way and develop that forward is key, and we are very close to finishing that project right now.”

Collaborating with key suppliers and partners is crucial for the ongoing success of the business. “We work with them all the time to see how we can develop the joint business in a good way for both partners, but also how we can do everything incrementally better. So never standing still, always moving forward and saying, ‘Well, the cooperation/joint business is doing well today; it’s going well, but how can we do it even better tomorrow? How can we make small or big changes that will have a substantial effect on our top and or bottom line?’

“We try to be a demanding customer and keep our suppliers and partners on their toes, but we also ask them to be proactive. So they also come to us with input and suggestions. It’s basic



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things—I mean, they should be leading and cutting edge at what they do. They should also come to us and say, ‘Hey guys, this is a new trend and a new function we have for your service or product, and I think we should try it.’ So it’s really about two-way dialogue and two-way partnerships.”

Freddy is hopeful for the future of the company as Consortio Fashion Group further develops the brands and markets it is in while looking for new opportunities to expand the group further. “The future holds quite a few interesting things. I would say that in the coming years we will really be focusing on growth; entering more markets, new markets, and expanding organically with our existing brands in our current

markets. We have four brands and we are active in 14 markets, but we are not stopping there. We still see that we have a long way to go and a lot of exciting strategic initiatives to try out. That is the way forward.

“We’re also focused on becoming a true fashion company that is e-commerce and customer-centric. It takes time to change the company culture, but we are getting there, and I would say once everyone within the group really understands and acts in the way we want, then we’re going to see tremendous growth, tremendous results, and big changes coming rapidly. Today, it’s already happening, but when you really get everyone internally involved and everybody engaged in our vision, then it’s going to accelerate aggressively.”

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