

## Breakthrough

Opportunity Cost and  
Contribution Combined



ANSGAR JOHN BRENNINKMEIJER

Illustrations HANS-JAN RIJBERING

# Breakthrough

Dedicated to C&A colleagues past and present.

This booklet is based on my own work experiences as well as various interviews (especially those with Dieter Brandes of ALDI and various retired uncles). My work started at C&A Germany in 1989 and after university I worked as a Product Manager (buyer) at C&A Europe. From 2000-2004 I was a manager at IKEA Netherlands.

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## Executive summary

Normally in retail, if you ‘*cut your profit mark-up dramatically*’ you can’t be sure whether your bottom line profit will rise *or fall* as a result. In 1906 Clemens’s son, Bernard Joseph, discovered a surefire way to make net profits snowball. The underlying *Contribution per m<sup>2</sup> Opportunity Cost system* was kept so secret, that it was eventually forgotten. Today C&A has largely returned to the less profitable pre-1906 system of planning, pricing and evaluating its assortment. This booklet re-introduces the surprisingly simple math behind Joseph’s retail method, which the Brenninkmeijers referred to amongst themselves as the ‘*sneeuw-bal systeem*’.

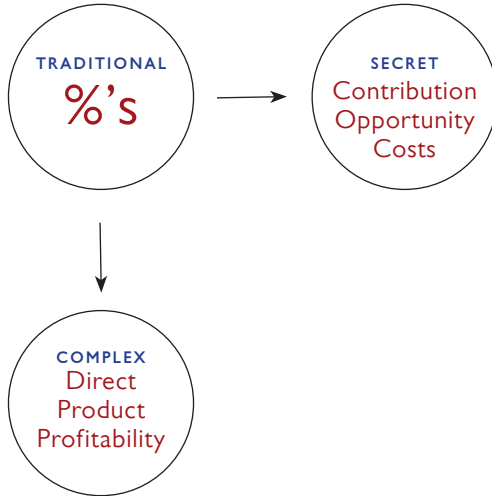


Figure: Overview of retail systems



**FOREWORD BY MARTIJN BRENNINKMEIJER**

Dear Colleagues,

After intensive research and study on a subject that he has long been interested in, our cousin Ansgar John has written a booklet “Breakthrough: C&A’s Secret Formula Rediscovered”.

Ansgar John’s research included detailed analysis of historical documents as well as interviews with Family Members, non-Family Member C&A Executives, top executives from other retailers and academics.

The booklet details how our C&A fore-fathers used a concept of BCP Fund per m<sup>2</sup> rather than BCP% to make assortment and space trade-offs. Whilst C&A does not currently use the concept of BCP Fund per m<sup>2</sup>, in his research, Ansgar John found other very successful retailers that do use this method.

Ansgar John’s book is both a tribute to the clear commercial thinking of our fore-fathers and a challenge to the current generation to examine whether the decision to move away from BCP Fund per m<sup>2</sup> is correct.

I find the challenge interesting and important so I am sending you a copy for reading and reflection.

With the kindest regards, also on behalf of Ansgar John,  
Martijn





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