

New boss vows to overhaul Edcon

By [Ann Crotty](#)

9 Feb 2017

The newly appointed chairman of Edcon said the retailer was too important to fail and would be turned around. Gareth Penny, who took up the position on Wednesday, said he was "confident we can continue to make progress in recreating a world-class retailer".



Penny, the former group CEO of De Beers, said Edcon, which is the largest clothing retailer in SA, had 45,000 employees, 9-million registered customers and was a major player in local malls.

"It will be got right," said Penny, who during his tenure at De Beers was instrumental in reshaping the world's largest diamond company.

The other board members are Bernie Brookes, Rhidwaan Gasant, Daphne Motsepe, Marti Murray, Grant Pattison and Keith Warburton. Brookes, who is CEO, is the only executive of the relatively small board.

Former Massmart CEO Pattison is the only nonexecutive with any significant retail experience, although it did not involve much exposure to clothing. Walmart has failed to make inroads in the local clothing market with Makro and Game failing to crack the market.

Analysts were generally unimpressed by the list of new directors. "It looks as though Bernie [Brookes] doesn't want to be challenged," said Sasfin analyst Alec Abraham.

But Penny said Pattison and Brookes had good hands-on retail experience and as a former chief financial officer of Clicks, Warburton would provide good financial back-up.

He said Motsepe, who is a former Absa executive, and Gasant, who is CEO of Rapid African Energy Holdings, would bring important perspectives to the board. Murray, an American and along with Brookes the only non-South African on the board, "has great experience in dealing with corporate challenges".

Penny said former Edcon CEO Steve Ross and former Woolworths top executive Andrew Jennings, who had been touted as candidates for the role of chairman, would play an advisory role to the company.

Jennings, who is South African, worked in Australia as a consultant for Brookes in his largely successful efforts to turn around leading Australian group Meyers.

The previous Edcon board also had limited retail experience and was dominated by bankers with a sprinkling of miners. As well as diamond retailing, Penny's experience includes mining and banking.

Penny said Brookes had done a good job since he took over in October 2015. "We've made progress but there is still a significant period ahead."

Source: Business Day

For more, visit: <https://www.bizcommunity.com>