

SAP Customer Success Story Media – Magazine Publishing



“Only SAP offered an integrated solution with the components we needed for advertising and subscription management.”

Thijs van Winsen, Manager, SAP Customer Competence Center,
Sanoma Uitgevers BV

AT A GLANCE

Summary

Sanoma Uitgevers BV – the Dutch language publishing company based in Hoofddorp, the Netherlands – wanted to consolidate 4 separate systems into a single solution that could support multiple processes. It chose software from the SAP for Media solution portfolio.

Web Site

www.sanoma-uitgevers.nl

Key Challenges

- Increase organizational flexibility and responsiveness
- Increase information availability and reliability
- Ensure information consistency and integrity
- Facilitate change in an organization where change has been difficult

Project Objective

Deploy a single standards-based, industry-focused solution to provide support for subscription processing, advertising, and customer relationship management

Solutions and Services

- Industry-specific software for media
- mySAP™ Customer Relationship Management solution
- mySAP ERP Financials solution
- SAP NetWeaver® platform
- Services from SAP® Consulting

Why SAP Solutions and Services

The only integrated enterprise-class solution portfolio designed specifically for the media industry currently on market

Implementation Highlight

A phased implementation

Key Benefits

- Improved information accuracy
- Increased employee confidence (in using the enterprise IT system)
- Ability to close financials in as few as 4 days – down from more than 2 weeks
- Ability to execute new business strategies quickly
- Increased agility of organization to take on new challenges and adapt to new business opportunities
- Less need for support staff, including IT and administrative personnel

Implementation Partners

- Logica CMG
- Magnus Holding
- SAP Consulting

Existing Environment

Various nonintegrated systems

Database

Microsoft SQL Server

Hardware

HP ProLiant

Operating System

Microsoft Windows 2000

SANOMA UITGEVERS

Increasing Flexibility and Efficiency with Software from the SAP® for Media Solution Portfolio

As a leading Dutch media company, Sanoma Uitgevers BV knows what it takes to communicate with an audience. The Hoofddorp-based publisher puts out more than 70 magazine titles and reaches 78% of the Dutch reading public. Sanoma's ability to connect with its audience is also reflected in the fact that advertisers collectively place more than 20,000 ads each year.

But for all its ability to communicate with its readers and advertisers, the systems that Sanoma had been using to manage its businesses could barely communicate among themselves at all. Sanoma had merged four separate operating companies – handling subscriptions, advertising, and different publishing activities – into one, but had discovered that the systems supporting the companies could not be easily integrated. Each system had been internally – and independently – developed, so none of them were based upon any industry standards. They each performed certain specific business functions well, but they performed them quite rigidly, making it very difficult for Sanoma to change how it operated its business.

Such rigidity and lack of integration were proving to be costly. Sanoma officials wanted a single, integrated enterprise-class media management solution – one that would help the company reduce costs, further enhance relationships with readers

and advertisers, and increase organizational agility. For Sanoma, the answer was obvious: SAP® software from the SAP for Media solution portfolio.

Managing a Media Empire

The merger of four companies into one was supposed to enable Sanoma to put more focus on publishing its magazines and to manage its subscribers and advertisers more efficiently and cost-effectively. From an IT perspective, however, that did not happen. The systems supporting advertising, subscriptions, and customer relationship management all required separate support teams. They had not been built with common data formats or standards in mind, so it was very difficult to share information between departments or to consolidate information in a single data warehouse.

Nor was it easy for Sanoma to make changes across these systems. Business managers might envision a new service – a subscriber portal, for example, where subscribers could go to make changes to their own accounts – but the systems in place made it too difficult to create such a portal. In fact, the rigidity of the systems themselves seemed to have the effect of limiting the organization's capacity to change. The business managers at Sanoma might have bold new ideas for advertising programs or subscription drives, but the software could not effectively support such efforts.

Sanoma managers figured out that the organization needed a single system that would support all of its key business areas – from advertising, subscription, and financial management to customer relationship management, sales, distribution, and reporting. With such a single integrated system, the company could consolidate the separate IT teams into one, which would lower its costs. By eliminating the incompatibilities between the systems, Sanoma could improve the quality and accessibility of information, enabling all users to get better insight into the state of business and to make decisions based on more accurate information. With a system built on known standards, Sanoma could

also extend and enhance the solution to accommodate new business directions that it might undertake in the future, and that might help create a whole new culture of agility and flexibility in the company.

Finding the Solution That Fits

Sanoma's decision to deploy a solution from SAP was an easy one to reach. "There was only one supplier that could help us, and that was SAP," says Thijs van Winsen, manager of the SAP Customer Competence Center location for Sanoma Uitgevers BV. "Only SAP offered an integrated solution with the components we needed for advertising and subscription management."

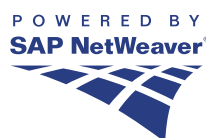
Sanoma deployed industry-specific software as well as the mySAP™ Business Suite family of business solutions, including the mySAP Customer Relationship Management (mySAP CRM) and mySAP ERP Financials solutions.

Additionally, Sanoma today relies on the SAP NetWeaver® platform, the open integration and application platform that powers SAP software and ensures easy integration between both SAP and non-SAP solutions.

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Sanoma Uitgevers BV*

The solution infrastructure at Sanoma operates on ProLiant servers from HP, running the Microsoft Windows 2000 Server operating system and using a Microsoft SQL Server 2000 database. Design, deployment, and process reengineering efforts began in 2001 and have continued in phases, with full solution deployment on track for completion in 2006. Logica CMG, Magnus Holding, and SAP Consulting services have provided deployment and migration support along the way.



Management with a Media Focus

Today, more than 600 Sanoma employees interact on a daily basis with the SAP software to get their work done: more than 250 people may be using the solution concurrently at any given time. The advertising organization within Sanoma manages orders using SAP industry-specific software. The sales department uses mySAP CRM to manage sales opportunities and account activities. Sales and marketing managers track progress on programs using the SAP NetWeaver Business Intelligence component. Personnel in the company's call center use mySAP CRM to pull up all the relevant information about an advertiser or subscriber, enabling them to answer callers' questions immediately.

Van Winsen comments, "All our magazines have campaigns to get new subscriptions, and all our campaigns are budgeted in the SAP Strategic Enterprise Management application. The campaigns are replicated from mySAP CRM – for marketing campaign management – in the SAP industry-specific software, and all new orders can be related to a specific campaign. It all comes together through the reporting we get through SAP NetWeaver Business Intelligence. A marketer can see the budget associated with a campaign, the costs accrued so far, the orders won so far, the cost per order, and so on – all on the fly. It's a very powerful mechanism."

More Efficient Business Processes

As Sanoma has rolled out its integrated solution, it has increased the efficiency with which it operates. Because all the key operating information resides in a single solution, and because all the processes for capturing that information have been automated, the company now has information that is more accurate than ever. Reporting is easier; the conclusions are more credible; and the business decisions are better because they are more solidly grounded. Closing the corporate books – a process that used to take two weeks to three weeks when the old systems were in place – now takes only five days or less.

Sanoma has also trimmed its support staff by 10%. That's not just in the IT department, but across the board. Not only is IT able to support the SAP solution with a smaller team than the four separate systems required, but personnel throughout the organization can access the information they need by themselves. The company no longer needs quite so many administrative assistants to gather and merge information.

Poised for Change and Growth

Because its new solution is built on well-published standards and is designed for expansion, Sanoma has found that it can implement new business processes quickly – and far more easily – than it could in the past.

"As we move further and further into the capabilities of this solution, we're realizing that it can do even more than we originally thought, and it's rather easy to implement new capabilities."

Thijs van Winsen, Manager, SAP Customer Competence Center, Sanoma Uitgevers BV

"We changed the way we did contracts for advertising," says van Winsen, citing an example. "We had a very complex way of creating and managing contracts, and we decided to change that. To implement a new contracts form in SAP was not hard at all, but we would not even have attempted such a change in the old system. It just would have been too hard to do."

Another example can be found in the way Sanoma has enhanced the Web sites associated with the magazines it publishes. Customers visiting many of those Web sites have opportunities to purchase merchandise associated with a magazine brand – a child's lunch box, for example, that reflects a children's magazine's

branded characters – and Sanoma found it easy to create a single catalog and shopping cart system to support each of the Web sites. When a customer purchases an item from a branded Web site, the order goes directly into Sanoma's integrated SAP system. The system even contacts an external fulfillment organization automatically, passing the order along without any human intervention.

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The Internet is just one area where the SAP solution at Sanoma facilitates buying and selling. Sanoma has been acquiring smaller publishing companies at a rate of five or six each year, and having such a flexible system has made it much easier for the publisher to incorporate other companies into its infrastructure. “With our old systems we would have been at a real disadvantage,” says van Winsen. “Now, we can buy those companies and incorporate them into our SAP infrastructure very quickly.”

The Bottom Line: A Better Solution for Business

For Sanoma, the bottom line is this: business is better as a consequence of its decision to deploy SAP software. IT management costs are down because there is only one integrated solution to manage. Personnel costs are down because the publisher no longer needs extensive administrative support. The information coming out of the new system helps drive better business decisions – and it helps the company identify new business opportunities and run more efficiently. By any business metric, those are indicators of success.