



SCOTT SPORTS

MANUFACTURER USES SAP® CRM TO PROVIDE E-COMMERCE SUPPORT TO CUSTOMERS

QUICK FACTS

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Olivier Richner, Vice President of Operations, SCOTT Sports SA

Company

- Name: SCOTT Sports SA
- Location: Fribourg, Switzerland
- Industry: Consumer products
- Products and services: Sports products, accessories, apparel, and footwear
- Revenue: SFr 300 million (€183 million)
- Employees: 520
- Web site: www.scott-sports.com
- Implementation partners: attune consulting, SAP® Active Global Support organization

Challenges and Opportunities

- Achieve superior service quality
- Implement and sustain industry-leading e-commerce functionality

Objectives

- Integrate high-performance e-commerce solution with apparel and footwear functionality of SAP software
- Establish extensive self-service capabilities for customers
- Reduce customer service costs
- Increase customer transparency for sales staff

SAP Solutions and Services

- SAP Apparel and Footwear application
- SAP Customer Relationship Management (SAP CRM) application
- SAP NetWeaver® Exchange Infrastructure component

Implementation Highlights

- Rolled out SAP CRM and upgraded SAP Apparel and Footwear
- Established end-to-end fashion processes with strong support from attune

Why SAP

- Complete software functionality for e-commerce needs of a midsize global business
- Single vendor solution
- Off-the-shelf integration of SAP Apparel and Footwear with e-commerce functionality of SAP CRM
- Low total cost of ownership

Benefits

- Up-to-date customer order and shipment status for sales staff and distributors
- 25% to 35% increase in order value per customer service staff member
- Greater effectiveness of sales staff at sales calls, customer relationships, up-selling, and cross-selling
- Up to 30% decrease in time to enter preseason bicycle orders, enabling faster and more accurate planning
- Availability of planning data 30-45 days earlier than previously
- Greater accuracy of model-mix and size-mix planning in the 8-month planning cycle
- Targeted use of e-commerce for 65% of global company sales and up to 80% of reorders

Existing Environment

SAP Apparel and Footwear



SCOTT Sports SA wanted to give its customers and customer-facing employees faster and better access to data on product availability and order status. It engaged attune consulting and the SAP® Active Global Support organization to implement, integrate, and customize the SAP Customer Relationship Management (SAP CRM) application in conjunction with the SAP Apparel and Footwear application. The result was market-leading e-commerce functionality that allows SCOTT to better satisfy its retail customers – and in turn its end users.

SCOTT is a midsize consumer products company that sells a multifaceted product line in a highly competitive global market. Originally established in Sun Valley, Idaho, but now based in Fribourg, Switzerland, SCOTT offers premium products and accessories for biking, winter sports, motor sports, and running. With 520 employees and annual revenues of SFr 300 million (approximately €183 million), SCOTT sells its innovative products all around the world.

Focused on Innovation from the Start

Innovation has been the cornerstone of the company's philosophy since 1958, when Ed Scott, a talented engineer and ski racer, invented the first tapered aluminum ski pole and launched SCOTT. As a product leader in the skiing market, SCOTT used foam ventilation to introduce the world's lightest ski boot and ski goggles.

To lessen its dependence on winter ski season revenues, the company expanded into other outdoor sports markets.

SCOTT produced a full line of running shoes and the world's lightest full-suspension bike, among other new products. In recent years, SCOTT's pioneering biking products contributed to victories at the Tour de France and the Olympic Games.

Building Strong Partnerships with Distributors and Retailers

SCOTT's focus on innovation extends from product development to all aspects of its business strategy. In particular, the company builds strong partnerships with its channel customers, maintaining a leadership role in service to distributors and retailers. "While many of our activities are centralized, every division's sales organization still has its own local customer service group," says Olivier Richner, vice president of operations at SCOTT. "We believe that building a strong partnership with our channel customers is key to achieving customer satisfaction and business success."

Based on feedback from customers, SCOTT determined that e-commerce-based order handling capabilities were

essential to ensuring the company's service leadership role. SCOTT's objectives encompassed providing self-service capabilities – including the transparency into product availability and order status that customers were demanding – as well as Internet sales functionality to support its own sales staff. Through the implementation, the company expected to reduce costs and free up its staff for activities that add value for customers.

Selecting SAP to Provide an E-Commerce Solution

After carefully considering alternatives, SCOTT found that the Web-enablement functionality of the SAP® Customer Relationship Management (SAP CRM) application would best address the company's long-term needs. The SAP solution fully supports integration with the existing SAP Apparel and Footwear application and offers a stream of future enhancements.

In particular, SCOTT found that SAP understood the evolving needs of mid-size, global businesses serving sports, apparel, and footwear markets. "We had various options, but SAP was the one that would best support our range of sales, financial, and production processes – and last well into the future," says Bruno Fasel, IT coordination and project manager at SCOTT. "SAP offered the best software products for our business – providing a complete and tightly integrated e-commerce solution for apparel and footwear."



Putting Together the Implementation Team

The implementation project included an upgrade to the existing SAP Apparel and Footwear application and updating business processes, as well as adding e-commerce functionality. SCOTT selected attune consulting to assist because of its many years of directly applicable success with SAP software implementations in the sports, apparel, and footwear industries.

“attune was a highly capable partner and critical to the success of this project,” says Murith. “We were able

“Both SAP and attune were excellent to work with and designed solutions that fully addressed our requirements.”

Steve Murith

IT Project Manager
SCOTT Sports SA

to start with basic functionality and grow from there. We also worked with SAP Active Global Support, which added valuable functionality to the core SAP product, and we employed attune to tailor the solution. Both SAP and attune were excellent to work with and designed solutions that fully addressed our requirements.”

Accelerating Development Through a Service-Oriented Approach

attune delivered a novel service-oriented approach to integrating SAP Apparel and Footwear and SAP CRM, skirting the need to replicate data and business rules and allowing reuse of functionality embedded in SAP Apparel and Footwear. attune built the SAP software-based e-commerce system off-site during the first three months of the implementation, a very rapid time frame that was only achievable because of their service-oriented development approach.

attune also employed SAP NetWeaver®, Development Subscription to support custom development. This enabled attune to expose SAP Apparel and Footwear functionality as Web services and build an e-commerce solution employing the best practices of IT change management.

“Only with SAP NetWeaver could we manage this level of complexity,” says Andreas Moser, manager of e-business and CRM at attune. “SAP has truly mastered the ability to manage change in large, integrated Internet-based applications.”

Streamlining Project Management

A team of five experienced IT staffers managed the project on SCOTT's end, implementing the upgrade to SAP Apparel and Footwear, integrating the e-commerce product attune shipped them, and performing acceptance testing.

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Bruno Fasel, IT Coordination and Project Manager, SCOTT Sports SA

They used the SAP Solution Manager application management solution to facilitate deployment of the integrated SAP software and the IT infrastructure, helping ensure reliability and maintain low total cost of ownership.

The complete e-commerce implementation, combining SAP Apparel and Footwear and SAP CRM, went live only five months after project inception – on time and under budget. In less than a year, the e-commerce solution had 200 internal company users, and SCOTT expects that it will soon have 4,000 customers using the system.

Satisfying Customers Worldwide

SCOTT's global e-commerce solution contributes to revenue growth across the company's broad range of products. The software is available for use by partners in the United States, Brazil, Japan, Russia, South Africa, and several countries in Western Europe. The company anticipates attaining its target of using e-commerce for 65% of global company sales and up to 80% of reorders.

SCOTT achieved the expected benefits from the e-commerce implementation, the most important of which was satisfied customers throughout the world. Distributors and retailers were pleased because they had much greater control over restocking products during peak sales seasons and avoiding stock-outs. “Our online e-commerce site allows dealers to check availability, place orders directly, and perform other tasks – 24 hours per day, 7 days per week,”

says Scott Montgomery, general manager of Bike USA, a division of SCOTT.

As more customers used the e-commerce system, SCOTT attained greater visibility into demand. This helped the company plan its production lines, ensuring high-capacity utilization and product availability. SCOTT also improved order and invoice accuracy – and reduced mistakes in shipments –

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because use of online transactions minimized handoffs and thus reduced the opportunity for errors.

Rather than making lengthy calls to customer service for information, SCOTT's sales representatives began using the system to check order status and make certain that customers' needs were being fulfilled. “We are improving our company's productivity with this system,” says Murith. “We can grow our business without adding to staff – while at the same time improving service quality.”

Sales reps were equipped with complete account information when they visited customers. “The reps are more

confident and can provide better service because they have direct access to information about their customer's activities, including orders, shipments, and invoices,” says Richner. “This is a big step forward, helping focus the reps' energy on developing SCOTT's partnerships rather than on individual transactions.”

Preparing for the Next Challenges

SCOTT plans to extend its implementation of SAP CRM to include interaction center functionality, which will give call center and sales staff a 360-degree view of customers. The company also plans to implement the marketing functions of SAP CRM to segment its markets and better target its marketing campaigns.

And SCOTT is deploying the SAP NetWeaver Business Intelligence component to ensure that consistent data – derived from transactions in SAP CRM, SAP Apparel and Footwear, and other SAP applications – is used throughout the company.

Ultimately, with the resource constraints of a midsize business serving complex and evolving global markets, consistent data will be essential for success. “We're working to provide information tailored for every department,” says Richner. “In that way, our SAP software data can be leveraged to make sound business decisions, helping us maintain continued profitable growth and sustain our leadership position.”



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