



BayWa

mySAP RETAIL AND SAP RETAIL STORE TRANSFORM BAYWA AG INTO AN E-COMPANY

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Eugen Berchtold, information systems manager at BayWa AG

In the context of implementing mySAP Retail, BayWa AG has successfully installed mySAP Retail Store in the outlets in its DIY and garden centers division. In the future, the corporate group intends to use the retail industry solution from SAP in its wholesale divisions. Thanks to mySAP Retail and mySAP Retail Store, BayWa is able to optimize business processes, reduce costs, and benefit from the opportunities provided by e-commerce.

BayWa AG, based in Munich, is an international retail and services group focusing on the agricultural sector as well as on trade in building materials, products for domestic installation work, and mineral oils. Technical services round off the range. The corporate group, with nearly 15,000 employees working in Southern Germany, Saxony, and Austria, generated total sales of over 5.3 billion euros in 2000.

In the turbulent fiscal year 2000, the corporate group launched "BayWa 2000+", a project extending over several years with the aim of ensuring that the company remains competitive. Consisting of over 50 subprojects, the overall project will cost around 30 million euros and is set to increase the group's real net output by between 45 and 47 million euros a year by means of optimizing processes and utilizing rationalization potential.



New IT infrastructure based on SAP R/3

One of the core aspects is the renewal of existing information systems. At the beginning of the project they were no longer in keeping with the times, failing to meet either the conditions for perfect integration or those for communications via a group-wide intranet. Likewise, they posed an obstacle to operating successfully in electronic marketplaces and the reduction in procurement costs associated with this. Step by step, the group's various divisions are now being fitted with a new IT infrastructure based on SAP R/3 that meets the requirements of e-business. At the same time, the mySAP Retail industry solution is being implemented across all divisions. "BayWa 2000+" was given the go-ahead at the beginning of 2000, to be implemented with SAP Deutschland GmbH & Co. KG as project partner.

Implementation of mySAP Retail Store in the DIY and garden centers division

In the context of implementing mySAP Retail, the group decided to begin by installing mySAP Retail Store, the SAP solution for store retailing, in its DIY and garden centers division. Eugen Berchtold, information systems manager at BayWa AG, comments: "Competition is particularly tough in this sector. After a thorough examination of the various options, we chose Retail Store because it puts us in the best position to accelerate sales processing and to optimize our customer service." This is especially important for BayWa because DIY and garden centers are literally fighting for every consumer. In this process, retailers that allow customers to shop in an easy, relaxed manner have clear competitive advantages.

Speedy customization of the standard solution in collaboration with SAP SI

When it came to choosing a cooperation partner for this sub-project, BayWa chose SAP SI. Berchtold explains this as follows: "Our decision was based on the in-depth product know-how displayed by the SAP SI consultants and their close collaboration with the developers of mySAP Retail Store. In addition to this, the SAP SI specialists have outstanding industry knowledge as well as a process know-how that goes beyond the area of retail and will prove to be an advantage in the wholesale divisions of BayWa."

Just half a year after the subproject was launched, mySAP Retail Store went live in the last of a total of 71 stores. Berchtold: "The implementation of Retail Store was a complex and challenging task. Thanks to the flexibility of this standard solution, we were able to make all the necessary modifications. Without the extensive technical and industry knowledge of our consultants, this would have hardly been possible within such a short timeframe. This rapid implementation of Retail Store testifies not only to ideal IT support but also to a high degree of acceptance on the part of our employees."

The "Infothek" – a new workstation concept

A particular feature of this subproject is the "Infothek", BayWa AG's own workstation concept that brings together two tools: mySAP Retail Store and a newly implemented POS system. The "Infothek" provides shop employees in the mySAP Retail Store with selective access to all product and customer-based information, always giving them an answer whenever they query prices, availability, or delivery dates for a particular item. On many an occasion, deals are even made at the "Infothek". Josef Kagerl, SAP user consultant and project manager for the Retail Store implementation, remarks: "All employees immediately realized the benefits of the "Infothek", at which a single sales assistant is able to handle the entire sales process. The previous division of tasks to two separate workstations regularly gave rise to duplicated tasks, errors, and long waiting times at the cash desks. Customers who receive incorrect information, if any at all, and then also have to queue become annoyed and turn to the competition."

Another strength of the concept is that for customer retention campaigns, which are no longer hindered in any way since the discount law was abolished in Germany, loyalty discounts or quantity discounts are calculated and applied to the invoice automatically.

mySAP Retail and mySAP Retail Store – the ideal system combination

The online connection of mySAP Retail Store in the stores with the central retail system allows prompt updating of all data, resulting in optimum inventory management and

material requirements planning. Similarly, it allows precise buying behavior forecasts, with which BayWa is able to continuously optimize its range and take suitable measures to control the sale of individual articles more effectively.

Kagerl: "The fact that our assortment management now runs perfectly just goes to show that we have chosen the right combination of systems. After all, our markets sell around 40,000 items, each at very different prices often subject to special conditions, for instance for our employees."

mySAP Retail Store also in wholesale!

Since March 2001, around 350 users in BayWa AG's DIY and garden centers have been working with mySAP Retail Store. The solution is set to be implemented in 220 stores in the building materials division in the very near future, while implementation in the area of agriculture is scheduled for 2003. The completely different customer structure of these divisions presents no difficulty.

Berchtold: "In close cooperation with SAP SI, we have tailored the functions of Retail Store to meet the needs of wholesale and will benefit from its advantages in our domestic and foreign branches. By the end of the project, up to 6,500 PC workstations will be connected at approximately 500 locations."

E-commerce: at BayWa the future has already begun

As a result of the "BayWa 2000+" project, the corporate group hopes to transform itself into an "e-company". On top of this, new possibilities arise for reducing process costs in areas such as procurement. As early as the beginning of 2001, BayWa set up an open electronic marketplace for the construction industry on the Internet. The business model used is based on the incorporation not only of vendors and customers but also of other companies that trade in building materials. In this respect, too, mySAP Retail and SAP Retail Store will play an increasingly vital role in all of BayWa's divisions. After all, the solutions are simple, future-oriented products that can even be used by third parties, for instance by franchise partners or vendors who wish to integrate their catalogs into them.

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