

Customer Success Story Consumer Products – Sporting Goods



“The electronic sales channel, based on SAP E-Commerce for SAP R/3, is playing an essential role as we increase customer satisfaction and efficiency.”

Raphael Lefort, Head of Business Development in Europe, adidas

AT A GLANCE

Summary

adidas – headquartered in Herzogenaurach, Germany – is one of the world’s top sporting goods manufacturers. Utilizing the functionality found in the SAP® E-Commerce for SAP R/3® application, adidas created an online store for retailers. Just a few months after go-live, customer service and satisfaction had increased considerably.

Web Site

www.adidas.com

Key Challenges

- Replace legacy system
- Create a user-friendly electronic sales channel
- Reduce lead times and transaction costs
- Prepare global rollout

Project Objectives

- Tailor online product offerings for retailers, based on established logistics and adidas’s unique selling propositions
- Enable a user-friendly global system that incorporates all sales organizations

Solution and Services

SAP E-Commerce for SAP R/3

Why SAP Solution and Services

- Offered ease of implementation
- Allowed for high level of integration with existing SAP R/3 software (functionality now found in the mySAP™ ERP application)
- Included expert advice by SAP Consulting
- Utilized familiarity of SAP Consulting with adidas’s processes
- Provided long-term protection of investment

Implementation Highlights

- Same-source implementation and consulting services
- Full integration of new functionality into the existing SAP Apparel and Footwear (SAP AFS) application
- Clear focus on business processes and out-of-the-box system integration

Key Benefits

- Very high user buy-in
- 24x7 market presence
- 20% reduction in process costs
- Significant increase in customer satisfaction
- Faster transaction times
- More efficient order processing
- Less manual effort, resulting in fewer errors

Implementation Partner

SAP Consulting

Existing Environment

- SAP AFS
- mySAP Customer Relationship Management application

Third-Party Integration

- Database: Microsoft SQL Server
- Hardware: Hewlett-Packard ProLiant server
- Operating system: Microsoft Windows 2003

adidas

SAP® E-Commerce for SAP R/3® Enables Online Store for Retailers

“Our new order and information service on the Internet has really struck a chord with our customers,” says Thomas Wiesel, business project leader at adidas. The company – headquartered in Herzogenaurach, Germany – has received plenty of positive feedback from the some 1,000 retailers that have been using its electronic sales channel since May 2005. The channel is based on the SAP® E-Commerce for SAP R/3® application. The application’s high-performance functionality enabled adidas to enhance service, increase customer satisfaction, and improve efficiency. SAP Consulting provided comprehensive support throughout the project, which was completed on time and within budget. SAP Consulting will assume responsibilities during adidas’s 2006 global rollout as well.

Part of the World of Sports for 80 Years

adidas is a world leader in sporting goods. Its product portfolio comprises state-of-the-art athletic shoes, clothing, and accessories. In 2004 adidas had total revenues of €5.8 billion and its employees numbered 14,254. It is adidas’s stated goal to be an industry leader in every applicable sales market.

Two essential requirements for solidifying adidas’s position as a leader are the development of strong, consumer-oriented brands and continued revenue growth. Regarding its operational strengths, adidas focuses on constantly improving customer service. In 2005 this included the complete reorganization of online order management.



The legacy system that the company had integrated into its sales processes in a number of western European countries was no longer performing sufficiently. Nor did it provide an online availability check. In addition, many customers were submitting orders by telephone, fax, or by way of an order office. Each of these options involved a considerable amount of follow-up effort by adidas. With the functionality found in SAP software, the situation has changed fundamentally.

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Thomas Wiesel, Business Project Leader, adidas

First-Class Customer Service Around the Clock

adidas chose to implement SAP E-Commerce for SAP R/3 as its efficient and future-oriented business-to-business ordering tool. “Since we rolled out our online store in November 2005, around 3,000 customers from Spain, Portugal, Germany, Austria, and Switzerland have had access to it,” says Wiesel. “About a third of them are already using our online ordering method; they’re excited about how fast it processes their orders.”

The new online store is both user-friendly and technically convenient. Customers select their items from a visually appealing product catalog. They can place their orders based on various criteria, from size to price description (regular or discontinued, for example). When a customer requests a specific delivery date for their order, the system automatically generates a “preorder,” which rewards the customer for ordering online and early. The system can process individual offerings such as variable packages and lots quickly and easily.

“Our online store is so popular with our customers due to its convenient shopping-basket management, fast response times, and timely availability checks of sizes. Online pricing and order and invoice status checks complete its first-class service,” says Wiesel.

Faster and More Cost-Effective

adidas’s online store has evolved quickly into a real winner. The store rings up around 600 orders, comprising approximately 6,000 items, every day – and the numbers are increasing. adidas saves 20% of its normal processing costs on every online order. By the end of 2005 the number of countries using the system had increased considerably, as adidas rolled out the system at its locations in Scandinavia, France, Italy, eastern Europe, the United States, and Japan.

Speedy Implementation with SAP Consulting

For the implementation of its ambitious project, adidas has a competent consulting partner. SAP Consulting handles process consulting and integration for adidas. It supports adidas’s global IT infrastructure with best practices during rollout and live operation. “SAP consultants have extensive expertise and are even familiar with our company’s subprocesses. Additionally, they were able to acquaint themselves with specific system characteristics very quickly. This was key to our project’s fast, smooth progression,” says Peter Höhle, head of application services at adidas. “The SAP Consulting team really showed what it could do.”

More Service Offerings to Come

By implementing SAP E-Commerce for SAP R/3, adidas successfully put into operation an important part of its e-business strategy. “As we implement the next release,” says Höhle, “we’re going to continue to improve our service and integrate functions for shipping, returns, delivery notes, tracking and tracing, and reporting.”