

SAP Customer Success Story Media

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Anna Bottazzi, IT Manager, RCS Diffusione



AT A GLANCE

Company Name

RCS Diffusione
www.rcsmediagroup.it

Industry

Media (distribution)

Key Challenges

- Nonintegrated distribution processes
- Inefficient, manual processes
- Six different systems to manage circulation, making it difficult to access relevant information

Implementation Partner

SAP Consulting

Solution and Services

- SAP for Media solutions
- SAP® Advanced Planning and Optimization (functionality now available in mySAP™ Supply Chain Management)

Existing Environment

Disparate, nonintegrated systems

Implementation Highlights

Close collaboration with development team at SAP, resulting in comprehensive industry-specific solution

Key Benefits

- Manage distribution cycle more effectively
- React to market changes more quickly
- Continue to meet business goals

Hardware

IBM

Operating System

AIX

RCS DIFFUSIONE

FACING THE FUTURE WITH SAP® SOFTWARE FOR THE MEDIA INDUSTRY

An improved ability to manage the distribution cycle for media products was not the only benefit RCS gained from implementing SAP for Media solutions. “SAP offers a platform that enables innovation and provides functionality that allows the company to achieve its business objectives,” explains Anna Bottazzi, IT manager at RCS Diffusione.

RCS Diffusione is the arm of RCS MediaGroup that distributes newspapers, magazines, collectibles, and paperbacks to local distributors throughout Italy. The group founded the company in 1999 in order to integrate the circulation process by creating a single point of distribution. “Formerly, this was the responsibility of each individual company within the group,” says Franco Mameli, logistics director at RCS Diffusione. Then, in June 2003, through a joint venture with Deadis (De Agostini Group – Hachette Rusconi), RCS Diffusione evolved into the largest and most important enterprise for media distribution throughout Italy. The new company, called m-dis Distribuzione Media S.p.A., is owned by RCS MediaGroup (45%), the Istituto Geografico De Agostini (45%), and Hachette Rusconi (10%).

A BENEFICIAL PARTNERSHIP

When RCS Diffusione first came into being, it faced some heavy challenges. “We had to rationalize a complex business covering quite an extensive and varied portfolio of products and processes, which at the time were firmly anchored within the individual companies,” says Mameli.

It quickly became clear that the company had to revamp its IT system.



At first, however, RCS did not think it could fulfill its requirements with a standard platform. “We thus started by analyzing software that provided partial coverage,” recalls Bottazzi.

Then, in October 2000, when SAP announced the development of a new integrated solution for the media sector, RCS took notice. “We knew about SAP and its reliability from a technological point of view,” explains Mameli.

“And, after our first few meetings with SAP, we felt convinced that a partnership between SAP and the RCS group would be advantageous to all parties concerned. Being representative of all circulation processes in Italy, our company could contribute to the development of the platform – which would help SAP enhance its system with new and critical functions,” says Bottazzi. The project kicked off in June 2001.

MOVING FORWARD WITHOUT INTERRUPTION

For RCS, one of the most important aspects of the implementation was to ensure that all processes in the distribution cycle continued without lengthy interruption. “Circulation is a business that has to run like clockwork. We could not afford to close down the system for four days to upgrade or to make adjustments in the database,” says Bottazzi. Adds Mameli, “We actually planned the implementation by starting with the final steps of the distribution cycle. We first focused on invoicing, and then on demand planning for newspapers, periodicals, and collectibles. We wanted to be 100% sure that the processes would be maintained. This is the reason why we decided to divide the activities into segments and start with the most consolidated ones.”

From the very beginning, the project proved to be particularly challenging, given the complex processes and the many organizational units (publishers, clients) involved. Distribution of the daily newspapers – which must be completed within the space of a few hours, without any interruptions to service – provides a significant example of this complexity. However, the constant

interaction with the development team at SAP AG ensured the solution offered complete, comprehensive functionality to cover all critical distribution processes – from planning to physical distribution through to invoicing. “We have even gone so far as to automate the loading systems so we can monitor outgoing goods in real time. But, we intend to go beyond this; we would also like to be able to monitor the actual transport process up to the arrival at the transit points,” says the logistics director.

TRANSPARENT AND STABLE PROCESSES

The benefits of the SAP implementation quickly became obvious. “Previously, we used six systems to handle circulation activities. Many of these had become difficult to manage, and it was complicated to find the relevant information,” says Bottazzi. But, that’s all changed; the company can now find strategic data more simply and quickly. Moreover, the entire distribution process is more transparent – and stable. “Prior to using SAP software, we depended on each individual employee’s approach to the processes. Today this is no longer so. This knowledge now belongs to the company,” emphasizes Mameli.

In addition, SAP® Advanced Planning & Optimization (SAP APO) – which was integrated into the SAP industry-specific software – gave Diffusione exactly what it needed to support planning for the complex circulation life cycle. “Previously, this activity was exclusively carried out manually, which means its effectiveness was closely linked to the experience of the planner. The introduction of SAP provided the operators with a significant analysis tool,” says Mameli.

NEW OPPORTUNITIES

RCS feels that the SAP solution can continue to help facilitate transition within the company, particularly in regards to the distribution channel. According to Bottazzi, a definite first step would involve implementing new logistic processes: “At present, we don’t use warehouse functionalities for distributing newspapers and magazines. But, because of new business developments, including distribution of noneditorial products, we might consider this.”