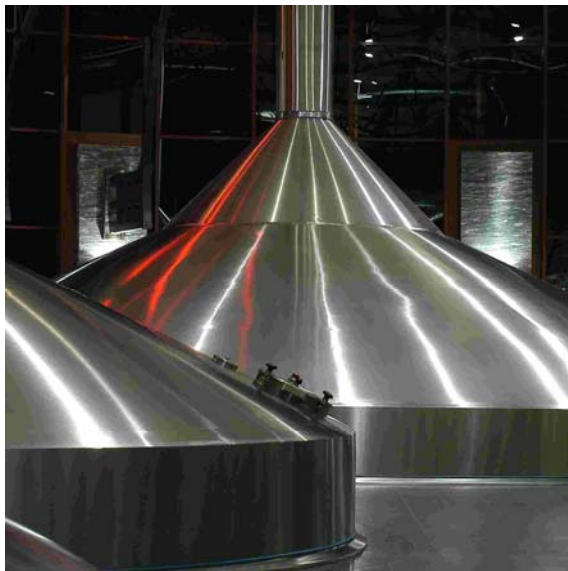


Grupa Żywiec SA: the largest SAP CRM project in this part of Europe

_____ To speak one language: client's language



Over two years of works, dozens of people involved, five production plants and a dozen commercial companies, more than 1,300 users, a number of functionalities implemented for the first time in Poland. And one aim: optimizing customer service.

Grupa Żywiec SA is one of the largest beer manufacturers in Poland. It was created at the end of 1998 after a merger of Żywiec Brewery SA and Brewpole B.V. It comprises six breweries: Żywiec, Elbląg, Leżajsk, Warka, Bydgoszcz and Cieszyn as well as over ten distributing companies. Thanks to the knowledge and experience of Heineken and commitment of the employees the breweries of the Grupa Żywiec are among the most modern production plants in Poland and worldwide.

Every third bottle of beer bought in Poland has been produced by the Grupa Żywiec. Its most important brands are: Żywiec, Heineken, Warka, Strong, mountain Tatra and Królewskie. The Leżajsk brewery also produces Leżajsk, sold in the south of Poland, and the brewery in Cieszyn – Brackie brand. On the other hand, Specjal is available mainly in the north of Poland. The group also offers three varieties of Freeq: Freeq Red Fruits, Freeq Green Lime and Freeq Golden Apple. Freeq is the first brand of Żywiec targeted at women.

The Żywiec's portfolio also includes specialities, i.e. beers of outstanding taste, color or fermentation procedure. The Group's specialities are foreign beers: Desperados, Paulaner, Fischer, Murphy's Irish Stout and Murphy's Irish Red, as well as the Polish Kaper and Żywiec Porter.

The Group's symbol are hop twigs with a crown, which stands for the top quality of the hops used for beer manufacture and respect for traditional recipes.

More information: www.grupazywiec.pl

High stakes

In 2004 Grupa Żywiec decided to start a multi-phase implementation of SAP CRM. The project's aim was to enforce the company's market standing, first of all through optimizing customer service and improving communication between commercial, distribution, marketing and maintenance departments. It has been one of the group's key IT projects in recent years.

On starting the SAP CRM project the group was greatly decentralized in terms of processing data necessary to serve customers.

The employees of the sales department both in traditional and modern channels as well as specialists in distribution companies spoke the same language, but, without a common platform for information exchange they were not able to record their customer relations in a uniform way, not to mention recording customer's master data or marketing actions.

CRM projects are said to be important, but by no means easy. The multi-phase implementation of SAP CRM at Grupa Żywiec should be considered to be more than difficult.

CRM projects are said to be important, but by no means easy. All the more so because they are performed at the meeting point between the company and the customer. The multi-phase SAP CRM implementation at Grupa Żywiec should be considered more than difficult. Its participants had to face challenges in many areas, that is why CRM implementation from the beginning had been planned as a multi-phase and long-term one.

Challenge 1. Scale

As is the case with the earlier SAP ERP implementation, the scale of the company undoubtedly influenced the SAP CRM implementation. Currently Grupa Żywiec includes five breweries and a dozen distribution companies (Żywiec Trade) as well as the Grupa Handlowa, which focuses on marketing and commercial activities.

Its direct customers are all distribution channels in retail commerce, catering industry, modern trade and wholesale trade. A few hundred sales representatives

take care of customer service.

A project for such a complex organization needs careful preparing. It is impossible, for example, to gather a large number of users for training in one place. Particular function groups were started as a trial in single regions and then rolled out to the remaining areas.

Sometimes next stages of the project overlapped partly, when stable system functions were transferred onto next regions and at the same time the project team executed and tested a next function group.

Challenge 2. Changes

A problem of sorts in the CRM project were simultaneous changes which directly or indirectly influenced the implementation. The years 2004-2006 witnessed Poland's accession to the EU (and the related changes in the law), business and legal consolidation of the Grupa Żywiec' breweries, also a takeover of Brau Union Polska along with its breweries and brands.

Some implementation participants, e.g. project team managers or IT employees – were involved in the above projects, too. Setting common dates for project meetings is in such circumstances an additional challenge, as all the dates of the competitive projects must be taken into consideration.

Challenge 3. IT landscape

It is worth focusing a little on the complex IT context of the project. Grupa Żywiec uses two ERP transactional systems: SAP and Microsoft Dynamics. Into such a varied environment of IT systems the project had to fit another one: the SAP CRM system along with mobile applications for sales departments.

SAP CRM project's strategic aims at Grupa Żywiec:

- Optimizing customer service
- Improving communication and organization of sales, distribution, marketing and maintenance
- Integrating and supporting with one IT solution the processes of sales, distribution, marketing and maintenance

During concept works of the SAP CRM implementation it was assumed that CRM would in some areas, e.g. in the Żywiec's customer master data management, be the priority system. Consequently, CRM had to be connected with other systems in the organization.

To achieve this, besides the SAP CRM itself, Grupa Żywiec implemented the SAP NetWeaver integration platform and first of all its component, SAP XI (SAP Exchange Infrastructure).

The CRM project's key assumption was the possibility to access the data in SAP CRM also by mobile devices (notebooks and PDA devices), without a necessity of constant connection with the net.

An important part of new solutions was a developed reporting system, processing and providing management data from various systems. That is why an important item in the SAP CRM project was a development of SAP BW data warehouse.

The recipe is staging the project

When planning a CRM project, maybe even more so than with an ERP system implementation, the organizational changes related to it and performed along must be taken into consideration. CRM implementation forces many changes in business processes. The organization must have time to get used to the changes and work on them before the implementation moves on to other areas.

Otherwise there is a risk that some concepts that seemed good in theory and during tests will not prove practical when faced with large-scale operations. In such key areas as product distribution and commercial contact with customers stoppages or lengthening of business processes must not be allowed.

In Grupa Żywiec the stages of CRM implementation focused on the areas where improving company's organization most influences customer service, regardless of the stage of customer interaction, starting from marketing activities, to sales and delivery to post-sale service and maintenance.

The support of this part of the multi-stage project was commissioned to BCC, the company which had supported a comprehensive SAP ERP implementation for Grupa Żywiec and other projects.

During the most intensive works the project involved about 60 people (Żywiec employees and consultants) working in eight working teams.

From the end of 2004 to the beginning of 2007 next functional areas of SAP CRM started: Business Partner, Marketing and Mobile Sales (a mobile application for sale managers). Moreover, within the project and on the basis of SAP CRM and SAP ERP applications, the solutions that support management of advertising materials and commercial fixed assets

were started. The teams also prepared a system of analyzing and reporting based on SAP BW data warehouse.

The last stage, completed in spring 2007, was implementing by Anica System SA, seated in Lublin, a mobile EBI system of the Sales Force Automation type (SFA). The application works on PDA devices and closely cooperates with the SAP CRM system.

Anica System SA is a Polish IT company specializing in technologically advanced IT projects. Anica System is a leader among SFA (Sales Force Automation) suppliers, first of all mobile applications that support managing a network of representatives. The company's products include the ebi mobile system, a leader in the European market. Thanks to this system over 10 thousand sales representatives in Poland and other European countries (in Hungary, the Czech Republic, Slovakia, Russia, Portugal, France, Greece, Ireland) send hundreds of thousands of orders to a few hundred distributors monthly. Anica System S.A. supplies not only IT solutions, but also, as a conscious business partner, within its implementations it offers a wide range of consulting services as well as comprehensive outsourcing services in infrastructure, software and a number of specialist services. Anica System's clients include a few dozen of the largest FMCG manufacturers and distributors, pharmaceutical and financial companies and public offices. More information: www.anicasystem.com.pl

Client's language

The advantages of SAP CRM implementation concern not only numerous aspects of customer transactions, from managing the data base of partners to the analysis system.

Implementing the SAP CRM module called Business Partner constitutes the basis for any other advantages. Thanks to the SAP CRM project Grupa Żywiec has a central data base of business partners with data that help develop partner relationships.

A common customer data base, available for all the concerned, involved in customer service, is a starting point for planning marketing activities. Having information on the customers' habits and preferences on an area or in a segment one can plan and execute marketing campaigns closely adjusted to the profile and needs of the target group, and, consequently, boost

sales as the marketing becomes more effective.

The POS (point of sale) functionality of managing materials and fixed assets, based on SAP CRM and SAP ERP, supports managing all that is passed on to sales outlets and is not for sale, like fridges or company furniture, that remains the property of Grupa Żywiec, but also disposable materials, e.g. stands prepared only for one promotional campaign.

Combining the SAP BW data warehouse with ERP (SAP and MS Dynamics) and SAP CRM systems makes it a perfect source of data on all the above aspects of operations. Within the CRM implementation project new SAP BW reports were created; this also is an area of constant development.

It is worth emphasizing that Grupa Żywiec was one of the first clients to use SAP BW in Poland, and its internal IT team has a wide experience and competencies in the area, which helped them carry out implementation works by themselves, with minimal support on the part of external consultants.

On SAP NetWeaver

Cooperation with external specialists was, on the other hand, very important when constructing an integration solution. BCC consultants assisted the IT team of Grupa Żywiec in integrating SAP CRM with other systems, mainly with the SAP ERP system used in the breweries, MS Dynamics of the Żywiec Trade units and the mobile application.

Integration of SAP CRM with other systems was based on the SAP NetWeaver platform (SAP XI – Exchange Infrastructure technology), which helps support business processes running in a few systems simultaneously.

Ireneusz Kubalewski, IT director at Grupa Żywiec, says: 'Using standard integration technologies we eliminate the necessity to build specialized, complicated interfaces between the systems, which is reflected in long-term maintenance costs reduction.'

Grupa Żywiec is one of the first enterprises in Poland to use SAP NetWeaver-based integration on such a large scale.

In terms of the number of users it is one of the largest SAP CRM implementations in Europe and the largest one in the Heineken corporation.

Large-scale integration

Challenges to integration works were: a large number of interfaces, several communicating systems and the sheer volume of data integrated.

The project resulted in creating and starting the interfaces concerning master data of business partners, relationships, marketing features, product information and transactional data.

Daily information exchange between a sales representative working in the market and the back office generates a huge number of communications. SAP XI in Grupa Żywiec processes about 60-80 thousand messages daily.

Those are messages of great importance for day-to-day operations of the Group, as they are directly reflected in customer service. Due to this particular attention was paid to efficiency, stability and simplicity of monitoring when designing the interfaces.

As to the maintenance of SAP XI, Grupa Żywiec decided on outsourcing and entrusted BCC with administration of the SAP XI integration solution.

'Maintenance of innovative IT solutions, often in the phase of intensive development by the system's provider, is related to a number of challenges for the IT department. Thanks to BCC support we may take advantage of SAP XI platform without having to maintain in the company specialist competence required for administration of such solutions', adds Ireneusz Kubalewski.

The project important for the market

The SAP CRM system in Grupa Żywiec is now used by sales staff – sales representatives, operations managers, sales analysts, customer service specialists in each distribution unit as well as marketing employees in the company's headquarters.

In terms of the number of users it was one of the largest SAP CRM implementations in Europe and the largest in Heineken. In our region of Europe there had been no comparable SAP CRM enterprise before. Many solutions were started for the first time in Poland.

The implementation of SAP CRM at Grupa Żywiec resulted in a significant improvement of many processes in customer interactions. So far we have had few successful CRM projects on such a scale in Poland. We hope that the described example will convince the companies that are considering SAP CRM implementation, but are afraid of such challenges as those that Grupa Żywiec overcame.



Author:

Michał Kunze
BCC



Author:

Michał Kowalczewski
BCC

Comments on the project

Grzegorz Jaworek

Manager of Development and Sales Support
Department, Grupa Żywiec

'In a large, geographically spread company it is not easy to connect marketing, sales, distribution and maintenance activities into one integrated process. How to ensure that appropriate information always appears in a proper place and at a proper time? In the project we did not try to do everything at the same time. The multi-stage and integration approach, meaning continual implementation of limited changes, resulting both from the company's learning and the client's need, turned out to be safe and provided the expected results. Thanks to SAP CRM solutions, implemented with BCC, we took a huge step ahead in managing customer relations, which results in customer trust in our company and favorably influences the effectiveness of our marketing activities. I am convinced that using SAP CRM adds to our competitive edge, and that is why we are planning to develop further functionalities of SAP CRM.

Jacek Brdak

IT Manager – SAP, Grupa Żywiec

'Implementing the SAP CRM system concerned the business areas that previously used some dedicated IT tools supporting their work. Thanks to the technology we managed to implement a fully integrated solution which combines very different systems and processes. A project of such a wide scope and lasting so long needed considerable commitment on the part of the implementation team. We managed to create a common platform and a common language. We crossed the borders of departments, technology and people. The project can be described as difficult, and its success was possible only thanks to experience from previous projects and the determination of the project team.