bauMax

BUILDING A SOLID BASIS FOR CONTINUOUS GROWTH AND EXPANSION WITH SAP FOR RETAIL SOLUTIONS

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Dr. Susanne Kremser, Director of Business Organization, bauMax AG

QUICK FACTS

Company

- Name: bauMax AG
- Headquarters: Klosterneuburg, Austria; 155 home improvement centers in 9 central and eastern European (CEE) countries
- Industry: Retail
- Products and services: Do-it-yourself products and tools for building, home improvement, and gardening
- Revenue: €1.5 billion (profit on ordinary business activities [EGT] in 2010)
- Employees: 11,000 groupwide
- Web site: www.baumax.com
- Implementation partners: SAP® Consulting, Ciber Novasoft, frontworx

Challenges and Opportunities

- Create a foundation for growth and expansion into additional CEE countries and into new business areas
- Standardize and centralize corporate processes

Objectives

- Implement a future-ready, centrally controlled retailing system
- Reduce risk to ongoing business operations by carrying out an incremental rollout with functional interim landscape during changeover and expansion

SAP Solutions and Services

- SAP ERP application
- SAP for Retail solution portfolio
- SAP NetWeaver® Business Warehouse component

Implementation Highlights

- Successful change process
- No adverse effects on business operations when the first center switched over to the new system
- High level of user acceptance at the centers

Why SAP

- Standard product with country versions for all relevant countries
- Support for central corporate structures
- Coverage for majority of required functions

Benefits

- Greater data consistency and less susceptibility to errors with a single, centrally controlled system
- High speed and transparency of all corporate processes
- Elimination of numerous interfaces thanks to high degree of automation
- Creation of a solid software foundation for further expansion

Third-Party Integration

- Database: Oracle
- Hardware: Outsourced to Siemens
- Operating system: Outsourced to Siemens

bauMax
Großer Wert + kleiner Preis

bauMax AG is market leader in Austria's home improvement industry and is one of the largest home improvement chains in Europe. After opening its first retail center in 1976, the company set its sights on expansion. Now with over 150 centers, bauMax realized that its retail software could not keep up with the company's rapid growth nor support its strategy of centralization. bauMax wanted to build a strong IT foundation with standard, industry-strength solutions and found what it was looking for in the SAP for Retail solution portfolio.

Looking for High-Performance Retail System and Expertise

With headquarters in Klosterneuburg, Austria, bauMax opened its first home improvement center there in 1976. The company began to expand into the neighboring countries of central and eastern Europe in 1992. Today the company, with profit on ordinary business activities (EGT) of €1.5 billion in 2010, operates a total of 155 home improvement centers, 67 of them in Austria and the rest in the Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, and Turkey.

Due to the company's rapid growth and its drive toward centralization, the existing retail system at bauMax gradually reached its performance limits. After having evolved in a decentralized manner, the retail system could no longer keep pace with the steadily increasing demands and was not able to grow along with the company. A standard solution was the answer. It could ensure both faster speed and less susceptibility to errors as well as providing all of the functionality the company needed to run its business. In addition to financial accounting and controlling, these functions included support for a central retail processes as well as various processes carried out at the home improvement centers, such as inventory and sales.

After a lengthy evaluation process of the available software solutions, bauMax chose the SAP® ERP application and the SAP for Retail solution portfolio. Dr. Susanne Kremser, director of business organization at bauMax, comments: "A vital consideration for us was that SAP supplies standard software that meets all the legal and language requirements in all of the countries in which we conduct our business." Other factors in the decision were the efficiency and performance of the SAP software solutions and SAP's extensive experience in the retail industry, in which it plays a leading role worldwide.

Step-by-Step Implementation in Central and Eastern Europe

As an initial step, bauMax and consultants from the SAP Consulting organization implemented the SAP ERP Financials solution throughout the group. After this successful implementation, it was time to go ahead with the rollout of the new software, starting in June 2007 with the central retail system and merchandise distribution center in Klosterneuburg. The step-by-step rollout in eight additional countries in central and eastern Europe began simultaneously, controlled and conducted from bauMax headquarters.

The introduction of the retail system based on the SAP for Retail solution portfolio was carried out in two phases, using a template created in Austria. First, SAP Consulting helped bauMax switch over the central processes to the SAP solutions in the respective country headquarters. Then the processes for the individual centers were established in each country, starting with a pilot center. Each country needed only to adapt the software to specific country requirements, making modifica-

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tions in particular for legal differences. "Thanks to the country specifics included in the standard SAP software, we were able to implement the project much faster, and we had fewer risks and lower development costs. A special highlight was implementation at the home improvement centers: from the very first center on, all processes were executed virtually without a hitch. With respect to customer support in particular, the switch over to the new system went remarkably smoothly," notes Kremser.

The successful changeover at the first center in each country built the foundation for the rollout of SAP for Retail solutions at the other centers in that country, which bauMax carried out with its own resources. For the duration of the rollout, an interim landscape facilitated the smooth exchange of data between the various old systems and the new central system. Numerous temporary interfaces helped ensure system functionality throughout the changeover period. "We opted for an incremental rollout to minimize risks," reports Kremser.

Company-Wide Change Process Mastered Successfully

During the ongoing company-wide changeover, previously used decentralized systems and the corresponding interfaces between countries are being eliminated one after the other. More and more steps at bauMax are being completely automated, reducing possible sources of error. The new system, which can be controlled centrally from Austria, helps ensure the consistency and traceability of all corporate processes. This delivers the highest possible level of data consistency and enables all employees to have access to identical information at all times. At the same time, the whole system runs much faster. According to Kremser, "The new system has met with a positive response from the users at all of our centers."

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With the SAP for Retail solution portfolio on board, bauMax is now well equipped to face future projects. Kremser sums it up best: "With SAP solutions, we have built a solid software foundation for further expansion."

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