COCA-COLA ERFRISCHUNGSGETRÄNKE

AUTOMATING PROMOTIONAL MATERIAL PLANNING AND PROCUREMENT

QUICK FACTS

Industry
Consumer products – beverages

Revenue
€1.9 billion

Employees
11,000

Headquarters
Berlin, Germany

Web Site
www.cceag.de

SAP® Solutions and Services
SAP NetWeaver® Composition Environment offering, SAP NetWeaver Business Process Management (SAP NetWeaver BPM) component

Implementation Partner
Consultants from SAP® Consulting

Coca-Cola Erfrischungsgetränke AG (CCE AG) produces and distributes Coca-Cola products across Germany and plays an important role in reseller marketing with product promotions. By leveraging SAP NetWeaver® components to build a composite application and adopting service-oriented architecture, CCE AG significantly improved planning and procurement of promotional material while establishing a flexible architecture for change.

Key Challenges

- Enhance company-wide processes to support processes across different departments at headquarters and at local sales centers
- Streamline planning of needed promotional materials
- Support end-to-end integration with back-end systems
- Enable real-time budget checks to avoid budget misallocation

Why SAP Was Selected

- Ability to accelerate design, composition, and implementation of unique business processes
- Flexible architecture to support faster process changes
- Simplification of SAP® ERP application upgrades
- SAP-centric vendor strategy

Implementation Best Practices

- Localized The Coca-Cola Company's global Coke bottler template for SAP Business Suite applications
- Leveraged relationship with design partner council for the SAP NetWeaver® Business Process Management component
- Developed a composite application with consistent, loosely coupled process steps and an intuitive user interface
- Reused existing SAP assets and know-how

Low Total Cost of Ownership

- Development of promotion-planning composite application requiring no changes to SAP ERP
- Significant decrease in upgrade effort with a global template customizable at a local level
- Reduced cost for end-user training due to intuitive, role-specific user interfaces
- Lower cost for business processes changes

Financial and Strategic Benefits

- Better process support
- Bridging of the gap between process modeling and execution
- Enhanced collaboration and communication between business process experts and IT staff
- Establishment of the SAP NetWeaver Composition Environment offering as a platform for company-specific processes

Operational Benefits

- Enabled accurate, collaborative promotion planning
- Gained insight into and tracking during promotion planning process
- Increased efficiency of promotional planning
- Minimized time to transfer marketing material orders to SAP ERP
- Reduced errors in purchase orders for promotion materials

Coca-Cola Erfrischungsgetränke

"The solution, based on SAP NetWeaver BPM, is a customized workflow solution that supports integration of our marketing, sales, and procurement processes. It enables us to optimize demand planning in a challenging environment."

Joon-Mo Lee, Senior Procurement Manager, Coca-Cola Erfrischungsgetränke AG

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Need to Streamline Promotion Planning

Coca-Cola Erfrischungsgetränke AG (CCE AG) is the largest German beverage company, selling approximately 3.4 billion liters a year (2009). Since 2007, CCE AG is the only franchisee of The Coca-Cola Company (TCCE) in Germany. Supported by a workforce of 11,000 employees, CCE AG's business is the production (25 facilities) and distribution (70 facilities) of Coca-Cola products to 400,000 customers.

To promote its products, CCE AG launches about 20 promotions each year. The process starts in central marketing and involves procurement and planners in seven sales centers. At the end of the process, promotion material is aggregated and ordered from vendors. However, lack of progress visibility, automation, and integration made it difficult to accurately and efficiently execute promotion planning.

It was time-consuming to prepare master data for a new promotion, because data had to be collected from different systems. During the process, planners could not track progress and current budget allocation, leading to potential budget issues. Use of a customized, unreliable database solution led to inaccuracies during planning. Specifically, the promotion manager could not monitor the process and identify potential delays. To create the required purchase orders, the planning result was entered manually into the SAP® ERP application back end.

Improving the Planning and Procurement Process

To develop a new composite application for improving promotion planning, CCE AG chose the SAP NetWeaver® Composition Environment offering and the SAP NetWeaver Business Process Management (SAP NetWeaver BPM) component. Consultants from SAP Consulting and the design partner council for SAP NetWeaver BPM helped CCE AG architects create a process model that satisfied business requirements. The team created user-interface mock-ups to visualize the application.

Now the process runs smoothly because all involved roles have clarity about process progress, which avoids the previous communication and coordination overhead. Data from the SAP ERP application and SAP NetWeaver Business Warehouse component is reused to minimize the data entry effort. Purchase orders are created directly as a process result, reducing the effort to manually enter planning results. CCE AG has reduced the risk of not meeting deadlines, thus ensuring higher customer satisfaction.

Localization to Support Local Requirements

Working with its bottlers, TCCE had identified more than 800 common business processes supported by SAP Business Suite applications. In developing this global SAP template, called Coke One, TCCE leveraged a service-oriented architecture (SOA) approach supported by components of the SAP NetWeaver technology platform. As a result, partners like CCE AG can develop applications based on a more flexible business process platform to support bottler-specific local requirements without impacting the global template.

"We are reusing the assets of Coke One for localizations by leveraging the SOA principles of loose coupling between our processes, user interfaces, and business rules," explains Alexander Grobe, manager of enterprise architecture and innovation for CCE AG.

Gaining Additional Value from SOA

CCE AG anticipates additional value from SOA since TCCE will be rolling out the global template to other bottlers. Loose coupling allows separation between local processes and their development and the global template, freeing CCE AG from having to follow each template release change. The company benefits from SOA in another way. "By having the freedom to define and run our specific processes in Germany, we can empower the business to innovate," concludes Grobe.

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