



SCOTT SPORTS

CONSUMER PRODUCTS FIRM MANAGES SKU CHURN WITH SAP® INDUSTRY SOLUTION

QUICK FACTS

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Olivier Richner, Vice President of Operations,
Scott Sports SA

Company

- Name: Scott Sports SA
- Location: Fribourg, Switzerland
- Industry: Consumer products – apparel and footwear
- Products and services: Products, accessories, and apparel for bicycling, winter sports, motor sports, and running
- Revenue: US\$273 million
- Employees: 520
- Web site: www.scott-sports.com
- Implementation partners: SAP® Consulting, attune, IDS Scheer

Challenges and Opportunities

- Manage complex allocation of goods by company-established criteria
- Enable lean IT group to support growing business without adding personnel

Objectives

- Upgrade to newest industry-specific IT solution
- Establish groundwork for future strategic activities

SAP Solutions and Services

- SAP Apparel and Footwear application
- SAP Ramp-Up program

Implementation Highlights

- Implemented software on time and within budget
- Depended on SAP Ramp-Up coach to coordinate communications between Scott and SAP
- Received immediate response to requests for assistance

- Enjoyed easy access to SAP developers worldwide
- Had a motivated and knowledgeable internal team
- Received support company-wide, from top management down to the individual user

Why SAP

- Industry-specific functionality
- Excellent support
- Tight integration with existing SAP software
- 10 years of success with SAP software
- SAP's current and future stability
- SAP's investment in its apparel and footwear solution
- Ease of integration with additional SAP solutions

Benefits

- Flexibility to allocate articles by company-determined criteria via upgrade
- Daily sales updates, enabling next-day shipment to replenish customer inventory
- Global information transparency for rapid decision making

Existing Environment

- SAP Apparel and Footwear (earlier version)
- SAP enterprise resource planning software

Third-Party Integration

- Database: Oracle
- Hardware: HP
- Operating system: HP-UX



“When you retire as many as 8,000 of your 16,000 SKUs each year and replace them with new stock-keeping units, you need an efficient way to track and allocate goods,” says Olivier Richner, VP of operations at Scott Sports SA. The VP goes on to say that Scott Sports has to keep 20,000 retail shops around the world stocked with fresh products to drive sales and avoid inventory obsolescence. The company upgraded to the newest version of the SAP Apparel and Footwear application to make the job easier.

Fribourg, Switzerland-based Scott Sports makes products, accessories, and apparel for bicycling, winter sports, motor sports, and running. The company uses SAP Apparel and Footwear across the business, from order to cash. Scott takes particular advantage of the application’s industry-specific features – things like grid functionality to manage sizes and colors, multistore capability to accommodate retail chains, and product allocation tools.

“SAP Apparel and Footwear lets us precisely and flexibly control goods allocation from the distribution centers to our different customers,” says Richner.

SAP Apparel and Footwear also enables Scott to provide multistore vendor-managed inventory services to customers. Retailer sales reports are automatically uploaded each weekend to Scott via electronic data interchange (EDI). “We analyze the data Monday morning. Monday afternoon we pick and pack, then we ship the next day,” Richner says.

The SAP software provides need-to-know information. “SAP Apparel and Footwear gives us essential information on a single screen,” says Bruno Fasel, project manager at Scott Sports. “You can see incoming goods, available-to-

promise on an order, product size, and so forth. The SAP Apparel and Footwear screens are specific to our industry and are designed to show us what we need without having to navigate additional menus, applications, and systems.”

SAP® Ramp-Up Program Enables Fast Global Rollout – First in the Industry

Scott rolled out SAP Apparel and Footwear across Europe and the United States in only 14 weeks, on time and within budget. The company got first-mover advantage in its marketplace – it was the first to install the application through the SAP® Ramp-Up program. SAP Ramp-Up enables customers to implement the newest versions of SAP software as soon as they become available. These customers benefit from accelerated support channels and dedicated coaches with direct access to SAP product development.

“We were assigned an SAP Ramp-Up coach to coordinate communications between Scott and SAP,” says Fasel. “Requests for assistance were addressed immediately, and SAP always found the right person. We had excellent access to SAP developers worldwide. We had all the best people; they moved very fast, and if they couldn’t answer us right away, we had an answer one or two days later. SAP listened to us when we spoke about our business, so we were able to improve processes and transactions during the rollout. SAP brought a lot of know-how to our project. We were very happy with SAP Ramp-Up.”

SAP Apparel and Footwear is built on the SAP NetWeaver® technology platform, the foundation for all SAP solutions. That means Scott not only has the industry-specific solution it needs – it also has a platform for further strategic initiatives. Scott is moving forward on a number of new fronts already.

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Bruno Fasel, Project Manager, Scott Sports SA

“We can manage distribution by the criteria we establish. We may prioritize deliveries of articles with higher margins or replenish stores where there is more demand. We may emphasize strategic sale points where certain products will improve our market position.”



“Scott Sports has increased its business without increasing overall personnel costs – within IT and across the business – because our people are more productive with SAP software.”

Olivier Richner, Vice President of Operations, Scott Sports SA

“The upgrade to the new version opens the doors to new business processes,” Fasel says. “For example, we can use the SAP NetWeaver Business Intelligence component for budget and planning reports. The SAP NetWeaver Portal component will allow us to create executive dashboards, as well as a generalized portal for employees worldwide. We

“A small company like Scott is not able to maintain a highly customized solution,” Richner says. “Every time we did an upgrade, we had to document all the special programs and carry them forward. We learned our lesson the hard way. We are now convinced that you don’t adapt SAP software to your processes; you adapt your processes

experience with SAP software, and we were always happy with it,” Fasel says. “SAP provides excellent support. It is a successful company; we don’t have to worry about it going out of business. We also saw that SAP had invested a lot of time and effort into its apparel and footwear solution. No other vendor can offer us more stable, integrated, standard software that is 100% designed for our business.”

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Bruno Fasel, Project Manager, Scott Sports SA

will use SAP customer interaction center functionality to provide a single point of access to customer information. The SAP Product Lifecycle Management application will help us compress design-through-manufacturing cycles. The SAP Global Trade Management application will accelerate things like customs clearance, so we can redirect shipments faster across our global supply chain to meet changes in demand.”

Seven-Person IT Team Does It All

Perhaps the most impressive thing about the rollout and these ongoing initiatives is the size of Scott’s IT team – just seven people, each of whom has additional responsibilities within the business. The team’s ability to manage all this work is a direct result of the upgrade. Scott Sports has been using SAP software for 10 years, and during that time it developed many custom modifications and user exits to match its business processes. For the upgrade, Scott decided to adapt itself to SAP processes, not the other way around.

to the way SAP software works. You can do this because SAP software is built on best practices. And its best practices are flexible, so they can be modified if needed.”

This standardization enables a lean IT staff to support the business as it grows and changes strategic direction, without adding personnel. Says Richner, “We have reduced our workload by eliminating customization. We are supporting a global implementation, more users, and a business with more product and more items, sizes, and colors. Scott Sports has increased its business without increasing overall personnel costs – within IT and across the business – because our people are more productive with SAP software.”

SAP Focus on Apparel and Footwear Makes It a Clear Choice

Scott’s decision to upgrade from its previous version of SAP Apparel and Footwear to the newest one was a clear choice. “We have 10 years’

Scott is a fast-moving company, like all successful consumer-products firms. That also drove the decision-making process. “SAP Apparel and Footwear provides an excellent foundation for future strategic projects,” Richner says. Adds Fasel, “It is very easy to add to SAP Apparel and Footwear. If you buy another solution, typically it would not offer the range of possibilities that SAP provides. Other vendors may not have solutions for business intelligence, product life-cycle management, or global trade services. It is much more work, and it costs a lot more money to connect third-party offerings to a core business system. This is not an issue with SAP software.”

After selection, the company moved quickly to roll out SAP Apparel and Footwear. The project included an SAP Ramp-Up implementation of the SAP E-Commerce application for a worldwide business-to-business Web shop. Says Fasel, “Our most important success factor was a highly motivated and knowledgeable internal team. We prepared and planned at the detailed level. The entire company was behind the project, from top management to the individual user. We trained key users – like customer service supervisors

and warehouse managers – and they trained their department users. And, in SAP, attune, and IDS Scheer, we had a partner with strong application knowledge.”

It's Good Not to Hear from Anybody

The go-live was a nonevent. “We never had to stop work after turning on the upgrade,” Fasel says. “We began Monday morning, and everything went smoothly. We were very pleased that users went about their business without needing to contact IT.”

With transactions flowing efficiently at the heart of the business and the ability to add solutions as needed to further strategic goals, Scott can face the future with confidence.

“SAP Apparel and Footwear gives you flexibility, so you can be prepared for the future when you don't really know what it will bring,” Richner says. “We operate in a decentralized manner. SAP software enables us to quickly transmit very precise information globally. Everybody in the company is talking the same language; everybody is working with the same process. This makes everything transparent.”

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The smooth transition encompassed business areas like master data, sales and purchasing orders, material requirements planning, order planning, production orders, goods receipts, post goods issue, picking, packing, transport, invoicing, and EDI. In addition, Scott uses SAP Apparel and Footwear industry-specific capabilities for characteristics changes; partial quality reductions; and the grid, multi-store, and product allocation features.

That visibility is crucial to success in consumer products.

“We are part of the fashion business, and nobody wants yesterday's fashions today,” Richner says. “We have to keep inventory down and move goods quickly around the world. We have to make decisions quickly and implement them worldwide. This is what SAP Apparel and Footwear enables us to do.”



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