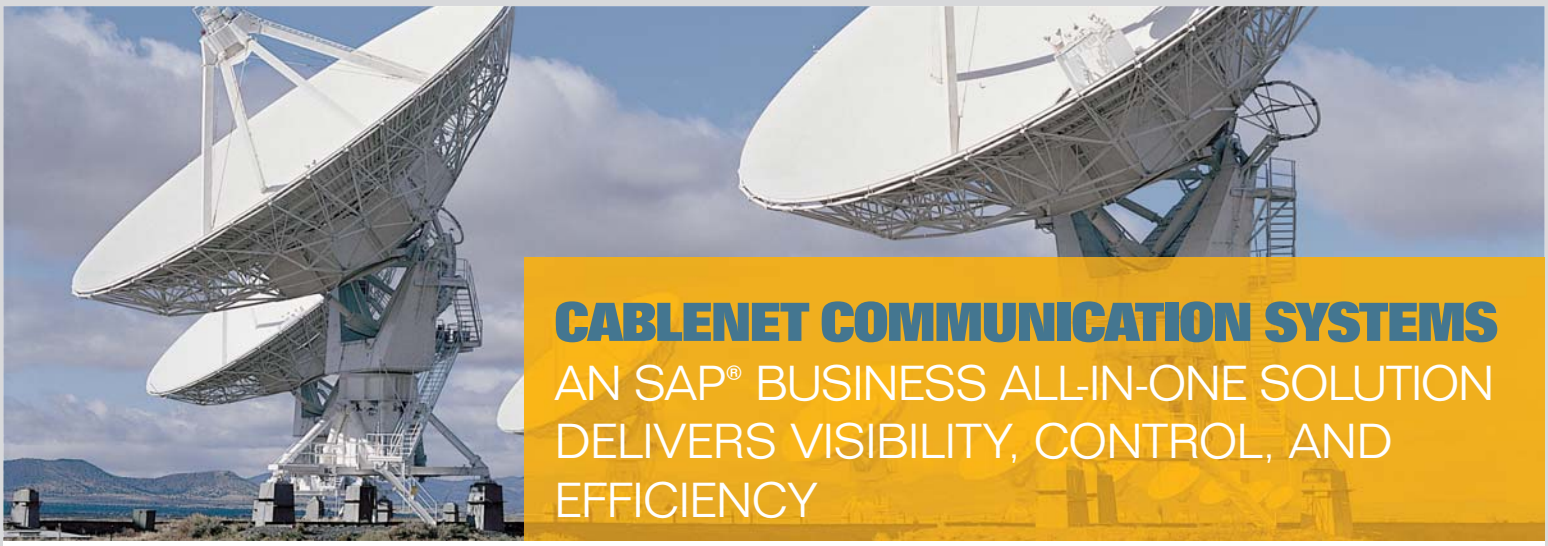
SAP Business All-in-One

SAP Customer Success Story
Telecommunications



CABLENET COMMUNICATION SYSTEMS

AN SAP® BUSINESS ALL-IN-ONE SOLUTION DELIVERS VISIBILITY, CONTROL, AND EFFICIENCY

"Armed with data-driven insight into our operations, we can be more strategic about how we run the business."

Joseph Iosifakis, CFO, Cablenet Communication Systems Ltd.

QUICK FACTS

Company
- Name: Cablenet Communication Systems Ltd.
- Location: Nicosia, Cyprus
- Industry: Telecommunications
- Products and services: Telecommunications services
- Revenue: €10 million
- Employees: 170
- Web site: www.cablenet.com.cy
- Implementation partner: Advanced Management Solutions Ltd.

Challenges and Opportunities
- Enable sustained, profitable growth as the business expands
- Improve monthly cash flow by collecting overdue payments earlier
- Address data quality issues and improve reporting capabilities
- Gain better insight into profitability and costs for more strategic planning and budgeting

Objectives
- Deploy an integrated enterprise resource planning solution with powerful, natively integrated finance functionality
- Run the business using a single, trusted, real-time enterprise data source

SAP® Solutions and Services
An SAP® Business All-in-One solution

Implementation Highlights
- Initial, rapid deployment of financial functionality to address immediate needs
- Later, phased deployment of controlling, materials management, and reporting functionality

Why SAP
- Strong SAP presence in Cyprus
- Most effective, integrated accounting functionality of products evaluated
- Access to an experienced, local SAP services partner that performs software implementation

Benefits
- Vastly improved business flexibility, visibility, and control
- Improved cash flow via more timely collection activities with targeted customers
- Automation-driven improvements in operations ranging from finance to warehouse management
- Faster, more accurate reporting and decision making via instant access to trusted enterprise data
- Accurate insight into profitability and costs down to any level of detail for accurate budgeting and forecasting
- Instant access to real-time inventory data that's automatically tracked as customer transactions occur

Existing Environment
- Microsoft Access database
- Legacy customer relationship management software
- Mixed small-business software

cablenet
/ television / internet / telephony
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Cablenet Communication Systems Ltd. (Cablenet) is a telecommunications company that provides telephony, Internet, and television services to residential and business customers. As the only cable TV and cable Internet provider in Cyprus, it delivers its services through its own network, ensuring exceptional service quality. "But as we grew, we started underperforming. Our SAP® Business All-in-One solution gave us the transparency and efficiency we needed to support profitable growth," states Joseph Iosifakis, CFO at Cablenet.

Growing Pains

Cablenet was clearly ready to step up from its legacy customer relationship management (CRM) software to a scalable, more sophisticated enterprise resource planning (ERP) solution to help manage the business. "We had 500 business customers and 25,000 retail customers – too many to manage using our homegrown CRM software, Microsoft Access database, and spreadsheets," explains Iosifakis. "These tools simply couldn't provide the visibility, control, efficiency, and accurate reporting we needed to drive better performance and continued growth."

Inadequate customer invoice and payment tracking, for example, was resulting in monthly cash flow issues. The company generated invoices using its CRM system and performed aging analyses for business customers using CRM data and spreadsheets – a process that took too much time and effort. The finance department needed a way to automate billing, accurately forecast customer balances and invoices, perform aging analyses, and monitor collections in real time. Armed with real-time insight, they could then start collections communications and other activities earlier and receive payments sooner.

Management also needed better insight into profitability and costs so that line-of-business managers could budget more accurately and manage day-to-day operations more effectively. "It's difficult to decrease costs when you're not sure how and where money is being spent," notes Iosifakis. "With our prior systems, we simply couldn't track costs down to the level of detail we needed for proper budgeting and decision making." The company's reporting capabilities were quite limited as well. "It was very critical for us to have trusted information software from which we could extract business and management reports," states Iosifakis. "For example, we couldn't determine with a high level of accuracy which of our services were most and least profitable – insight we needed to make informed changes to the company's services portfolio."

At the same time, many day-to-day processes were simply too manual, time consuming, and inefficient. For example, inventory tracking of cable modems was being done manually and took a full day to complete. Most of the time, management never knew exactly what was in stock and when to approve purchases for more devices. The staff generated management reports manually as well, pulling data from different sources into a spreadsheet. Notes Iosifakis, "This process not only took time but also resulted in questionable results because we didn't have confidence in the quality of the data used to generate them."

Searching for an Affordable ERP Solution

As Cablenet's managers planned to deliver new cable TV services – a new line of business that promised to generate significant growth – they knew they needed to invest in an integrated ERP solution sooner rather than later. Cable TV services would require new customer management and tracking capabilities that the company lacked.

After evaluating several options, the company chose an SAP Business All-in-One solution. "It clearly offered the best accounting solution for our

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Joseph Iosifakis, CFO, Cablenet Communication Systems Ltd.

business – the top priority at the time," explains Iosifakis. It also offered other essential, integrated functionality that Cablenet could add over time. Another factor that influenced Cablenet's decision was the fact that SAP has a strong presence in the Cyprus market and had an experienced local implementation partner to deliver the solution.

A Smooth, Initial Implementation of Accounting Functionality

Cablenet took advantage of the flexible nature of its SAP Business All-in-One solution by deploying just the standard functionality for financials initially. Because the implementation partner leveraged SAP Best Practices packages and the ASAP Focus methodology, all project milestones were achieved on schedule in just two months and within budget. The result was a quick, low-cost deployment that delivered immediate, significant value to the business.

The company chose to continue to use its homegrown CRM solution in conjunction with the financial process support offered by its SAP Business All-In-One solution. To minimize integration costs, employees manually entered customer data into the SAP solution and kept it up-to-date on a weekly basis. In the future, the company may create an interface between the two applications so that it has a centralized data source that's always current.

Realizing Greater Value by Using More Functionality

As noted by Iosifakis, "As an ERP solution, our SAP Business All-in-One solution offers good value – but it's expensive if you use it just for accounting. To get more out of our investment, we needed to use it to support other core business functions." He was charged with prioritizing deployment of other functionality to solve other challenges. Over the course of 18 months, he oversaw the deployment of controlling functions (for cost center and profit center accounting), basic materials management for nonstock items, inventory management, sales and distribution, and billing.

"We can also understand profitability and costs down to any level of detail – insight needed to create more accurate budgets – and then use rolling forecasts to forecast 12 months ahead."

Joseph Iosifakis, CFO, Cablenet Communication Systems Ltd.

Realizing the Benefits

Today, Cablenet has a unified business management solution on an integrated platform that gives it exceptional business flexibility, operational efficiency, visibility, and control. As a result, Cablenet has been able to successfully turn around its performance. "We've also improved operational efficiency in areas ranging from finance to warehouse management; and because all of our enterprise data is centralized, accurate, and up-to-date, we can track what's happening in real time," states Iosifakis.

For example, on the finance front, Cablenet now has a general ledger along with accounts payable and receivable records that are updated automatically with every customer sale, invoice, and payment. "We always know where each customer stands – including who's late paying, so we can start collection processes earlier and improve cash flows," he adds.

Equally important, executives can analyze this financial data to support strategic planning and decision making. For example, they can pull data into spreadsheets to see which of their services generated the most (or least) revenue, understand where the market is going, and adjust Cablenet's service portfolio accordingly. "We can also understand profitability and costs down to any level of detail – insight needed to create more accurate budgets – and then use rolling forecasts to forecast 12 months ahead," adds Iosifakis. "Armed with data-driven insight into our operations, we can be more strategic about how we run the business."

Reporting is also vastly more accurate and efficient with an SAP Business All-In-One solution. For example,

whereas before, staff had to spend days creating a management report, now executives themselves can generate the reports they want instantly – and have confidence in the figures and trends they see. This data can also be easily pulled into spreadsheets as needed so managers can play with key figures and make more informed decisions. Similarly, instead of waiting a day to get an inventory report, everyone now has instant access to real-time inventory data – right from individual desktops – that's automatically tracked as customer transactions occur.

Looking to the Future

"Our SAP Business All-In-One solution has laid a solid foundation for profitable business growth," states Iosifakis. Looking ahead, he would like to leverage this SAP Business All-In-One solution to better manage the company's fixed assets – but this is a long-term goal. "In the nearer term, we'd like to deploy some SAP BusinessObjects™ solutions to enhance our reporting and analysis capabilities," concludes Iosifakis. "And if we decide to invest in mobile phone services, we would most likely invest in the SAP Customer Relationship Management application." The native integration between the SAP solutions will maximize business value for Cablenet and reduce its IT-related deployment and maintenance costs.

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