COCA-COLA HELLENIC

SAP® SOFTWARE AND SERVICES DRIVE BUSINESS TRANSFORMATION

"This is the first end-to-end SAP software implementation in the Coca-Cola bottling system. As such, it provides a sustainable platform for future growth and enhancements."

Kiril Topalov, SAP Program Director, Coca-Cola Hellenic Bottling Company S.A.

QUICK FACTS

Company
- Name: Coca-Cola Hellenic Bottling Company S.A.
- Location: Maroussi, Greece
- Industry: Consumer products – beverages
- Products and services: Nonalcoholic beverage production, sales, and distribution
- Revenue: €6.8 billion
- Employees: 42,505
- Web site: www.coca-colahellenic.com
- Implementation partners: SAP® Consulting organization, Movilitas Consulting AG

Challenges and Opportunities
- Develop end-to-end process support
- Expand capabilities to cover new business requirements
- Provide a single solution for all countries and markets

Objectives
- Build an end-to-end solution
- Deliver, to the extent possible, a single solution
- Define and formalize best practices in a template and then roll it out in a pilot implementation
- Build new capabilities to support retail customers

SAP Solutions and Services
- SAP NetWeaver® technology platform
- SAP NetWeaver Mobile component
- SAP Customer Relationship Management application
- SAP ERP application
- SAP Mobile Direct Store Delivery application
- SAP Mobile Asset Management application
- SAP Consulting services
- SAP Safeguarding services, delivered by the SAP Active Global Support organization

Implementation Highlights
- Business-driven project, starting with an end-to-end process approach to the technical details
- SAP Consulting services for business process design and solution implementation

Why SAP
- Successful implementation of SAP solutions for back-office and front-office processes
- Support for end-to-end process integration

Benefits
- Efficiency improvements in several business processes
- Implementation of the latest SAP technology
- Support for organizational and process change

Existing Environment
- SAP Business Suite applications, including SAP ERP and the SAP Advanced Planning & Optimization component
- SAP NetWeaver Business Warehouse component

Coca-Cola Hellenic
Passion for Excellence

Mergers present opportunities for a complete transformation of the combined business organization. A blend of two smaller bottling companies, Coca-Cola Hellenic Bottling Company S.A. is one of the world's largest bottlers and distributors of Coca-Cola products. It standardized on the SAP® ERP application to better coordinate with its partner and supplier, The Coca-Cola Company, which also standardized on SAP software. Coca-Cola Hellenic used SAP technology for other challenges, including transformation of its customer service processes.

Two New "Waves" of Technology

With operations in 28 countries, Coca-Cola Hellenic of Maroussi, Greece, serves a population of approximately 560 million people. Its product portfolio consists of 613 different beverages, of which 485 are noncarbonated drinks. In 2010 the company employed 42,505 people and sold over 2 billion unit cases, generating net sales revenue of nearly €6.8 billion.

Through the implementation of a technology initiative called "Wave 1," Coca-Cola Hellenic moved from a decentralized IT system to a centralized system. It introduced the SAP Advanced Planning & Optimization component to assist management with all aspects of business planning. The SAP NetWeaver® Business Warehouse component was also added at that time.

All of this activity served as a prelude for the company's next IT initiative, "Wave 2." Coca-Cola Hellenic is first and foremost a sales company, and the company needed to address issues involving promotional activities. There were also business-strategic directions in customer services and growth in the complexity of the product portfolio – in fact, there was a whole range of strategic imperatives that touched the commercial processes, and most of these could benefit from software integration across the group. The sum of those considerations led to a complete transformation of the information systems, processes, and people at Coca-Cola Hellenic.

Cross-Functional, End-to-End Processes

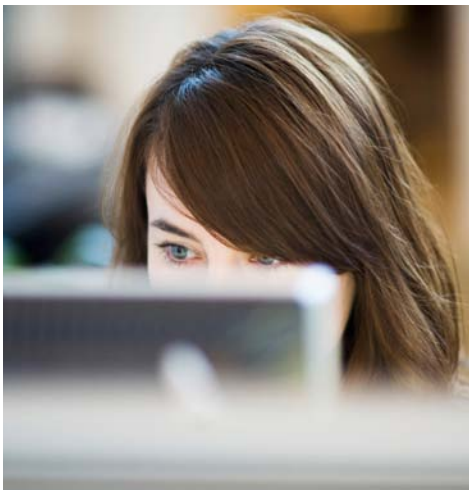
Sven Erlekam, Wave 2 project manager at Coca-Cola Hellenic, explains the project's objectives. "First, we wanted to implement integrated commercial functionality, including mobile applications," says Erlekam. "That entailed replacing a 35-year-old legacy system. Another objective was not just to design and implement new commercial processes but to realign our approach from functional areas to cross-functional, end-to-end processes. That meant we had to review all the processes developed during previous SAP projects to make sure we had an end-to-end approach for everything." The processes impacted by Wave 2 included market to cash, forecast to deploy, procure to pay, finance management, and human resources.

"Finally," Erlekam continues, "this redesign of all our processes had to align with our new business-strategic initiative, called 'Excellence Across the Board,' which was a separate but complementary program to improve the efficiency and outcome of all our processes."

The selection of SAP to provide the products and services necessary to meet these objectives was based on some pivotal considerations, in particular, integration and the consequential lower total cost of ownership. "While there were alternatives," says Erlekam, "at the end of the day, if you want end-to-end processes, you need integration rather than individual best-of-breed applications. Integration also has implications for flexibility – that is, your ability to change your process and to add new capabilities."

The emphasis on integration provided Coca-Cola Hellenic with a considerable incentive to remain with SAP in the next phase of IT development. The SAP products and services implemented as part of the Wave 2 project included:

- The first instance of the latest version of the SAP NetWeaver Mobile component going live
- SAP Customer Relationship Management application



"With [SAP Consulting], we have been successful in the integration of new processes and the latest technology. . . . SAP will continue to be an important partner."

Sven Erlekam, Project Manager, Coca-Cola Hellenic Bottling Company S.A.

- SAP Mobile Asset Management application
- SAP Mobile Direct Store Delivery application
- Services from the SAP Consulting organization and the SAP Active Global Support (SAP AGS) organization

Process Template to Streamline Global Rollout

Coca-Cola Hellenic began by developing the template for the market-to-cash process and deploying a pilot implementation into two major markets to test it. SAP Consulting was viewed as an essential part of the Wave 2 project, providing an end-to-end solution for Coca-Cola Hellenic's bottling business.

"[With SAP technology], we expect significant efficiency improvements. . . . It provides a foundation for future enhancements and future expansion."

Kiril Topalov, SAP Program Director, Coca-Cola Hellenic Bottling Company S.A.

Erlekam states, "SAP Consulting has taken a key role in the important area of market to cash, and together with them we have been successful in the integration of new processes and the latest technology into the SAP template. We piloted the template in two countries, and we'll continue to roll it out to the entire group. SAP will continue to be an important partner in those projects."

In the area of mobility, SAP Consulting – supported by Movilitas, an experienced partner in mobile development – has taken the lead. To improve usability, mobile solutions require extreme user-friendliness, with easy-to-understand screens and flow logic for the mobile device. SAP AGS joined this project to help resolve issues surrounding performance, stability, and integration.

Traffic-Light Report

One of the deliverables provided by SAP AGS during the implementation was a portfolio of SAP Safeguarding services. "We used SAP Safeguarding for technical quality management covering a defined scope – processes, solutions, and technology – and executed based on a jointly agreed approach," says Peter Seymenski, manager of the SAP Customer Competence Center location at Coca-Cola Hellenic. "Primarily, SAP provides a guideline based on its experience with other customers as well as a general review of the implementation. It's a traffic-light report across the board and includes action items we need to complete before going live."

In the end, Coca-Cola Hellenic reviewed and revised some 341 processes, 151 of them commercial. "We're really talking about massive organizational and process change here," says Kiril Topalov, SAP program director at Coca-Cola Hellenic. "Accordingly, we are paying special attention to change management."

The major change is integration. In the past, there were over 400 different applications covering sales and distribution, various customer relationship activities, back-office support, warehouse management, and so on. "For the first time, we tried to standardize and harmonize the way the commercial processes functioned, again in an end-to-end environment," says Topalov. "So, for example, that means if somebody places an order, immediately there's an availability-to-promise check using the whole warehouse management functionality. And when we execute this order, we monitor the respective key business indicators with respect to the customer service level."

Projected Benefits: Savings and Growth

Coca-Cola Hellenic is still performing its evaluation of the benefits of the Wave 2 project, but the pilot has confirmed the original value case, with modifications. "We have a survey, called a functional assessment tool, that we run before the implementation in order to see what kind of gaps and what kind of inefficiencies exist in the organization," says Topalov. "We then define our targets for the implementation and perform a post-implementation review using the same survey. In preparation for this survey, we created a value case for the whole group."

Many benefits are already beginning to appear. Coca-Cola Hellenic expects to achieve improvements in the following areas:

- Advance account management
- Customer asset management
- Trade promotion management
- Distribution and order management
- Overall field sales management

Coca-Cola Hellenic estimates that the Wave 2 implementation will roll out to the last of the 28 countries it serves in 2013. "At the moment, we are running deployments in four countries, two of them the biggest in our group," says Topalov. "Wave 2 represents a major transformation in the Coke environment. This is the first end-to-end SAP software implementation in the Coca-Cola bottling system. As such, it provides a sustainable platform for future growth and enhancements. SAP technology is moving us into a totally new, integrated environment. From there, from a pure IT perspective, we expect significant efficiency improvements. And on the business side, it provides a foundation for future enhancements and future expansion."

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