SAP Business ByDesign™

SAP Customer Success Story
Consumer Products

JOHNSON PRODUCTS

SAP® BUSINESS BYDESIGN™ HELPS HAIR-CARE PRODUCTS START-UP TO FASHION A PROFITABLE FUTURE

"SAP Business ByDesign gives me the real-time information that is vital to running the business day to day, while maintaining our profitability and staying on track."

Eric Brown, CEO, Johnson Products Company

QUICK FACTS

Company
- Name: Johnson Products Company
- Location: Dallas, Texas
- Industry: Consumer products – home and personal care
- Products and services: Ethnic health and beauty care products
- Employees: 14
- Web site: www.yournewjpc.com
- Implementation partner: SAP® Services organization

Challenges and Opportunities
- Engage proven business practices to support a newly acquired company
- Operate with the speed of large competitors while providing superior service and innovative products
- Enhance profitability using business intelligence

Objectives
- Select a scalable business solution that can grow to meet future needs
- Deploy software quickly to preserve customer service levels
- Minimize costs and required IT efforts with an on-demand solution

SAP Solutions and Services
- SAP Business ByDesign™ solution
- B2B 360° Services (which run on the SAP NetWeaver® technology platform) from Crossgate AG, an SAP partner

Implementation Highlights
- Deployed solution in under 30 days
- Maximized success by working closely with the SAP team
- Enjoyed highly responsive support from SAP Services

Why SAP
- Complete, integrated solution at an affordable, predictable cost
- Extensive best-practice expertise for the consumer products industry
- Intuitive user interface for simplified training and use
- Partnership with Crossgate

Benefits
- Improve business control with a single, integrated, on-demand software solution
- Extend data captured by SAP solution
- Help suppliers integrate with retailers' electronic processes
- Enhance decision-making speed with a real-time, centralized source of business intelligence
- Eliminate uncertainty about ongoing software costs using a solution with a predictable subscription cost
- Simplify maintenance of IT solution
- Streamline user access to valuable business information
- Provide information needed to support product innovation and competitive advantage
- Build a foundation for global expansion

Existing Environment
Discrete, nonintegrated software tools

Johnson Products®

Properly grooming a new consumer products company for success is challenging, especially while upholding the legacy of an established industry innovator. Yet with the help of the SAP® Business ByDesign™ solution, Johnson Products Company smoothed its acquisition of an established ethnic hair-care products line and is styling the business to create a profitable future.

Johnson Products, a midsize start-up based in Dallas, Texas, is the heir of George Johnson's work. Beginning in 1954, the Chicago entrepreneur began designing hair and beauty products for African-American customers. For more than 50 years, brands such as Ultra Wave, Ultra Sheen, and Gentle Treatment propelled the growth of Johnson Products, making it the first minority-run business on the New York Stock Exchange. Purchased by Procter & Gamble in 2003, the company was then acquired by a veteran brand and business management team in 2009.

Led by CEO Eric Brown and Executive Vice President Renee Cottrell-Brown, highly experienced ethnic hair-care industry executives, the team saw an opportunity to expand on Johnson Products' extremely strong brand equity within the African-American community. "I'm happy to say that Johnson Products has found its final owner," says Brown. "Now we can take the company to the next level."

New Look for the Hair-Care Industry

The company offers hair-care products for ethnic consumers who have thick, curly, and often dry hair that requires specialized products for styling and care. Its customers range from big-box retailers to wholesale barber and beauty supply businesses that service professional salons and cosmetologists.

"Even though we're a small company, our customers want us to operate like a big enterprise," says Brown. "They want things faster and customized to their specifications in terms of strategy, promotions, and logistics." To meet these requirements, Johnson Products needed business intelligence that could support quick, smart decision making.

"The industry has changed over the last 30 years, from one where consumers bought their products at neighborhood outlets to one where mainstream channels like food, drug, and mass-market retailers sell them," explains Cottrell-Brown. "There's also been an emergence of these products in the global marketplace in the last 15 years. As the world tends to 'brown,' there is a great opportunity for our products – and for us – to bring some innovation to the industry."

The firm's main competitors include some of the industry's largest players, but Brown is not worried. "Entrepreneurial companies like ours can maneuver much more quickly," he says. "Speed is the quality we need to take advantage of."

A Cut Above

Upon acquiring the business from Procter & Gamble, Johnson Products shifted into high gear. "Contractually, we had no choice but to implement a business solution and get it operational within 30 days," says Brown. "There was no option to move the deadline."

What's more, the company was determined to meet or exceed its already high customer service levels during the transition. "We were very much like a start-up from an infrastructure standpoint, but at the same time, we wanted to make sure that customers saw it was business as usual," he adds. "There could be no missed orders, and each one had to be delivered on time, with the right quantities and the right products."

To meet this requirement, Johnson Products needed to quickly choose and deploy a business solution to support its operations. The company formed a cross-functional team to research enterprise resource planning software offerings. Initially, the team excluded SAP Business ByDesign from consideration

"Information is power, and SAP Business ByDesign will give us the power to be more competitive in our marketplace."

Renee Cottrell-Brown, Executive Vice President, Johnson Products Company

because it seemed like a solution built for larger companies. Yet Brown, who viewed the SAP offering as the "Rolls Royce" of the industry, wanted to compare other software against a standard.

"I chose SAP software to be that standard, thinking we would never be able to afford an SAP solution," he says. "As we learned more about SAP, I was surprised that it not only had a solution that fit our scale but one that also met our budget requirements."

On Time, Within Budget

After comparing SAP Business ByDesign with the competition, technology manager Will Pence was convinced by the inclusiveness of the SAP solution. "With other companies, you had to choose extra options or modules at extra prices," he says. "With SAP Business ByDesign, the solution is one price, and it comes with everything included. That was one of our big reasons for going with SAP."

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The subscription model also appealed to Brown. "All of the support costs are built into the offering," he says. "The infrastructure typical of a large-scale IT solution is built into the product. We had no consultant fees or infrastructure pieces that become a budget headache later on, like costs for backups and server farms. We know what the costs are."

Together, Johnson Products and the SAP Services organization deployed the solution in fewer than four weeks. "Working with the SAP team was probably one of the keys to the success of the implementation," says Brown. "To implement this solution successfully, we needed both groups to come together as a functional team. And I'm happy to say we made it happen as a team."

Business Process Makeover

The SAP experts also helped Johnson Products develop efficient business processes based on knowledge of the consumer products industry. "Being a brand-new company, we didn't have any best practices in place," says Pence. "The SAP implementation and services team knew all of the best practices we needed, which helped us immensely."

Another advantage was SAP's partnership with Crossgate AG, a business network services provider that helps suppliers quickly integrate with the electronic processes used by global trading partners, including leading retailers. Each retailer has unique processes for handling orders, invoicing, and other essential supplier-retailer activities. The Crossgate solution extends information captured in SAP Business ByDesign, presenting it in the appropriate format to each retailer and allowing suppliers like Johnson Products to begin working quickly and accurately with their customers.

"The partnership between Crossgate and SAP has been instrumental in enabling us to do business with key retailers such as Walmart and Target," says Pence. "The power of SAP Business ByDesign, combined with the rules and control provided by Crossgate, helps us to reliably and efficiently meet the business requirements of retailers worldwide."

Pence says that the intuitive interface of SAP Business ByDesign has made it easier for new business users to learn how to use the software. "It's very easy to use," he says. "It's basically just like any other Microsoft Windows package. You point and click, drag and drop, copy and paste. We've had many of our new hires pick it up very quickly."

Combing Through Data

Before deploying SAP Business ByDesign, Johnson Products struggled to get a complete view of enterprise operations. "We had a lot of tools that we pieced together to track various data," explains Brown. "It certainly did not meet the requirements we have to grow the business. With the SAP solution, we were able to put those pieces together in one system that allows us to really understand our operations and navigate the business."

As a result, accessing vital decision-support data is becoming easier. "Before we brought SAP Business ByDesign on board, I couldn't identify sales trends, because we didn't have the information available," says Cottrell-Brown. "Now we have the flexibility to understand and evaluate the sales opportunities."

One place Johnson Products hopes to find those opportunities is in the international market. "We want to create relationships in foreign lands," says Brown. "That's going to be very important to our growth. Our number-one challenge in managing a global operation is getting information from multiple points around the globe on a real-time basis."

For Brown, the usability of the SAP solution combined with the critical information it brings to light offers the best support for Johnson Products' ongoing innovation. For example, by using the solution to identify trends in customer-buying patterns, business users can capitalize on new sales and product development opportunities.

Rapid access to current data can help the company bring new insight to a buyer – business intelligence that will add value to Johnson Products and its customers. "Anyone can go to a buyer with a new promotion," says Brown. "But if I can use the SAP solution to show how a customer can be more profitable by teaming with Johnson Products, now we have something to talk about."

Styled for Success

As Johnson Products continues to grow, its executive team believes that the SAP Business ByDesign solution will be essential to the company's success. "SAP Business ByDesign gives me the real-time information that is vital to running the business day to day, while maintaining our profitability and staying on track," says Brown.

In the near future, the firm will deploy additional functionality of the solution, including the customer relationship management features. "Once we have the SAP solution fully up and running, I believe we will have data that gives us a true edge against our competitors," says Cottrell-Brown. "Information is power, and SAP Business ByDesign will give us the power to be more competitive in our marketplace."

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