SAP Business All-in-One

SAP Customer Success Story
Retail

LAYBY SERVICES AUSTRALIA

SAP® BUSINESS ALL-IN-ONE JUMP-STARTS INNOVATIVE ONLINE RETAILER IN 13 WEEKS

"The SAP Business All-in-One solution has given Layby a huge competitive advantage. We started to see the results after the first few weeks."

Toby Poulson, CFO, Layby Services Australia Pty. Ltd.

QUICK FACTS

Company
- Name: Layby Services Australia Pty. Ltd.
- Headquarters: Sydney, Australia
- Industry: Retail
- Products and services: Gifts, groceries, toys, seasonal products
- Revenue: US$43 million
- Employees: 14 full-time, 50 on-call service-center employees
- Web site: www.laybyservices.com.au
- Implementation partner: Lodestone Management Consultants Pty. Ltd. (Sydney)

Challenges and Opportunities
- Integrate order, payment calculation, and customer service processes for purchases paid for in installments
- Eliminate manual processes
- Utilize business intelligence to assess customer trends and marketing plans

Objectives
Rapidly install a fully integrated business solution to jump-start new business

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

Implementation Highlights
- Rapid 13-week rollout
- Full partner responsibility

Why SAP
- Industry-leading enterprise solution
- Comprehensive business process integration
- Good fit for small to midsize businesses
- The CFO's previous experience with SAP software

Benefits
- Eliminated 90% to 95% of manual processes, improving efficiencies
- Achieved significant return on investment
- Enabled managers to view business intelligence daily to analyze customers and create marketing plans

Existing Environment
Outdated legacy applications

Layby SERVICES AUSTRALIA

Layby Services Australia Pty. Ltd. has a business model for these tough economic times – an online store that lets cash-strapped consumers pay in installments for retail items and take delivery when they pay in full, rather than outlaying the full amount up front. Simple in concept but not easy to execute, it requires tightly integrated order entry, payment calculation, and customer service processes. That's why Layby – which sells gifts, groceries, toys, and seasonal products – turned to the SAP® Business All-in-One solution

Working with implementation partner, Lodestone Management Consultants Pty. Ltd., Layby rolled out the SAP Business All-in-One solution in only 13 weeks. As Layby had purchased another company, Hamper King, to launch its operation, the project included data conversion for more than 40,000 customers, 120,000 prospects, 2,000 items, and over 60,000 sales orders.

The Layby finance team uses the SAP software to manage financials. Call-center representatives employ the software's functionality for customer relationship management (CRM) to manage customer orders and payment plans for its range of gifts, groceries, toys, and seasonal products. The call-center reps set up customers, take orders, and calculate bill plans; customers can make weekly payments via debit or credit card or check and can change orders and bill plans online. Once fully paid, orders are delivered via outsource partners. Layby also uses the SAP Business All-in-One solution to manage complaints, returns, refunds, and credits.

"We were able to eliminate 90% to 95% of manual processes, resulting in a significant return on investment," says Toby Poulson, Layby's CFO. "The SAP Business All-in-One solution has given Layby a huge competitive advantage. We started to see the results after the first few weeks."

The rapid rollout enabled Layby to maintain its laser-like focus on the business. "We let our integration partner completely run the project from start to finish," Poulson says. "This allowed us to set up the rest of the business and create and run a multimillion-dollar marketing campaign."

Second Rollout Adds Business Intelligence

Layby followed up the implementation with a 10-week rollout of business intelligence functionality from the SAP Business All-in-One solution. This strengthened forecasting, customer segmentation processes, and reporting for sales; it also allowed Layby to further integrate its internal operations with outsourcers and helped it optimize overall efficiency.

Management now accesses daily Web-based scorecards of customer transactions to analyze purchasing details and trends. This allows the company to plan effectively, react quickly to demand, and create targeted marketing campaigns. Says Poulson, "Business intelligence and reporting enable us to keep our finger on the pulse of the business and achieve the best return on our marketing investment. With SAP Business All-in-One functionality for business intelligence, we know how to develop future campaigns and scorecards."

Legacy System Stifles Fast Business

Layby inherited inefficient legacy systems that provided limited access to information. This hindered the company's ability to respond quickly to customers and slowed business operations. "For our business, the biggest limit to growth was technology," Poulson says. "We had multiple systems and integration points. This created risk and unnecessary cost, which we eliminated with the integrated functionality for CRM and enterprise resource planning within the SAP Business All-in-One solution."

That's the key reason Layby picked the SAP software. "We have a very complicated and intricate financial model," Poulson says. "We chose the SAP Business All-in-One solution to enable a fully integrated process around customer payments. We had spent a lot of manual effort and energy on this with the old system. We needed automated, integrated functionality that would allow us to operate with minimal manual intervention. The SAP Business All-in-One solution let us cut overhead by automating most of our

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processes. This reduces mistakes and delays for our customers."

Adds the CFO, "We also picked the solution because of my previous experience with SAP software. I knew the SAP Business All-in-One solution by itself would have the ability to meet all our requirements."

SAP solutions also lend credibility to a business, says Terry Seremetis, Layby's CEO. "Running SAP software from day one gave us a level of credibility that you probably wouldn't normally get as a new business," he says. "We were able to go to major retailers in Australia and open doors to businesses that we probably wouldn't have had access to before."

Partner Picked for Business Expertise

Layby selected Lodestone as its partner because of its experience with SAP software, business process expertise, and reputation as a company that delivers on its promises. Lodestone is a global management consultancy company committed to designing and delivering solutions that enable international companies to thrive in today's complex business environment.

Says Poulson, "Lodestone gave us the confidence that it understood our business and would deliver on our aggressive time frames while providing more personal service than a larger organization. Getting the software up and running in such a short time frame was remarkable, and we enjoyed a very smooth transition. Lodestone's professionalism and expertise enabled us to place orders and take money the day we went live, which for us was exactly to plan."

Lodestone achieved that success by inserting itself deeply into the Layby business. Says Jeremy Pitchford, partner at Lodestone, "We didn't feel like an IT company that was coming in to implement a project. We were involved with the board, and we were involved in making strategic decisions. We were here in the building, so we didn't have to come over for meetings or make phone calls to ask questions. This cemented our relationship even further."

Lodestone used best practices–based functionality within the SAP Business All-in-One solution for Layby's core processes. Its customization effort focused on the complex installment payment calculator, which sets schedules and processes payments daily with National Australia Bank. Lodestone also ensured that customer information was stored in conformance with compliance guidelines.

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Users Like Working with SAP Software

With the solution now up and running, Layby says its 14 full-time employees and 50 seasonal reps enjoy using the software. "Everyone loves working with the system; it is nice and simple," Seremetis says. "Training times have gone down to four hours. We can bring someone new into the business, and within a half day they are taking phone calls from customers."

That will help Layby gain benefits beyond its direct business-to-consumer operating model. "We intend to roll out more Web channel projects for our B2B business model, both within Australia and overseas," Poulson says. "We also plan to expand our use of CRM functionality in the SAP Business All-in-One solution to add more touch points for our customers, which will help us grow our business even more."

Poulson then adds that since implementing the SAP Business All-in-One solution, Layby has doubled its operating revenue. "We believe that many consumers, having once splurged on credit, are resolved not to return to their old habits," he says.

The CFO also feels confident that Layby has the business platform it needs to capitalize on that opportunity. Says Poulson, "The SAP Business All-in-One solution allows us to quickly get to market and react to our competitors' next moves. It is a perfect fit for a company our size."

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Lodestone

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