Bemol: Increasing Sales by 17% Year-on-Year for over a Decade with SAP for Retail Solutions

How does a retailer consistently achieve 17% annual revenue growth? Maintaining 100% control over costs and budgets is a great first step. SAP for Retail solutions made it possible for Brazilian department store chain Benchimol Irmão & Cia Ltda., helping the company **reduce out-of-stock situations, boost productivity, and cut costs** in operations and IT.

Executive overview

Company
Benchimol Irmão e Cia Ltda. (Bemol)

Headquarters
Manaus, Brazil

Industry
Retail – department stores

Products and Services
Home appliances, electronics, furniture, telephony equipment, books, gifts, and more

Employees
1,900

Revenue
US$375 million

Web Site
www.bemol.com.br

Partner
SAP® Consulting

BUSINESS TRANSFORMATION

The company's top objectives:
- Achieve better control over the organization
- Integrate business processes
- Grow the business

The resolution:
- Adopted SAP for Retail solutions
- Integrated SAP for Retail solutions with non-SAP applications via SAP NetWeaver® Process Integration technology
- Based business processes on best practices supported by SAP for Retail solutions

The key benefits:
- Attained integration and control throughout business processes
- Realized higher inventory accuracy and full traceability of goods at all stages
- Provided more autonomy for business users, easing reliance and burden on IT

Read more

"For over 10 years SAP for Retail solutions have supported our growth strategy because of their robustness, best practices, and flexibility for developing and improving our specific solutions."

França Bandeira, IT Manager, Benchimol Irmão e Cia Ltda.

TOP BENEFITS ACHIEVED

-87%
Online sales canceled due to stock-outs

+38%
Productivity in accounting

-63%
Time required for financial closing

See more metrics

Executive overview

Company objectives

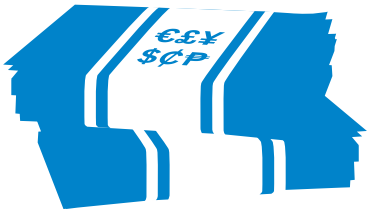
Resolution

Business transformation

Future plans

Finding a strategic partner to help achieve ambitious goals

Benchimol Irmão e Cia Ltda., known as Bemol around its headquarters in Manaus, Brazil, operates 17 department stores that sell everything from appliances and electronics to furniture and telephony equipment. Using self-service, customers can purchase books, gifts, and other products. With more than 600,000 credit card holders, Bemol is the best-known department store brand in the region.



100%

Costs and budgets under control (up from 30%)

In the past Bemol suffered from problems that many retailers face. Inventory management was inconsistent, with frequent adjustments and too many occasions when customers had to be told the items they wanted were out of stock. Business processes were loosely connected, resulting in subpar productivity. Costs and budgets were spiraling, and management felt powerless to do anything about it. In fact, according to França Bandeira, Bemol's IT manager, "We were satisfied with our degree of control over costs and budgets for only 30% of our departments and subsidiaries. We had ambitious growth goals, but we knew we could never achieve them until we gained total control."

Bemol knew it needed help from a strategic partner that could provide the right business software framework for steady, profitable growth. The applications had to make control possible, deliver accurate data to keep inventories properly stocked, and unify Bemol's business processes while providing best-practice models for optimizing them. After researching the field, Bemol found a partner that could provide all that and much more: SAP.

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Achieving continuous improvement with SAP

Bemol went with SAP all the way, selecting SAP for Retail solutions to run its business and SAP Consulting to assist with the implementation. The immediate improvements the software delivered to the business have continued to grow. A few years after the initial deployment, the company opened a greatly expanded distribution center and added the SAP Extended Warehouse Management for Retail and Wholesale Distribution package for managing it, which helped make it a great success. "It would be impossible to manage a distribution center of this size without a good management tool," says Bandeira.

Bemol continued searching for ways that SAP software could aid the business and identified several opportunities entailing use of SAP NetWeaver Process Integration technology. One was to help service providers assemble furniture at customer sites. These installers had begun using mobile devices running a Bemol-developed application to guide the assembly process. Bemol integrated SAP for Retail solutions with this application so that users could solve problems on the spot. This increased installers' productivity as well as customer satisfaction, since installation is now often completed in just one visit.

Another improvement was to integrate SAP for Retail solutions with wireless data collectors at the distribution center to identify discrepancies in goods at the point they are received, before sending them to stores. This saves time and improves product availability.

A third project was the integration of SAP for Retail solutions with Bemol's e-commerce system, which reduced the steps involved in online sale validation, provided instant answers to customers, and increased productivity.

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Succeeding through strong leadership and a powerful solution

Since partnering with SAP, Bemol has become a modern, agile company widely recognized as a regional leader. The firm's executives are role models for the employees, embracing change as part of the culture of innovation. Their backing simplified the widespread adoption of best practices supported by SAP for Retail solutions.

Productivity is up throughout the company, as are satisfaction levels among its customers. Better inventory accuracy minimizes out-of-stock situations. Improved financial data saves time in accounting, allowing the company to cut its financial period closing time from 16 days to 6. Operational costs and IT costs constitute very low percentages of revenue. "Most important, our executives are now 100% in control of our budgets and costs," reports Bandeira. "We feel this is a big reason why our business is doing so well, with a compound annual growth rate of 17% in the decade since we adopted SAP for Retail solutions."

KEY BENEFITS

+50%
Sales order approval productivity

+20%
Productivity in furniture assembly

+100%
Online sales orders approved

-75%
Time needed to receive goods

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Constantly searching for innovations available from SAP

Never satisfied that it has reaped all the benefits to be had with SAP software, Bemol is continuing to find new ways to make life easier for its users and customers. The company is currently looking at the SAP BusinessObjects™ Planning and Consolidation application for further improving its processes. Mobility solutions from SAP will help it deal with the increasing complexity and dispersion of its operations. The firm is also considering replacing its legacy reporting environment with SAP BusinessObjects business intelligence solutions.

"We made a wise decision choosing SAP," Bandeira concludes. "Our partnership has produced more than a decade of success already, and there is much more to come."

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