



EL MERCURIO NEWSPAPER

ACQUIRING NEW SKILLS AND IMPROVING PRACTICES – WITH SAP® PROJECT MANAGEMENT

QUICK FACTS

Company

- Name: El Mercurio S.A.P.
- Location: Santiago, Chile
- Industry: Media
- Products and services: Newspapers and magazines
- Revenue: US\$200 million
- Employees: 1,780
- Web site: www.elmercurio.com (Spanish only)
- Implementation partners: SAP® Consulting, ActualiSap Consultores

Challenges and Opportunities

- Explore how the company can benefit from SAP software from the outset
- Improve organization and project management skills across the enterprise
- Integrate industry-specific functionality with the back office
- Increase transparency of all business processes

Objectives

- Leverage tried-and-tested methodologies to provide a firm foundation for future projects
- Give decision makers clear insight into the various stages of the implementation
- Provide visibility into the time frame, costs, risks, and scope of the project
- Introduce the SAP ERP application, plus functionality for industry-specific tasks

SAP Solutions and Services

- SAP Consulting services
- SAP Project Management services

- SAP Education offerings
- SAP ERP application
- Industry-specific functionality from the SAP for Media solution portfolio
- SAP NetWeaver® Business Intelligence component

Implementation Highlights

- Achieved excellent collaboration between SAP consultants and El Mercurio employees
- Established a project management office as the central hub of activity

Why SAP

- Expertise and experience required for a project of this scale
- In-depth knowledge of SAP software
- Long and impressive track record

Benefits

- Clearly defined methodologies to support the company going forward
- Improved organization and project management
- Greater integration of IT infrastructure
- Cost savings for maintenance
- 30% reduction in interfaces

Existing Environment

- SAP R/3® software (functionality now found in SAP ERP)
- Homegrown legacy solutions

Third-Party Integration

- Database: Microsoft SQL Server
- Hardware: Hewlett-Packard
- Operating system: Microsoft Windows NT

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When El Mercurio S.A.P. – based in Santiago, Chile – decided to introduce the SAP® ERP application and add industry-specific functionality, it wanted to be sure of a smooth ride. That's why the newspaper and magazine publisher turned to SAP Consulting for SAP Project Management services. The tried-and-tested methodologies from SAP provided the media group with a reliable basis for planning and implementation. What's more, SAP specialists taught the group valuable lessons in project management that will continue to benefit the company going forward.

A Success Offline and Online

El Mercurio is one of Chile's leading and most influential publishing groups. Its flagship title, the daily of the same name, is the world's oldest Spanish-language newspaper, still in circulation since 1827. Since its launch, the company has built up an extensive portfolio, including daily, weekly, and monthly newspapers and magazines, as well as a news Web site. The group employs a total of 1,780 staff and in fiscal 2006 posted revenues of US\$200 million.

Looking for Guidance

El Mercurio is committed to high-quality journalism, with a creative and dynamic flavor. But to fulfill its mission, the group needs a solid IT foundation, including state-of-the-art functionality for typical

media-industry tasks such as subscription sales. "In the past our homegrown legacy systems had done the job," explains COO Rodolfo Alvarez. "However, a lack of integration with our back-office processes was slowing us down. And we began to realize it was time for a change."

But a project of this scale needs careful planning. Alvarez and his colleagues wanted reliable insight into the time frame, cost, and scope – from the get-go: "We had to be sure of a successful outcome. So we needed key facts and figures to make the right decisions. We were looking for an expert partner, someone to guide us through the project step by step, and someone we could learn from." SAP Consulting and SAP Project Management fit the bill perfectly.

A Helping Hand Through to Going Live – and Beyond

SAP Project Management is a comprehensive service leveraging proven methodologies and best practices to deliver better, faster, and more cost-effective results. It provides detailed analysis of project scope and helps to evaluate risk and manage change. It also outlines training requirements and offers insight into cost. Using the project management methodology, SAP consultants can develop a tailor-made implementation strategy aligned with business and technology requirements, combining minimum disruption with maximum success.

People Power

The project kicked off in September 2005. From the outset SAP consultants worked hand in hand with staff from El Mercurio. "Collaboration was tremendous," recalls Alvarez. "Roles and responsibilities were clearly defined, so everyone knew what, where, and when – at all times. You often think a project like this is all about technology, but we discovered it's as much about people. We developed an extremely close-knit team – and that was a key success factor."

SAP Consulting was the prime contractor and handled the introduction of



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industry-specific functionality and the SAP NetWeaver® Business Intelligence (SAP NetWeaver BI) component. SAP partner ActualiSap Consultores was tasked with implementing SAP ERP, while the SAP Education organization provided user training. In the very earliest stages, the experts set up a

What’s more, the newspaper publisher has reduced its number of interfaces by 30% and significantly decreased its IT maintenance staff. In addition, industry-specific features for subscription and product sales have enabled El Mercurio to pare back the number of stand-alone legacy solutions in oper-

risks, and change – and to successfully master them. “The project management skills we’ve gained are invaluable,” says Alvarez. “We now feel confident addressing new projects and developing strategies of our own, based on the excellent methodologies from SAP.” In fact, during the SAP ERP implementation, El Mercurio was also working on seven other initiatives – with SAP methodologies providing the backbone for project management. “The SAP professionals taught us a great deal about organization and planning. And we’re already putting this knowledge to use for the benefit of our organization,” says a satisfied Alvarez.

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project management office – manned jointly by SAP consultants and El Mercurio staff. This served as a single point of contact for all project stakeholders. “It was the central hub of activity,” explains Alvarez, “where all decisions were made and up-to-date information on the current status was available.”

Learning from the Experts

El Mercurio has been reaping the benefits of its new software since it went live in April 2007. Thanks to SAP ERP, the media player now has complete visibility into all its business processes and tighter integration across the board.

ation. “We now have much tighter integration,” says Alvarez. “Our processes are automated. And we’re more flexible and can respond faster to customer inquiries.”

The introduction of SAP NetWeaver BI has also been a great success. The company now has timely access to information from both SAP and non-SAP applications. And employees have critical information at their fingertips, enabling faster, more efficient decision making.

But that’s not all. By observing the experts at work, El Mercurio has learned how to accurately evaluate challenges,

Recipe for Future Success

The company is keen to realize the full potential of SAP ERP and is now fine-tuning its new software. Naturally, SAP consultants are on hand to help them do just that. In the midterm, the publishing player intends to replace all third-party and homegrown applications with SAP functionality.

As Alvarez is quick to emphasize, “This project really was a job well done. We were extremely impressed with both the functionality of SAP software and the skills of SAP people – a powerful combination that we’ll definitely leverage further down the line.”

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