# Alpargatas USA: Managing a Complex Product Portfolio to Offer Exciting Customer Choices

**Partners**

**Company**
Alpargatas USA Inc.

**Headquarters**
New York City

**Industry, products, and services**
Consumer products –
flip-flops and sandals

**Web site**
www.us.havaianas.com

**SAP® solutions**
Solution for the apparel and
footwear industry from Argentis
Consulting based on the
SAP® Business One application

**Partners**
Argentis Consulting LLC
(www.argentisconsulting.com)
Third Wave Business Systems
LLC (www.twbs.com)

# Fun, fashion forward, and full of Brazilian flair

As every fashion fan knows, a shoe is not just a shoe. It's a statement. And **shoes from Havaianas make statements** as spectacular as the personality wearing them. Pink soles and yellow straps? No problem. Emerald heels? It's done. Terrifically turquoise toes? Coming right up. Thanks to SAP® software, Havaianas delivers footwear as individual as the foot it frames.

Established in 2007, New York-based Alpargatas USA Inc. distributes Havaianas flip-flops, espadrilles, and sneakers across the Unites States. Manufactured in São Paulo, Brazil, by parent company Alpargatas S.A., Havaianas footwear has become a high-end fashion must-have, attracting followers among Hollywood's stars.

The U.S. subsidiary has come a long way since it began trading five years ago with a staff of just four. Recognition from the fashion world and growing popularity with a wide range of consumers has boosted sales and caused it to increase its staff.

A key enabler of this success has been the SAP Business One application, which continues to play a pivotal role at the heart of the company's operations. The recent addition of an SAP software-based solution for the footwear and apparel industry helps Alpargatas USA to manage the high level of product complexity required to deliver the breadth of choice that is delighting its customers.

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# Staying ahead of the fashion curve

There is no doubt that offering a wide choice of style options has helped to set the Havaianas brand apart from its competition. But to deliver this choice, Alpargatas USA must manage up to 3,000 product variations at all times, reflecting different styles, colors, accessories, and sizes. And with new collections released every season to keep products fresh and ahead of the fashion curve, managing this complexity presents Alpargatas USA with a significant challenge.

"To run our operations efficiently, we need to analyze our stock quickly," explains Vito Dileo, senior IT manager at Alpargatas USA. "It's vital that we understand what products are available to offer customers and keep this information up-to-date and accurate."

## 3,000
Product variations managed as SKUs

The company needed a specialized solution that would integrate with SAP Business One to help it manage this complex product data. And the existing outdated software did not offer the level of automation required to ensure smooth and efficient operations.

"Going forward, we wanted to find a robust solution that would help us handle the level of complexity involved in our inventory management, without requiring time-consuming manual intervention," comments Dileo.
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# Search for an SAP software–based solution

As Dileo explains, Alpargatas USA was eager to find a solution that would integrate with its existing SAP software. "As a start-up company, SAP Business One has worked very well for us, giving us the flexibility to set up processes to suit our precise needs as our business evolved," says Dileo. "Because of the positive experience we've had with SAP, we wanted a solution from within the SAP ecosystem."

The company turned to Third Wave Business Systems LLC for help. The SAP gold partner, who worked with Alpargatas USA on its initial SAP software implementation, recommended a specialized solution for the footwear and apparel industry based on SAP Business One from SAP partner Argentis Consulting LLC.

"The SAP software–based solution provided all the functionality we were looking for," says Dileo. "We were also impressed by the high level of support offered by Argentis Consulting."

"Argentis Consulting works closely with SAP to ensure a tight fit with the SAP solution road map for SAP Business One."

Vito Dileo, Senior IT Manager, Alpargatas USA Inc.

# Trouble-free changeover

A rapid implementation saw the software deployed to 32 users within a two-month period. With so many of the workforce using the new software, the project team was mindful of the importance of a smooth transition. "We're in an environment where we can't afford to make mistakes," comments Dileo. "Any prolonged disruption to our systems could have resulted in lost sales, so it was critical that everything went as smoothly as possible."

The project team – incorporating personnel from Third Wave Business Systems and Argentis Consulting as well as in-house IT staff – realized that careful planning and preparation would be key to a trouble-free changeover. Working closely together, they developed a detailed project plan including a series of tests to ensure they could identify and resolve any issues before the date set for going live with the software.

In addition, Argentis Consulting undertook a thorough and precise data conversion process to make sure the migration of data from Alpargatas's legacy solution proceeded just as planned.

"By mapping everything out in detail, we were able to identify and eliminate possible risks ahead of time," says Dileo. "For this reason, the implementation went very smoothly for us."

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"It was a very collaborative process and a real pleasure working with those guys to make sure it all came off without a hitch."

Vito Dileo, Senior IT Manager, Alpargatas USA Inc.

Introduction

Vision

Why SAP

Implementation

**Solution**

Benefits

Future plans

# Matrix-based approach

With the specialist product data management solution in place, employees at Alpargatas USA can quickly and easily set up products with multiple attributes in the software, a process that used to require time-consuming manual input. Now, the solution from Argentis Consulting generates a segmented code automatically. Each segment stores information about numerous factors such as style, size, or color, building up a matrix of the different attributes that each piece of footwear possesses.

"The feedback I'm getting from employees is that the software is very straightforward to use."

Vito Dileo, Senior IT Manager, Alpargatas USA Inc.

Thanks to this segmented code, staff can immediately access information about product characteristics. And tight integration means that when employees use SAP Business One for a specific process such as entering an order or raising an invoice, they are better informed about the types of products they are dealing with, helping them to work more efficiently.

The new matrix-based approach makes it possible to run more granular stock reports than previously. "Because of the way the data is structured, it's much easier to extract detailed reports about the characteristics of the stock we have," says Dileo. "So we have better visibility of what products we have in our inventory and what stock is available to promise people."

SAP® Business One

# More choice, better service

Dileo is in no doubt that the product data management solution based on SAP software is helping Alpargatas USA to run its operations more efficiently. Thanks to the segmented product codes, complex orders – for major footwear resellers based in numerous locations, for example – can be set up automatically with minimal manual intervention. "The solution from Argentis Consulting has drastically cut the amount of time we take to set up orders. In addition, the process automation it enables reduces the risk of errors," comments Dileo. "This means we can deliver a faster, higher-quality service to our customers."

Improved visibility of its inventory is helping Alpargatas USA to keep resellers informed about new product lines and eliminate stock-out situations so that deliveries can be dispatched without delay. "We can give retailers more advance notice about what's available so they can promote it in-store," says Dileo. "And by making sure our products hit the shelves sooner, we can increase our sales significantly."

The tools that Alpargatas now has in place to manage complex product data effectively are supporting exciting initiatives that offer customers more choice and variety than ever before. "We now have a 'Make Your Own' section on our Web site, where customers can put together their own unique signature pieces by choosing from different colors, styles, and embellishments," says Dileo. "It's the product data management solution from Argentis Consulting that makes this service possible. So, powered by an SAP software–based solution, our service helps customers to be ahead of the curve and wear a flip-flop as original as they are."

# Supporting an innovative approach

The winning formula of fun, individuality, and variety offered by Alpargatas USA has taken it from strength to strength. Supported by SAP software–based solutions, the company is now operating in all 50 U.S. states and is set to open its own retail stores soon.

The product data management software from Argentis Consulting, together with SAP Business One, is the core of its solution, but just one of a number of solutions based on SAP Business One deployed by the company. As a result, Alpargatas USA has established a solid IT foundation that supports streamlined processes to keep it running efficiently and competitively

"We've always been a very innovative company, and we're taking the same approach with our technology – pushing it to fit our exact needs," concludes Dileo. "We've built a strong infrastructure around SAP Business One."

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