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VIDEOLAR

Videolar: Enabling an Agile Business Model with SAP® Software

Brazil's Videolar S.A. has reinvented itself several times over the years. Initially, it manufactured videotapes, then DVDs, and now the company's product lines also include a range of polystyrene resins. This evolving company needs flexible business systems. That's why Videolar chose payroll functionality from the SAP® ERP Human Capital Management solution.

Executive overview

Company
Videolar S.A.

Headquarters
São Paulo, Brazil

Industry
High Tech

Products and Services
Movie media products and services and polystyrene resins

Employees
1,700

Revenue
US$467 million

Web Site
www.videolar.com.br

Partner
Exakta Consulting
www.exakta.com.br

BUSINESS TRANSFORMATION

The company's top objectives

- Support production of an expanding product portfolio
- Standardize and improve HR management – especially in payroll processing
- Reduce total cost of ownership with a consolidated IT landscape

The resolution

- Implemented payroll functionality of the SAP® ERP Human Capital Management (SAP ERP HCM) solution
- Focused on data cleansing, best practices, and standardized business processes
- Completed implementation in 3 months and within budget

The key benefits

- Better support for multiple and diverse business lines with SAP ERP HCM
- More consistent payroll calculations and transactions across locations
- Streamlined auditing efforts

Read more

TOP BENEFITS ACHIEVED

40%
Reduction in monthly payroll closing cycle

49%
Lower support costs for payroll solution

32%
Less total cost compared to upgrade option

See more metrics

"With our evolving product portfolio, Videolar needs software that can easily handle different lines of business. The payroll functionality from SAP gives us that flexibility."

Marcelo Rodrigues, IT Manager, Videolar S.A.

Executive overview

Company objectives

Resolution

Business transformation

Future plans

Finding success in a flexible business model

Keeping pace with changing technology can be the key to long-term success. Just ask the people at Videolar S.A. In the 1980s this Brazil-based company started manufacturing videotape stock and mastering films for home rentals. As the technology continued to evolve, Videolar moved on to producing DVDs. "With growing competition from streaming video, the company is reinventing its business model once again," says Marcelo Rodrigues, IT manager at Videolar. "Today, we are focusing more on the broader petrochemical market." As a result, the company has diversified its product portfolio and is a leading supplier of the polystyrene resins used in applications such as toys, appliances, and packaging solutions.

This kind of innovation and operational agility is no accident. Videolar's corporate strategy includes implementing business processes and IT systems that can adapt to multiple lines of business. A good example is the company's response to a payroll system that was nearing its end of life. An upgrade to the existing system would be costly. In addition, company auditors had recommended for some time a more standard approach to payroll processing for all of Videolar's locations and businesses.

"We wanted a simpler system landscape and a solid return on our IT investment," explains Rodrigues. With those objectives in mind, Videolar chose the payroll functionality of the SAP® ERP Human Capital Management solution.

> "Simplifying and consolidating Videolar's IT landscape makes perfect sense. It reduces our operating costs, and it makes it easier for us to implement new products and services."
>
> Marcelo Rodrigues, IT Manager, Videolar S.A.

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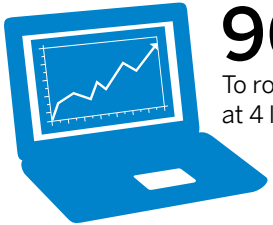
Developing the right formula for a successful rollout

Standardized SAP payroll software – proven in a broad array of industries – was a logical choice for this diversified company. As a longtime SAP customer, Videolar recognized the additional advantages of system consolidation and full integration with the company's existing SAP ERP Financials solution.

But before making a final decision, company leaders visited local reference customers to hear firsthand about their experience with the payroll solution. These visits helped convince them that SAP offered the best alternative in terms of integration, process transparency, and robust functionality. Further, the reference customers offered good advice for ensuring a successful rollout. This included sanitizing employee master data and taking a best-practice approach when updating business processes.

Videolar also saw the project as an opportunity to harmonize its compensation calculations and HR policies among the various business units. In addition, it found ways to improve overall HR management. For example, Videolar used its existing SAP BusinessObjects™ business intelligence solutions to design and build more robust payroll management reports.



90 days

To roll out solution at 4 locations

Working with its implementation partner, Exakta Consulting, Videolar had the payroll software up and running 90 days after the project kickoff – right on schedule. Soon the company was managing the paychecks of 1,700 employees from 4 different facilities.

Executive overview

Company objectives

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Recording improvements across the enterprise

Today, Videolar uses the integrated payroll system to support the company's various lines of business. As a result, Videolar reports greater process efficiency, reduced operating costs, and improved service consistency among locations. Average monthly payroll closing cycles have dropped from five days to just three. And the company was able to redeploy 50% of its payroll staff to other positions. Support costs are down, too; replacing the old system eliminated the need for stand-alone hardware.

Payroll discrepancies among the various locations are also a thing of the past. "The integrated controls in the software have helped us raise the bar in terms of system access control and regulatory compliance," notes Rodrigues. The company has greater visibility of all payroll transactions and system modifications. As the audit department is quick to point out, the complete system logs help speed up audits and reduce the company's risk exposure.

KEY BENEFITS

40%
Reduction in monthly payroll closing cycle

32%
Less total cost compared to upgrading

100%
Elimination of dedicated hardware for payroll

49%
Lower support costs for payroll solution

50%
Reduction in payroll processing efforts

Executive overview

Company objectives

Resolution

Business transformation

Future plans

Wrapping up future benefits

The addition of the payroll solution has further consolidated Videolar's SAP software landscape. But the company sees even more changes on the horizon. Videolar wants to continue improving its HR service delivery by establishing self-service portals for both managers and employees. And the growing Brazilian chemical company anticipates using the SAP BusinessObjects Planning and Consolidation application to help streamline its HR planning activities.

"Videolar is a company that was built on embracing new technology," Rodrigues says, "It's been the story of our past, and technological innovation will continue to shape our future."

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