TECHNOPOLIS

SAP® CRM AND SAP E-COMMERCE APPLICATIONS CREATE A SUCCESSFUL INTERNET SALES CHANNEL

"We had been looking in the marketplace for solutions that would help us support our corporate strategy to differentiate ourselves from the competition. SAP CRM was the best choice to meet our criteria and support our business."

Venelin Nikolov, Project Manager, Technopolis Ltd.

QUICK FACTS

Company

- Name: Technopolis Ltd.
- Headquarters: Sofia, Bulgaria
- Industry: Retail
- Products and services: Consumer electronics and home appliances
- Revenue: €400 million
- Employees: 2,000
- Web site: www.technopolis.bg
- Implementation partner: DOD Consult Ltd.

Challenges and Opportunities

- Differentiate the company in a crowded marketplace through customer service
- Create a user-friendly electronic sales channel
- Reduce lead times and transaction costs for data exchange between retail stores and company's system running the SAP® ERP application

Objectives

- Create a retail store portal and online shop in a single site
- Integrate the Internet shop with the company's SAP ERP application
- Enable a user-friendly, enterprise-wide system that incorporates all sales units throughout the company
- Establish extensive self-service functionality for customers

SAP Solution and Services

SAP Customer Relationship Management (SAP CRM) application

Implementation Highlights

- Implementation based on the SAP Best Practices for CRM package
- Integration of SAP CRM with non-Unicode SAP ERP application
- Rapid 4-month implementation of Web channel that was delivered on time and within budget

Why SAP

- Lower total cost of ownership due to integration with existing SAP software, transactions, and data
- Complete solution functionality that meets the e-commerce needs of a midsize business
- Proven foundation to support current and future needs
- SAP's understanding of requirements and ability to provide a flexible implementation model

Benefits

- A single solution for all customer data
- Improved marketing capabilities
- Integration between the Web shop and the company's SAP ERP application
- More efficient order processing
- Faster transaction times
- Accelerated flow of information
- Increased revenue through the creation of an alternative sales channel for direct customers

Existing Environment

SAP ERP

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"We tried to set up an Internet sales channel several times in the past without success," says Venelin Nikolov, project manager at Technopolis Ltd. "This time we went with the SAP Customer Relationship Management application and the related SAP E-Commerce application, and we're getting good results."

Technopolis is Bulgaria's leading retailer of "black and white" consumer goods, that is, consumer electronics, computers, TVs ("black"), and home and small appliances ("white"). Headquartered in Sofia, the company employs 2,000 people in 25 retail outlets around the country and had revenues of €400 million in 2009. Comprehensive brand selection plus aggressive pricing have made Technopolis the leader in the Bulgarian marketplace.

Competitive Differentiation

"I think the main objective of an e-commerce site was to help Technopolis stay ahead of the competition," says Dimitar Ourgrinov, proprietor and managing director of DOD Consult Ltd., the implementation partner for the Technopolis project. "The company had tried e-commerce before. The previous Web site system was unable to integrate with their SAP ERP application, so product data was out of sync with the information at the retail outlets."

"Five years ago we tried to develop our own Web site from scratch," recalls Nikolov. "But it didn't work very well, and there were a lot of errors. Prices varied between the Web site and our retail stores. Quantities were incorrect, and product features were inconsistent. So this time around we were determined to get it right."

Having concluded that creating an e-commerce application from scratch was counterproductive, Technopolis made the decision to purchase an existing application and customize it to their needs. They looked at what was available in the marketplace, and the choice came down to IBM and SAP. "We chose SAP because we already had SAP ERP," says Nikolov. "To prepare for the future, we prefer to invest our budget in SAP solutions that could connect our SAP ERP application with our Web site and Internet system." Ease of integration with SAP® ERP would also result in lower total cost of ownership.

Proven Platform, Solid Foundation

Technopolis management also saw the potential provided by SAP for a complete solution that could meet the e-commerce needs of a midsize business like theirs. The proven software would provide a solid foundation for both its current and future needs. SAP demonstrated an understanding of the company's e-commerce requirements and offered a flexible implementation model.

Nikolov was also satisfied that data transfer and configuration would be easier to accomplish with an SAP solution. As a result, Technopolis opted for the SAP Customer Relationship Management (SAP CRM) application and its associated SAP E-Commerce application.

With DOD Consult, located in Sofia, acting as implementation partner, the project got underway in April 2009. The objective was to create a Web shop and integrate it with the rest of the company's business operations. User-friendliness was a specific goal, which meant incorporating extensive self-service functionality for customers. "Currently, only three to five percent of Bulgarians are willing to buy over the Internet," says Nikolov. "Internet payment is not very popular in Bulgaria. A lot of people don't have debit cards or credit cards, but we are trying to show them that it's easy and safe to buy over the Internet."

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Technopolis has been paying attention to the European approach to retailing. "We know that in England, for example, 40% of the sales of products like ours are via the Internet," says Nikolov. "We know that in the near future it will also happen in Bulgaria. Now, we are ready for that."

Quick Response

The Web site went live in mid-December 2009. A considerable amount of customization was required because Technopolis' SAP ERP application was implemented originally as a non-Unicode system. "Implementation was carried out based on the SAP Best Practices for CRM package," says Ourgrinov. "Nevertheless, it was a bit of a challenge to transport the data from the existing solution to the new one." Despite these challenges, the project was completed on time and within budget.

"SAP support is good," adds Nikolov. "When we opened notes to report some problems, SAP support employees reacted quickly to solve them." In addition, the system had to accommodate a multitude of users from day one. "We had to build a stable solution that could process transactions quickly with thousands of customers online simultaneously," says Nikolov.

Because e-commerce functionality was an addition to existing business systems, no changes to current business procedures were required. While Technopolis now has a completely new selling channel, the point-of-sale terminals and in-store procedures remained unchanged. However, order processing has become more efficient, transaction times are faster, and the company has been enjoying an accelerated flow of information.

Improved Marketing Opportunities

With its new SAP CRM application, Technopolis now has a single centralized location for all customer data. This in turn means that improved marketing opportunities, along with a new customer interaction center and similar possibilities, are now on the horizon.

Business processes and procedures will be adjusted to reflect these new possibilities. For example, Technopolis currently uses another company for servicing and maintaining the products they sell. Technopolis intends, however, to integrate a service and support department into its customer interaction center. Initially it could start by providing service contracts and then subcontracting the service delivery. Eventually the CRM project will be extended well beyond the current e-commerce scope.

In addition, Technopolis is expanding its use of SAP software into HR and accounts payable processes. "We are one of SAP's big customers in Bulgaria," says Nikolov. "And our results with the SAP E-Commerce application are meeting our expectations. The final version is very good. I think our customers are very happy. The revenue generated by our Web site is ahead of expectations, and I think it will just keep getting better. We can consider our SAP CRM project to be a success."

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