



## GRUPO CIE

# HELPING ENSURE ORGANIZATIONAL TRANSPARENCY WITH SAP® ERP

### QUICK FACTS

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**Victor López**, Corporate Leader of Configuration and Implementation, Corporación Interamericana de Entretenimiento S.A.B. de C.V.

#### Company

- Name: Corporación Interamericana de Entretenimiento S.A.B. de C.V. (Grupo CIE)
- Location: Mexico City
- Industry: Media
- Products and services: Operation of amusement parks; promotion and staging of live events, trade fairs, and exhibitions; online ticketing; advertising
- Revenue: US\$980 million
- Employees: 8,800
- Web site: [www.cie.com.mx](http://www.cie.com.mx)
- Implementation partner: SAP® Global Delivery group of SAP Consulting

#### Challenges and Opportunities

- Manage organizational growth while improving transparency and automating and integrating processes
- Implement an overall management solution
- Reduce time needed to link up into partners' solutions

#### Objectives

- Increase efficiency and organizational responsiveness
- Streamline IT infrastructure to support further growth strategy
- Create a basis for a service-oriented architecture

#### SAP Solution and Services

SAP ERP application

#### Implementation Highlights

- Completed implementation in only 15 weeks
- Finished production upgrade earlier than expected
- Kept downtime to a minimum
- Caused no disruption to normal operations

#### Why SAP

- Confidence in product, upgrade, and consulting know-how
- Proven implementation methodology
- Faster and cheaper technical upgrade than other vendors
- Existing SAP software client

#### Benefits

- Provided real-time insight into organizational performance
- Reduced total cost of ownership
- Automated processes
- Guaranteed compliance with new accounting principles
- Reduced implementation costs by 30%

#### Existing Environment

SAP R/3® software (functionality now found in SAP ERP)

#### Third-Party Integration

- Database: Oracle
- Hardware: IBM, Intel
- Operating system: Linux



Mexico City-based Corporación Interamericana de Entretenimiento S.A.B. de C.V. (Grupo CIE) is the leading live entertainment company for Spanish- and Portuguese-speaking markets in Latin America, the United States, and Spain. The company has partnered with many firms over the years to establish a broad scope for its products and services. Based on this organizational growth, Grupo CIE realized that it had to consolidate its IT infrastructure to establish more integrated, automated, and transparent processes. The company therefore decided to upgrade its existing SAP® software to the SAP ERP application to help ensure efficient management of its processes.

### **Upgrading to SAP ERP for Business Transparency**

Founded in 1990, Grupo CIE has pursued the strategy of cooperating with many partners, slowly becoming a market leader in the entertainment world. Currently, it operates entertainment venues; promotes and arranges live events, trade fairs, and exhibitions; sells sponsorships; and provides online ticketing for events. Through its broad vertical structure, the company has an equity stake in each of its partnering companies, resulting in greater control of the value chain, a multitude of revenue streams, and lower operational costs. These business opportunities require a sophisticated information and data management infrastructure.

The company's extensive and rapid growth demanded a new IT infrastructure model – one that was aligned with current business strategy. And the move to a new IT infrastructure presented an ideal opportunity for Grupo CIE to review past business processes. Given the current business conditions, many of these processes needed to be improved and, in many cases, automated. The company realized that upgrading to the latest version of SAP ERP would help streamline its IT infrastructure.

### **Trusting in SAP**

In preparing for the upgrade, Grupo CIE requested proposals from several vendors. It was very important for the company to limit its direct involvement in the upgrade as much as possible. Three of the vendors were taken into

final consideration, but in the end the choice was clear: SAP software and services proved the perfect fit. "We are totally satisfied with the fast and excellent implementation methodology of the SAP Global Delivery group of SAP Consulting," explains Victor López, corporate leader of configuration and implementation at Grupo CIE.

The implementation methodology of the SAP Global Delivery group of SAP Consulting relies on experts who focus on specific development items in multiple projects all over the world. The experts' highly specialized know-how convinced Grupo CIE to trust in the group's implementation expertise. Grupo CIE wanted to be sure that the new solution would run stably and could be rolled out on time and within budget. The estimated timeline of the other vendors exceeded the SAP appraisal by 15 days. The conditions and pricing SAP offered were also convincing. In previous projects, Grupo CIE had already experienced the reliability of SAP as a partner, so SAP was the first choice.

### **Local Action with Global Focus**

The technical upgrade from Grupo CIE's existing SAP software to SAP ERP comprised a standardized service with predefined functionalities for financial accounting, materials management, controlling, funds management, and sales and distribution. SAP ERP required more computer storage and capacity



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than the previous solution. Therefore, Grupo CIE needed to extend its hardware capabilities. The configuration of the additional hardware was facilitated by transaction statistics for each application, supplied by the SAP software.

The SAP Global Delivery group carried out the implementation. The predefined and standardized functionalities found in SAP ERP accelerated the process

Grupo CIE was very pleased with the project coordination. On-site and off-site project managers handled the upgrade professionally. Almost all deliverables were introduced with as little customer involvement as possible. Only the funds management functionality required extra training for the internal consultants and end users, as a result of changes from one release to the other. A part of the user interfaces needed extra adjustments,

business data is consistent, reliable, and always right on hand.

Moreover, data consolidation processes are automated and transparent, resulting in less manual data entry and reduced data inconsistencies. “Maintenance expenses for the old, obsolete solution would have exceeded the upgrade expenses for the new release. We expect to see a very quick return on our investment,” says López.

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by enabling distribution of deliverables to highly specialized offshore locations on the other side of the globe. While it was still nighttime in Mexico, the SAP Global Delivery group in India took advantage of the 13-hour time difference to adjust the custom developments for Grupo CIE. In order to better cope with the time gap and differing languages, SAP Consulting experts in Argentina covered the coordination role between the Indian developers and the local team in Mexico. Within the triangle Mexico, Argentina, and India, most of the communication was carried out by e-mail. The majority of the workload was done offshore, and the remaining 80 working days were spent locally.

and this was handled by SAP Consulting experts in India and Grupo CIE staff. Both sides gained experience and new skills and are now better equipped to deal with potential future problems. The end users at Grupo CIE required very little extra guidance with learning the new program.

### Fit for Further Organizational Growth

“Doing the upgrade was absolutely worth it – we have positioned ourselves to be able to handle future growth,” states López. Grupo CIE now has real-time insight into organizational performance, which accelerates and improves planning and decision making. The company’s

### Next Step: Service-Oriented Architecture

Grupo CIE now plans to be able to reduce software customization by using the enhancement functionality found in SAP ERP. This, in turn, should lead to a significantly lower total cost of ownership. The company also expects to benefit from the enterprise services, which enable it to program its own solutions, connect them to third-party packages, connect to an existing enterprise service, and create its own enterprise services.

The next step for Grupo CIE is to migrate to a service-oriented architecture (SOA). The company plans to split its business processes into various services and thus enable accessibility of its interfaces. The business structure should then profoundly ease the integration of more partners into the value chain. SOA is expected to strongly support Grupo CIE’s growth strategy and therefore put the company on the path to a successful future.

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