Top Reporting: Sensible Reports

Partner

sdg group

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Company Name
Luxottica Group Spa

Sector
Retail - Eyewear

Services and/or products provided
Premium Fashion, Luxury and sports Eyewear

Turnover
6.2 Euro Billion

Website
www.luxottica.com

SAP® solution in use
SAP BusinessObjects & Data Integrator

Partner
SDG Consulting Italia

Luxottica during the Transformation Operation Program determined that it needed to establish an operational performance management system to monitor, manage and control end-to-end supply chain processes.

First and foremost, operations executives defined critical success factors (CSFs) and resulting metrics that aligned with the company's strategic vision. The company created a common metrics definition repository encompassing the entire supply chain organization to standardize measurement across its vertically integrated global business model.

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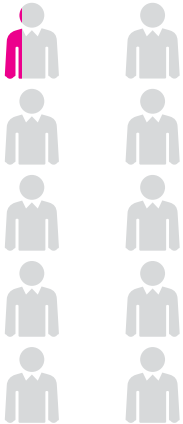
Luxottica Group is a leader in premium fashion, luxury and sports eyewear. It has over 6,300 retail stores selling optical and sun-related products in North America, Asia/Pacific, China, South Africa and Europe.
Luxottica's key house brands include Ray-Ban, Oakley, Vogue, Persol, Oliver Peoples, Arnette and Revo. License brands include Bvlgari, Burberry, Chanel, Dolce & Gabbana, Donna Karan, Polo Ralph Lauren, Prada, Salvatore Ferragamo, Tiffany and Versace.
In addition to a global wholesale network covering 130 countries, the group manages leading retail brands such as LensCrafters and Pearle Vision in North America, OPSM and Laubman & Pank in Australasia, LensCrafters in Greater China and Sunglass Hut globally.
The group's products are designed and manufactured in six plants in Italy, two wholly-owned plants in China and a sports sunglass production facility in the U.S.
In the 2011 the group posted consolidated net sales of Euro 6.2 billion.



2,5%

200 system users

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In recent years, as the company expanded its operations it did a fine job of executing specific supply chain processes. Luxottica had achieved a measure of success by tightly managing its production costs.
But as supply chains became increasingly complex, each node in the supply chain — design, production, distribution, wholesale and retail — took an inside-out, bottom-up view of its own operation.
Each used individual views of data created with Microsoft Excel and Access, which led to inadequate measurement, analysis and reporting.
If the firm was to achieve its strategic vision of top-to-bottom vertical integration and global market leadership, all operational activities within the supply chain had to align closely with its business strategy.

It was time for a change to a top-down, outside-in in perspective, and for common definitions with enhanced management oversight to monitor supply chain CSFs.

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SAP BusinessObjects Solutions has been selected by the Company Business Intelligence Department as the Standard Reporting Environment both from a front-end and a Back End point of view since 2007. The main drivers for this choice have been

- Best-in-class business intelligence Solutions: SAP BusinessObjects is placed by Gartner Analysts in the right hand quadrant for the Business Intelligence solutions. Furthermore SAP has been selected as the new ERP solution for the entire Group and this will allow the integration
- Ability to handle data volume without performance issues: the leader of eyewear manufacturing, generates several records every days and analysis has to be performed from the synthetic kpi through the single details which it is built on.

SDG has been selected for its business process knowledge and for the Synergies with the internal BI team and processes. The project team (internal and external) has developed during the recent years a Robust Methodology that allows quick controls and maintenance; another important fact has been the lower implementation time (Universes and datamart knowledge) and finally the proven continuity approach (e.g.: Reporting & data transfer processes management as for other projects implemented before).

"To run our supply chain operations as efficiently as possible, we needed metrics and business intelligence we could rely on. SAP BusinessObjects solutions – able to handle a large volume of operational data without performance issues – helped provide the critical information we needed".

Enrico Mistron - Supply Chain Manager, Luxottica Group Spa

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With numerous process areas included in the Transformation Operation Program, Luxottica recognized that it needed to focus the implementation work into manageable pieces, so that it could deliver value to key business users quickly. The company chose to work on production processes, planning process, quality control process, and cost accounting process.
Implementation Phase has three major elements: data collection and design, analysis and fine tuning.

The program manager defined a multistep process that would become the blueprint for all future implementation phases of the BI project:

- Analyze individual reports to document every measure/metric needed to support the framework defined in the analysis phase
- Assess source systems to define data requirements to support metrics.
  Design and consolidate required information to the data warehouse.
- Perform initial data quality checks.
- Design and implement the semantic layer (universes) to facilitate end-user access.
- Model and build reports, analyses and dashboards.
- Train users on product capabilities and specific analytics delivered.
- Distribute information packages to the business community for user-led data quality checks and interface usability testing.
- Incorporate feedback from users, fine-tune processes and bring the reports into production.

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An Appliance IBM Netezza TwinFin 12 supports the supply chain data warehouse together with the commercial (sales, marketing and finance).
Luxottica Plans to enlarge the architecture with another Appliance dedicated to the Supply Chain Data from the beginning of 2013 with the SAP Italian Manufacturing Go-Live.
Data is extracted, transformed and loaded to the warehouse using a first Consolidation Layer in BW and from this layer using the ETL tool SAP BusinessObjects Data Services.

The business user interface is built and deployed using SAP BusinessObjects XI, Release 3.1's Web Intelligence product.
SAP BusinessObjects Knowledge Accelerator is used for training and knowledge-sharing processes. It is also the new repository for the "metabase" data dictionary, available as a key resource for all business and IT users.

"An important value of the project is the integrated BI framework we built up: from the source system to the front-end IT is enabling a unique solution that support Supply Chain Decision Making Processes".

Roberto Corradini - Operation IT Manager, Luxottica Group Spa

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Improved data quality due to business intelligence solutions and data integration

- Ability to handle large volume of production orders data without creating performance issues
- Enhanced customer service (the company's top critical success factor) control throug a Backorder's fine monitoring
- More efficient reporting and analysis with regard to time, effort, and content
- Consistent management and improvement in monitoring end-to-end supply chain processes
- Knowledge sharing between processes and people
- Use of consistent reporting tools supported by a specialized repository built with best practices and data quality standards to help ensure consistency and solidity of information.

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The next development steps will be

- Diffusion of BI tools across plants and different Supply Chain Areas to avoid reuse of old reporting methodology based on uncontrolled queries on ERP archives
- Widen reporting coverage on the same business area
- New Reporting and What if analysis on Capacity Planning and MPS.

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