DPD GEOPOST (DEUTSCHLAND)

NEW IT LANDSCAPE SAVES COSTS FOR FINANCE AND ACCOUNTING

QUICK FACTS

Industry
Transportation and logistics

Revenue
Over €1 billion

Employees
6,000

Headquarters
Aschaffenburg, Germany

Web Site
www.dpd.com

SAP® Solutions and Services
SAP for Telecommunications solution portfolio, SAP® ERP application, SAP NetWeaver® Business Warehouse (SAP NetWeaver BW) component, SAP Biller Direct application

Implementation Partner
SAP Consulting

Based in Aschaffenburg, Germany, DPD GeoPost (Deutschland) GmbH is the leading German player in shipping parcels business to business. Its decentralized organizational and IT structure had imposed drawbacks on its finance and accounting operations. By centralizing, standardizing, and automating its IT landscape with SAP® software, DPD was able to improve process and data quality in this area significantly, increasing revenue by approximately 0.5%.

Key Challenges

- Centralize a heterogeneous IT landscape made up of more than 40 autonomous DPD GeoPost (Deutschland) GmbH subsidiaries
- Standardize and automate the order-to-cash process to increase process quality
- Introduce standard software for billing to replace DPD's proprietary application
- Reduce and manage IT costs
- Introduce 1 fully integrated database to replace multiple inconsistent databases

Why SAP Was Selected

- Best software to serve as IT base for integration of DPD's commercial processes
- International reach and support skills
- Support for automated billing of services based on event data record
- Services to adapt telecommunication solution to DPD's parcel shipping business

Implementation Best Practices

- Created a comprehensive project plan for implementation, testing, and rollout
- Conducted intense testing and pilot phase to optimize the rollout afterward
- Rolled out to a few subsidiaries at a time to minimize risk of business disruption

Low Total Cost of Ownership

- Reduced IT costs significantly by centralizing several software instances and databases into 1 integrated solution
- Achieved remarkable savings in hardware
- Harmonized data, reduced number of applications, and automated processes

Financial and Strategic Benefits

- Created flexible IT basis that can support future business challenges and organizational and logistics changes
- Integrated process chains within finance and accounting activities and connected to business areas such as billing
- Significantly raised data quality and transparency by introducing fully automated data flows
- Greatly improved business analytics, enabling reporting across subsidiaries for the first time

Operational Benefits

- Increased revenue approximately 0.5% by centralizing data management, thereby improving data quality
- Saved about 0.2% in terms of total revenue by automating billing process
- Eliminated manual correction of data inconsistencies
- Increased customer satisfaction through use of e-billing
- Gained flexibility to reengineer processes through integrated authorization concept

"We achieved the business transformation in finance and accounting through a reshape of our IT landscape by harmonizing data, reducing applications, and automating processes. The organizational reshape will follow."

Lothar Preis, Board Member, DPD GeoPost Service GmbH

www.sap.com/contactsap

DPD GeoPost (Deutschland) GmbH has been shipping parcels throughout Germany while setting the highest service standards in the industry. Started as an amalgamation of 20 independent delivery agents, it is now Germany's biggest business-to-business parcel shipper. Its 6,000 employees deliver more than a million parcels each day, generating over €1 billion in revenue.

Reshaping the IT Landscape

DPD has a strongly decentralized organization. Its IT landscape used to be just as decentralized, with each of its 40+ subsidiaries often handling its own accounting and billing. The result: several software instances and databases were used for billing – representing enormous untapped potential for centralization, standardization, and cost savings. To realize this potential savings and increase in efficiency, DPD sought to replace its proprietary billing application with standard software. An external benchmark alerted DPD to the fact that there was room for further improvement: manual handling in the order-to-cash process was causing efficiency leaks.

DPD embraced a daunting commitment: to centralize its software, automate relevant processes, and harmonize data. For a company totally dependent on its data flow, it was a momentous decision, and finding a reliable software and implementation partner was of paramount importance. It found that partner in SAP, convinced by the solutions the software company tailored to meet DPD's IT and business needs and the software expertise provided by SAP® Consulting.

Making IT Costs Manageable

Using the SAP ERP application as its integrated solution base, DPD centralized 45 software instances and databases into one software solution. As a result, it reduced its IT costs through savings in hardware. "From an IT perspective our main goal was actually not only to save costs: we were eager to make our IT costs manageable, which we succeeded in," says Lothar Preis, member of the board of DPD GeoPost Service GmbH, a DPD company.

At first, replacing DPD's proprietary billing application with the SAP for Telecommunications solution portfolio seemed to be an unusual move. On second thought, DPD realized how appropriate it was. Telecommunication companies use the same basis for billing as DPD: services used. Suddenly, the switch seemed perfect, with SAP Consulting customizing the industrial solution portfolio to the specific shipping needs of DPD.

Saving Costs

With the support of the SAP software, DPD standardized and automated its order-to-cash process, another innovation that paid off. "We were able save considerable costs by automating our process," says Preis. The firm now relies on process integration within its finance and accounting activities as well as integration with other areas, such as billing. With a sophisticated authorization concept allowing the accounting team to execute any task from any subsidiary, the company has also gained new flexibility in process reengineering.

Gaining Revenue of Approximately 0.5%

"Through the central data management we were able to achieve some substantial quality improvements in data, leading us to a revenue boost of an estimated 0.5%. More revenue thanks to higher data quality – the equation is as simple as that," sums up Preis.

In reporting and analytics, DPD made outstanding progress thanks to the SAP NetWeaver® Business Warehouse component. DPD is now able to look at revenue numbers of customers across subsidiaries for the first time.

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