THE WOLF ORGANIZATION

BUILDING A STRONGER CUSTOMER BASE WITH SAP® BILLER DIRECT

QUICK FACTS

Industry
Wholesale distribution – building materials

Revenue
Over US$200 million

Employees
225

Headquarters
York, Pennsylvania

Web Site
www.wolforg.net

SAP® Solutions and Services
SAP® Biller Direct application

Implementation Partner
SAP Consulting

The Wolf Organization Inc.'s growth from a small lumber store into a full-service enterprise is based on close customer relationships and productive operations. As competitors threatened, Wolf built an enterprise resource planning platform for growth, efficiency, and productivity. It worked with key customers to expand its capabilities and erected barriers to competitors. In ten years, Wolf doubled revenues and positioned itself for expansion.

Key Challenges

- Meet customer demand to improve billing detail
- Collaborate with customers for greater retention
- Improve communications with regional partners and employees
- Better profit from long growth peak
- Create new markets during building downturns

Why SAP Was Selected

- Satisfactory long relationship with SAP
- Impressive SAP commitment to innovation
- Standard software to meet business requirements
- Enterprise architecture standards
- Simplified integration of business applications with portal technology
- Standard collaboration process with customers

Implementation Best Practices

- Structured governance to align business and IT
- Rigorous project management to speed time to value
- Emphasis throughout on process improvement
- Standardized dashboards to measure progress
- Proactive change management, communication, and training
- Customer collaboration early in the project

Low Total Cost of Ownership

- Lower cost per online transaction
- 12-week implementation
- Increased credit processing and employee productivity
- Smooth integration on existing IT platform
- Minimal learning curve for SAP® applications
- Decreased costs of working with 13 outlets

Financial and Strategic Benefits

- Reduced customer and Wolf financial fees
- Built entry barriers to competitors
- Enhanced customer loyalty and collaboration
- Enabled more accurate forecasting and data analysis
- Enhanced sales-team value proposition

Operational Benefits

Key Performance Indicator	Impact
Retention rate of SAP Biller Direct application customers	100%
Credit and receivables productivity	+5%
Customer retention rate	100%
Customer adoption rate	+10 per month

"Our SAP investment, as much as product and pricing, truly differentiated us from our competition."

Brad Kostelich, Senior Vice President, Business Process/Technology, The Wolf Organization Inc.

www.sap.com/contactsap

Building a Business

For 167 years, The Wolf Organization Inc. has grown steadily from a small lumber company into one of the largest suppliers of lumber and other materials to building and remodeling firms on the East Coast of the United States. Wolf now comprises three divisions: The Lumber Yard, Wolf Distributing Company, and Baublitz Advertising. With installations in 13 eastern states, 575 employees, and more than US$385 million in revenue, Wolf enjoys long-lasting customer relationships with the professional builders that have stood with Wolf through the legendary boom and bust cycles of the construction and homebuilding markets. As part of its strategy to retain customers in downtimes and attract new customers during uptimes, Wolf relies on technological innovation. It became one of the first midsize companies to partner with SAP, taking advantage of the Internet before many of its competitors.

Throughout the recent housing boom, Wolf enjoyed strong growth. Looking forward, however, management recognized significant challenges. First, growing competition from national home improvement companies began to erode its customer base. Second, customers began to ask for opportunities to collaborate and see greater account detail for better control. Third, when the housing boom began to peak, Wolf began to prepare to enter new markets in other regions while retaining its core customer base.

Partnering with SAP

Wolf was satisfied with its relationship with SAP and pleased with its existing SAP® software. To enable business improvement initiatives and better leverage its portfolio of SAP solutions, Wolf upgraded to the SAP ERP application and added the SAP NetWeaver® Portal component and SAP E-Commerce application. Wolf worked with key customers and its own employees to identify process efficiencies they valued from a new collaborative and online billing process.

Customers participated in a pilot project, and their experiences were incorporated into the implementation plan. As a result, implementation of the SAP Biller Direct application came in under budget and on time in just 12 weeks. Working within a rigorous project management framework, the business side was involved from the start, helping ensure that IT was aligned to the expected business benefit.

Delivering Customer Satisfaction and Benefits

The Wolf Organization continues to be pleased with the results of its partnership with SAP. The recent implementation of SAP Biller Direct has helped to strengthen existing customer relationships and lay the groundwork for building new relationships in a tighter market. Listening to its customers, Wolf integrated Web-based billing, empowering customers who want a digital relationship and stimulating real-time collaboration. Those customers who are small to midsize businesses themselves have learned new approaches that have led to their own productivity gains. They enhanced margins, decreased interest expenses and financial fees, and gained efficiencies from streamlined business processes and paper-reduction initiatives.

Wolf's value-added approach to customer relationships has helped it create barriers to its competitors. It has converted an average of 10 new customers a month to its collaborative online billing application since May 2006.

"The real-time information from SAP Biller Direct delivers added value to our customers at no extra cost," says Barry Graboski, vice president of sales and marketing for Wolf.

Moving forward, Wolf will continue to add more customers and expand nationally, building successfully on its SAP software foundation for continued growth.

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