



COSMÉTICA NACIONAL

EMBRACING PRODUCTION WITHIN BUSINESS SOFTWARE

QUICK FACTS

Industry

Consumer products

Revenue

US\$16 million

Employees

400

Headquarters

Santiago, Chile

Web Site

www.cosmeticanacional.cl

SAP® Solution and Services

SAP® Business All-in-One solution

Implementation Partner

Crystalis Consulting

Key Challenges

- Monitor production data online and in real time
- Provide traceability of all product data
- Present trustworthy, timely, detailed information for accelerating decision making
- Support projected business growth

Implementation Best Practices

- Obtained strong executive support and sponsorship
- Involved all employees and communicated the benefits to be expected
- Appointed leaders for individual modules and the overall project
- Employed standardized approach based on Crystalis Consulting's experience with the SAP® Business All in-One solution

Financial and Strategic Benefits

- Improved data trustworthiness
- Accelerated availability of information
- Increased visibility of data across the company
- Provided information needed to make better decisions
- Allowed more time for value-added activities

Why SAP Was Selected

- Ability to monitor production data online and provide traceability
- Tight coupling between production and back-office functionalities
- Prestige associated with the SAP name
- Record of success serving other midsize customers

Low Total Cost of Ownership

- Completed project in 5 months, on schedule and within budget
- Saved time and costs through preconfiguration
- Minimized integration requirements
- Minimized software customization and modifications

Operational Benefits

- Provided real-time, online access to production information with traceability
- Made it easy to detect mistakes and process discontinuities
- Sped up logistics, storage, and sales processes
- Made financial and collections information more available
- Improved inventory control
- Enhanced production order and delivery processes

Cosmética Nacional SA is a cosmetics and pharmaceutical company that has been providing shampoo, hair dye, perfumes, makeup, and other cosmetic products to the Chilean market since 1979. The firm needed online monitoring of its production processes with product traceability. Since the business software in place lacked these important capabilities, Cosmética Nacional replaced it with the SAP® Business All-in-One solution.



“We work as a team and seek excellence. At our company we always emphasize our strong human capital and our intense desire to do things right, which SAP software makes easy.”

Luis Cuadra, CFO, Cosmética Nacional SA

www.sap.com/contactsap

On Track to Further Growth

Cosmética Nacional SA develops and manufactures a variety of cosmetic products and markets them in its native Chile and other Latin American countries. The company's reputation for innovation and product quality, together with management efficiency, has fueled its strong growth over the years.

To be sure of sustaining this growth, Cosmética Nacional continually examines its business processes and finds ways to improve them. Recently the company pinpointed a key deficiency in the business software it had recently installed: there was no functionality for monitoring or supporting production processes, and in particular no traceability between products and their material requirements, production plans, or other important information.

“We needed an online system with product traceability,” says Luis Cuadra, CFO at Cosmética Nacional. “Although we didn't know much about SAP, we knew its name equates with prestige and that companies working with its software were obtaining excellent results.” The firm did not have far to look for references – it belongs to a holding company that also owns 16 other companies, all of which use SAP® software.

The benefits of switching to the SAP Business All-in-One solution were so compelling that the company decided to make the change. Not only were SAP's references from other midsize companies overwhelmingly positive, but the solution

provided the much-needed online production and traceability functionality tightly integrated with the rest of the features the company required to run the business. In addition, by selecting Crystalis Consulting to perform the implementation, Cosmética Nacional stood to take advantage of its partner's preconfigured solution and standard approach to save time and costs.

From David to Goliath

One of the keys to Cosmética Nacional's success is its policy of involving its employees in any important company move, and the SAP Business All-in-One implementation proved to be an excellent example. “We started by holding a contest to give the project a name, and almost all the 250 employees we had at the time participated,” says Cuadra. “‘From David to Goliath’ won, reflecting our change from a small system to a high-impact one like SAP.”

Employee participation extended much further than naming the project. The senior staff broadly communicated the changes the SAP software would make and the benefits it would bring and asked everyone to get involved. As a result there was very little resistance to change, and the firm quickly resolved the few issues that arose after go-live.

“We had only been working with the SAP software for a short time when we started seeing its benefits,” reports Cuadra. “We found it easy to access its features for online production monitoring and detect-

ing possible mistakes and process discontinuities. And we quickly came to appreciate the speed it gives us in delivering financial and collections information and in logistics, storage, and sales processes.”

“The software has made everybody's work easier,” Cuadra continues. “Now we can analyze everything in detail: the production plan, historical sales data, stocks, finished product simulation, what we have to spare, and what we lack. In an instant we can find out what raw materials we need. We even have a weekly schedule that automatically generates the necessary purchase orders.”

Cosmética Nacional has also achieved the traceability it was seeking now that purchase orders are readily available, product history is configured, and all relevant information is at hand.

On Par with Major International Competitors

SAP Business All-in-One has provided the foundation for growth that Cosmética Nacional needed. “We feel that our use of SAP software levels us with the huge international competitors we face in the cosmetics industry,” Cuadra concludes. “We use the same software they do, and our processes are at the same level.”

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