



**Customer Success Story
SAP Mid-Market Solutions**

BETTERWARE

**DRIVING IMPROVED FLEXIBILITY AND HIGHER LEVELS OF
CUSTOMER SERVICE WITH SAP AND CHELFORD**



With retail sales of more than £75m, over 200 head office staff in Birmingham and a network of 7,000 local agents, **Betterware** is one of the UK's leading direct sales companies, offering a wide range of goods for in and around the home.

As well as its network of local agents, customers can buy products by phone or through the company's transactional web site.



In the late 1990s Betterware was going through a phase of expansion, driven by a move into overseas markets. At the same time they were experiencing a shift in how they sourced their products. Historically the majority of the items they sold were manufactured in the UK but, increasingly, Betterware were turning to overseas companies to supply them.

At the time they were using a bespoke system, developed by a small, local company. But they were finding it increasingly limiting and the decision was taken to look for a new solution. "There were a number of factors which led us to review our system strategy", explains John Embrey, Head of IT. "Firstly it was difficult for us to change the system and extract the information we required to run the business. Secondly it didn't support multi-currency operations, which we needed for our overseas expansion. In addition, with the advent of overseas sourcing we needed to be much smarter at stock control and forecasting. Finally we weren't convinced that the system was Year 2000 compliant."

A MULTI-DISCIPLINE APPROACH

The search for a new system may have been driven by the Financial Director and IT Department, but all the key business functions were represented - an extremely important factor according to John. "We wanted to be sure that the system we chose would meet all our requirements", he says. "By involving all the main departments who would need to use the system, we not only ensured a good fit with our processes but that the users supported the final decision."

Once the multi-discipline team had defined Betterware's requirements discussions were held with a number of suppliers and invitations to tender were issued. After evaluation SAP was the clear favourite. "We chose SAP because we could see that it was the best fit for our business", comments John. "In Chelford we also found a supplier who clearly demonstrated that they understood our industry and had the technical skills to work with us to implement SAP successfully."

MEETING BETTERWARE'S NEEDS

With only a small IT department, Betterware relied heavily on Chelford for the first phase of the implementation - finance, sales & distribution, warehouse management, inventory management and requirements planning. Chelford sized the system, blue-printed the implementation process, configured and commissioned the system and trained the users. Chelford also developed a new module specifically for Betterware's needs. "Our whole business revolves around our catalogue", explains John. "We already had sophisticated processes in place for deciding what products



we would put in the catalogue, where we would place them and for forecasting the sales and contribution we expected from them. Chelford took these processes and developed a new module for us, which is completely integrated into the SAP system, with exactly the same look and feel. As a result we are able to plan our catalogue, and track the results, better than ever before.”

CLEAR BENEFITS

The implementation took just nine months and the benefits were almost immediate. Betterware were able to reduce their stockholding, without impacting their service to the customers. In addition productivity has improved, as many previously manual tasks have now been automated. The projected stock reductions were achieved within eighteen months, in line with expectations. In addition decision making has been improved, because Betterware have much better access to information.

Another benefit is the speed with which Betterware can make changes to the system. “Sales incentives are a very important aspect of our business and we need to be able to change them frequently and quickly”, says John. “I’ve been favourably impressed with the flexibility we have to do that within SAP and the speed with which we can make the changes. With other systems I’ve experienced we would have had to go back to the supplier but, with SAP, we’ve been able to make the vast majority of changes ourselves, only occasionally having to call on Chelford for their advice and expert assistance.”

FACILITATING ADDITIONAL CAPABILITIES

The implementation of the SAP system has facilitated the addition of further capabilities, which has brought significant benefits for Betterware. Historically local agents would send paper-based orders to Betterware’s Head Office, where they would be processed

and the goods dispatched back to them. Since implementing SAP, Betterware have been able to introduce a web-based order entry system, which allows orders to flow directly into the order processing module. It’s not only meant considerable savings but also improved processing time significantly. “The order entry system has taken a whole week out of the processing cycle, improving the service we offer our customers”, says John. “But even more importantly it’s actually enabled us to take an extra week’s sales each year, because we can prolong our order cut-off at Christmas.”

FUTURE PLANS

Betterware aren’t standing still either. They are currently well into the testing phase of upgrading to version 4.7 of SAP. Amongst other things additional facilities in the system will allow them to improve customer contact management, through better call logging and progress tracking. John believes this will allow them to significantly improve the quality and speed of response they provide to their customers.

So, five years on from implementing the system, how does John feel about SAP? “I’ve been pleasantly surprised with SAP”, he remarks. “I suspected it might be quite restrictive but, in fact, we’ve found it extremely flexible and easy to tailor to our needs. I’d recommend other companies include it on their evaluation list.”

And what about Betterware’s relationship with Chelford? “Chelford continue to be our supplier of choice, as and when we need specialist advice and guidance”, John says. “We have an open and honest relationship with them and are very happy with the service they provide. In addition, the fact that they have usually been able to offer us continuity of resource is a big bonus, as we don’t have to spend time continually educating new people about our environment and operations.”

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