



ABASTECEDORA DE ABARROTES SCORPION

ENABLING GROWTH – PROFITABLE AND WITHOUT LIMITS

QUICK FACTS

Industry

Wholesale distribution

Revenue

US\$124 million

Employees

900

Headquarters

Mexico City

Web Site

www.scorpion.com.mx

SAP® Solutions and Services

Qualified SAP® Business All-in-One partner solution from Indra Mexico

Implementation Partner

Indra Mexico

Key Challenges

- Implement platform to help ensure profitable growth
- Take control of core administrative processes
- Standardize and streamline business processes
- Provide timely, high-quality information for more effective decision making
- Minimize shrinkage
- Improve market analysis capability

Implementation Best Practices

- Employed preconfigured solution for rapid implementation
- Adapted business processes to standard software, minimizing customizations
- Enjoyed close attention from top management
- Established well-understood and well-accepted project scope

Financial and Strategic Benefits

- Achieved better control of the business through information visibility
- Established business process responsibilities and followed them precisely
- Improved control over product pricing, costing, availability, obsolescence, and waste
- Improved business execution via use of best practices
- Unified financial and operations processes for better efficiency
- Improved ability to track credit purchases

Why SAP Partner Solution Was Selected

- Preconfigured, pretested functionality fully meeting company's needs
- Scalable software, enabling support for growth without ceilings
- Centralized information
- Tools for margin analysis and optimization
- Strong partner ecosystem

Low Total Cost of Ownership

- Implemented solution rapidly – in just 7 months
- Completed project within budget
- Reduced costs associated with IT support and future upgrades by adopting standard software for core processes

Abastecedora de Abarrotes Scorpion S.A. de C.V., a leader in Mexico's wholesale distribution industry, found its growth threatened by its legacy business software. To enable better control over operations, more effective decision making, and support for future expansion, Scorpion adopted a qualified SAP® Business All-in-One partner solution from Indra Mexico. This preconfigured, best practices-based solution proved fast to implement and quick to deliver benefits – with full ROI within 22 months.

Operational Benefits

Key Performance Indicator	Impact
Days in inventory	-37%
Administrative costs as % of revenues	-50%
Closing time	+92% faster
Shrinkage	-90%
Cash flow	+3%
Same-store sales	+30%
Investment payback period	22 months



“Our SAP software has definitely helped us improve our business processes.

We have also been able to consolidate the competencies of our employees and collaborators.”

Samuel Sarmiento, CIO, Abastecedora de Abarrotes Scorpion S.A. de C.V.

From its humble beginnings 20 years ago, Abastecedora de Abarrotes Scorpion S.A. de C.V. has grown to become one of the top grocery wholesalers in Mexico. The firm also operates its own chains of minimarkets and auto service centers as well as a delivery service for remote regions of the country. This blend of popular services has allowed Scorpion to grow at the rate of 20% per year on average.

Sustaining this growth was a challenge, however, when Scorpion relied on internally developed software to run its business. Speed is crucial for decision making, but executives were not getting the needed information in time. There was little support for analysis or process improvements, or for fixing a nagging shrinkage problem. Goods remained in inventory too long – a particular problem with the many perishables the company sells.

Scalable, Preconfigured Software for Rapid Implementation

For these and many other reasons, Scorpion commenced a search for a new IT platform to see it into the future, a search that led to a qualified SAP® Business All-in-One partner solution from Indra Mexico. “We wanted centralized and highly visible data that could be accessed quickly, best practices for improving our business processes, tools for financial analysis and optimization, and most of all scalability to support unlimited growth – all hallmarks of SAP software,” says Samuel Sarmiento, Scorpion’s CIO. “But we also want-

ed a standard, preconfigured solution that could be implemented quickly at a reasonable cost. We found exactly that combination in the SAP partner solution from Indra.”

Scorpion adhered closely to Indra’s standard software. It modified its business processes to match the best practices-based functionality embodied in the solution, thereby improving its processes while avoiding the costs and delays of customization. These moves paid off in the short term via a timely, within-budget implementation – and in the long run through improved operations and minimized support requirements.

Fast ROI, with Payback in Just 22 Months

Scorpion continues to grow quickly, but now its software is helping instead of hindering. Executives are firmly in control, with timely, accurate decision-making information available from a single, centralized source. All business process users now have well-defined responsibilities, which has improved efficiency so much that administrative costs have remained constant since the transformation even though revenues have doubled.

Scorpion is managing its inventories with total precision. Average days in inventory, which stood at 45 before the transformation, are already down to 30 days and on track to reach the firm’s goal of 20 days. Visibility is so much better that missing inventory can be quickly identified, which has led to a 90% drop in shrinkage. With better inventory control and forecast

accuracy, Scorpion can make advantageous discount offers that improve cash flow.

Financial closing, which used to take two months, now stands at five days. Scorpion is also better equipped to track purchases made on credit. This allows the firm to offer credit more liberally – one reason why same-store sales are up 30%.

Scorpion has many plans for taking further advantage of its SAP partner solution, such as improving Internet-based customer services. In addition, a sister company that is still using the legacy software is watching Scorpion’s progress carefully – with an eye toward following the same path to controlled, profitable growth.

Implementation Partner

Information technology is a prime business area for Indra Mexico. The firm’s IT consultants provide project development and outsourcing expertise and help companies cost-effectively optimize their applications and systems.



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