



AVIPAM TURISMO E TECNOLOGIA

BUILDING CREDIBILITY AND CONTROL FOR MANAGING GROWTH

QUICK FACTS

Industry

Travel and logistics services

Revenue

US\$21 million

Employees

446

Headquarters

Rio de Janeiro, Brazil

Web Site

www.avipam.com.br

SAP® Solution and Services

SAP® Travel Management application

Implementation Partner

Sonda Procwork Consulting Informática Ltda.

Key Challenges

- Grow aggressively
- Improve credibility among customers and suppliers
- Eliminate invoicing errors
- Improve control over the business
- Automate and streamline financial processes
- Increase reliability of financial statements
- Provide ever-better customer service
- Free up working capital for investment

Implementation Best Practices

- Employed the ASAP methodology
- Minimized customization
- Assigned dedicated internal team to work with partner

Financial and Strategic Benefits

- Improved accuracy and reliability of financial statements
- Implemented credit-card payment option for customers
- Improved credibility with customers and suppliers
- Streamlined order-to-collect, procure-to-pay, and other processes
- Implemented customer portal with transaction history
- Established set of key performance indicators for tracking key processes

Why SAP Was Selected

- Widespread name recognition and respect
- Ability to support growth strategy
- Robustness and reliability
- SAP's continual investment in R & D
- Basis for improved business processes
- Strong partner ecosystem

Low Total Cost of Ownership

- Finished implementation on schedule and within budget
- Reduced maintenance costs
- Developed expertise to handle 1st-level support needs internally

Operational Benefits

Key Performance Indicator	Impact
Number of invoices issued	-80%
Financial closing time	-90%
Invoicing errors	From 15% to practically none
Working capital required	-90%
Employee productivity	+15%

Avipam Turismo e Tecnologia Ltda., a major Brazilian travel agency, found its growth limited by the fragmented, inflexible, unreliable legacy business software it employed. Data inconsistencies led to invoicing errors, which in turn caused customer dissatisfaction and credibility problems. To address these challenges, Avipam implemented the SAP® Travel Management application, which has proven to be the springboard for growth the firm was seeking. Revenues nearly doubled in three years.



“The fact that we use SAP applications increases our credibility with customers.

They know that SAP software means reliable information.”

Antonio Fernando Slomp, President, Avipam Turismo e Tecnologia Ltda.

www.sap.com/contactsap

Avipam Turismo e Tecnologia Ltda. is a 60-year-old travel services company that is now part of the worldwide BCD Travel Group. The company has offices throughout Brazil and boasts many well-known corporate clients.

Avipam has grown rapidly to become Brazil's second-largest travel agency, including a spurt between 2004 and 2007 in which service fee revenues nearly doubled to US\$21 million on \$177 million worth of airline tickets and hotel reservations. Growth like this would not have been possible in the past, when the firm ran its business using applications developed in piecemeal fashion by a local software house. Data inaccuracies often led to unreliable financial reports and invoicing errors. Customers and suppliers viewed information produced by this software with skepticism, and Avipam was forced to finance its travel services before receiving payment. This required the firm to retain much of its cash as working capital, unavailable for investing in growth. Furthermore, the software did little to help with everyday business processes, and productivity suffered.

SAP Delivers Not Just Software but Credibility

Avipam knew that to realize its ambitions there was no choice but to move to a single, comprehensive, integrated, reliable application to manage its business processes. In the SAP® Travel Management application, the firm found exactly that

solution. The software satisfied all the technical requirements, and the fact that it came from SAP, a widely respected source, brought immediate credibility.

Another benefit of choosing SAP was the ready availability of skilled resources. Avipam selected SAP partner Sonda Procurement Consulting Informática Ltda. to work with its internal IT staff, and together they completed the implementation on schedule and within budget. In the process, Avipam gained enough knowledge to provide first-level support on its own.

Customers and Suppliers Alike Appreciate the Difference

Avipam viewed its SAP software not just as a new set of tools but as the basis for overhauling its business processes to make them more efficient and reliable. The firm paid particular attention to the order-to-collect process, especially the error-prone invoicing step. With accurate, consistent information to work with and tighter, more reliable processes for using it, almost no invoices contain errors anymore, compared with 15% in the past. Customers appreciate the difference and bring more of their business to Avipam. Corporate clients also appreciate Avipam's support for credit-card payment, which the firm set up using the integration of SAP Travel Management with credit-card companies' software. The credit-card option has proven so popular that Avipam has been able to slash the number of invoices it issues each month from

10,000 to 2,000. In yet another move to boost customer satisfaction, Avipam used its SAP software to create a portal for viewing transaction histories.

Suppliers too see the difference and have responded by dropping their requirements for up-front payment. This has let Avipam postpone making payments until after collections, freeing up 90% of the working capital that was tied up before.

Productivity Jumps 15%, and KPIs Keep It High

Internally, Avipam is reaping benefits as well, including a 15% rise in overall productivity. To make sure its processes continue to be strong, the company has set up a number of key performance indicators (KPIs) that it monitors closely – which would never have been possible with the old software.

“With its structured approach to business processes and the accurate, consistent information it delivers, our SAP software has provided the support we needed for our growth strategy,” concludes Paulo Boneschi, IT and process quality director for Avipam.

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