



MULTIMEDIOS REDES

REMOVING BARRIERS TO GROWTH WITH HELP FROM SAP

QUICK FACTS

Industry

Media

Revenue

US\$300 million

Employees

1,080

Headquarters

Monterrey, Mexico

Web Site

www.multimedios.net

SAP® Solutions and Services

SAP for Media solutions; SAP® Best Practices Baseline package

Implementation Partner

Team Solutions de Mexico S.A. de C.V.

Key Challenges

- Inability to keep pace with rapid business growth, due to nonintegrated, inflexible legacy systems
- Numerous manual operations
- Lack of visibility into inventory, resulting in lost sales and dissatisfied customers (due to constant stock-outs)
- More effective warehouse management
- Limited view of company operations
- Slow consolidation of financial results

Implementation Best Practices

- Attainment of company-wide buy-in; strong communication strategy
- Close monitoring by senior executives
- Use of best practices, especially in procurement and inventory management
- Use of the ASAP methodology
- Involvement and empowerment of business process owners in decision-making processes

Financial and Strategic Benefits

- Support for national and international expansion
- Ability to measure profitability on an individual customer basis
- Budget accountability at department-manager level
- Reduction in monthly closing times
- Ability to focus more on strategic tasks via reduction in administrative tasks
- Improved sales and customer satisfaction, due to elimination of stock-outs

Why SAP Was Selected

- Availability of the SAP® Best Practices Baseline package
- Best fit with business requirements
- Single, integrated, robust functionality spanning all business needs
- Strong customer references
- Large installed customer base
- SAP's clear technology strategy and its leadership in enterprise resource planning software

Low Total Cost of Ownership

- Elimination of legacy systems and the time and effort required to maintain them
- Reduction of task duplication
- Completion of implementation within 8 months, 25% less than it would have taken without best practices

With an infrastructure of 6,000 km of coaxial cable and 3,000 km of optical fiber, Multimedios Redes has quickly become one of northern Mexico's main telecommunications, video, and data services suppliers. When the company began to emerge as a successful triple-play media provider, it realized its IT systems could no longer support its aggressive growth plans. With help from SAP for Media solutions and the SAP® Best Practices Baseline package, Multimedios Redes was able to set the stage for exponential growth.

Operational Benefits

Key Performance Indicator	Impact
Stock-outs	-100%
Closing times for business units (average)	-75%
Closing times for overall business	-80%
Order-to-cash cycle times	-33%
Reduction of lost sales due to stock-outs	+ 8%
Time required to catalog materials	-85%
Reduction of warehouse pick-up time	-50%
Reduction of data collection for reporting time	-80%



MULTIMEDIOS

“It used to take us 10 days to consolidate financial information; we can now do it in 2 days. Without the support of SAP software, it would have been impossible to close the books in the time frame stockholders require.”

José Ricardo Garza, Administration and Finance Manager, Multimédios Redes

www.sap.com/contactsap

Evolving the Company into a Competitive Triple-Play Media Provider

Redes, a subsidiary of Grupo Multimédios, is the largest communications company in northern Mexico. In the last two years the firm emerged from its cable company roots to become a true triple-play media provider, offering comprehensive data, video, and voice services to both residential and enterprise customers. The fast increase in sales that accompanied this transformation put a great deal of pressure on the organization.

To keep headcount in check while continuing its growth, Multimédios Redes recognized the need to make fundamental changes in the way it conducted its day-to-day business. The firm's loose collection of legacy systems – mostly developed in-house – were unable to support new business requirements and the processes that accompanied them. Parts were entered and removed from warehouses without systematic tracking, for example, making effective warehouse management difficult. Stock-outs of popular products like cable converters were all too prevalent, hurting both sales and customer satisfaction.

SAP for Media Provides the Needed Software and Best Practices Help

Multimédios Redes knew it needed to replace its IT islands with integrated business software, but it also knew that software alone would not be enough: it was just as important to adopt efficient new business processes that took advantage of the software. By choosing SAP for Media solutions, the firm addressed both

requirements. Not only did these applications cover the gamut of needed functionality seamlessly, but they included the SAP® Best Practices Baseline package – a set of preconfigured processes that formed the basis for the efficient new business practices the midsized firm was seeking.

Focus on the People Factor Pays Off

Realizing that the implementation's success hinged totally on gaining acceptance from its employees, Multimédios Redes paid utmost attention to change management – the people factor. The firm made sure to closely involve users from all business disciplines in the project and to widely communicate the necessity of universal buy-in. The company made another key move by hiring Team Solutions de Mexico S.A. de C.V. as its implementation partner; the Mexican system integrator and SAP software specialist helped shorten the project's duration by 25% through effective use of the SAP best practices offering.

Although the implementation process was not an easy task – due to the project's scope and the challenge of rolling out the new software throughout company subsidiaries – Multimédios Redes's investment in SAP software began paying off quickly. Once IT had decommissioned the legacy systems, eliminating time-consuming maintenance efforts, the impact of the firm's new business processes became obvious: control returned to the warehouses, revenues arrived sooner, and stock-outs became a vestige of the past. With new levels of information visibility, the company was better

equipped to focus on its key customers – determining their profitability on an individual basis and providing improved service that led to new levels of client satisfaction. Business units found themselves able to close their books 25% faster, and the overall group accelerated its closing times even more. Security and auditability also improved, as explained by Victor Tella, the firm's IT director: “SAP software allowed us to implement the best practices in the process, security, and audit areas. Now the auditors have a platform that allows them to detect any type of change.”

Multimédios Redes Heads for New Vistas

Perhaps most importantly, Multimédios Redes is now prepared to initiate its national and international expansion plans. Empowered by detailed operational data and streamlined, automated processes, managers can focus more of their energy on strategic tasks at the departmental level and assume more accountability for their decisions. And, with the increased ability to focus on mission-critical projects, senior executives can more actively help the company reach new thresholds of success.

Implementation Partner

TEAM Solutions is a leading provider of enterprise software solutions and one of the most well-known business partners in the northern part of Mexico.



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