Leading Beauty Retailer: Driving a Supply Chain Makeover to Improve Control over Merchandise Spend with the Ariba® Network

The supply chain is the lifeblood of a retail business. Delays or errors relating to orders and shipments can disrupt business operations and negatively impact revenues. That's why a leading beauty retailer replaced its electronic data interchange (EDI) network with the Ariba® Network. With its legacy EDI network, the retailer could not easily link orders and invoices to contracts to enforce compliance. In addition, the EDI network could not effectively manage key transaction documents, making it difficult to track orders and shipments and process invoices.

The Ariba Network has fixed those blemishes to the retailer's procure-to-pay operations to drive a high-performing supply chain. With SAP® Ariba solutions, the retailer plans to automate more than 95% of transactions with its merchandise suppliers. That includes connecting to hundreds of suppliers over a next-generation business network.

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Retailer improves control over merchandise spend

Company
Leading Beauty Retailer

Industry
Retail

Products and Services
Beauty categories that include cosmetics, fragrance, hair care, skin care, bath and body, and salon hair care products

Revenue
~US$2.67 billion

Objectives
- Upgrade its legacy electronic data interchange (EDI) network and extend its SAP® software infrastructure to enable true collaborative commerce
- Eliminate manual effort involved with tracking orders and shipments and processing invoices
- Support e-commerce transactions with leading retail suppliers

Why SAP Ariba® solutions
- Ariba® Network
- Ariba PO Automation solution
- Ariba Invoice Automation solution

Resolution
- Real-time visibility into orders, order confirmations, and advance ship notices
- All orders based on contracted rates
- Automated three-way matching to drive straight-through invoice processing
- Support for optimal inventory levels for current retail locations, new store expansion, and two fully automated distribution centers

Future plans
Drive further business process improvement with other cloud applications from SAP, including the SAP Fieldglass® Contingent Workforce Management application and Concur® Travel & Expense solutions

Real-time
Visibility into orders

High-performing
Supply chain

Optimal
Inventory levels

Continued
Business improvement

"The Ariba Network supports a level of collaboration that is vital in a retailing environment. We can drive high levels of straight-through invoice processing while our suppliers get real-time information on invoice and payment status without calling us."
Manager, Accounts Payable

SAP Ariba

SAP