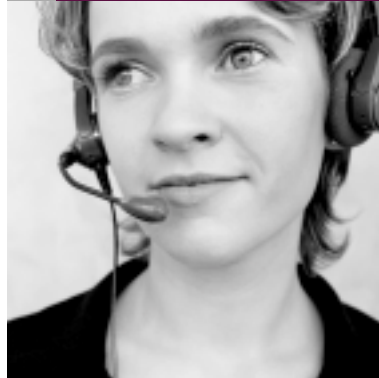


## SAP Customer Success Story Telecom



**Belgacom NV** is the Belgian market leader in the field of global telecommunication solutions. The Belgacom group supplies local, interzonal and international communication and data services, in particular, as well throughout fixed as mobile networks. In addition, Belgacom also supplies satellite-, carrier- and a divergent series of internet services. At the end of 2002, the Belgacom group comprised 19.000 workers. The turnover for 2002 amounted to 5.22 billion euro. In order to optimise its purchase process and organisation, Belgacom opted for mySAP E-Procurement solution in 2001.

belgacom



## **BELGACOM**

### **TELECOMMUNICATIONS GIANT BELGACOM OPTS FOR MYSAP E-PROCUREMENT FOR OPTIMAL AUTOMATION OF PURCHASE PROCESS**

Philippe Deconinck, B-2-S (Business to Supplier) Program Manager, starts off by saying: 'Our traditional purchase process was exceedingly complex. Even for the purchase of a simple item such as a screwdriver or a pencil the purchasers had to go through a large number of steps: a time-consuming and expensive activity. For certain items the administrative and logistics costs were often higher than the purchase cost. In order to rein in this expenditure we decided to step over to an electronic purchase process.'

#### **FOCUS ON INTEGRATION**

The e-procurement solution Belgacom originally chose did not fulfill all expectations after a couple of years. According to Yves Brène, IT Project Manager: 'Everything went well at first; we could produce digital catalogues quickly and made progress. However, when we wanted to automate the more complex purchase procedures, such as for ordering the less popular products, we experienced problems,' Deconinck continues: 'The main sticking-point was the integration of the e-procurement solution with our back-end system, SAP R/3. A powerful interface was necessary in order to integrate the package, which meant a heavy investment. In the meantime, we had also noticed that the functionality of the existing system was too limited. In other words: we could do better than this.'

In 2001, Belgacom made the decision: it would purchase a new e-procurement package. A detailed selection process followed, where different options were analysed thoroughly. Ultimately the SAP EBP-solution appeared to be the best choice. As Brène explains: 'A big advantage of the SAP package was the easy integration with the existing SAP R/3 backbone. In addition, SAP also offered all functionalities which a large company such as Belgacom needs.'

### **GOING LIVE WITH MYSAP E-PROCUREMENT**

Belgacom opted for SAP at the end of 2001. The implementation process started on February 19, 2002. According to Brène: 'We had automated half of our purchase processes with the previous e-procurement package. The first step for the SAP EBP-project was to transfer the digital catalogues to SAP, which happened quickly. On September 30, eight months after the start, we went live. Since then we are using the SAP EBP-solution for half of our orders. The automation of the other 50% is on the agenda for this year.'

A company wanting to transfer over to 100% e-procurement was pretty innovative in Belgium. Therefore Belgacom also received all possible support from SAP. According to Paul Rits, User Project Manager: 'Two to three committed SAP consultants worked fulltime on the project. If there were questions or things weren't clear they called in help from the head office in Walldorf. In addition, there were also four IT staff from Belgacom and five staff from our business department involved in the implementation.'

Wasn't the personnel sceptical about the new changeover? 'Actually the opposite', according to Rits. 'Everybody who had previously worked with the e-procurement solution, had realised through experience that it was too limited for our company.'

Additionally, the SAP component is very user-friendly with a logical construction and a comfortable search engine. Even the most critical user quickly changed their mind. To make the users confident in the new package we organised a number of demos and an e-learning project.'

The changeover did not involve a cultural change for our suppliers either. According to Deconinck: 'They had received a thorough training for the introduction of the previous e-procurement solution and many had produced the catalogues themselves. The ability to work with e-procurement, for that matter is also a selection criterion for suppliers.'

### **SHORTER TURNOVER TIME AND A NEW ORGANISATIONAL STRUCTURE**

The arrival of SAP EBP means a large change for Belgacom. Could they produce a ROI already? Deconinck's replies: 'Thanks to SAP the purchase process has become much simpler, so we can order more quickly and ultimately deliver more quickly too. mySAP E-Procurement therefore helps us to drastically shorten our turnover time.'

In addition, our people in the field, such as the technical staff, receive their material much more quickly. This provides for a better provision of service. They are used to ordering material "on reserve", so the "black hole in the stock" disappears.'

Brène continues: 'The number of employees involved in administration for a purchase has been reduced from five to one. Now that our purchasers are not sat buried beneath a mountain of paperwork they have time to do other tasks. The nature of their jobs has changed dramatically: they have evolved from administrative-organisational staff to tactical-strategic employees who focus on negotiations with suppliers.'

**'Thanks to SAP the purchase process has become much simpler, so we can order more quickly and ultimately deliver more quickly too. mySAP E-Procurement therefore helps us to drastically shorten our turnover time.'**

Philippe Deconinck, B-2-S Program Manager Belgacom

### **ONWARDS TO 100% E-PROCUREMENT**

Currently 50% of purchases are made through e-procurement at Belgacom. At the end of this year, this has to become 100%. 'This is a great challenge', says Deconinck, 'because the remaining 50%

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Yves Brène, IT Project Manager Belgacom

is more difficult to transfer: this mainly involves "special" orders where no catalogues are available. The SAP package contains sufficient functionalities and is so perfectly integrated with the backbone, that we have faith in it.'

### **At a glance**

<b>SAP Solution</b>	mySAP E-Procurement - SAP EBP
<b>Hardware Platform</b>	Sun
<b>Operating System</b>	Sun Solaris
<b>Database</b>	Oracle
<b>Number of users</b>	2000
<b>Implementation time</b>	8 months
<b>Implementation Partner</b>	SAP Consulting

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