



AVON CYCLES

PEDALING IN TANDEM WITH BUSINESS PROCESS INTEGRATION

QUICK FACTS

Industry

Consumer products

Revenue

Rs 421 crore (US\$89.4 million)

Employees

1,500

Location

Ludhiana, Punjab, India

Web Site

www.avoncycles.com

SAP® Solutions and Services

An SAP® Business All-in-One solution with SAP Best Practices localized for India

Implementation Partner

Vcentric Technologies Pvt. Ltd.

Key Challenges

- Eliminate open systems that operated independently within the business
- Facilitate information sharing and decision making through improved data
- Introduce an integrated information system to capture all key processes
- Keep pace with changing business needs with a reliable and robust IT framework

Implementation Best Practices

- Used SAP® Solution Manager application management solution
- Assembled core project team comprising functional users with full management support
- Held regular review sessions, engaging all stakeholders
- Employed train-the-trainer strategy to deliver quality expertise at all levels

Financial and Strategic Benefits

- Procurement-to-cash cycle costs reduced due to greater sensitivity to demand and supply
- Inventory and operating costs decreased using monitoring tools
- Production costs lowered through in-depth analysis of inputs per product
- Improvement in customer service enabled by real-time data processing
- Sales volumes increased with more efficient customer service

Why SAP Was Selected

- Industry reputation for delivering the best possible solution
- Tight integration of software functionality on a single database
- Commitment and proven ability to support requirements of a growing business
- Knowledge and expertise of SAP partner Vcentric Technologies Pvt. Ltd.

Low Total Cost of Ownership

- Equipped in-house personnel to provide high level of user support
- Delivered outstanding level of scalability, performance, and reliability
- Involved leading industry experts from the beginning of the implementation
- Eliminated risks associated with non-supported legacy system

Avon Cycles Limited produces bicycles for the global market. From its beginnings in 1948 as a brake and saddle maker, the company now supplies a wide range of functional, stylish bikes, including its popular electric models. With its steady growth, Avon needed a multifunctional information technology framework. It turned to SAP and now uses an SAP® Business All-in-One solution designed to meet the demands of every business transaction.

Operational Benefits

Key Performance Indicator	Impact
Inventory costs	-15% to -20%
Operating costs	-10% to -15%
Working capital costs	-7% to -10%
Time taken for product costing	-75%
Productivity of sales staff	+25%



Cycling ka asli maza

“Our SAP Business All-in-One solution has integrated and standardized business processes organization-wide. It has increased operational visibility, led to major efficiencies, and provided a flexible, scalable platform for growth.”

Onkar Singh Pahwa, Managing Director, Avon Cycles Limited

Avon Cycles Limited is India's largest bicycle exporter, supplying a global market from its Punjab base. Avon's growth is impressive, considering that it has largely occurred through the use of independent business processes. Eventually, however, it was time for Avon to integrate these business processes through information technology. The goal was to acquire a robust solution that was tightly integrated and scalable, in step with the company's business growth and changing needs.

Avon recognized that all its business processes would be affected by this change. The new solution would have to be sophisticated, with quality training and support to instill full confidence in all users.

The Complete and All-Inclusive Solution

After evaluating several vendor offerings, Avon Cycles selected an SAP® Business All-in-One solution, with SAP partner Vcentric Technologies Pvt. Ltd. collaborating on implementation. Avon recognized a solution that both demonstrated industry best practices and had all the required functionality. Business processes previously outside Avon's information systems could now be integrated into a set of reliable functions, and all information included on a single, secure database.

The implementation project was mapped according to SAP Best Practices packages localized for the Indian business environment. Avon's core project team was comprised of functional users;

department heads formed an owners' team to oversee progress. Twice-weekly reviews were conducted with full management support under the guidance of the Vcentric Technologies team. This structure ensured that all functional change requirements would be met, along with the needs of end users, as each business process was integrated.

Taking Control of a Functioning Information Platform

With Avon's SAP Business All-in-One solution implemented and the training in place, access was initially available to 75 users responsible for business processes in 10 functional areas. From accounting to quality assurance, Avon's people embraced the technology as their new tools immediately started to produce measurable results. For example, a greatly improved system of material tracking empowered staff across the stores, production, and sales departments.

Avon's senior management team quickly realized the return on their investment. Sales improved as employees could now service the market more effectively within shorter time frames. Costing became more accurate, and the contributions of individual products more tightly assessed. Numerous manual processes were eliminated, as was duplication of many time-consuming functions. A measurable improvement emerged in the complete cycle from procurement to customer account settlement. Equally important for the big financial picture: Avon no longer carried the risk inherent in outdated, poorly supported systems.

A Future Viewed with Confidence

Avon's SAP Business All-in-One solution has become a cornerstone of its strategic outlook. The company not only has the technology to extract critical information more rapidly and more reliably, it also has a team that embraces the software for the possibilities it creates. Looking ahead, Avon will build on this success and the solution's capacity for further integration, such as adding the supply chain management functionality of the SAP Advanced Planning & Optimization (SAP APO) component. Further enhancements will follow. In the meantime ongoing training and support will continue to maximize the opportunities created by the company's SAP Business All-in-One solution.

Implementation Partner

Vcentric Technologies Pvt. Ltd. provides information technology services that deliver sustainable results. Its people are experienced in identifying process improvement needs and aligning the best solutions to optimize competitive advantage.



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