

CASE STUDY: SAP ECC5 roll-out for L'Oréal New Zealand



A L'ORÉAL COMPANY



L'ORÉAL NEW ZEALAND STREAMLINES OPERATIONS WITH NEW SAP SOLUTION

Oxygen has rolled out its second successful SAP implementation for leading international beauty products company L'Oréal, giving its New Zealand operations improved control over critical business processes across finance, distribution and warehouse management.

L'Oréal New Zealand selected Oxygen as its local implementation partner to deliver a major SAP system implementation program aimed at providing the company with a contemporary IT platform for integrated real-time business systems and improved decision-making. Oxygen was tasked with implementing the same global L'Oréal SAP ECC5 template it installed for L'Oréal Australia in 2008 – customising where appropriate to suit New Zealand conditions.

Oxygen's project manager for the L'Oréal New Zealand roll-out, Eric Lester, says L'Oréal is moving off obsolete technology and aligning all its global operations under the same SAP ERP platform in order to maintain its lead in the highly competitive cosmetics market.

"L'Oréal New Zealand wanted to improve performance across all business areas. Its warehouse and accounting systems were inadequate and the company had too many error-prone stock control processes."

After a successful SAP roll-out completed on time and within budget, L'Oréal now has a robust, integrated IT platform that can accommodate future growth.

L'Oréal's SAP 'Centre de Competency' Project Manager for the New Zealand implementation, Faustina Requena, says the project was very successful thanks to a strong and motivated Oxygen implementation team.

"The Oxygen business analysts worked seamlessly with L'Oréal's analysts in Australia to take on board the key learnings necessary for a smooth copy and paste of the existing Australian system. A strong partnership between Oxygen and L'Oréal team members and good collaboration with our project sponsors and L'Oréal's SAP 'Centre de Competency' in Paris assured the implementation was managed and monitored to the highest standards."

"Oxygen's business analysts worked well with the L'Oréal project team members. We implemented the solution within a short six month timeframe and went live with no major issues."

Faustina Requena,
L'Oréal SAP 'Centre de Competency'
Project Manager

“All members of the Oxygen team showed complete commitment to the project. They should all be proud of their contribution to a successful go-live.”

Stephen Kerr, Director of Administration and Finance, L'Oréal New Zealand

THE BUSINESS CHALLENGE

- Move L'Oréal New Zealand onto a standardised IT platform across all its business divisions – namely Consumer, Professional and Luxury products
- Improve L'Oréal's ability to implement industry 'best practices' and position it to accommodate future business and organisational flexibility
- Implement L'Oréal's global SAP core functional template including Finance, Assets Management, Materials Management, Warehouse Management, and Sales and Distribution

THE OXYGEN SOLUTION

- Establish partnerships with L'Oréal and the company's Centre of Competency to ensure effective business and IT project execution and ongoing management
- Unify L'Oréal New Zealand's IT strategy with the wider L'Oréal group by implementing the global SAP template for Logistics and Finance
- Provide systems to help L'Oréal gain better visibility of supply and demand for goods by implementing functionality to allow improved stock control processes

RETURN ON INVESTMENT

- Enhanced inventory management including improved tracking of goods through the distribution warehouse
- Better visibility of stock allows for improved customer order fulfillment and greater control over product lifecycle management
- Improved workforce morale; staff are more empowered thanks to a system that no longer lets them down
- Unification with L'Oréal Group IT strategy brings New Zealand business into line with worldwide operations and improves ability to undertake product availability checks and global ordering

CUSTOMER PROFILE

L'Oréal Group headquartered in Paris, France is the world's leading beauty products company engaged in the research and development, manufacture, marketing and distribution of hair care, hair colour, skincare, make-up and fragrances with revenues of over 17 billion euros across three major divisions organised around Consumer (self-select), Professional (salon) and Luxury markets. The business is focused on in-depth scientific research, dedication to innovation, excellence in marketing and the highest standards of efficacy. L'Oréal's success is built on a portfolio of 19 well-known, high quality global brands, including L'Oréal Paris and Maybelline (consumer/mass-market), Lancôme (luxury), and Redken (professional salons). With about half of its sales generated outside Europe, L'Oréal has focused on globalising brands in addition to acquiring new ones in markets served.

