

FAN COURIER

THE LEADER OF THE ROMANIAN COURIER MARKET CHOOSES SAP TO INCREASE ITS ANALYSIS AND MANAGEMENT DECISION MAKING CAPACITY

SUMMARY

Company

- Name: FAN Courier
- Location: Bucharest
- Industry: courier services
- Products and services: internal and international courier services
- Website: www.fancourier.ro

Challenges and opportunities

- The difficulty of calculating profitability per customer and product in the field of services
- Ensuring a framework for obtaining profitability reports for the company's top management
- Streamlining of operations and a better control of business processes
- Adopting a mature and stable tool that helps the company reach and track its business objectives
- Lack of visibility and consistency of system data, such as the impressive data volume (more than 1 million shippings/month)
- Company wide focus on cost control and increasing efficiency and profitability

Objectives

- Profitability analysis on different business segments (per types of shipping, type of service, agency, vehicle)
- Profitability analysis per customer (more than 40,000 rated customers), per product and per region
- The possibility of setting direct and indirect prices for each type of shipping or service
- Mathematical modelling of profitability per shipping
- Creating a well balanced profitability template
- Adapting the mathematical template to diminish the effect of data incorrectly input in the IT systems of Fan Courier
- Monitoring of offered discounts
- The implementation methodology and the functionalities must handle the specific necessities of large companies

SAP solutions and services

SAP Business Objects

Deployment characteristics

The implementation components included:

- Business Planning and Consolidation (BPC)
- Business Intelligence (BI)

Why SAP?

- Aligning the activity of FAN Courier with the highest standards for profitability calculation in the field of services
- Business know-how for obtaining profitability in the field of services
- Solid mathematical process modelling abilities from the SAP partner
- Possibility of creating complex what-if scenarios
- Supporting the quick development of FAN Courier
- Reducing manual data processing due to process automation
- A better business control through a better expense and income management

Implementation partner

Fair Value

Existing infrastructure:

- Servers: in-house
- Database: in-house
- The existing communication infrastructure has been used

“The implementation carried out by Fair Value was successful and we can say that we were impressed from the start by the results and the reporting methods that we currently have. IT investments are one of our company's priorities and we are convinced that this strategy will consolidate our position as leader on the Romanian courier services market”, stated representatives of FAN Courier.



FAN COURIER

IMPLEMENTS SAP BUSINESS OBJECTS FOR VISIBILITY AND COST CONTROL

Started with 1998, the company became the largest supplier of courier services in Romania in less than 10 years, respectively in 2006. Strategic thinking, lots of dedication and consistent investments year after year have had equal contributions to building what FAN Courier is today: a solid, respected and recognized company that is the most important courier service supplier locally. With a team of more than 1,100 people and more than 1,500 vehicles, FAN Courier ensures more than 60,000 shippings each day, to more than 2,100 localities in Romania, without additional fees per mile. From 2008 to 2010, the company had total investments of more than EUR 20 million, that included, besides the sorting conveyor belt for envelopes and packages, the amounts required for development of the IT infrastructure.



“During the implementation, both FAN Courier, as well as Fair Value consultants have spared no effort. The SAP Business Objects implementation project at FAN Courier was a complex project and it is the first implementation of the solutions Business Planning and Consolidation (BPC) and Business Intelligence (BI) in Romania. FAN Courier is a leader in the courier industry and a SAP implementation project for this company is a very important reference for Fair Value” Metodiu Mehmet, General Manager of FairValue.

FAN COURIER ALIGNS WITH THE HIGHEST STANDARDS OF THE COURIER INDUSTRY

In 2011, the company continues to invest, so, in the first part of the year, FAN Courier launches a new sorting conveyor belt, worth EUR 4 million. Recently, the company announced a new investment, of more than EUR 1 million, for an envelope sorting conveyor belt, with a sorting capacity of approximately 8,000 envelopes per hour. The company finalized the first semester of 2011 with a turnover of more than EUR 25 million, an increase of approximately 14% from the same period of last year.

The extremely rapid development of the company, as well as the large volume of processed shippings, more than 1 million each month, created the demand for the implementation of a SAP solution that highlights more clearly the direct, but especially the indirect costs, so that the main objective is the growth of the FAN Courier profitability and turnover and the strengthening of its position as leader of the local courier market.

“In order to increase the profitability of the company and to create a solid growth basis, we need a strict cost control per each service, an option that our old IT system did not allow. With the help of SAP Business Objects system, we now have a detailed record of the costs. For example, each shipping out of over 1 million we carry out each month is highlighted as a profitability segment. This way, we can see exactly how much money is spent on maintenance, fuel, how much money we receive, if it is profitable or if it’s better to give up on this kind of shipping or customer”, say the representatives of FAN Courier.

Maintaining the profitability of the company and ensuring a solid growth are particularly important to FAN Courier management from the standpoint of the growing competition from the multinational companies.



IMPLEMENTED SOLUTION: SAP BUSINESS OBJECTS, the Business Planning and Consolidation (BPC) and Business Intelligence (BI) COMPONENTS



“The implementation carried out by Fair Value will allow the company a better management of direct costs, but mostly of the indirect ones, which influences the profitability of our activities. We are convinced that the very detailed reports that we have due to this implementation will be a strong point of our company and we will manage to keep our leadership position.”
FAN Courier representatives

The project implied the mathematical modelling of profitability to the specifics of the FAN Courier industry, so that the best tracking of direct and indirect costs is ensured, in order to increase profitability per shipping. At the same time, the top management of FAN Courier imposed the implementation of specific reporting requirements, which involved a constant upgrading from the Fair Value team. The integrated system also ensures the reduction of manual data processing due to the automation and integration of reporting processes, the elimination of redundant data, but also online information and

reports, accessible in real-time by FAN Courier management.

The implementation of the SAP solution was handled by a team of 4 Fair Value experts, who have also ensured the assistance for interconnecting with the existing IT systems of FAN Courier. Implementation of SAP Business Objects system was launched in November 2010 and it was carried out in 3 important stages: creating a profitability model for Fan Courier, the distribution of costs per product and customer and the creation of reports. The implemented solution is used by approximately 10 members of the top management team of FAN Courier.

The interface of the implemented solution facilitates using it, so that creating reports is easy even for people with less experience in using a computer.

Achieving the final objective – an increase of visibility and cost control – was due to the efficient involvement of FAN Courier top management. Monitoring the observance of the planned deadlines, the strict testing of the system and, last but not least, the adoption of management specific decisions, all these have lead to a maximization of the results.

About SAP

SAP is the leading supplier of IT business solutions in the world. SAP uses its extensive experience to offer a full array of solutions for all business needs.

By using SAP solutions, enterprises of all sizes, including small and medium enterprises, reduce their costs, improve their performance and gain the ability to adapt to the changes in the business environment.

The SAP solutions are specific solutions, customized to your company's field of activity, and not general solution; integrated solutions that provide complete functionalities, and not partial applications; solutions that are easy to implement and manage and that can be expanded as the company develops.

About Fair Value

For more than 10 years, Fair Value provides complex business solutions based on SAP, the most powerful business suite in the world.

In 2007, Fair Values becomes SAP Gold Partner and currently is the most reputed SAP partner for the private environment, with more than 30 complex implementations in companies of all sizes, active in fields such as retail and distribution, services, constructions or production.

Besides the consulting services for the implementation of ERP, CRM and eCommerce solutions, Fair Value also develops proprietary intellectual property with the new SAP technologies, such as mobile applications, performance management solutions and BI solutions.

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