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## FROM JOGGING TO A MARATHON: **INNOVASPORT STAYS FOCUSED AND RUNS FASTER WITH SAP S/4 HANA®**

### **About our client**

Innovasport is a consumer products retailer specializing in sporting gear and one of the top three leaders in sportswear eCommerce in Mexico. Founded in Mexico in 1999, Innovasport is now selling goods online and in more than 150 physical stores throughout the country.

To support its rapid market expansion, our client is fully embracing its' Digital Transformation journey, starting with a new pair of running shoes.

## Executive Summary

Since its establishment in 1999, Innovasport has performed a **rapid expansion**, increasing its physical store locations by more than 20 storefronts year over year. At present, they have an extensive network of 150+ physical stores throughout Mexico, along with a digital shopping website that incurs thousands of sales transactions per month. **The clients in-house ERP system was dated** and lacked the financial accountability and control required to sustain their expansion. Phase one of the project focuses on the **enterprise financial governance and control**, with an aim to increase visibility of financial processes. The solution must also operate seamlessly with their core business processes that remain housed on the legacy ERP system until phase 2 of the project is launched.



Innovasport chose to adopt **SAP S/4 HANA®** as their new ERP platform in order to leverage its **real-time capabilities** in the area of Finance and Controlling, with a fully controlled governance of the core financial processes. Thanks to the solution's integrated analytics capabilities, they are now able to **easily track all financial and operational information** and gain business insights on a single platform, reducing total cost of ownership and saving time related to consolidation and validation of data. Users are now able to perform analytics with confidence that the **data** they visualize is **current** and **accurate**.



## Challenges

In order to implement the new SAP S/4 HANA® ERP system, a **deep analysis** of the in-house ERP system and the business processes which it supports was required. By understanding how our client was operating, Techedge was able to assist the client in **adapting its finance business processes to SAP's** since they are based on best practices, allowing for improvement in their controlling model as well as a reduction of the customization to the platform. This approach has allowed our client to **reduce the overall cost** of implementation, while **improving the governance, control and efficiency** of its' financial operations.

A major challenge to Innovasport was sustaining their **long-term growth projections**. It was evident that the legacy system could no longer support the increasing volume of transactions and this was made clear through the **impact it had on user experience**. Long processing times for reports and a lack of certainty regarding data quality left business users frustrated as they wasted

time to communicate and consolidate financial data offline. Thanks to SAP S/4 HANA®, these challenges were made obsolete. The built-in analytics feature provides users a single source of data they can count on to report accurately & efficiently – in seconds.

Finally, because the first phase of the implementation only addressed our clients' needs in relation to the financial area, it was **critical to sustain the core functions of the in-house ERP**. This included the material management, supply chain and retail processes which still needed to interact seamlessly with the financial processes now housed inside of SAP S/4 HANA®. To manage this integration, Techedge developed nearly 30 interfaces with business rule mappings that would send and load data to the SAP S/4 HANA® system in a single run, thereby assuring that the business could operate day-to-day with the most current and relevant financial data.

**A DATED ERP SYSTEM  
WITH LIMITED  
FLEXIBILITY AND SPEED**

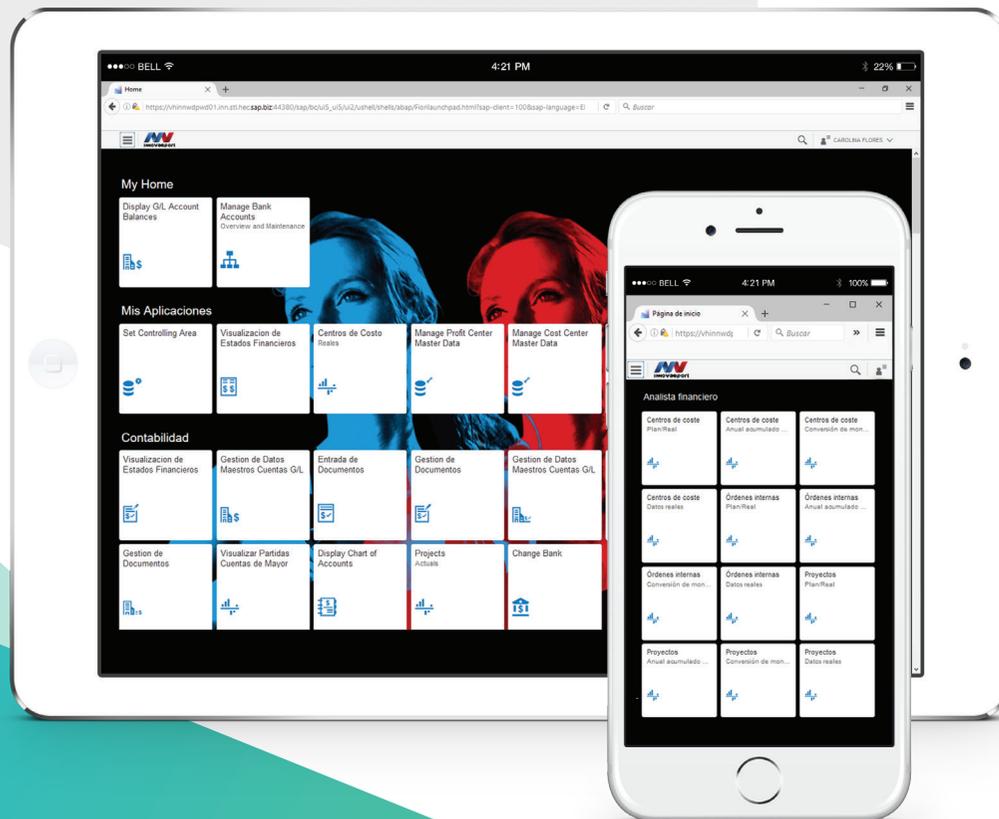
**LACK OF GOVERNANCE  
AND CONTROL IN  
CURRENT FINANCIAL  
PROCESSES**

**INTEGRATION OF  
MULTIPLE SYSTEMS AND  
PROCESSES REQUIRING  
+30 INTERFACES**

## SIMPLE FINANCE IN 4 MONTHS, FROM KICKOFF TO GO-LIVE

**+20 SAP FIORI APPLICATION**  
ENABLING BUSINESS ANYWHERE

**REAL TIME, INTEGRATED**  
BUSINESS INTELLIGENCE



### The solution

After a **detailed assessment of the company's accounting model and processes**, it took just **four months** to deploy the Finance and Controlling modules (previously known as "simple finance") to the entire finance business community, who is now able to **manage and track the financial activities, simplifying operations** through features such as automated data checks and streamlined approval cycles.

Innovasport is also taking advantage of having a single data model for all of their financial data. Not only is their data now of higher **quality**, it is processed more simply and allows users to make more informed **decisions, in real-time**. By removing the need for a data warehouse system, our client has also been able to reduce total cost of ownership on its' IT investment.

Thanks to the integration of core processes that remained operating on the in-house ERP platform, our client sustained zero business downtime throughout the project and at Go-Live, a critical aspect when managing an on-line business with a high frequency and volume of customer transactions.

The user experience is mostly based on **SAP Fiori applications** built on the SAP S/4 HANA® ERP. Nearly 20 Fiori applications are developed and designed to cover the entire financial process, providing users a single, consistent user interface for managing different processes, from workflows and approvals, to business intelligence and data analytic needs - all in real time.

## How the solution helped

Prior to the adoption of SAP S/4 HANA®, between 70 and 80% of the financial processes were performed **manually**, a time consuming process prone to human error. Today, most of these processes are **automated** and accounting activities are streamlined and simplified through automated approval cycles and data checks which are fully tracked. **This increase of automation and control has substantially reduced risks** related to financial operations, thanks to a simplified governance model. Similarly, the single, **common data source** for both transactional and analytics operations has reduced risks related to data inconsistency and totally eliminated the need for reconciliation activities.

In addition, the performance of the SAP S/4 HANA® platform, allows Innovasport to perform operations and analysis faster and with a granularity that was simply not possible before. For instance, our client **was able reduce its month end close process by 1/3 of the time it originally took.**

**Profitability reporting also improved drastically** for our customer, who is now able to **drill in to their P&L** by store, brand, category and SKUs in seconds. Prior to S/4 HANA, our client worked in various excel sheets to consolidate their financial data and was not able to run any real time analysis.

With **one source of financial data** that reacts promptly, in real-time – **Innovasport is now able to retrieve insights on the business performances of the entire retail network**, thus allowing to identify and analyze both performance gaps and opportunities with certainty.

The adoption of **SAP Fiori** was another key factor in the success of the initiative, as our client was able **to minimize their investment in training and change management.** With applications that function not so differently from those one might find on a smart device, business users were able to easily adapt to their new roles with more ease than learning the traditional T-Code based SAP interface alone.

## AUTOMATION & STREAMLINING OF PROCESSES

Applying governance & reducing overall risk

## GAINS IN PERFORMANCE AND PROCESS VISIBILITY

Reduced month end close by 1/3 of previous time

## IMPROVED USER EXPERIENCE

Decreased cost associated to training & change management

## Results, ROI and future plans

Innovasport is now able to work with an **efficient, controlled business model** that has full governance over its financial processes.

S/4 HANA has halved the time it takes to complete cross-functional activities and reduced the month end close process by 33%.

For **phase two** of this project, Innovasport will implement SAP **S/4 HANA® SUPPLY CHAIN & SALES** following the same methodology used in phase one. And, as a customer-centric retailer, will also adopt **SAP Hybris Marketing** and **SAP CAR**.

After having the full integration of processes available on S/4, thus having all of the business operational data stored on a single real-time platform, Innovasport will begin enabling **real-time cross-functional analytics** with drill down capability at a transactional level. Our client plans to leverage this embedded feature of SAP S/4 HANA® to **improve customer engagement** and product **sales** as they occur.



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### ABOUT THE AUTHOR

**JULIÁN ROMERO**  
SAP Business Suite Senior Manager

Julián is a Senior Manager of SAP Business Suite in Financial, Supply chain, Sales and Manufacturing Management at Techedge.

He has more than 10 years of experience in the Financial & Trading, Retail, Telco, Energy, Manufacturing, Tourism and Public Sectors.

Julian combines a close knowledge of functional processes and IT Architectures to help organizations streamline simplify their operations.

He possesses extensive knowledge and experience in Implementation, Roll-outs, Reengineering and Merge-splitting projects and his team is involved in different projects in S/4 HANA Finance, Supply Chain, Sales and Manufacturing in Europe and America.

Prior to joining Techedge in 2014, Julian held different positions in consulting and advisory firms, always focusing on Strategy and IT Management.



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