

**BearingPoint®**

# Digital Diamond - a new level of sales and distribution efficiency at Kao



By replacing an outdated order-entry system with a state-of-the-art solution, Kao was able to ease the workload of its global sales force and speed up the time of delivery of its beauty products to customers



Out-of-date sales order application demoralising for sales force and slowing down product delivery time to hair salon customers

*“The new iPad and back-office app provides the global sales force with real-time inventory lookup and order entry capabilities. Our people love the app because it makes their lives much easier. They’re saving an average of two hours per day over manual order entry.”*

**Matthias Bartels,**  
**Sr. Business Application**  
**Leader OTC CRM**



Implementation of a custom-built solution with a table app

## About Kao Group

The Kao Group, founded in 1887 and headquartered in Tokyo, has more than 33,000 employees and had a consolidated net sales of JPY 1.3bn in 2013. 83% of sales came from its consumer products business, including Beauty Care, Healthcare and Fabric and Homecare, while 17% of revenue came from Chemicals.

Beauty Care is the major Kao Segment, offering prestige cosmetics, premium skin care and hair care products through retail and direct sales. *Kanebo, Molton Brown, Jergens, John Frieda and Guhl* are some of the brands that Kao is famous for.

Salon-exclusive products and services around the world are distributed under the brands *Goldwell and KMS California*.

## A makeover for sales order process needed

When the owners of elite hair salons and spas want to offer their customers the best hair and skin-care products, they turn to Kao, the global market leader.

But ordering new supplies for clients was not a smooth task for the Kao sales force. The mobile sales application available to Kao salon sales reps lacked integrated connectivity or real-time access to back-end data from the company’s SAP-ERP system.

That was resulting in additional work for the reps who needed to manually gather customer information to prepare the sales calls, while also not enabling a smooth ordering process at client site.

“Rather than utilising this legacy application, which disrupted the sales process, our sales team clung to manually taking orders on paper when meeting with the customer,” said Dan Gordon, Application Group Manager for Kao.

“It wouldn’t be unusual for them to spend two hours at the end of each day transferring the paper orders into our SAP system.”

Confronted with the increasing demand for a modern and functional sales order entry app, Kao’s salon business faced a dilemma:

- Replace its existing mobile sales order entry application or
- Invest in the existing solutions to increase functionality and usability

The management team were also keen to motivate its salon sales force with a state-of-the-art sales tool that sped up the order-fulfilment time, while also shortening the delivery time to the customer in a way that supported Kao’s central warehouse strategy.

## Defining the new look

For assistance, Kao turned to BearingPoint, already a trusted consulting partner serving the company for several years in all areas of sales and supply chain. With an in-depth knowledge of Kao and the unique characteristics of the hair care business, BearingPoint was well placed to help shape the new customer-centric approach to the firm’s sales-to-order strategy.

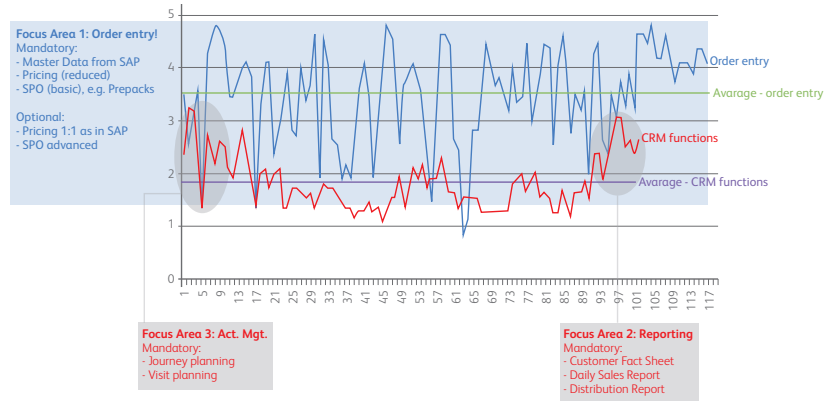
## Getting started

BearingPoint performed a full analysis of the Kao sales force processes and identified the weak points in the overall existing process and system landscape from point-of-sale to order fulfilment.

Our independent team of experts helped Kao to identify the smartest and most cost effective approach to achieve its goal of full end-to-end integration in the Sales order process.

This involved a step-by-step approach, which included:

- A CRM discovery phase in most of the countries where Kao’s salon business has operations
- A detailed system landscape and tool AS-IS analysis with a precise SWOT documentation
- The evaluation of CRM functionalities, with a rating given by country and separated into pure sales and natural CRM functions



## Expert guidance: from requirements to roadmap

BearingPoint’s analysis showed that the salon business had unique properties, which were not covered in typical CRM system suites. As a result, BearingPoint recommended that Kao purchase a custom-build sales order entry solution usable on an iPad.

“The sales team wanted a simple order-entry system and they needed it right away,” said Mr Gordon.

“We were looking at a lengthy and expensive project, so we evaluated a number of application platforms and integration toolsets and selected Mendix,” he added.

“Mendix was easier to use, more flexible, and could quickly integrate with SAP on the back end.”

As process integration over the whole system landscape was one of the critical success factors, BearingPoint supported the full end-to-end integration and guided the developments including the SAP ECC backend system, the SAP PI system and a data and application hub using Mendix.

Finally, a fully integrated order entry app was introduced successfully to the sales force in 15 countries in multiple languages.

## More efficient sales force; quicker time-to-market for order shipments

As a result of this work, Kao has been able to transform the order process for its worldwide sales force of more than 400 sales representatives and customer service personnel. More than 350,000 sales orders have been placed on the app since it was introduced in September 2013 and subsequently rolled out to 15 countries.

Today, Kao’s capabilities enable:

- More than 600,000 sales order documents to be distributed keeping the sales reps well informed on cross-channel sales activities
- Real-time access to Kao’s inventory information as the user-friendly app is fully integrated with SAP
- The possibility to enter sales orders immediately during the sales call at the customer site so Kao’s customers receive products shipments faster than ever
- A typical time saving of two hours a day for sales reps who would transfer their manual orders onto their laptop at the end of their work day

The introduction and rollout received a 99% approval rating from the sales force showing the high degree of user satisfaction and far exceeding expectations. In addition to improving sales order efficiency and sales team productivity, the project, part of Kao’s overall business improvement programme, was a key enabler for the European warehouse centralisation of Kao’s supply chain.

The faster processing of sales orders enables Kao to deliver European customer venues from one warehouse in the centre of Europe instead of using several logistics’ providers in different European countries.

*“The smoothest go-live we’ve ever had – the nicest project I’ve done in my career.”*

**Matthias Bartels,  
Sr. Business Application  
Leader OTC CRM**



- Daily timesaving for sales reps
- Instant visibility over stock in ordering process
- Faster product shipments
- Key step in centralisation of Kao’s European supply chain

## Committed consultants with adaptive intelligence

BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client's individual challenges. This adaptive approach is at the heart of our culture and has led to long-standing relationships with many of the world's leading companies and organisations. Our 3,350 people, together with our global consulting network serve clients in more than 70 countries and engage with them for measurable results and long-lasting success.

To learn more, visit our website at [www.bearingpoint.com](http://www.bearingpoint.com).

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