

Scottish & Newcastle Optimizes Costs and Business Processes

Capgemini assists leading brewer to create and implement core distribution model and homogeneous systems integration process using SAP

The Situation

Scottish & Newcastle (S&N), based in Edinburgh, UK, is one of Europe's leading brewers and is ranked among the top 10 in the world in terms of sales volume. S&N holds market leading positions in 15 countries across Europe and Asia and exports to more than 60 countries. Its two major business units are in the UK and France. Facing an increasingly competitive marketplace, S&N wanted both to consolidate its strong position with its main brands and optimize its costs and business processes by creating and implementing a core distribution model and a homogeneous systems integration process.

The Solution

Scottish & Newcastle selected Capgemini to drive its vision forward via project "AMALIS". The team chose an SAP solution with three application

servers: SAP R/3 release 4.70 MM-SD-FI-CO, CRM 4.0 and an SAP R/3 server dedicated to master data management. The Elidis beverage services unit, a beverage distribution specialist, was chosen to pilot the project.

The Result

The SAP solution is being rolled out across all Scottish & Newcastle subsidiaries, providing IT harmonization, a single unique database, improved reporting and greater transferability across business departments. An additional benefit is the CRM telesales functionality of the full-scope solution, which is helping both S&N and its subsidiaries streamline their marketing efforts. Elidis is the first S&N subsidiary to use SAP for telesales.



How Scottish & Newcastle and Capgemini Worked Together

Scottish & Newcastle has a leading position in 15 countries in Europe and Asia: the UK, France, Belgium, Portugal, Finland, Ireland, Greece, Russia, Estonia, Latvia, Lithuania, Ukraine, Kazakhstan, India and China. The brewer is number one in three of the top six European beer markets—UK, France and Russia—and has three of the top 10 European beer brands: Baltika, Kronenbourg and Foster's.

Facing critical issues such as declining beer sales and saturated markets, the company began to look for a solution to:

- help optimize costs and business processes
- implement a new improved information system to replace its outdated legacy system
- create three new national departments within the company.

The last element would include separate centralized departments for financing (accounting and controlling for all Elidis subsidiaries), accounts receivables, and master data management.

Capgemini had previously worked with Scottish & Newcastle to implement an SAP solution in the three industrial sites of the company's Kronenbourg Breweries. That successful collaboration led the brewer to consider and select Capgemini to assist with the AMALIS project, as a continuation of the earlier SAP implementation.

Scottish & Newcastle wanted a solution that would allow all its warehouses to share the same business processes. The company chose SAP because it allows greater transferability between business departments with a single unique database and helps create significant efficiencies. In addition, using SAP would facilitate integration within the Scottish & Newcastle group because SAP was already implemented at the company's Kronenbourg subsidiary.

This would enable the various subsidiaries to share a common technology platform.

To facilitate quick deployment across each warehouse, Capgemini worked with S&N to build an SAP core model solution and a "rollout kit." The strategy eliminated duplicate efforts, driving down both cost and deployment time for S&N. The core model was successfully piloted in 10 sites followed by Wave 1 of the rollout, which covered 20 sites and

was completed successfully. Wave 2 will cover the remaining 30 sites.

Throughout the project, management was shared between Capgemini and Kronenbourg in accordance with Capgemini's Collaborative Business Experience principles.

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About Capgemini and the Collaborative Business Experience®

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies.

Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working - the Collaborative Business Experience® -

and through a global delivery model called Rightshore®, which aims to offer the right resources in the right location at competitive cost. Present in 36 countries, Capgemini reported 2007 global revenues of EUR 8.7 billion and employs over 83,000 people worldwide.

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In collaboration with

Scottish & Newcastle

Scottish & Newcastle plc is a beer-led drinks business that operates in the international brewing sector. It comprises some of the most popular brands in the world—Foster's, Baltika and Kronenbourg in Europe, John Smith's and Strongbow in the UK, Kronenbourg 1664 in France, Sagres in Portugal, Lapin Kulta in Finland and Kingfisher in India. Currently ranked number seven in terms of volume sales

amongst the world's top ten brewers, S&N holds market leading positions in 15 countries across Europe and Asia. The company's business is primarily focused on Europe, where it is recognized as the number four brewer in volume terms and the number two in profit terms. S&N owns or has an interest in over 50 breweries internationally, producing more than 50 million hectolitres per annum. S&N has more than 15,000 employees based in its direct operations in Europe and 22,000 employees in joint venture businesses.