

# Join the Winning Side of the Information Revolution

**Eight ways to put the power of  
information to work for your business**

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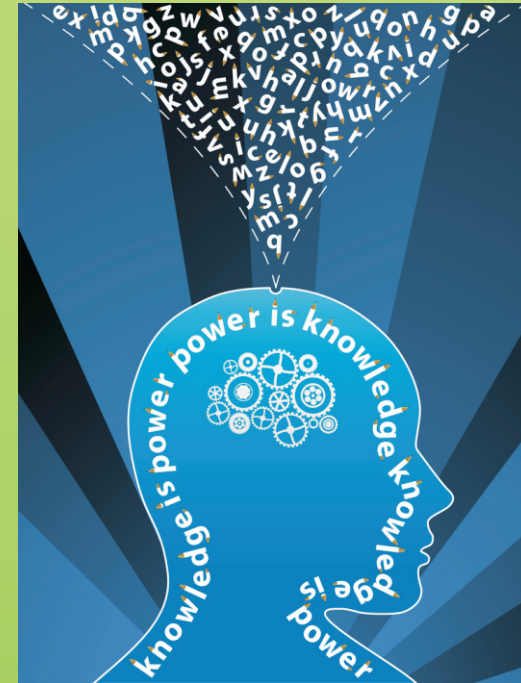
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# #1 Knowledge Is Power

*“Know where to find  
information and how to use it.  
That’s the secret of success.”  
- Albert Einstein, father  
of modern physics*

Among the tens of thousands of small and medium enterprises (SMEs) operating today, you can find almost as many variations and strategies as companies. But despite their differences, almost all SMEs share a core set of common goals. They want to grow their revenues and increase their profitability. They want to attract new customers. They want to keep existing customers happy. They want to make their own operations as efficient and effective as possible. They want to quickly identify market opportunities and threats.

Lots of variables come into play when determining whether any given SME succeeds or fails in meeting these goals. No single factor is fundamentally more important than information. It doesn't take a genius to realize that you're more likely to achieve your business goals if you have access to reliable and pertinent information about your own operations, industry trends and customer needs.



“You cannot put a price tag on the value of timely, accurate business information.”  
– Sean Rayner, President, Vets Sheet Metal Ltd.

## #2 Data Without Insight Is Meaningless

*"One of the effects of living with electric information is that we live habitually in a state of information overload.*

*There's always more than you can cope with."*

*- Marshall McLuhan,  
communication theorist*

Knowing the value of good information and actually getting your hands on it are two very different things. The problem isn't a shortage of data—if anything, the opposite is true. The amount of digital information in the world is doubling every two years, and studies indicate that 1.8 zetta bytes of digital information were created and replicated in 2011—the equivalent of 1,800,000,000,000,000,000 bytes.\* To put this in perspective, you would need 57.5 billion 32-GB iPads to store 1.8 zetta bytes of data.

The vast majority of this "big data" deluge may be of little importance to your business. But a recent estimate by SMB Group indicated that, on average, even SMEs store about 20 GB of data per employee. That's still a lot of data to manage effectively.

Massive amounts of raw data can obscure what's actually going on in the business rather than illuminate it. Information isn't very useful unless it provides actionable insights that help you attain your key company goals.



Studies report that more than 1.8 zetta bytes of information were created and replicated in 2011.\*

\* 2011 IDC Digital Universe Study

# #3 Good Decision- Making Rests on Reliable Data

*"Experts often possess more data than judgment."  
- Colin Powell, former U.S. secretary of state and four-star general*

How can you make all of this data actionable? Most SMEs struggle to manage data dispersed among different digital and paper-based repositories. Data may be on servers, PCs, mobile devices or in the cloud. It can be hard to find, out of date or just plain inaccurate. If you're using different, disparate applications, it's even trickier to get timely, accurate visibility into what's going on.

Solutions that integrate key functional areas such as financials, enterprise resource planning, and customer and supplier relationship management can provide businesses with "one version of the truth" that everyone in the company can rely on. An integrated business suite provides a common data repository that eliminates the need to cut and paste data from different sources to pull together reports. When all applications share the same data, decision-makers can "get on the same page" more quickly—and with less room for error.



## Warning Signs That Your Business Has a Data Problem

- Too much time spent re-entering and reconciling data between different systems
- Too much time spent creating and updating Excel spreadsheets
- Not using business data because people don't trust it
- No systematic way to measure key performance indicators
- Unable to easily track performance against plan
- Specialist is required to analyze data and generate reports
- Using old, inadequate report templates because it's too hard to create new ones
- Cumbersome, lengthy budgeting and reporting process
- Inability to collaborate on reporting in real time

# #4 Measuring Revenue and Profitability

*"You were born to win,  
but to be a winner,  
you must plan to win,  
prepare to win, and  
expect to win."  
- Zig Ziglar,  
motivational speaker*

As many observers have noted over the years, you can't improve what you can't measure. Taking steps to clean and standardize your business data and then tracking key performance indicators (KPIs) derived from this data can give you good visibility into what's working and what's not at your company.

More than half of new companies fail within the first four years, according to the U.S. Bureau of Labor Statistics. Often companies don't realize how vulnerable they are until it's too late because they don't have the processes in place to track, analyze and provide early warnings of potential problems.

Implementing KPIs in areas that can help you measure and project the business fundamentals of **revenue and profitability** is the logical place to start.



## Key Performance Indicators

- ✓ Revenue growth rate
- ✓ Net profit
- ✓ Gross profit margin
- ✓ Net income

**"We have shown our executive committee how we can double our revenues with only a 3% increase in labor costs." – Jeff McMahon, CFO, Mario Camacho Foods**

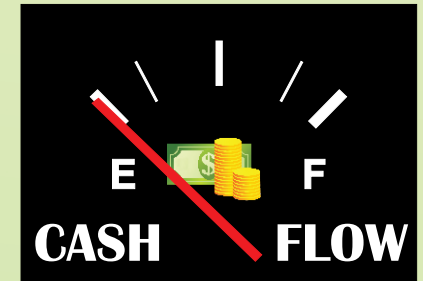
Two companies, each with separate business software, merged to form Mario Camacho Foods, a specialty foods distributor. The company needed to improve financial planning and reporting across the combined entity to grow its business. [Click here](#) to read how Mario Camacho Foods has grown to become the largest importer of green table olives in the U.S. with the help of SAP Business One.

# #5 Improving Cash Flow

*"Efficiency is doing things right; effectiveness is doing the right things."*  
– Peter Drucker, writer and management consultant

Beyond basic revenue and profitability statistics, you need a window into the efficiency and effectiveness of your main business processes. Some business management software solutions can give you a leg up in this endeavor by integrating proven processes into their software. But even proven processes must be continually monitored and evaluated to ensure that they stay in synch with changing business needs and realities.

Consider the critical need to maintain positive cash flow. Good cash flow management requires much more than just keeping track of how much money goes into and out of the business. You need to identify and eliminate process bottlenecks to streamline processes. With a more strategic approach, you can free up cash to invest in new products and markets, pay down debt, and finance other strategic initiatives.



## Key Performance Indicators

- ✓ Days payable outstanding (DPO)
- ✓ Days sales outstanding (DSO)
- ✓ Average days delinquent (ADD)

**"The software allows me to generate a quick summary of where we are today and where we are likely to be tomorrow." – Cliff Kinzig, CFO at JGB Distributing**

**JGB Distributing Inc.**, a leading wholesale supplier of Invisible Fence Brand products, wanted better visibility into key financial metrics, and to increase market share and improve customer convenience.

[Click here](#) to see how JGB streamlined its dealer-order-to-customer-invoice process to improve inventory management and grow without adding headcount.



# #6 Aligning Sales and Marketing to Customer Requirements

*"There is only one boss.  
The customer. And he can  
fire everybody in the  
company from the chairman  
on down, simply by  
spending his money  
somewhere else."*

*- Sam Walton,  
founder of Walmart  
and Sam's Club*

Every company, large or small, needs a steady stream of customers to purchase its products or services. Using your gut instincts and past experience to identify and attract potential customers will only get you so far. You need accurate and current data about customer wants and needs, as well as data about how to most effectively reach and engage your prospects.

A range of technologies, from web user profiling to mobile device outreach, can give you the means to target and personalize your sales and marketing messages. But, as always, you need tools to help you sift through the mountains of customer and industry-trend data to find the gems of insight most relevant to your company.



## Key Performance Indicators

- ✓ Cost per lead
- Conversion rate
- ✓ Sales projection
- Sales per channel
- ✓ Upselling rate
- Cross-selling rate
- Acquisition spending

**"We grew 30% in one year alone, which we could not have achieved without the application."**—Ramon Saavedra Mendez, IT Manager, Velsimex SA de CV

**Velsimex SA de CV**, an agrochemical business, wanted to give its executives a complete picture of the business to put the company on track to achieve its goal of becoming number 3 in the market within 4 years. [Click here](#) for details on how Velsimex SA de CV has improved product distribution and boosted customer satisfaction with the help of SAP Business One.



# #7 Increasing Customer Satisfaction

*"A business absolutely devoted to service will have only one worry about profits. They will be embarrassingly large."*  
– Henry Ford, founder of Ford Motor Company

Once you've attracted new customers, the hard part is keeping them. The best way to ensure customer satisfaction and loyalty is to first learn all you can about their buying preferences and requirements. By using that information, you can make clear to your customers that you know who they are and what they desire. In essence, you're able to signal to them that you value their needs and have a vested interest in their success.

A good customer relationship management application can give you a solid foundation on which to build strong and lasting customer bonds. But to be truly effective, the CRM system must be tightly integrated with—and use the same data as—all of your other core systems, from accounting to inventory to shipping.



## Key Performance Indicators

- ✓ Customer satisfaction
- ✓ Retention spending
- ✓ First contact to resolution times

**"To improve the company's profitability, we needed to minimize our dependency on the end-of-year surge in business."— Cristobal Suarez, General Manager, Chocolates St. Moritz C.A.**

**Chocolates St. Moritz C.A.** manufactures and distributes high-quality chocolates and chocolate products. The company needed to optimize its business operations to achieve profitable growth in spite of market volatility.

# #8 Identifying Market Trends

*"I don't set trends.  
I just find out  
what they are and  
exploit them."  
- Dick Clark, radio and  
television personality*

Tracking and improving core operations plus attracting and retaining customers go a long way toward ensuring an SME's success. But even these data-driven activities don't complete the business picture. Your company needs to look outward to track different markets, geographies, trends and competitors. Determining what data has value, where to find it, and how to best exploit it is no trivial matter.

Integrated business management and analytics solutions can give SMEs a strong foundation from which to tackle these tasks. The software can crunch the data to identify market trends, opportunities and threats. KPI dashboards and other data visualization technologies can help SMEs focus on the information most meaningful to their ultimate success.



## Key Performance Indicators

- ✓ Market share
- ✓ Sales trends by product, region, etc.
- ✓ Margin trends
- ✓ Compliance metrics

**"Deploying SAP Business One has given us tremendous opportunities to expand our capabilities." –Michael Franklin, COO, BigByte Corporation**

**BigByte Corporation**, an electronics warranty management services company, has positioned itself for a possible succession of ownership. It needed a system to help it boost growth and provide the due diligence a buyout would require. [Click here](#) to learn how BigByte deployed SAP Business One to reduce indirect labor costs by 15%, cut IT costs by 80% and add manufacturing products to its service-based business.

# To Learn More

*"Out of clutter, find Simplicity.  
From discord, find Harmony.  
In the middle of difficulty  
lies Opportunity."  
- Albert Einstein*

SAP has been applying its deep knowledge and expertise of business management and analytics solutions in the SME sector for many years. Today, SAP offers a choice of solutions tuned to the needs and budgets of SMEs—and more than 100,000 SMEs currently run their businesses on SAP software.

SAP Business One is designed for small businesses that need a complete, integrated business management application with enterprise-grade capabilities at small-business prices. In addition to integrated financials management, CRM, purchasing, warehouse and production management, and mobility support, SAP Business One includes powerful reporting and business intelligence capabilities.

To learn more about SAP solutions for SMEs, [Click Here](#)



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