

INTERNET

Ferragamo standardizes business processes on SAP platform

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Salvatore Ferragamo has implemented SAP AG's software to

better meet customer demand and position itself for further expansion by streamlining its global business processes to drive profits.

The luxury brand is in a position where it is facing increased demand for its products, but struggling to support this growth. Its current IT system is designed for limited local business and SAP AG is going to help it expand effectively with the four-year project called the "Marlin Program."

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Luxury Daily

"I think there is a great assumption for luxury consumers for good, personalized service," said Laura Ries, president of [Ries & Ries](#), a Roswell, GA-based marketing strategy

consultancy. “Brands need to engage in the best technology to engage with the customer so they feel great value.

“I think that could be very rewarding,” she said.

The software will enable Ferragamo to gain the essential insight to better understand its customers and businesses, with the aim to capitalize on the best opportunities to grow.

Ferragamo and **SAP** did not respond to calls by deadline.

The company was faced with a challenge of creating standardized management processes for these new locations and bringing them up to par with the rest of the global operations. By harmonizing its global business processes, the software will create consistent data across all business operations, from the supplier to the customer in the store.

This will help the luxury goods maker make business decisions based on the most accurate and latest information.

Ferragamo has expanded its retail presence across Europe, Asia and the United States with more than 550 stores about 2,600 employees.

SAP helps companies of all sizes and industries run better by enabling applications and services.

Best foot forward

The luxury brand is facing an increased demand for its products, especially in Asia.

In a competitive market, it is imperative that customer demand is always met.

However, the existing IT system in effect is primarily designed for local businesses, and is failing to support this level of regional growth.

Ferragamo selected the SAP software to help transform its existing IT landscape. It provides centralized control for stock management and distribution.

The SAP NetWeaver Integration Process will help the company connect its present systems with the new SAP solutions. The software will create a database of information, which will help Ferragamo make better business decisions.

The first go-live of the system was successfully took place at the Ferragamo corporate offices in Hong Kong in Jan. It will be followed by retail stores in Hong Kong and Macau by the end of June.

The second phase will cover Japan and South Korea in 2012. Phase three and four will cover the United States, Europe and Latin America from 2013 to 2014.

Ferragamo is looking to create a consistent database of information to enable better company decisions within the next four years.

Mobile impact

Another important benefit of this IT infrastructure is to enable the luxury brand to better meet the demand for ecommerce and the use of mobile devices.

Although Ferragamo started ecommerce operations only a year ago, they are poised to meet great expectations with the commitment of top management.

The company runs its ecommerce site directly, and plans to bump up the online communication with consumers in 2011.

SAP implementation

Luxury brands across the board have been implementing business software such as SAP to better understand its customers and businesses.

Movado Group also chose to use the SAP software to record sales and distribution and supply chain management.

Luxury travel, business and lifestyle accessory brand Tumi improved its global operations with the SAP software. Like Ferragamo, it wanted to improve its ecommerce, expand its sales and maintain importation of goods from overseas.

“Brands need the technology when you have a big global presence to maintain close contacts and manage relationships over time,” Ms. Ries said. “In today’s market, you don’t have one sales person spending their lifetime with one company.

“This is obviously putting it into the technology system so Ferragamo could have all the power,” she said. “I think they are certainly making a big investment.”

Final take

SAP on the catwalk with Ferragamo