



CIBS

ENABLING GROWTH AND EXCEPTIONAL SERVICE QUALITY WITH SAP® SOFTWARE

QUICK FACTS

“I look at the running costs of SAP software – which for us is the equivalent of one full-time employee – and then at the value the software delivers to the business. There’s no way one person could deliver this much value to the business.”

Julia Kulinski, General Manager, CIBS

Company

- Name: CIBS
- Location: London
- Industry: Professional services
- Products and services: Cleaning, pest control, and washroom services
- Revenue: US\$6.5 million (£4 million)
- Employees: 200
- Web sites: www.cibsfacilities.com and www.cibshygiene.com
- Implementation partner: Chelford SAP Solutions Limited

Challenges and Opportunities

- Automate manual, paper-based processes that couldn’t scale
- Gain insight into contract costs and profitability
- Reduce billing errors and improve customer service to increase customer satisfaction
- Increase visibility and control over day-to-day contract performance

Objectives

- Deploy a single, integrated solution to centralize all key data and streamline and automate key processes
- Implement software that enables real-time visibility, control, and reporting

SAP® Solutions and Services

SAP® software for process automation and financials, which is available today in the SAP ERP application

Implementation Highlights

- Invested in necessary resources to input all data in paper files into the SAP software
- Uploaded financial data from legacy system
- Used a train-the-trainer approach to help employees transition from manual to automated processes

Why SAP

- Affordable solution from a well-known, trusted company
- Proven platform that can handle significant business growth
- Support for all key processes required to run the business

Benefits

- Enable the company to double the size of the business
- Improve cash flow by 30 days
- Reduce debtor days from 60 to 70 days to under 38 days through improved dunning processes
- Improve service delivery and customer service responsiveness via better first-call resolution rates
- Enable more effective employee management via performance-based pay incentives and proactive identification and handling of low performers
- Gain complete visibility into costs and better control over the levers of profitability

Based in London, CIBS is a thriving business providing commercial cleaning, pest control, and washroom services to offices, schools, and the retail and leisure industries. “Our industry is notorious for poor service – so we’ve differentiated our business by providing exceptionally high service quality,” explains Julia Kulinski, general manager at CIBS.

When the business was small, management could meet its service quality commitments using a combination of spreadsheets, paper files, and small-business software to manage the business. “But we found that our processes and systems just couldn’t scale to support growth,” adds Kulinski. “Growth had plateaued for three years, so we knew something had to change.” CIBS turned to enterprise resource planning (ERP) software from SAP – to streamline processes, gain better visibility and control over day-to-day operations, and enable business growth.

Costly Inefficiencies

Prior to implementing SAP® software, CIBS was still using paper files to manage and track information about its 200 employees and 250 accounts, as well as software – a basic, small-business financial package – from Sage Group plc. While sufficient to get the business off the ground, the manual processes and outdated finance system were causing significant business problems as the company grew.

Kulinski explains, “Because data was scattered across spreadsheets and paper files, it was difficult for us to get an integrated view of our customers, which we needed to service them properly. For example, when customers called in regarding errors or other service-related issues, service representatives couldn’t find the information needed to resolve the issues on the first call.”

From a finance perspective, management couldn’t manage costs correctly. “In our industry, margins are small and costs can easily spiral out of control,” states Kulinski. “Costs need to be managed on a contract-by-contract basis and down to a very granular level.” Too often, management wasn’t aware of cost overruns until it was too late. CIBS also had issues with billing errors, delays, and dunning. Invoicing – a time-consuming, three-day process – could only be done once a month, which hurt overall cash flow. And because invoices were handled manually and based on paper records that were often out-of-date, they often had errors.

Equally important, CIBS couldn’t put in place the management systems required to manage and motivate its people effectively. “We wanted to move to performance-based pay, but our systems couldn’t support it,” adds Kulinski.

Barriers to Growth

But the primary driver for investigating ERP solutions was the fact that the company’s existing manual processes and systems were limiting business growth. “We had a dream to grow the business successfully in a market that is very fragmented with a few large players and hundreds of small businesses,” explains Kulinski. “That’s why we started up the new washroom services division in 2004 – which we expected to grow quickly. But it’s a more complex business. Over time, we’d need to maintain detailed information about a much larger customer base, as well as closely manage thousands of small-value, annual contracts. For the business to scale, we needed a centralized database, automated processes, and real-time reporting.”

Searching for the Right Solution

CIBS first learned about SAP software for process automation and financials, which is available today in the SAP ERP application, at a seminar. “At the time, we thought it might work well for our business – but didn’t think we could afford it,” states Kulinski. “But when



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our value-added reseller recommended it to us, we took a closer look.” SAP offered answers to all of the business processing issues CIBS was having and could deliver the platform required to support growth. Some people were surprised to learn that the company was going with ERP software from SAP, because they’d assumed it’s only for very large businesses. Explains Kulinski, “We’ve found that SAP software is an affordable, long-term solution – even for a company our size.”

The Right Resources for an Efficient Implementation

CIBS had to make a significant resource investment to transfer customer, employee, contract, and other key data to the SAP software – but it quickly paid off. “We spent two months manually inputting this information. Our financial data was uploaded from the Sage software,” comments Kulinski. The implementation initially focused on

then allocate funds to each month in the year for accurate, rolling revenue recognition.

While the entire project was completed in six months, making the transition to automated processes wasn’t easy. “We had 20 people in the office who knew our paper processes in depth, and then, overnight, we switched to SAP ERP,” comments Kulinski. Chelford SAP Solutions Limited, a consulting firm recommended by SAP, stepped in and provided on-site training of key users who in turn trained the staff. CIBS also created its own internal manual – complete with screen shots – as a reference for employees.

Reaping the Benefits of a Scalable, Comprehensive Platform

With SAP software, CIBS has successfully addressed the majority of its business challenges and grown the business to US\$6.5 million in revenue.

sales and service departments now work closely together and ensure all processes in the SAP software are followed.

In addition, CIBS has eliminated organizational silos by implementing processes that are more integrated across the business, which has helped the company be more effective and responsive to customers. The software proactively generates alerts when something isn’t right – for example, when system logs indicate that hygiene technicians missed services at certain client sites or washrooms. States Kulinski, “Now we can see service levels in real time and take instant action to head off problems before a customer is even aware of it. Service is seamless for customers.”

When problems do occur, most customer issues can now be resolved on the first call. Kulinski notes, “With SAP software, we’ve actually turned complaint handling into a differentiator. Things happen – and now we have the processes and information resources in place to deal with them swiftly and properly – something most of our competitors can’t do.”

From a finance perspective, SAP software has transformed how management understands its costs and profitability and manages key processes. Now the company can instantly run reports by client and site, looking at costs and rolling revenues to identify where it can

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financials, materials management, supplier management, payroll, and human resources. Eventually, CIBS added dunning and revenue recognition functionality, enabling management to bill a customer for a year in advance and

“The business is thriving, and we have a scalable platform we can use to continue to grow and successfully manage our customers,” explains Kulinski. Equally important, everyone operates as more of a team. For example, CIBS’

optimize profitability. "We've also cut our billing time by two-thirds – even as we doubled our revenue to \$6.5 million – and can bill any time, which has improved our cash flow by 30 days," explains Kulinski. "If we hadn't had SAP software, our billing time would have stretched to six full days." Dunning processes also improved – late payments that used to take 60 to 70 days now take 38 days or less to collect.

The flexibility of the software's finance functionality also enables CIBS to define "mini businesses" for client managers and track their profitability and service quality down to a granular level of detail. Using this information, CIBS now has performance-based pay incentives in place for managers and their cleaning teams, as well as processes for proactively handling low performers.

Achieving New Levels of Success

SAP software has also been instrumental in helping CIBS maintain its ISO 9001 certification. "We were one of the first cleaning companies in London to achieve ISO 9001 standards – something that clearly differentiates us," adds Kulinski. When ISO changed its requirements to include continuous quality improvement, CIBS used SAP software and its support for best practices to help maintain its certification.

The company's investments in better processes have paid off in other ways as well. For example, CIBS received two 2009 Golden Service Awards from Kimberly-Clark Professional and the Cleaning and Support Services Association: Cleaner of the Year and Best-Cleaned Premises for offices above 15,000 square feet. "It's amazing that we received these awards given that our competitors are big players. Without a doubt, SAP software has made us a more professional company," adds Kulinski. "It's helped us create a business environment that's clearly focused on quality."

Poised for Additional Growth

Looking ahead, CIBS is poised for significant growth enabled by SAP software. The company plans to open a consumables business, which will require deployment of stock management, warehousing, and online store functionality available in the ERP software from SAP. CIBS also plans to deploy the SAP Customer Relationship Management (SAP CRM) application in 2010. States Kulinski, "We are very much looking forward to seeing how SAP CRM can drive the business forward by supporting the sales team in cross-selling and bringing on new customers."



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