

Parfumerie Versailles

The fragrance distribution center struggled with inaccuracies in inventory and inconsistent excel spreadsheets that made order processing problematic. Since beginning the evolution™ implementation process, Parfumerie Versailles has eliminated 90 percent of its excel sheet usage and has shaved hours off its operational processes.

Company Overview

Parfumerie Versailles, S.A. is a distribution center for fragrances, beauty products, and fashion accessories in the exclusive luxury market. Distributed brands include YSL, Caroline Herrera, Bvlgari, Ungaro, Paco Rabanne, Nina Ricci, and Chanel. PVSA is a Chanel company, but is unique in that it manages several other brands – Ferragamo Group, and Bvlgari, for example.



The company was founded in Mexico, in 1928 under the name Bourjois S.A., and in 1962 became known as Parfumerie Versailles. PVSA's customers are mainly department stores such as JC Penney, Liverpool, Palacio de Hierro, Sears, Suburbia, and Sanborn's.

Situation Analysis

At the time of purchase, PVSA had the field of ERP vendors narrowed down to two: evolution™ and SAP. Looking back, the decision to choose evolution was based on four factors: Cost, international presence, functional breadth and depth, and strong implementation support. Since PVSA's growth rate is about 15 percent each year, the company needed a software solution that could help them sustain their growth and make

their day-to-day operation more profitable. PVSA also needed the flexibility to incorporate new brands into its global distribution line, which evolution™ could do with ease. Also crucial to the company were invoicing functionality, and accuracy of inventory and general ledger. "We had been using excel spreadsheets to keep track of data, and our information was not consistent," explains IT Manager Eduardo Perez. "Since our information and timing were not in line, our employees had poor confidence in our old system." All these benefits could be delivered in an affordable system: evolution™.

The evolution™ Answer

After PVSA purchased the evolution™ product in May of 2001, three phases of implementation were designed. Stage 1, being the installation of ERP to cover the fundamental needs of the company, training the employees on basic procedures, and eliminating much of the use of excel spreadsheets. Stage 2 consists of establishing new standardized policies and operating standards based on the new system. In Stage 3, evolution™ consultants will work with PVSA to analyze the company and determine how it can be made more successful through financial and business planning. Today, Stage 2 is just beginning and PVSA has already seen dramatic improvements in its processes.

Manual entry is becoming a thing of the past for PVSA due to a new module that extracts information from EDI and loads it

case study



automatically into evolution™. All types of customer orders can be entered using this method. In addition, purchase orders used to have to be re-captured to be sent to Panama for processing. Now orders are sent automatically to Panama, saving more manual effort. Scanning of Liverpool products has also been eliminated due to a module that produces the lists automatically. As a whole, PVSA's order capture and fulfillment process has decreased from 6 hours to 2 hours.

The problem of inconsistent data in excel spreadsheets has been removed due to a 90 percent reduction in processes performed in excel. Now errors are quickly detected and corrected due to the abundance of information available in evolution™.

Bottom Line

In business, time is money, and PVSA is saving a great deal of it since implementing evolution. The table below shows areas

where the company was able to shave minutes and hours off its daily operations. The evolution™ solution has solved the problem of disparate data within the PVSA operation. "All of the departments are now working with the same information. Everybody trusts the data, and we are increasing our profit in operations," observes Perez.

When asked what the greatest accomplishment has been, Perez would say saving time and improving customer satisfaction. "evolution™ has reduced our delivery time to the customer without employees having to work extra hours." evolution™ is a user-friendly system that PVSA employees can put their confidence in. PVSA expects to see continual improvement. The next phases include the implementation of the financial and business planning functions, which will allow PVSA to work with more analytical information in determining and improving the needs and efficiencies of the business.

Business Process	Before	with evolution™
Receipt of sales orders ➤ Includes receipt and processing of order and sending of instruction to warehouse.	8 hrs.	2 hrs.
Warehouse Scanning ➤ Includes packing, scanning, packing list and shipping activities	20 min.	5 min.
Purchase Order Processing ➤ Capture of order in legacy system, consolidation of data in evolution, sending requirement to regional operation in Panama	6 hrs.	2 hrs.
Accounts Payable ➤ Includes Invoice receipt, accounting verification and approval through to check processing.	25 min.	5 min.
Warehouse Transfers ➤ Includes label generation and interfacing with legacy applications	1 hrs.	10 min.
Reports ➤ Sales Statistics ➤ Clients ➤ Inventories (out of stocks) ➤ Non registered accounts ➤ Sales by day	1:30 hrs. 20 min. 30 min. 3 hrs. 40 min.	15 min. 2 min. 5 min. 0 8 min.