BearingPoint®

Kao: Outsmarting the growing demands of e-commerce by automating the return-order process

Kao

E-commerce trends induced by the global pandemic took online purchasing to the next level of development. This expansion led to significant changes for all online sales and logistics processes, including an increased need to optimize return-order processes for customers.

BearingPoint helped Kao to speed up the creation of return orders, to maintain accurate stock quantities and to improve the restocking process by integrating a robotic process automation solution (RPA) with SAP. This enabled the bridging of potential system breaches by reducing manual input and any related potential human error.

Kao creates high value-added products and services that provide care and enrichment for the lives of all people and the planet. Through its portfolio of over 20 leading brands – such as Oribe, Attack, Bioré, Goldwell, Jergens, John Frieda, Kanebo, Laurier, Merries and Molton Brown – Kao is part of the everyday lives of people in Asia, Oceania, North America, and Europe. Combined with its chemical business, which contributes to a wide range of industries, Kao generates about 1,420 billion yen in annual sales. Kao employs about 33,500 people worldwide and has 135 years of history in innovation.

Complex environments demand smart automation

Staying competitive in the FMCG market requires strong interconnectivity, real-time data transmission and reliable processes. In the past, managing an end-to-end process for return orders was labor-intensive. It involved many employees, as well as allocating multiple IT devices and coordinating access to various software systems. Even when all these needs where covered, the process itself often generated high costs, strong dependencies, and human errors in data entry.

The Kao Group, one of the leading global manufacturers of hair care products and cosmetics, aimed to leave this scenario behind and leverage innovation to gain efficiency. The company needed a better way to handle its return-order tasks, which at the time required a multi-step processing of documents and the input of data into SAP each time a request was received.

Leveraging RPA to improve processing of return order documents

BearingPoint analyzed Kao's existing processes to understand how its warehouse movements and activities – such as goods receiving, put away, storage, and shipping – were translated into SAP system return-order data. A technical To Be process was designed, which covered future workflow steps in detail, transaction loads, business rules, error handling, risks, dependencies, and unknown exceptions.

By leveraging UiPath's RPA, BearingPoint developed a solution that formatted return-order email information automatically to create the required documents in SAP. The solution uses a bot to first extract relevant information – like original sales order, customer number, material code, and unrestricted and blocked quantities. It then immediately performs return orders, inbound delivery, and goods receipt transactions in SAP. The process is completed by sending out email notifications to Kao's Customer Service department.

> *With BearingPoint at our side, we were able to streamline and reduce a lot of manual work in a cumbersome internal process! Setting the bot-solution live led to happy users and even more satisfied customers!*
>
> Suyin Boehnke, SAP Senior Business Relationship Manager SCM EMEA, The Kao Group

Transparent inventory supply and better reaction to market demand

Kao is now able to process all its return-order tasks faster and in a more consistent manner, regardless of any peak periods in demand or data volume. By using automation, the required documentation is processed 24/7, without major interruptions or delays. The RPA solution provides transparent and accurate inventory data for further process improvements, such as stock and demand planning. Kao's products that are eligible for resale are inserted into the marketplace workflow rapidly, thus reaching customers faster.

The company can now rely on an efficient process that involves no further interfaces, no system access, nor any need for human interaction, resulting in substantial cost optimization. The bot removes any risk of human error, while freeing up time for Kao's staff to work on other business-related, value-adding activities.

Contacts

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