

Prestaciones Universales Increases Net Revenue, Improves Service with Integrated Applications



Prestaciones
Universales S.A. de C.V.
Mexico City, Mexico
www.sivale.com.mx

Industry:

Professional Services

Annual Revenue:

US\$501 million to \$1 billion

Employees:

280

Oracle Products and Services:

Oracle E-Business Suite
Oracle Financials
Oracle Cash Management
Oracle TeleService
Oracle Incentive Compensation
Oracle Sales
Oracle Portal
Oracle Application Server
Oracle On Demand

Implementor:

Oracle Consulting

“Oracle allows us to be more solid in our business and financial processes, which translates into greater benefits for the company, the employees and our clients.” – Arturo Garcia Talavera, IT Assistant Director, Prestaciones Universales S.A. de C.V.

Founded in 1998, Prestaciones Universales S.A. de C.V. holds new promise in the Mexican coupon sector. In only seven years, the Mexico City-based company, with 10 branches throughout the country, has become a leading provider of coupons that individuals can exchange for food, groceries, gas, and other services such as medical attention. The coupons are popular with Latin American businesses, which distribute them to employees as a job benefit or as part of an incentive program.

As the company grew, it faced considerable challenges related to managing an increasingly complex financial, sales and customer service environment. To sustain its growth, the company needed to create an IT infrastructure that could enable visibility across the enterprise and scale to meet future demands.

Prestaciones Universales selected Oracle E-Business Suite as its enterprise resource planning platform. With the new system in place, the company increased annual net revenue by 18% and secured a 22% market share, making it the second largest player in the highly competitive Mexican coupon sector.

Increasing Net Revenue

“Since implementing Oracle E-Business Suite, we have witnessed a visible improvement in our financial performance,” said Arturo Garcia Talavera, assistant director for IT at Prestaciones Universales.

One of the first areas in which Prestaciones Universales has experienced the benefits of Oracle E-Business Suite is in the monthly financial close process. With Oracle Financials—a combination of applications designed to manage the general ledger, accounts receivable, and accounts payable

Key Benefits:

- Increased annual net revenue by 18%
- Accelerated back-office processes by 40%
- Centralized company information quickly and reliably
- Improved operational efficiency and customer service
- Reduced product delivery time by 40%

functions—the company achieved a 40% overall reduction in the time required for back-office processes. For example, it cut book-closing time from one month to five days, achieving a more accurate picture of its financial position.

In addition, the company now effectively and efficiently shares information and coordinates activities throughout its various departments. In the past, each branch office operated independently, often with incompatible commercial processes and data formats. With Oracle, Prestaciones Universales enters all data into a centralized database and has standardized the flow of information between the departments and the applications. As a result, the company can now process orders faster, helping it increase net revenue to \$80 million and significantly expanding the company's market presence.

Building a First-Class Customer Service Operation

To help it improve customer service, Prestaciones Universales selected Oracle customer relationship management (CRM) applications, including Oracle Sales, Oracle Incentive Compensation, and Oracle TeleService. Prestaciones Universales can now maintain a registry of customer calls and immediately follow up on each one. Moreover, the company has reduced order generation cycle time by 60%—from a half hour to five minutes, accelerating delivery time by 40%. As important, it has reduced the number of inquiries to the customer service and sales staff, reducing costs and improving productivity.

Prestaciones Universales' Oracle-based infrastructure connects all enterprise departments to a single data repository. As such, it reduces double entry of data and other redundant activities, which translates into more accurate data, improved employee productivity, and less overtime.

“Oracle didn't just give us the tools to improve the company's operational efficiency, but also introduced a positive cultural change within Prestaciones Universales,” Talavera said. “We were able to substantially improve customer service as well as the company's business processes and operational efficiency.”

“Since 2002, we’ve continually expanded our use of Oracle functionality, which has allowed us to optimize and accelerate our business processes.”

Arturo Garcia Talavera
Assistant Director for IT
Prestaciones
Universales S.A. de C.V.

Reaping the Benefits of a Hosted Environment

"We are an outsourcing-oriented company and implementing On Demand is a profitable option since it offers us a very interesting cost-benefit relationship," Talavera said. The On Demand implementation reduced and improved forecasting of IT costs. It also offered a path for rapid and effective implementation without disrupting operations.

Why Oracle?

Prestaciones Universales evaluated solutions from several vendors, including SAP, Baan, and Unisys before choosing Oracle.

“Oracle offered a tested, efficient, and reliable solution that closely matched our needs. It provided the functionality and service that we needed to meet our strategic objectives and return on investment objectives,” Talavera said.

Implementation Process

Prestaciones Universales deployed Oracle financial management and CRM modules in January 2002, working with Oracle Consulting to ensure a rapid and effective deployment. Oracle Consulting analyzed Prestaciones Universales’ commercial processes and helped to redesign those that needed improvement. The company saw positive results at a corporate level in just eight months.

In April 2006, the company migrated from a Solaris to a Linux operating system to take advantage of lower cost hardware. It also updated security applications and migrated to a newer version of Oracle Database, and to version 11.5.10 of Oracle E-Business Suite. Prestaciones Universales once again relied on Oracle Consulting to facilitate the migration.

"We reached the conclusion that the updating, migration and implementation of new applications that permit us to guarantee and improve our business operation was recommendable," Talavera said.

For this migration, the team at Prestaciones Universales counted on Oracle Consulting’s support, which once again offered backup for an On Demand implementation.

“The On Demand implementation was performed in a quick and controlled manner, reducing the operational risks of its 1.6 million users,” Talavera said.

Advice from Prestaciones Universales

- Base your choice of a solution on how well it satisfies the most crucial needs of company
- Calculate the benefits of a solution and establish performance tests before using a solution, and then validate

Prestaciones Universales is a leader in the issuance, marketing, and distribution of coupons for groceries, restaurants, and fuel for public and private companies.