

Inside SAP S/4HANA Cloud


Transcript Episode 139: Scaling Globally: The BeLenka Success Story with SAP S/4HANA Cloud



In this kickoff episode of the SAP for Startups series, discover how Be Lenka grew from a Slovak startup into a global barefoot shoe brand. Hosts dive into the challenges of scaling internationally and why SAP S/4HANA Cloud was key to their success. Join Peter Bersani, Managing Director, and Tino Albrecht, SAP Director, as they discuss strategies that enabled rapid growth and operational efficiency. What topic would you like us to discuss next? Send an email to insides4@sap.com.

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- <https://www.belenka.de>
- <https://pages.community.sap.com/topics/business-suite>
- <https://pages.community.sap.com/topics/s4hana-cloud>

Transcript

Yannick: Welcome to the podcast Inside SAP S4/Hana Cloud, there is no customer success without product success and project success. Today we kick off a very special SAP for startup series that is very close to my heart. In this series, we will explore how fast-growing companies use SAP technology to scale with confidence.

Our first spotlight is on BeLenka, a Slovak startup known for its high-quality barefoot shoes, now shipping products to more than 70 countries. Beautiful stories and with BeLenka's origins are rooted in the remarkable journey of a co-founder, Lenka Cenigova. I hope I pronounce it right. A double world champion of long jump and Paralympian who later built a thriving brand that is now global.

This episode is not only about the story, but what an inspiring story leading to a successful business. So, it's about how BeLenka uses SAP S4/HANA Cloud and SAP Integration Suite to scale, to stay agile and run now an international business efficiently. And joining us for this powerful conversation with me, we have Tino Albrecht, director of SAP for startups and connected us.

So, thanks for that as already Tino and I'm very pleased to have Peter Brezani, the managing director of BeLenka. Welcome guys. And now let's dive in. Before we jump into the beef of the Cloud European discussion, the story of the company. Let's start with a little warm up. So, I'd like to ask both of you tell us one fact about yourself that most people would not know.

I'm thinking about something that is not really visible in the professional life. So maybe. Peter, you want to start.

Peter: Hello everyone. Most people know me from e-commerce and classified projects, affiliate projects and other online projects, but outside of work, I enjoy building things in the garden for my two kids and now I have quite a new hobby. It's an aquarium. Make me more calm. That's something for me. New and interesting.

Yannick: More calm. Sounds good. Maybe I need to look at aquarium too at some point. Thanks for sharing that, Tino. What about you? A few things that I and other colleagues would not know about you.

Tino: Well, I think it's pretty similar.

I also like to build things well, that's kind of the part that I do in my job, like building the company behind the product, but in the real life or in the real world and back then home, I try to build physical things, mainly wood. So, one thing that I'm very proud of and I build was an electric guitar. I did an internship at a Luffa back in school.

Like at 12th grade. The choice was to either just look or build a guitar myself at my own expense. And then I choose that and I still have it. So that's very cool.

Yannick: Yes, it is. Thanks for sharing. Thanks to both of you. Okay, guys, now let's have a look at BeLenka's story. It is, as I already said, as an opening. It is incredibly inspiring. You know, from a world champion athlete to entrepreneur. Peter, can you please walk us through how the company BeLenka was born and what was the spark behind turning a Paralympian's passion to now a global barefoot brand?

Peter: Yeah. Actually, the story starts with two persons, Lenka Cenigova and Juraj Fehervari. Juraj had the issue with the baby carriers, and Lenka was producer of baby carriers. And this passion for good things, and especially for baby carriers and kid's apparel or make together, these two persons and build the BeLenka company, because before called Lenka carriers only, and after maybe one year or more, they shift to barefoot shoes.

But we produced both baby carriers and also the barefoot shoes. But after several years, we stay only with barefoot shoes that we moved for original business in ergonomic baby carriers to barefoot shoes and the reason why we move to barefoot shoes. Because Lenka and Juraj, they were looking for shoes that will allow the foot to move naturally, but they simply couldn't find anything on the market that met their expectations.

Then they find a way how to do it proper and better. This is the way how to create BeLenka and after a few years also the Bare Barics. The second brand.

Yannick: Very cool. So, we started really with the personal need of the founders and as many startup stories. We need to mention that BeLenka was starting in the basement, seven people and two collections. Today, if I'm not mistaken, you have 100 plus employees, 250 collections, many variations of the product, and quite impressive is that you already today operating and serving customers in more than 70 countries.

That is a remarkable growth in very short time. What challenges did you encounter and what was then the trigger to decide, okay, we need now to move to robust to get above software. Thankfully for us, you decided to go for SAP Cloud ERP. Can you allude a bit on that please, Peter?

Peter: Yes. The main challenge is where in systems or in stock, because the company has eight years and was really growing fast, and the system where we had started to limit us, the limitation were everywhere in producing products, in software, in stock because we were producing in Europe on the beginning in Central Europe, then in Portugal, Italy and now also in Vietnam.

But the biggest challenge was how many people we have and how the processes we have to build. And the main reason why we jump to SAP was that we had ERP system, but there was technical problem with so fast the growing orders, documents, invoices and so, and we need to have new capabilities to be prepared for scaling to in other countries, to new offices, to continuing growing.

Yannick: So basically, that is why you decided to choose this SAP, if I get it right. So, I can really visualize the journey from doing a lot of things, probably manually, then moving to some automation in probably, I don't know, excel or support you can get, to maybe a smaller software now to SAP. And when we talk about scaling from, you know, the basement to the 70 countries.

And again, very cool to visualize that technology of course plays a key part in the central role. So, what challenges do startups typically face when scaling operationally, and what made BeLenka representative case of this ready to scale? And for that, you know, this is in your DNA. Can you please elude that and explain, you know, what qualifies a company, you know, to come with you on a journey?

Why? You look at BeLenka.

Tino: Certainly. And I think it's a very good example because as any other startup company, BeLenka started with a product vision. And this is for the first year, the focus is on the product optimizing for fictionalizing the product. And this is the absolute imperative for scaling. If you don't have a great product or service, there is no way of scaling it, of course.

But then when you exactly hit the growth that Peter described, then business processes, organizational structures, they basically become relevant overnight. And depending on how much you scale or how fast you scale, how fast you also scale internationally, then this multiplies the complexity that we see.

And especially in these areas of tax laws, compliance requirements in the different countries, multi-currency and so on. There is a lot of stuff that can go wrong in the company at this phase, and this is also subject to their legal investigations and can end up very nasty conversations with the authorities.

So, this is where we see the strongest point having a great product. We as a team with our knowledge can also come in and together with our implementation partners, then help these companies to build the company behind the product.

Yannick: Very cool. So great product, great service. Of course, a product vision come with that because this is part of the great product that is the foundation to growth. But I think we all know can even visualize the rapid growth, even if it's very exciting, you know, to think about the journey. It can be messy, complex to manage, error prone and because it's not everything under control by default.

Right. So, Peter, based on your experience with BeLenka, what were the signs that hierarchy was needed in terms of operational support with software, which was prompting then the move to SAP Cloud ERP and the broader SAP integration suite.

Peter: It's simple because we saw that if we want to grow in the same tempo, like more than 40% every year, we need to build infrastructure and see over three years and more because we can't handle it in the current situation. Then we have several options. One option was making continue growth and changing the system, and the focus on every step and every two years make some changes and what we want to do it. Also, for future, it makes some headache, because the environment is really fast.

The competition is also tough. Then we choose one of the big systems, and we consider that SAP is the best system for us, and we can be in SAP for more than four decades. Together we can solve all problems in one system. Like for finance, for warehousing, for accounting. That's focusing on core. And that's the reason.

What is most important? Clear vision on base system and make it easier for the whole team because it's messy if you want to change the system every two years. For me, it was easier to pick the more complex software or ERP system.

Yannick: Peter, thanks. When you say, solve all the problems in one system financial accounting, some manufacturing process, transportation, etc. I think this is really true. This is the reason why customers adopt SAP Cloud ERP, and you are probably one of many other candidates to the SAP startup program. So, I want to ask you to know a bit more about other companies, other startups like BeLenka, that need, on one hand, to balance the agility, get more structure, scale globally.

How do you help them grow, scale, and making sure that they do not lose track on the clear focus on the business they love? In that case, you know, healthy, ethical footwear.

Tino: At BeLenka especially, it's a very, very senior leadership team with plenty of experience. So, they knew a lot of the things they wanted to build and the priorities they had. And the way when there's maybe younger founders or first-time founders, how we look at this is we try to separate with them. What are the systems of differentiation?

So, what is the core product? In this case it's a physical product at BeLenka. So, it's very easy. Sometimes it's a platform and then we differentiate with them. What are really the core processes that make them unique towards their customer. What really shapes the customer experience and what is kind of to be considered the business backbone.

So financial operations, procurement, if there's a physical product involved like a BeLenka, then the production process and so on. And we try to separate this and tell them, okay, this is something that you should focus on, where your high-cost developers, of course, and where you focus on make. And then for everything in the business backbone I just mentioned, plus HR plus customer service and stuff like that, that you'd rather consider software off the shelf using best practice business processes that come with this software.

And then you basically benefit from all the knowledge that we have in the team that we have in the product, but that also all the community members of the SAP startup community have, because they would then give you also advice, how they solve things and stuff like that. So, I think this is the crucial thing to discuss.

Is it something unique than stay with make, or is it something that helps you operate faster and more precise than it's the buy part? And just to really make that concrete to your question. So, to make part is then really this part of agility that maintain the focus on the product yourself. And you don't have your staff focusing on stuff to reinvent the wheel in finance.

I mean, it's actually not really desirable to really redesign finance because there's so many compliance issues that people have solved before you, so you'd rather stick with them and just benefit from all this clarity on how to run accounts payables, accounts receivables and so on. That makes your life much easier.

Yannick: Exactly. And that's the beauty of leveraging standard best practices accounts receivable, accounts payable, etc. and that is a good segue to our next topic, where we really want to dig a bit deeper into the core ERP and the program itself. I'd like to talk in that aspect about

implementation and satisfaction, customer satisfaction during the implementation and after the goal.

Peter, you've been live with SAP Cloud ERP for more than one year now. So, let's reflect a bit together. And of course, you know, as you were involved, feel free to add any time. And my first question is reality versus expectation. Did you get what is it promised to you? Did you get more? Did you get less? What is your point of view?

Peter: I can say we are live from January last year and from the beginning of the integration was really good because our plan was we have to do it in one year and we did it in ten months, and maybe not usual that we have integration team in house and with external consulting team for setup of SAP, and those were quite smooth.

But we are focusing only on standard processes, standard setup. We don't want to change many things in software because we need to be really fast. After going live, we have some problems. That's true, but not big issues. The biggest, maybe not the problem, but fact was the change management, the whole team and people working on SAP or not, they need to know why we are invested in bigger software and why we are moving to new processes, while we are changing the company, what will bring us for the future?

That was the important part. And now I think we are in basic. We have maybe 30% of power SAP, but we need to work more and continue with the process of adoption of automation because now we have many processes in manual. It's not faster than before, but now we have capacity for all the modules or finance and warehouses.

There is no problem with basic rules and processes, but it's not enough. Our expectation that we need to move faster and is not so easy because many people are not able to know everything in SAP. We need more space for education, people, and maybe what is not easy, but part of choosing partner and have a good consultant for each module because SAP S4/HANA Cloud, what we have, it's quite new.

We see that for many people, also for partner companies. It's not easy to adapt to new things on the beginning of this question. The most important thing for me is the change management, but not only in company, also with communication, in with partner.

Yannick: I'm having this question, you know, you were growing and implementing in parallel. And imagine you decide to go for a best practice A, because at the time of the assessment of the best practice A in the SAP software, that was by far the best thing you could do. But in parallel, you grow and you might change and you need to react because there's not a demand.

Another product. How do you manage proper synergies between, you know, the business process that's evolving and the software process that needs, you know, just to support the evolution as well?

Peter: That was not easy. We use many people in company and in the process of implementation of SAP, maybe 14 people work on a testing and be all part of implementation. And because of everything we try to make manuals for other people, sometimes was more micromanagement with several persons and take time to meet all the problems what they have.

Yannick: Would you say that BeLenka lost a bit of agility when you introduced SAP Cloud European, your organization.

Peter: For some time? I think yeah, we lose maybe some agility, but it was a good price for function system because it's a necessary change, because if you will stay with the current or the old system, it will fail. We invest the time for the future.

Tino: And I think you did one thing exceptionally well. So, you managed the change before it broke, right? So, there was no high pressure in terms of this needs to be done in a few weeks or month or we see sometimes we had cases where people just came to us and said our old system is breaking. We don't know how many transactions it will actually take, so be as quick as possible.

And then, of course, this is something that can be crucial to the existence of a company. And the way you describe to this change management, I think it's really the most important thing. So, technology is, is quite standard. But changing people is very, very difficult. And what we see is earlier you do that, the less people of course, you have to take on that journey.

And if you have doubled after a year or two, then of course the change management would be even more cumbersome. Then you have the time to structure to say, okay, we have somebody who takes care of the overall system, like a product manager for the, in this case, ERP system or the HR system and stuff like that.

And then you can also define and develop people into the roles of being global process managers, to actually make sure that this process runs pretty similar across all legal entities. But at the same time, they of course have to manage then the legal requirements, the tax laws and so on that are kind of the localized stuff that you need to do different according to the laws.

And that's something that definitely requires people development, requires change management, and it's always the make-or-break point in these projects.

Yannick: Yeah, exactly. And as BeLenka expands internationally. BeLenka needs to have globalization strategy for SAP Cloud ERP. Peter, how do you see SAP continuing to support the global ambitions?

Peter: Now we have two big topics because we opened last year a distribution company in the US, and we need to adopt system also for this more region. Now we are a little bit postponed because we want to start from January, but probably not next year, but in 2028 go live. And the second topic may be more crucial is our retail net, because we need to connect this net with systems, with POS terminals and also all the warehouses to the core system.

Probably we will start this year adopting retail because we have three channels. One channel is B2C, second is B2B and the third is retail. And in retail we want to jump into franchise model and for that if we want to manage good, it's necessary to connect SAP.

Yannick: Okay, that's very, very ambitious indeed. And therefore, I'd like to turn the discussion now to recommendation for all the startups listening, because this is the SAP for startup episode.

Would you mind sharing key advice for all the fast-growing organizations that they consider? Are we going to move to a Cloud ERP?

What would you do differently today? Now, with the experience of one year after going live, were the right decisions or was it too late? Too early? I'd like to ask both of you to really share to the larger young company startup community about this impact of the decision, the timing of the decision, please.

Peter: From my perspective, timing was good and my advice for all startups is take your time and choose the right integration partner because you will live with this person every day and you need really good partners for such big integration. It's crucial for next years. Secondly, before you will choose the integration partner and make sure that people understand why you are moving new ERP system because its first step for next change management in company.

Tino: Yeah, maybe adding on that is I would recommend going live fast. Take your time but do it quick with a minimum viable operation scope. So don't put everything into the first wave and then an epic project, but rather go live depending on the scope, somewhere between 3 to 10 months. Right. As BeLenka did, as I mentioned before, the next step is to really or during this process, define this global champions for end to end processes that develop themselves, evolve into this role of managing the end to end business, as, let's say, the process experts, they have a sparring partner that is a little bit more into solution architecture or product strategy for the internal product.

So, start managing your ERP system as a product as you put your e-commerce shop in this place, for example, in the space of BeLenka. This is something that really the key change or the key success factor in the organization.

Yannick: Okay, so if I summarize what you guys have said, start fast, a control scope and the right partner, and of course, could get a feeling for the right timing for that. To close this episode, we have our fast five questions mainly addressed Tino, you know, these are five questions that are supposed to be answered shortly and give the audience a nice and crisp answer to important key points.

Are you ready? And remember, the game is easy. In theory. You should answer the questions with one word or a very short sentence. First question. What is your favorite BeLenka and SAP product?

Tino: BeLenka the yellow sneakers for sure. At SAP, it's of course the Cloud ERP.

Yannick: Early morning meetings or late-night brainstorming session for you.

Tino: Early morning for focus work, and then the creative sessions in the afternoon, late evenings are fine.

Yannick: You must have items for your long business trips.

Tino: Oh, my neck pillow and noise cancelling headphone.

Yannick: A book of resource that every startup founder should read and know by heart.

Tino: I would even go back to the classics of Tom DeMarco. So, to that line Waltzing With Bears and Peopleware, I think they are old but gold and they are still true even in modern software development.

Yannick: And the last one, looking back, what is one piece of advice you wish you'd known when BeLenka was just starting out?

Tino: That's critical because you don't want to blame the project team, of course, but for us, it's always a lot of learning when it comes to the integration of the actual product, in this case, the web shop with the Cloud ERP system.

Yannick: Thank you. Thank you for that and thanks overall Tino, for playing the game with us. Peter and Tino, this is sadly already the end of what we had decided to discuss for today, but it was a great pleasure and an honor to host you guys to listen to such an inspiring story. And I'm sure that your stories, thanks to the podcast channel, will inspire many, many other customers, prospective customers, startups, and other young companies.

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