

allbirds

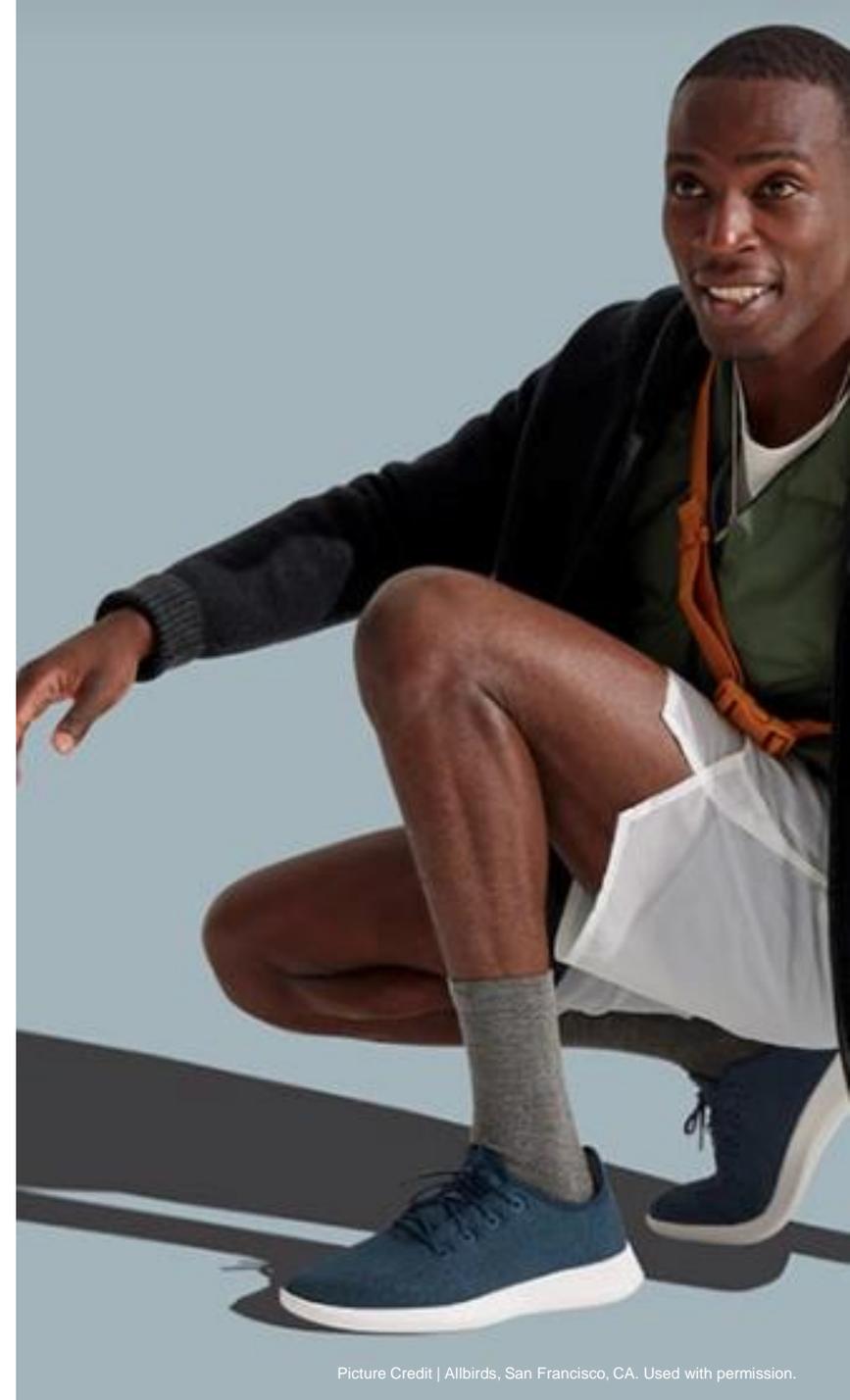
INTERNAL

Allbirds: A Company Like No Other Turns to Digital Innovation to Fulfill Its Goals

Many of the world's fastest-growing and most influential shoe companies relied on a similar strategy to get where they are today. Their plans included superstar endorsements, outlandish designs and low-cost manufacturing. Allbirds pursued a different path. Instead of celebrities, its ads often feature sheep, which produce the wool its shoes are made of. Instead of neon pink and green, Allbirds shoes are natural white, gray and harvest rose. Instead of unsustainable manufacturing practices, Allbirds makes shoes and garments in the most ecologically and socially responsible way possible. Little wonder the world beat a path to its door.

To keep pace with rapid growth, Allbirds invests deeply in digital innovation.

THE BEST RUN 



When Runaway Growth Calls for Digital Innovation



From Humble Beginnings to Growth Constraints

- Allbirds was founded in 2016 by former New Zealand soccer player Tim Brown
- Brown rightly believed the world would respond positively to sporty shoes made with natural wool that were brought to market via responsible business practices
- Allbirds soon soared—so much that growing pains inevitably followed
- Fortunately for it, Allbirds made an early bet on SAP software that would pay dividends later

A Plan, a Platform and a Process

- Allbirds commitment to product innovation and sustainability made it necessary to build a supply chain for materials that aren't cheap or readily available compared to what other brands use
- During its early days, Allbirds struggled to keep up with demand as sales of athleisure apparel grew, especially during the pandemic
- In 2017, Allbirds committed to SAP S/4HANA, which it upgraded from version 1609 to 1906 in 2020

A Future with Endless Possibilities

- In November 2020, Allbirds accepted a \$100 million investment from a group of investors led by Franklin Templeton, which increased the company's estimated value to \$1.7 billion
- Some of the proceeds will help fund the company's digital investments, which include its new Business Applications, Processes and Interfaces (BAPI) roadmap
- In 2021, Allbirds will launch "purchase-to-pay", helping it achieve its goal of having one financial system of record for all transactions in real-time across its global environment

"The more Allbirds grew and expanded, the more obvious the gaps between our ambitions and capabilities became. So, we embarked on a mission to reduce any gaps while at the same time create a platform that can underpin what we believe is one of the most innovative and responsible companies in all of manufacturing."

Arun Krishnan, Head of ERP & Business Applications, Allbirds

16

The number of weeks that it took Allbirds, one of the fastest-growing consumer brands anywhere, to implement its first SAP solutions in 2017.

90

The percent of SAP technology that Allbirds runs in the cloud.

Allbirds
San Francisco, CA
www.allbirds.com

Industry
Consumer Products

Products & Services
Manufacturing, shoes,
apparel and accessories

Employees
~500

Featured Solutions
SAP S/4HANA, S/4HANA
Retail Merchandise
Management, Concur

Featured Partner
Blue Marble, Inc.
Big Sky, Montana, USA

THE BEST RUN



Living Up to Lofty Ideals: How Allbirds Works to Adhere to Its Sustainability Goals

Making shoes a better way.

From its earliest days, Allbirds set out to make shoes differently. Make that *better*. This meant eschewing exotic man-made fabrics that produce toxic byproducts and more.

Allbirds' ethical stance requires building a supply chain for sustainable materials, and doing business in multiple countries, currencies, distribution centers and sales channels.

Allbirds' ideals also oblige the company to do business with different business segments, tax authorities, legal entities, budget owners, product lines, projects and programs.

After adding it all up, Allbirds went straight to SAP, which has since become the digital hub on which Allbirds builds its business. This includes S/4HANA.

Pioneers in Footwear, Vanguard in Digital Tech

In addition to supporting sales growth, managing marketing and engaging customers via social media, Allbirds' relies on SAP to help it achieve very specific business goals including:

- **Create one financial system of record for all transactions throughout its global operation**
- **Scientifically calculate and monitor its carbon footprint from design to delivery**
- **Embrace new cloud technologies that will help Allbirds become a more diverse, capable and responsible global employer**
- **And, finally, deliver new products and services that delight customers everywhere**





Building a “Forward-Looking” Platform to Support Product Expansion and New Sales Channels

Not long after their debut, Allbirds shoes took off in a sprint, overwhelming the company’s accounting system. Rather than take an intermediary step, Allbirds leaders imagined a single software platform that could manage every aspect of the company’s business for a decade or more. They first thought of SAP, but didn’t know if it was right for them.

Enter SAP partner Blue Marble. It showed Allbirds how to replace disjointed systems and QuickBooks with S/4HANA without breaking the bank.

Allbirds first implemented SAP S/4HANA in 2017. In 2020, it **upgraded S/4HANA version 1609 to 1909**. In 2021, Allbirds continues to work on its “forward-looking” platform, which will lead to the implementation of new modules and applications.

Allbirds has a dozen or so Business, Applications, Processes and Interfaces (BAPI) priorities, including “purchase to pay.” It is scheduled to launch in 2021.

From Plans to Best Practices

In particular, SAP’s S/4HANA Retail Merchandise Management solution provides Allbirds key benefits that help support the company’s geographic and omnichannel expansion. They include:

Global Real-Time Inventory Management:

Allbirds will soon manage inventory across all locations in real-time, which will help improve on-time deliveries and reduce out-of-stock situations

True Omni-Channel Retailing: Allbirds can offer consistent experiences across all sales channels because inventory, prices and promotions are now managed in a global, centralized database

Integration of Legacy Point of Sale Systems:

Allbirds integrates legacy e-Commerce and POS platforms with SAP S/4HANA, which translates into real-time financials with up-to-the-minute sales and customer data

“SAP helps us accurately purchase, pay, track, and value our inventory from manufacturing throughout our entire global distribution center and store network.”

Arun Krishnan
Head of ERP & Business Applications,
Allbirds



Allbirds Steps Into the Future

Looking for shoes that are both easy on your feet and the planet? Allbirds has you covered—literally.

Allbirds is the world’s premier, innovative shoe company that puts its best foot forward with approachable designs and sustainable processes.

Commitment and Capability

Doing business this way requires more than a philosophical commitment; it also requires world-class digital technology. Working with its business and technology partners including SAP, Allbirds is developing world-class capabilities that are as impressive as its designs.

Omni-channel customer experiences. Real-time inventory and sales data. Better forecasting and reporting, which yield new efficiencies and better business results. This is Allbirds’ future. It is a future that depends S/4HANA cloud software.

With it, Allbirds can easily add applications including Concur, plus different S/4HANA models for manufacturing, financial and warehouse operations.

Next up: apps that can help Allbirds accurately measure and monitor its carbon footprint. Allbirds is also pushing boundaries with new consumer friendly mobile apps and business modules including “order-to-cash.” The latter will allow customers to track their orders from purchase to deliver and every step in between.

The Road Ahead

As it expands into new geographies, sales channels and product categories, Allbirds continues to build world-class SAP platforms, applications and data use cases that keep it running at full speed.

As Allbirds says, “We’re in service to our customers to make better things in a better way. Systems that give us better optics help deliver on our promise.”

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