

BRINGING HOME GREATER GROWTH

How Betterware is transforming its operations to become Mexico's leading direct retail home solutions company

The logo for Betterware, featuring the word "Betterware" in a blue, sans-serif font. Above the letter "e" in "Better" is a stylized blue house icon. A registered trademark symbol (®) is located to the right of the word.

There's no point in a company selling or aggressively growing sales if it can't deliver its products as promised. Betterware de Mexico understands this well. With faster order processing and delivery—and increased visibility of its supply chain—the company is greatly improving customer experiences. It now serves 3 million Mexican households and is on the way to doubling its share of the domestic direct-to-consumer retail market.



SETTING AN AMBITIOUS GOAL

Betterware de Mexico has gone from its roots as a door-to-door business to one of Mexico's best-known companies. Selling home organization products and housewares, it is now the country's leading direct-to-consumer retailer, serving around 3 million Mexican households.

Supporting Betterware's success is its network of 65,000 distributors and their 1.2 million associates. The company has created opportunities for many individuals to become entrepreneurs, providing flexible income generation, especially for women, and fostering economic activity in cities and communities across the country.

In 2020, the Jalisco-based company directly listed on the Nasdaq stock exchange and has since embarked on a new expansion phase. It aims to become the leading home solutions company in Mexico and plans to aggressively expand internationally.

"Part of that goal is to double our share in the Mexican direct-to-consumer retailmarket in the next five years, from 20% at the end of 2020," says Mauricio Alvarez Morphy, Betterware's Chief Information Officer.

ENABLING ACCELERATED EXPANSION

The company knew that reaching such an ambitious target would mean transforming its operations and improving its ability to bring products to market fast. "So, we've been accelerating our salesforce expansion and diversifying our products, both within existing segments and into new ones such as mobile and technology solutions," says Alvarez Morphy.

At the same time, Betterware has been ramping up investment in technology to speed up distribution and delivery, improve connectivity, and gain better visibility of its supply chain. All this required a modern data platform and robust network capabilities, something the company needed to grow and modernize.

"Our journey started by understanding that we would need to increase our computing capabilities at the edge to support expansion plans and more robust operations," says Alvarez Morphy. "We knew that with our compute resources at the time, we wouldn't be able to cope with growing operational demands."

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INDUSTRY:

- Retail /Consumer Goods

REGION:

- MEXICO

VISION

- Become the leading home solutions provider in Mexico and a key player in the Americas

STRATEGY

- Step up digitalization of the company's operations and platform modernization

OUTCOMES

- Improves operational efficiency and productivity and gains visibility of supply chain
- Increases share of the Mexican direct-to-consumer retail market from 20% to 24%
- Ensures delivery of products in as little as 24 hours, depending on location

SOLUCIONS

HARDWARE

- HPE Synergy
- HPE Nimble Storage
- HPE StoreOnce
- HPE SAN switches
- Aruba WLAN WiFi-6 Access Points
- Aruba AirWave
- Aruba LAN AOS-CX Switches

HPE POINTNEXT SERVICES

- HPE Education Services
- HPE Financial Services
- HPE Installation Service

KEEPING UP WITH GROWTH

As business expanded, Betterware's computing capacity started to become insufficient to meet increased demands, slowing the processing of orders and delivery.

"By the time we could get the last truck out, it was increasingly challenging to fulfill our promise of delivery



“It’s about fulfilling the entire sales cycle. We’ve been able to supply our products and fulfill our customers’ expectations while maintaining the quality of our service.”

MAURICIO ALVAREZ MORPHY
CHIEF INFORMATION OFFICER,
BETTERWARE DE MEXICO

within 24 to 72 hours, depending on the location of our customers,” says Alvarez Morphy.

The surge in business also made it difficult for the company’s invoicing process and enterprise resource planning (ERP) system to keep up with the rise in orders. With pressure on the ERP system, the company had to come up with creative solutions so that its supply chain, finance, warehouse, and all other business units were able to perform and wouldn’t crash the system.

MEETING DISTRIBUTOR AND CUSTOMER EXPECTATIONS

With support from HPE Pointnext Services, Betterware upgraded and scaled its infrastructure to ensure it could power its supply chain management systems.

“What this platform allows us to do is to fully deliver, now and into the future,” says Alvarez Morphy. “That is, we fulfill those orders, invoice those sales, and ensure we get the products in the hands of our customers on time.”

“So, if you look at it holistically, it’s about fulfilling the entire sales cycle, because it’s useless for us to sell if we don’t deliver,” adds Alvarez Morphy. “We’ve been able to supply our products and fulfill our customers’ expectations while maintaining the quality of our service.”

And there’s no longer any resource contention in the ERP



system use. “Besides having more visibility and control of our supply chain, we’ve gained flexibility to meet our business needs,” says Alvarez Morphy.

Ultimately, more efficient order processing and delivery helped the company reach more households and grow its market share in Mexico to 24% by the end of 2021

KEEPING BACKORDERS LOW

By maintaining accurate and real-time inventory levels, Betterware has reduced backorders and kept distributors and customers happy. It ensures its network is 100% available so employees can access its warehouse



management system (WMS) on the go through edge devices such as handhelds. Access to this automated system gives the company visibility of its inventory, enabling it to monitor and optimize stock levels.

“Using our WMS, we can easily manage and move our inventory,” says Julio Acevedo, Distribution Center Director at Betterware. “The system tells you where an item has to go in the racks. You scan the product that arrives, and it tells you how and where to organize it—all in real time.”

“Instant access to the system across our distribution center using a variety of devices is essential to our operations.”

ENSURING SERVICE CONTINUITY

With an on-premises infrastructure, Betterware is confident it can run all systems without interruption at its new office campus in Guadalajara. The company recently consolidated all technologies at the new campus to increase efficiency and productivity.

“Along with the IT team, we evaluated all our options, whether we should go for a hybrid cloud or cloud-only strategy,” says Acevedo. “We decided to implement a hybrid cloud strategy because we needed to ensure the resiliency of our warehouse operations, and with the location of our new campus, we weren’t fully confident about the telecom connection’s reliability.”

“With our on-premises infrastructure a critical part of our hybrid architecture, even if we lose connection, we can ensure the distribution center is running efficiently,” adds Acevedo. “We have supported our most sensitive and mission-critical processes without having to move back and forth with the cloud to gain the speed we need.”

Betterware’s on-premises infrastructure comprises HPE Synergy, HPE Nimble Storage AF40, and HPE StoreOnce. For its wired and wireless networks, the company

deployed Aruba WLAN WiFi-6 Access Points, Aruba AirWave,

and Aruba LAN AOS-CX Switches. It acquired all these solutions through HPE Financial Services, accelerating its digital transformation.

“With HPE Synergy composable infrastructure, we can provide and allocate compute and storage resources easily and quickly,” says Alvarez Morphy. “And it’s very specific and highly optimized for what we need. That allows us to be much faster in infrastructure provision and to be able to grow.”

Now that it has made its operations more efficient, Betterware can focus on its other needs, according to Alvarez Morphy.

“What HPE solutions have done is to help us get our operations right,” he says. “Now, we can focus fully on continuing the automation of our new distribution center and on advancing our hybrid cloud strategy, enabling us to move certain operations and systems to the cloud versus our data center.”

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DISTRIBUTION CENTER DIRECTOR,
BETTERWARE DE MEXICO

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