



SAP® ERP OPERATIONS

SOLUTION OVERVIEW

YOUR SUCCESS



“Solving business problems is the general criterion for measuring success . . . SAP provides us with the powerful tools we need to solve our business problems.”

Michael Huang, Director of the Information Center,
Great Wall Broadband Network Service Co. Ltd.

SAP® ERP: SIMPLIFY, OPTIMIZE, INNOVATE

SAP is known for providing businesses like yours with the enterprise resource planning (ERP) software needed to gain strategic insight, increase productivity, and respond flexibly to changing markets to compete better. SAP® ERP software has been instrumental in increasing employee productivity and enabling informed decisions that set businesses apart from their competition. Yet the SAP ERP application demonstrates how the SAP vision has broadened. Increasing efficiency within an organization is still of critical importance. However, SAP's concept for ERP software has transcended the organization's walls to enable automation of end-to-end business processes that extend to the entire business value chain, including partners, suppliers, and customers.

Powered by SAP NetWeaver®

SAP ERP is powered by the SAP NetWeaver® platform. SAP NetWeaver unifies technology components into a single platform, allowing organizations to reduce IT complexity and obtain more business value from their IT investments. It provides the best way to integrate all systems running SAP or non-SAP software.

SAP NetWeaver also helps organizations align IT with their business. With SAP NetWeaver, organizations can compose and enhance business applications rapidly using enterprise services. As the foundation for enterprise service-oriented architecture (enterprise SOA), SAP NetWeaver allows organizations to evolve their current IT landscapes into a strategic environment that drives business change.

SAP ERP OPERATIONS: GAINING AGILITY AND SPEED IN YOUR OPERATIONS

To best serve customers, organizations are focusing more on their agility to deliver the right products and services at the speed of the business. This requires a high level of efficiency along the entire operational process chain, which directly impacts the organization's ability to fully satisfy its customers.

For many organizations, the SAP ERP Operations solution, a part of the SAP ERP application, has become the software backbone supporting excellent performance across operational processes in all key areas – procurement and logistics execution, product development and manufacturing, and sales and service. This excellence is a culmination of SAP's experience over more than 30 years with thousands of successful customers in more than 25 industries. The result is a solution that automates and streamlines business processes, improves productivity of overall operations, extends collaboration, and provides strategic insight.

SAP ERP Operations is the best choice if you want to gain tight operational control of activities while you plan for and respond efficiently to market changes to support your organization's performance and growth, today and tomorrow.

CUSTOMERS ARE YOUR REASON FOR DOING – SO WHY NOT DO THINGS DIFFERENTLY AND MORE EFFICIENTLY

To best satisfy customers you must be able to provide the right product or service at the right price to the right customer at the right time. In order to achieve this goal, you need to ensure the integration of the entire chain including design, development, procurement, manufacturing, and sales, until the delivery of your products and services. But you also need the flexibility to simplify, automate, and innovate your processes in order to support new business requirements. In other words, to best serve customers, you need to achieve operational excellence.

Operational excellence is the ability of an organization to achieve a high level of customer service while reducing operating costs at the same time. An organization can then run its business at the speed of change with more agility, from its suppliers to its customers, no matter what changes occur in the market and in demand.

With complete support for **procurement and logistics execution**, organizations can manage end-to-end procurement processes and logistics business processes for complete business cycles, from self-service requisitioning to flexible invoicing and payment, as well as optimize the physical flow of materials.

Product development and manufacturing functionality covers end-to-end processes from the engineering and design of products to the planning and execution of manufacturing operations in a wide variety of industries. These processes include creating relevant product data, maintaining connectivity to shop-floor systems, and complying with relevant regulations and standards.

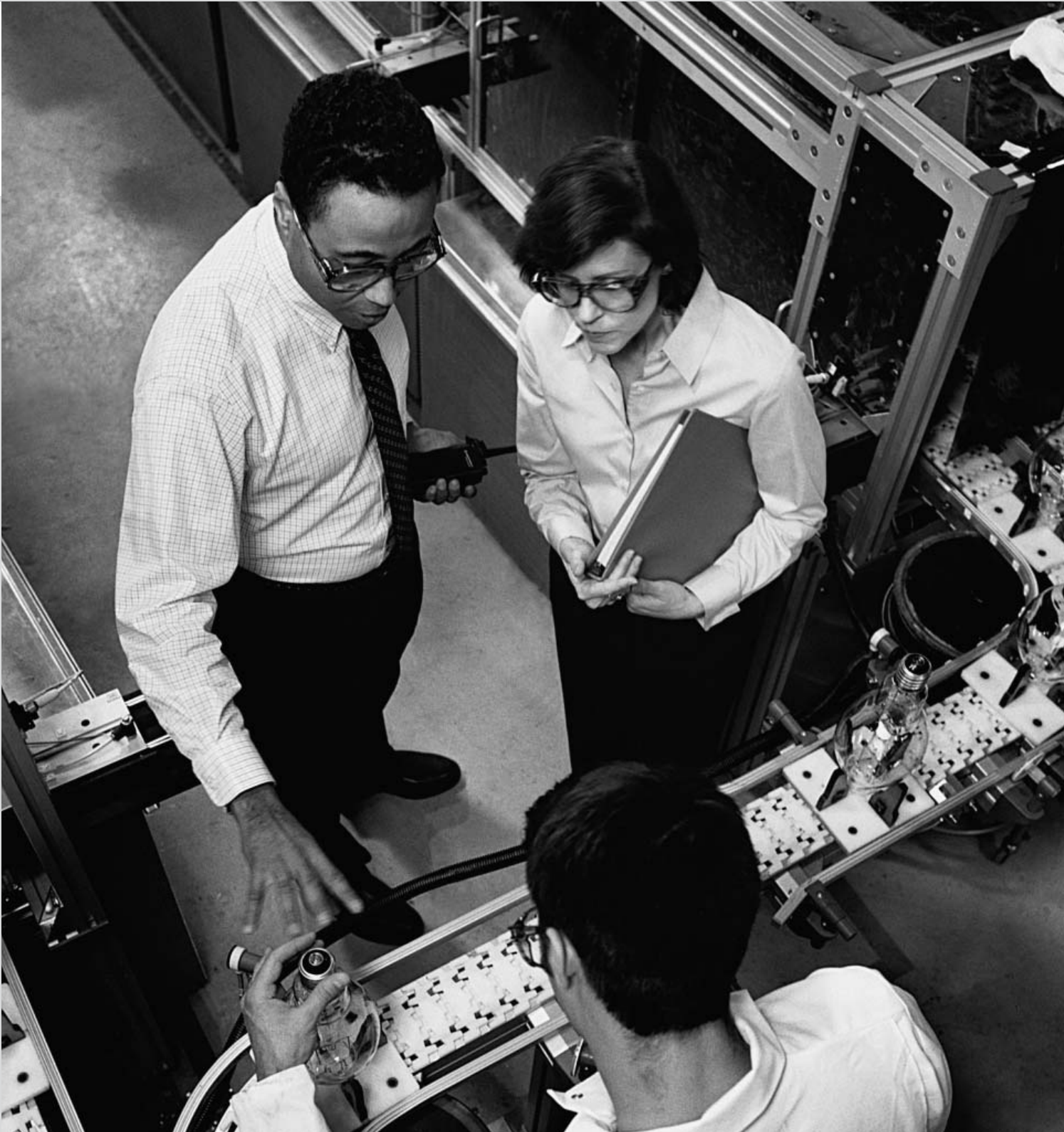
Sales and service functionality addresses customer-focused processes, from selling products and professional services to providing aftermarket processing of warranty claims, service orders, and returns. It also supports the calculation of incentives and commissions.

In addition, the solution provides powerful analytics for better decision making through innovative and personalized role-based self-services.

SAP ERP offers an extensive solution to help you achieve operational excellence. Its innovative process-driven approach is in line with your value chains for procurement and logistics execution, product development and manufacturing, and sales and service.



. . . CONTINUOUSLY



DELIVER THE RIGHT PRODUCT AT THE RIGHT PRICE TO THE RIGHT CUSTOMER AT THE RIGHT TIME

SAP ERP Operations allows you to plan and execute your operations in a way to drive efficiency that benefits the entire value chain.

Automate and Streamline Business Processes with Greater Adaptability

Match overall supply with demand. Align the entire enterprise with your key business processes in design, development, procurement, manufacturing, sales, and delivery. Adapt quickly based on real-time information. Manage all resources and assets along the entire value chain. Become a learning organization – learning from exceptions and incorporating hard-won, practical knowledge into existing and new business processes.



Increase Productivity with a Role-Based Solution and Centralized Information

Provide empowering self-services and role-specific information that increase user productivity. Create a standardized portal interface that actively assigns relevant information to empower information workers. Accelerate

operational processes. Catalyze informed decision making. Capitalize on flexible customization to personalize your portals to meet the specific needs of business users.

Manage centrally your critical documents – bills of material, routing data, computer-aided design models, recipes, project plans, and parts information. Enjoy direct access to information while reducing data maintenance efforts.

Extend Collaboration to All Value Chain Partners

Enhance collaboration among departments, customers, suppliers, and business partners and see a significant improvement in your entire supply chain. Integrate partners of all sizes to release data throughout the chain that's accurate, complete, and available up to the minute. See costs sink, processes speed up, and smooth flowing operations throughout your value chain.

Base Decision Making on Strategic Business Insight

Work with a rich set of out-of-the-box analytical performance measurement tools to hone your strategic planning and monitor the overall health of your organization in real time. With insight and 360-degree visibility into your business, create accurate forecasts, effectively manage your budgets, properly allocate resources, and meet your revenue goals. Combine operation analyses with financials information to optimize day-to-day operations.



SAP® ERP Creates a Real Competitive Advantage

Operations Analytics

- Enable fast and fact-based decision making across all operations processes.
- Identify concerns early and pursue opportunities proactively by providing the needed information in real time.

Procurement and Logistics Execution

- **Procurement** – Introduce sustainable cost savings by automating and streamlining the complete procurement process for all spend categories, including services, products, and catalog-based self-service procurement. Provide an onboard platform to collaborate with suppliers, enabling the exchange of accurate information in time.
- **Inventory and warehouse management** – Reduce operation costs by managing and optimizing all movements in logistics facilities.
- **Inbound and outbound logistics** – Ensure heightened productivity by optimizing all processes involved in receiving and shipping goods.

- **Transportation management** – Deliver products on time and on budget by controlling the complete transportation process: creating, executing, consolidating, and monitoring shipments.

Product Development and Manufacturing

- **Production planning** – Create consistent production plans and deliver the right product on time and within budget by automating the entire planning process for all industries.
- **Manufacturing execution** – Integrate with the shop floor by capturing real-time manufacturing information. Adapt the processes and reduce costs.
- **Product development** – Facilitate effective collaboration within and beyond the organization and shorten your time to market by getting control of the entire life cycle of product-related master data.

Life-cycle data management –

- Integrate product-related data with change and configuration management processes for discrete and process manufacturers.

Sales and Service

■ Sales order management –

- Automate and streamline the complete sales order process. Promote the use of profitable sales interaction channels – including the Internet – to reduce administrative costs and ensure high customer satisfaction. Handle all commissions to develop and maintain effective incentive programs.

■ Aftermarket sales and service –

- Support all aspects of service order processing within the service organization to improve uptime, yield, and productivity.

■ Professional service delivery –

- Support selling, planning, delivering, and billing project-based services with functionality tailored to increase productivity.

SAP ERP SOLUTION MAP: UNDERSTANDING BUSINESS VALUE

SAP ERP supports your most important business processes and provides tools to help you to understand how these processes work. One of these tools is the SAP solution map.

SAP solution maps are multilevel blueprints of processes constructed from customer and industry analysts input, plus the technical expertise SAP has acquired through extensive business experience and research.

By showing what processes SAP and SAP partner solutions support, the solution maps help you visualize, plan, and implement a coherent, integrated, and comprehensive information technology solution that covers all your critical business processes. You can review the solution map for SAP ERP online at www.sap.com/businessmaps.

SOLUTION MAP

	End-User Service Delivery						
Analytics	Strategic Enterprise Management		Financial Analytics		Operations Analytics		Workforce Analytics
Financials	Financial Supply Chain Management		Financial Accounting		Management Accounting		Corporate Governance
Human Capital Management	Talent Management		Workforce Process Management		Workforce Deployment		
Procurement and Logistics Execution	Procurement		Inventory and Warehouse Management		Inbound and Outbound Logistics		Transportation Management
Product Development and Manufacturing	Production Planning		Manufacturing Execution		Product Development		Life-Cycle Data Management
Sales and Service	Sales Order Management		Aftermarket Sales and Service			Professional-Service Delivery	
Corporate Services	Real Estate Management	Enterprise Asset Management	Project and Portfolio Management	Travel Management	Environment, Health, and Safety Compliance Mgmt.	Quality Management	Global Trade Services

SAP NetWeaver®

REACH YOUR FULL EFFICIENCY POTENTIAL TO DRIVE INNOVATION

With SAP ERP Operations, your organization can realize its full efficiency potential. With smoother day-to-day operations, you can free up resources and budget that you can invest in innovation. You gain a competitive advantage, can look toward the future, and operate as a best-run business over the long term.

SAP ERP Operations delivers value to the whole organization and to your customers and suppliers in the following areas:

Enhancing Customer Satisfaction

- Higher customer service level by delivering products on time and with high quality
- Higher customer satisfaction with faster time to market, higher-quality products, and accurate information provided to customers

Increasing Revenues

- Higher revenues from opening up new sales channels like e-commerce
- Increased income because customers find it easier to do business with your company
- Higher profit margins due to automating and streamlining all your business processes resulting in reduced operations costs through adherence to better business practices

- Improved cash flow due to more efficient and accurate billing procedures, lower inventory levels, and quick turnaround
- New opportunities identified through continuous, real-time monitoring of key performance indicators

Improving Productivity

- Increased information worker productivity through realistic, appropriate business roles
- Easier access to relevant information with consistent process views, a focus on exceptions, and fully integrated workflows
- Increased adaptability to process changes by enhancing existing skills and assets with real-time information
- Increased overall productivity on the value chain through better collaboration with customers, suppliers, and partners

Reducing Operating Costs

- Decreased overall operating costs by converting time-consuming manual processes into automated, streamlined, real-time business process management
- Lower transportation costs because of consolidated orders and combined shipments

- Reduced warehouse costs from optimized utilization of resources and assets
- Reduced cost of sales from use of profitable sales interaction channels
- Sustained cost savings for all spend categories due to a standard approach to both strategic and operational procurement
- Reduced IT costs because administration and usability have been improved, fewer interfaces are used, and IT resources have been freed up to focus on value-adding strategic projects
- Lowered overall total cost of ownership by leveraging the SAP NetWeaver platform for facilitated exchange and interoperability with non-SAP systems



ACHIEVE OPERATIONAL EXCELLENCE IN YOUR INDUSTRY

SAP understands that the industry that matters to you most is your own industry. That's why SAP ERP offers industry-specific features and best practices based on three decades of SAP experience.

Activity	Benefit
Operations Analytics	<ul style="list-style-type: none">■ Improve fact-based decision making for all operational areas by clearly defining joint key performance indicators and communicating clearly about their fulfillment
Procurement	<ul style="list-style-type: none">■ Sustain cost savings for all spend categories by automating routine tasks such as determining sources automatically, converting requisitions into purchase orders, and giving employees access to electronic catalogs to order products and services directly■ Reduce costs through process automation and by integrating suppliers through electronic communication for better collaboration
Inventory and Warehouse Management	<ul style="list-style-type: none">■ Use resources better by supporting cross-docking processes and data collection technologies, such as radio frequency identification and bar coding
Inbound and Outbound Logistics	<ul style="list-style-type: none">■ Enhance productivity in all incoming and outgoing physical goods movements
Transportation Management	<ul style="list-style-type: none">■ Reduce transportation costs and manage costs better through improved consolidation and closer collaboration
Production Planning	<ul style="list-style-type: none">■ Improve product quality for all industries and deliver on committed orders through optimal planning, scheduling, and sequence production on the factory floor
Manufacturing Execution	<ul style="list-style-type: none">■ Improve visibility and transparency in real time across all shop-floor processes, including availability checking and costing
Life-Cycle Data Management	<ul style="list-style-type: none">■ Shorten time to market through streamlined new-product development and introduction processes
Sales Order Management	<ul style="list-style-type: none">■ Increase number and quality of sales orders and reduce administrative costs by automating sales order management and using profitable Internet-based solutions like e-commerce■ Increase customer satisfaction by providing accurate, timely information■ Streamline incentive and commission management activities to maximize productivity and boost sales
Aftermarket Sales and Service	<ul style="list-style-type: none">■ Streamline processes to facilitate mobile access for field employees

For additional information on how SAP ERP Operations can help your company, please visit www.sap.com/operations.

... AND CREATE LONG-TERM COMPETITIVE ADVANTAGE



“Our integrated SAP solution gives us optimized control over all our business processes – from purchasing to commissioning through to logistics and sales – with maximum transparency and efficiency.”

Wolfgang Maehr, Director of IT, SPAR Management AG



THE BEST-RUN BUSINESSES RUN SAP™



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