



mySAP™ SUPPLY CHAIN MANAGEMENT

SOLUTION OVERVIEW

mySAP™ SUPPLY CHAIN MANAGEMENT: YOUR INDUSTRY, YOUR BUSINESS, YOUR FUTURE

Moving beyond traditional supply chain management functionality, SAP innovations and unmatched industry expertise are setting new standards for the way companies connect with their customers and partners.

The mySAP™ Supply Chain Management (mySAP SCM) solution automates customer-centric business processes across and beyond enterprise-wide operations. It delivers the market's greatest breadth and depth of functionality by supporting the most comprehensive range of end-to-end processes that address the unique business demands of more than 25 industries.

mySAP SCM is powered by the SAP NetWeaver® platform, an innovative integration and application platform that enables change. SAP NetWeaver supports new cross-functional business processes and helps to lower total cost of ownership (TCO) by reducing the need for custom integration and by offering complete life-cycle management for your solution. It is also the foundation for Enterprise Services Architecture, the SAP® blueprint for service-oriented business solutions, and helps align people, information, and business processes across organizational and technological boundaries.

“Efficient inventory management means more flexible production. SAP's radio frequency [RF] scanner solution is an important milestone for us as we move toward an integrated paperless information flow.”

Dr. Michael Schineis, CEO,
ATOMIC Austria



**. . . EVERY DIMENSION OF YOUR BUSINESS REQUIRES
GREATER SPEED AND EFFICIENCY**

THE CHALLENGES OF AN UNPREDICTABLE ECONOMY

Fast, turbulent, and always changing — this is *your* economic environment. The question is, do you have the efficiency, speed, and agility needed to survive?

Every dimension of business today demands greater efficiency, speed, and agility. Market pressures are forcing companies toward a demand-driven business model in which success is based on the ability to anticipate customer requirements and respond with high-quality, value-added products faster than the competition. To thrive, companies have little choice but to integrate innovation into core business processes so that the right products are produced for the right customers at the right time. To increase efficiencies, companies are also focusing on core competencies and filling the gaps with strategic outsourcing partnerships. But outsourcing success is not automatic. It requires the ability to share information, collaborate effectively, and expose internal processes. At the same time companies like yours are constantly challenged to increase process transparency to achieve full compliance with Sarbanes-Oxley, the Waste from Electrical and Electronic Equipment (WEEE) directive, U.S. FDA rules, and other prevailing regulations.

Such an environment requires an adaptive supply chain — one that helps you plan and execute with increased effectiveness while giving you abilities to sense and respond to real-time signals so that you seize opportunities when they emerge. SAP can help — with the mySAP SCM solution.

mySAP SCM is the only complete supply chain management solution that enables collaboration, planning, execution, and coordination of the entire supply chain, empowering companies to adapt their supply chain processes to an ever-changing competitive environment. The mySAP SCM solution transforms traditional supply chains from linear, sequential steps into an adaptive supply chain network in which communities of customer-centric, demand-driven companies share knowledge, intelligently adapt to changing market conditions, and proactively respond to shorter, less-predictable life cycles.

Much of this is enabled by the SAP NetWeaver platform — the open integration and application platform that is the technical foundation of Enterprise Services Architecture, the SAP blueprint for service-oriented business solutions. Offering increased levels of adaptability, flexibility, and openness, SAP NetWeaver supports collaboration between you and your supply partners, helps link systems for tighter integration of planning and execution, and quickly incorporates partner solutions for greater efficiencies. It allows you to improve user productivity and change business processes faster and more cost-effectively while leveraging existing IT investments to extend existing processes or build new applications. The result — you get powerful capabilities that help you plan and execute supply chain operations, sense and respond to supply chain events, and incorporate feedback to continuously improve operations for ongoing competitive advantage.

“With SAP software we have total integration. We now have greater insight into available materials and capacity, enabling us to effectively plan and coordinate activities across our three facilities.”

Wilfried Hausmann, CIO, Mittal Steel Germany

ADAPTIVE SOFTWARE FOR THE ADAPTIVE ENTERPRISE

To achieve and sustain profitable growth in an ever-changing business environment, companies like yours need to migrate to a more demand-driven supply chain in which decisions are based on real-time demand and supply signals are monitored on a 24-7 basis.

To this end, mySAP SCM supports an adaptive supply chain network that facilitates interaction among customers, suppliers, and partners. Business practices are linked to industry processes with real-time information, enabling the dynamic synchronization of demand-driven planning, logistics, and supply network execution. Through integration, automation, and comprehensive functionality, mySAP SCM helps you meet the challenges posed by an increasingly competitive, fast-paced, and unpredictable marketplace.

Synchronized Supply and Demand

To keep goods flowing smoothly and profitably to the end customer, the entire supply chain must be paced to actual demand. This requires the complete synchronization of logistics, transportation, and fulfillment operations. mySAP SCM enables this synchronization with front-end demand and back-end supply gateways to support demand-driven manufacturing and fulfillment processes. In addition, mySAP SCM supports dynamic planning processes that effectively balance push- and pull-based requirements.

The result is dynamic replenishment processes that are driven by actual demand. What does this mean to you? It means a leaner, more efficient supply chain that reduces your inventory carrying costs. You will also be able to increase your ability to fulfill orders in a timely manner, keeping customers satisfied. In the end, synchronizing supply and demand enables increased productivity, profitability, and customer loyalty.

Sense and Respond in Real Time

To adapt to constant and unpredictable changes in the marketplace, you need powerful sense and respond technology to understand what's happening and take the most appropriate action. At the same time, any supply chain operation leveraging sense and respond technology is based on solid integration between planning and execution – integration that is designed from the ground up, rather than applied after the fact.

Offering powerful radio frequency identification (RFID) technology, mySAP SCM supports comprehensive sense and respond capabilities that can be deployed in the warehouse and throughout the distribution and transportation network. In addition, comprehensive planning functionality allows you to collaborate with partners and access historical data for accurate forecasting and inventory planning. Meanwhile, integration into execution and increased logistics visibility help to

ensure smooth fulfillment processes. With mySAP SCM you will be able to monitor events up and down the supply chain and control the flow of goods and materials with greater effectiveness than previously possible.

Networkwide Visibility, Collaboration, and Analytics

In today's business environment, you cannot synchronize the supply chain network without the ability to extend response processes to key customers and suppliers. This requires a common information framework that enables increased visibility across the entire supply network.

With powerful Web-based customer and supplier collaboration tools, mySAP SCM allows you to expose internal processes outward without the exorbitant cost required to implement an electronic data interchange (EDI) infrastructure. This gives your supply partners the visibility they need to effectively monitor supply chain activities, identify critical events, and respond in ways that keep the process flowing smoothly. Built-in analytics, meanwhile, provide critical decision support and help you evaluate process performance so that you can make improvements to better adapt to customer demand on an ongoing basis. The result is greater transparency up and down the supply chain, shorter cash-to-cash cycle times, and a significantly more responsive supply network that helps keep customers satisfied.

**. . . TO SENSE AND RESPOND IN REAL TIME
IS A COMPETITIVE ADVANTAGE**

AN INTEGRATED BUSINESS FRAMEWORK THAT SUPPORTS THE DEMAND-DRIVEN SUPPLY CHAIN

mySAP SCM helps you move from a linear supply network to one that balances the push and pull requirements needed to successfully manage a dynamic supply chain in an ever-changing business environment. Capable of managing demand, forecast, and calendar-driven events, mySAP SCM gives you the power to generate realistic supply chain plans up front and the flexibility to adapt

quickly to unexpected events and emerging opportunities as they occur. Collaboration is unimpeded and information flows freely between you and your suppliers and customers within a secure framework. You will be able to sensitize the supply chain to incoming signals based on demand data, historical analysis, and calendar events. Notification mechanisms alert you to internal or external deviations

while powerful simulation tools give you the power to test the ramifications of corrective action. In the end, mySAP SCM helps you organize and synchronize a global network of suppliers and manufacturers – one that enables you to achieve maximum quality at low cost while you serve an increasingly geographically dispersed customer base.



WHY CHOOSE mySAP SCM?

mySAP SCM gives you the ability to adapt to changing marketplace conditions in an effective manner that helps you retain customers and competitive advantage. Not only does it support planning and execution capabilities to help you manage enterprise operations, but it also provides visibility and collaboration technology to extend those operations beyond corporate boundaries. The result is measurable improvements through cost reductions, service-level increases, and productivity gains – ultimately leading to higher profit margins.

With mySAP SCM you can expect increased revenues attributed to improved in-stock performance and enhanced abilities to increase customer satisfaction. The software also helps you reduce operating costs. Order fulfillment rates are improved while reductions in costs from premium freight and inventory obsolescence help bolster your bottom line. In addition, the software helps to free up working capital. From increased inventory turns to compressed order-to-settlement cycle times, you will be able to minimize the capital demands of your supply chain through greater efficiencies.

What's more, SAP puts more than 30 years of industry expertise into mySAP SCM – expertise built on real-world experience of dealing with supply chain issues for suppliers and manufacturers across a wide range of industry sectors. When you choose mySAP SCM, you are tapping into the power, experience, and know-how of the world's largest provider of supply chain applications. Implementations are based on proven best practices designed to accelerate your time to value. This mitigates your risk, maximizes your ROI, and minimizes your TCO.

"We now have an end-to-end solution that supports the flexible mapping of complex logistics networks, which are involving more and more external business partners. The solution can also scale to meet future scales."

Sabine Schicke, Project Manager, Siemens Medical Solutions



. . . LET YOU OPERATE BEYOND CORPORATE BOUNDARIES



WHAT'S IN IT FOR YOU?

mySAP SCM transforms traditional supply chains from linear, sequential steps into an adaptive supply chain network in which communities of customer-centric, demand-driven companies share knowledge intelligently, adapt to changing market conditions, and proactively respond to shorter, less-predictable life cycles. Here are just some of the benefits you get with mySAP SCM.

Enhanced Synchronization with Business Partners

See your business as a group of enterprises, partners, suppliers, and customers acting as one single ecosystem, rather than an isolated single entity.

Improved Customer Satisfaction

Face internal processes outward and collaborate seamlessly based on clear understanding of the constraints and opportunities of your partners. This helps you manage supply chain events and improve customer service levels.

Increased Responsiveness

Use sense and respond technology to detect deviations and take corrective action where necessary using powerful simulation tools and business analytics to support your decisions. This helps you react intelligently and drive down response times from days to hours to seconds.

Enhanced Margins and Cash Flow

Improve asset utilization, reduce order cycle times, and take advantage of revenue opportunities to create a responsive, efficient, adaptive supply chain network.

To help companies in specific businesses enjoy those advantages, SAP offers solutions tailored to industries including the following:

- Aerospace and defense
- Automotive OEMs
- Automotive suppliers
- Banking (cash distribution)
- Chemicals
- Computer peripherals
- Consumer products
- High tech
- Industrial machinery and components
- Life sciences
- Metal, paper, and wood products
- Mill products
- Oil and gas
- Pharmaceuticals
- Retail
- Third-party logistics service providers
- Wholesale distribution

MEASURABLE IMPROVEMENTS

SAP solutions support your most important business processes and provide tools to help you understand how these processes work. One of these tools is the solution map shown on this page.

Built using input from customers and industry analysts, plus the technical expertise SAP has acquired through extensive business experience and research, SAP solution maps are multi-level blueprints of processes. They help you visualize, plan, and implement a coherent, integrated, and comprehensive information technology solution.

They also show how various processes are covered, including the processes that SAP and its partners support. With solution maps, you quickly understand business solutions and the business value they can bring. The solution map for mySAP SCM is available at www.sap.com/solutions/scm.

Demand & Supply Planning	Demand Planning & Forecasting	Safety Stock Planning	Supply Network Planning	Distribution Planning	Supply Network Collaboration
Service Parts Planning	Parts Demand Planning	Parts Inventory Planning	Parts Supply Planning	Parts Distribution Planning	Parts Monitoring
Procurement	Strategic Sourcing		Purchase Order Processing		Invoicing
Manufacturing	Production Planning & Detailed Scheduling			Manufacturing Operations	
Warehousing	Inbound Processing & Receipt Confirmation	Outbound Processing	Cross-Docking	Warehousing & Storage	Physical Inventory
Order Fulfillment	Sales Order Processing			Billing	
Transportation	Transportation Planning		Transportation Execution		Freight Costing
SC Design & Analytics	Strategic Supply Chain Design			Supply Chain Analytics	

SAP NetWeaver®

SCALABILITY, FLEXIBILITY, AND SPEED – AT LOWER COST

Drawing on decades of real-world experience across a wide range of manufacturing industries, mySAP SCM helps you deliver the goods with comprehensive functionality that scales to your needs as you grow and evolve – whether you are a large company serving global markets or a niche player focused on a few discrete industry sectors.

Much of the software's scalability is attributed to the underlying SAP NetWeaver platform. Serving as a key enabler of the adaptive supply chain, SAP NetWeaver provides the integration needed to tap enterprise data sources for effective planning and execution. It also synchronizes demand and supply while facilitating the sense and respond capabilities you need to swiftly respond to events and avert potential bottlenecks.

The openness and interoperability of SAP NetWeaver also enables network-wide visibility and collaboration. You can work seamlessly with supply partners so that you can quickly adapt to change and operate at the speed of business. Powerful analytics, meanwhile, provide constant decision support from the planning phase to execution and give you unique business insight to help you fine-tune supply chain processes over time for continuous business improvements.

The business agility you gain from an adaptive supply chain enabled by mySAP SCM and SAP NetWeaver pays significant returns in the form of higher revenues and increased customer satisfaction. With greater effectiveness than ever before, you will be able to head off potential supply chain glitches and seize emerging opportunities. What's more, mySAP SCM is designed from the bottom up to integrate with SAP and non-SAP software, based on the principles of open standards and interoperability. All of this adds up to rapid ROI and low TCO. In the end, you will have a highly adaptive supply chain that helps you meet marketplace demands, satisfy your customer base, and maintain competitive advantage over the long term.

"Thanks to SAP [software], delivered goods can be turned around faster and orders executed more rapidly. That reduces costs and significantly increases customer satisfaction."

Marc Hennecke, Warehouse Manager, Schenker AG



mySAP SCM: ACTIVITIES AND BENEFITS

	Activity	Benefit
Demand and Supply Planning	Demand planning and forecasting	<ul style="list-style-type: none"> Use state-of-the-art forecasting algorithms for product life-cycle planning and trade promotion planning
	Safety stock planning	<ul style="list-style-type: none"> Meet desired customer service levels while maintaining a minimum amount of safety stock
	Supply network planning	<ul style="list-style-type: none"> Simulate and implement comprehensive tactical planning and sourcing decisions based on a single, globally consistent model
	Distribution planning	<ul style="list-style-type: none"> Determine the best short-term strategy to meet demand and to replenish stocking locations
	Supply network collaboration	<ul style="list-style-type: none"> Work with partners to reduce inventory buffers, increase the velocity of raw materials and finished goods through the pipeline, improve customer service, and increase revenues
Service Parts Planning	Parts demand planning	<ul style="list-style-type: none"> Improve the accuracy of forecasts through better modeling of demand quantities, events, and their respective deviations Select sophisticated forecast models and optimize parameters to improve forecasting for slow-moving parts or for parts with irregular demand patterns Improve data maintenance efficiency through aggregated forecast-parameter profile maintenance
	Parts inventory planning	<ul style="list-style-type: none"> Reduce inventory levels and achieve retail service levels by providing more precise demand modeling Optimize inventory distribution to ensure high service levels while minimizing inventory levels
	Parts supply planning	<ul style="list-style-type: none"> Reduce inventory by improving supplier alignment, increasing automation, and developing accurate supply plans Reduce operational cost through efficient purchasing practices
	Parts distribution planning	<ul style="list-style-type: none"> Reduce stock-out situations and operational costs by setting up stock transfers for parts within a service parts network
	Parts monitoring	<ul style="list-style-type: none"> Work with suppliers and customers to exchange information and handle alerts collaboratively
Order Fulfillment	Sales order processing	<ul style="list-style-type: none"> Fulfill a range of contract or purchase orders by delivering a specific product configuration and quantity or providing a service at a specific time
	Billing	<ul style="list-style-type: none"> Manage the entire billing process, from the creation and cancellation of invoices through the transfer of billing information to the accounting department
Procurement	Strategic sourcing	<ul style="list-style-type: none"> Identify and evaluate potential vendors based on historical performance and other data Create long-term plans for sourcing that take into account the company's financial and marketing strategies
	Purchase order processing	<ul style="list-style-type: none"> Manage the purchasing process for direct materials, indirect materials, and services Convert demand into purchase orders or delivery schedules for a scheduling agreement
	Invoicing	<ul style="list-style-type: none"> Receive, enter, and check vendor invoices for correctness Use automatic workflow to ensure proper invoice circulation and automatic blocking for payments that exceed set limits

... YOU CAN SENSE AND RESPOND TO CHANGE

	Activity	Benefit
Transportation	Transportation planning	<ul style="list-style-type: none"> Optimize shipments, assign carriers to shipments, and tender shipments to assigned carriers
	Transportation execution	<ul style="list-style-type: none"> Consolidate orders and optimize shipments from a centralized location or from distributed business units Select carriers, calculate freight costs, settle shipment costs, and print documents Use denied-party and embargo lists to ensure compliance for cross-border shipments
	Freight costing	<ul style="list-style-type: none"> Calculate and settle freight costs based on actual shipments and current freight rates Verify invoices sent from carriers or from self-billing transportation service providers
Warehousing	Inbound processing and receipt confirmation	<ul style="list-style-type: none"> Receive and process externally procured goods into the warehouse with a single RF scan Capture detailed and overview information using RFID-enabled tools
	Outbound processing	<ul style="list-style-type: none"> Use a combination of RF, voice recognition, or RFID technology to manage all the steps of goods issue, including distribution and proof-of-delivery activities
	Cross-docking	<ul style="list-style-type: none"> Direct inbound goods from receipt to issue without interim storage Use cross-docking, planned and opportunistic, to minimize duplicate goods movements within the warehouse, optimize the flow of goods from inbound to outbound processing, and shorten routes within the warehouse
	Warehousing and storage management	<ul style="list-style-type: none"> Optimize internal movements and storage of goods within a warehouse Utilize task interleaving to decrease travel and improve efficiencies
	Physical inventory	<ul style="list-style-type: none"> Plan and execute a physical inventory or velocity-based dynamic cycle counts
Manufacturing	Production planning and detailed scheduling	<ul style="list-style-type: none"> Generate optimized schedules for machine, labor, and overall capacity utilization Address problems of unequal allocation of constrained materials and capacity, due-date commitments, and sequencing of incoming orders without disrupting existing plans
	Manufacturing operations	<ul style="list-style-type: none"> Capture production information from the shop floor to support production control and costing processes Share information with partners to coordinate production and increase visibility and responsiveness on the shop floor
Supply Chain Design and Analytics	Strategic supply chain design	<ul style="list-style-type: none"> Perform strategic and tactical business planning Test scenarios to determine how to address changes in the market, the business, or customer demand
	Supply chain analytics	<ul style="list-style-type: none"> Improve visibility across the extended supply chain Define, select, and monitor key performance indicators (KPIs) for a comprehensive view of performance Use predefined KPIs based on the supply chain operations reference (SCOR) model

If you would like to know more about mySAP SCM – and find out how mySAP SCM can help your company operate more efficiently and profitably – please visit www.sap.com/scm.



THE BEST-RUN BUSINESSES RUN SAP™



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