Time to Rethink your Supply Chain

Hans Thalbauer, Senior Vice President, Supply Chain, SAP
Volatile Markets & Growing Logistics Complexity
Constant Challenges for Supply Chain Professionals

Sustainable Growth

- Highest Customer Service Levels VS. Lowest Inventory Levels
- Minimize Transportation Cost VS. Maximize On-Time Delivery
- Highest Quality of Products VS. Lowest Cost of Production
Rethink your Supply Chain
Treat “Exceptions” as “Standard”

Know the demand for all products in all markets at any time
Rethink Responsiveness

Introduce fast and lean demand & supply planning processes
Rethink Operations

Frequently build and adjust profitable business plans across departments and companies
Rethink Collaboration

Transition to “on-demand” shipment in combination with local, small distribution centres
Rethink Distribution
Best Run Companies are Rethinking their Supply Chains

Best Run Supply Chains have…

- 37% Higher on time delivery performance
- 89% Lower Inventory Carrying Cost

Source: SAP Benchmarking Services
SAP is Rethinking the Supply Chain
SAP Supply Chain Management Solution Strategy

Provide the best possible User Experience
USABILITY

Provide mobile applications for highly automated processes
MOBILE

Provide highly collaborative processes in the Cloud
CLOUD

Provide high value capabilities for Supply Chain Planning and Execution
VALUE

REAL-TIME
SALES & OPERATIONS BUSINESS PLANNING
Sales & Operations Planning, Inventory & Service Level Optimization, Scenario Planning

DEMAND DRIVEN SUPPLY CHAIN
Demand Management, Collaborative Response Management, Manufacturing & Supply Planning

LOGISTICS & ORDER FULFILLMENT
Transportation Management, Warehouse Management, Track & Trace
Sales & Operations Business Planning
Real-Time Collaboration

- Leverage HANA to deliver a single aligned cross departmental plan balancing the impact on inventory, service levels and profitability
- Perform consensus planning, match demand with supply, and align to financial targets
- Determine optimal inventory amounts at each tier within the supply chain
- Perform supply-chain simulation and what-if analysis and compare the best results for both tactical and strategic decisions
Announcement: SAP Intends to Acquire SmartOps
Help Customers Optimize Inventory and Service Levels in Supply Chain

Inventory Optimization Suite will complement and expand Sales & Operations Business Planning solutions

Enterprise Demand Sensing cloud-based analytics solution will enhance SAP Demand Signal Management

SALES & OPERATIONS BUSINESS PLANNING

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DEMAND DRIVEN SUPPLY CHAIN

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Demand Driven Supply Chain
Real-Time Responsiveness

- Capture and sense demand in real-time
- Incorporate structured and unstructured demand sources, to provide a holistic picture of “actual” demand
- Incorporate demand directly into mechanisms that shape supply-chain response
- Realign supply and demand as changes occur
- Synchronize supply and manufacturing planning across internal and external manufacturing sites
Demonstration: Demand Driven Supply Chain
Announcement: liveCache on HANA now available

APO on HANA

**APO powered by HANA**

- Making Supply Chain Planning faster and more responsive
- Increase speed of information analysis, simulations in areas of forecasting and supply network planning
- Accelerate reporting and processing on large volumes of supply chain planning data
- Pre-defined dashboards for different use cases (analytical workflows) for SAP APO based planning scenarios
- Faster and more responsive interactive and batch planning

**Up to 3 times faster**
- Interactive Alert monitoring and alert batch processing

**Up to 40% faster**
- SNP Heuristic run

**Up to 40% faster**
- Backorder Processing in gATP

**Up to 4 times faster**
- Interactive planning in DP, SNP and PP/DS

Disclaimer: All measurements are done based on Customer and SAP test data. Runtime can differ on other data and configuration.
Logistics and Order Fulfillment
Real-Time Distribution

- Make **informed decisions** to balance customer service (the “Perfect Order”) and the cost of delivering that level of customer service.

- Align integrated distribution and fulfillment processes around **speed, efficiency and sustainability**.

- **Improve efficiency, readiness and agility** by operating, orchestrating, monitoring and collaborating across your supply network.

- **Monitor, measure, and analyze in real-time** to adjust shipments, sourcing decisions based on business dynamics.
Key Co-Innovation Transportation Management Customer
Announcement: SAP TM 9.0 and EWM 9.0 are Generally Available
Fast Adoption of SAP Transportation and Extended Warehouse Management 9.0

Facts and figures

• 250% growth in 2012
• 25 live customers
• Over 40 ongoing implementation projects
• Productive use of SAP TM in 15 countries and 14 industries

Sample customers

Active & live customers

Customer geographical coverage
Only SAP Delivers a Real-time Supply Chain, Anytime, Anywhere

Summary

Real-Time Collaboration
- Reduce planning cycles
- Build and adjust profitable business plans across departments and companies
- Leverage real-time information to increase visibility and sustainability of the supply network

Real-Time Responsiveness
- Zero latency access to demand for all products in all markets
- Drive real time replenishment and order promising based on customer, product and supplier priorities

Real-Time Distribution
- Get closer to the customer and have improved visibility of inventory position across the network
- Leverage logistics to offer value added services

Real-Time Operations
- Fast demand and supply planning processes
- Pan and re-plan based on short term changes to supply & demand
- Profitably plan based on distribution and manufacturing costs

Real-Time Monitoring
- Improve visibility across the supply network
- Make informed decisions based on real time supply and demand dynamics

Powered by SAP HANA
Thank you

Contact information:

Hans Thalbauer
Senior Vice-President, Supply Chain, SAP
Hans.Thalbauer@sap.com