SAP Sales & Operations Planning

Powered by SAP HANA – In the Cloud

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SAP Supply Chain Management Solutions

End-to-End Business Process Coverage

SALES & OPERATIONS BUSINESS PLANNING

Sales and Operations Planning

Inventory & Service Level Optimization

Supply Chain Scenario Planning

DEMAND DRIVEN SUPPLY CHAIN

Demand Management

Collaborative Response Management

Manufacturing and Supply Planning

LOGISTICS & ORDER FULFILLMENT

Transportation Management

Warehouse Management

Track and Trace

SERVICE SUPPLY CHAIN

SUPPLY CHAIN MONITORING

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What is S&OP? Executive S&OP? IBP?

Tom Wallace Definition:

Sales & Operations Planning (S&OP) is a set of decision-making processes to:

- Balance demand and supply
- Integrate financial planning and operational planning
- Link high-level strategic plans with day-to-day operations

Integrated Business Planning (IBP) aka Executive S&OP:

- A process led by senior management that evaluates and revises time-phased projections for demand, supply, new product development, strategic projects and the resulting financial plans. This is done on a monthly basis, on a planned 24-month rolling horizon.

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Today's Agenda

- Why Now?
- Why SAP?
- Solution Demo
- Achieving Maturity
- Question and Answer

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Why now? “Market Trends”

Market Pressures

- Uncertain economic conditions
- Need for greater agility
- Escalating demands from customers

Volatile Demand/Complex Supply Chain

- Supply chain complex and costly to manage
- Demand increasingly volatile
- Increased exposure to supply chain risk

Increasing Importance of Technology to S&OP

- Growing number of stakeholders in S&OP process
- Need to leverage massive amounts of data
- Need to analyze data and run simulations quickly

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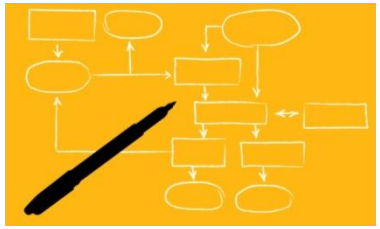
“Common Customer Challenges”



- Too many spreadsheets and systems involved in the S&OP process
- Cannot get users to provide input, especially sales, marketing and executives
- Spend more time assembling data than planning
- Outdated demand, supply and finance plans

- Working at aggregates only and can’t connect to detailed mix
- Cannot change demand and view impact on supply and financials right away
- Too hard to simulate and compare planning scenarios
- Planning decisions made without considering supply chain constraints and profitability

- Executive S&OP views lack latest information
- Executive S&OP meeting information is hard to share and is disconnected from planning tools

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SAP Supply Chain Solution Areas

Complete Support for Integrated Business Planning

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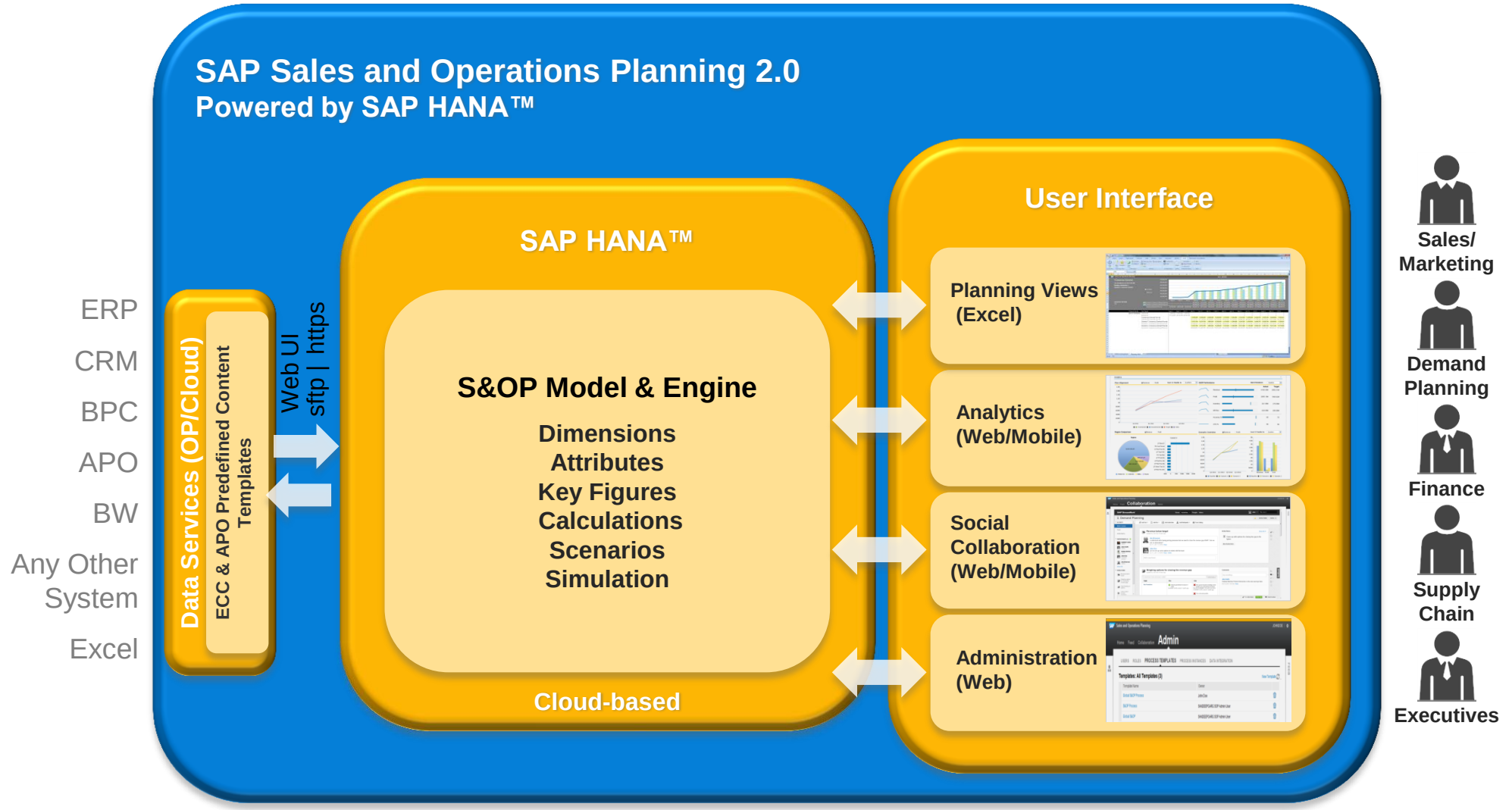
Scalable Solution Architecture



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Benefits of a Cloud-Based Solution

- **Ease and speed of implementation**
- **Lower capital expenditures**
- **Simplified access for S&OP users**
- **Dedicated hardware with scalable data volumes**
- **Automated fixes and free upgrades**
- **Increased service level and improved customer experience**

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Sample: Cloud Benefits - Key Features of Q4 2012 Release

1. **Mobile Analytics**
2. **Multi-currency**
3. **Plan snapshots**
4. **Statistical forecasting**
5. **Multi-Level supply planning 2.0**
6. **“Out-of-the-box” financial planning (BPC) integration**
7. **Data Services On-Demand**
8. **Add new combination (Region, Product, etc.)**
9. **Analytics and dashboarding 2.0 (Beta)**
10. **Alerts enhancements**

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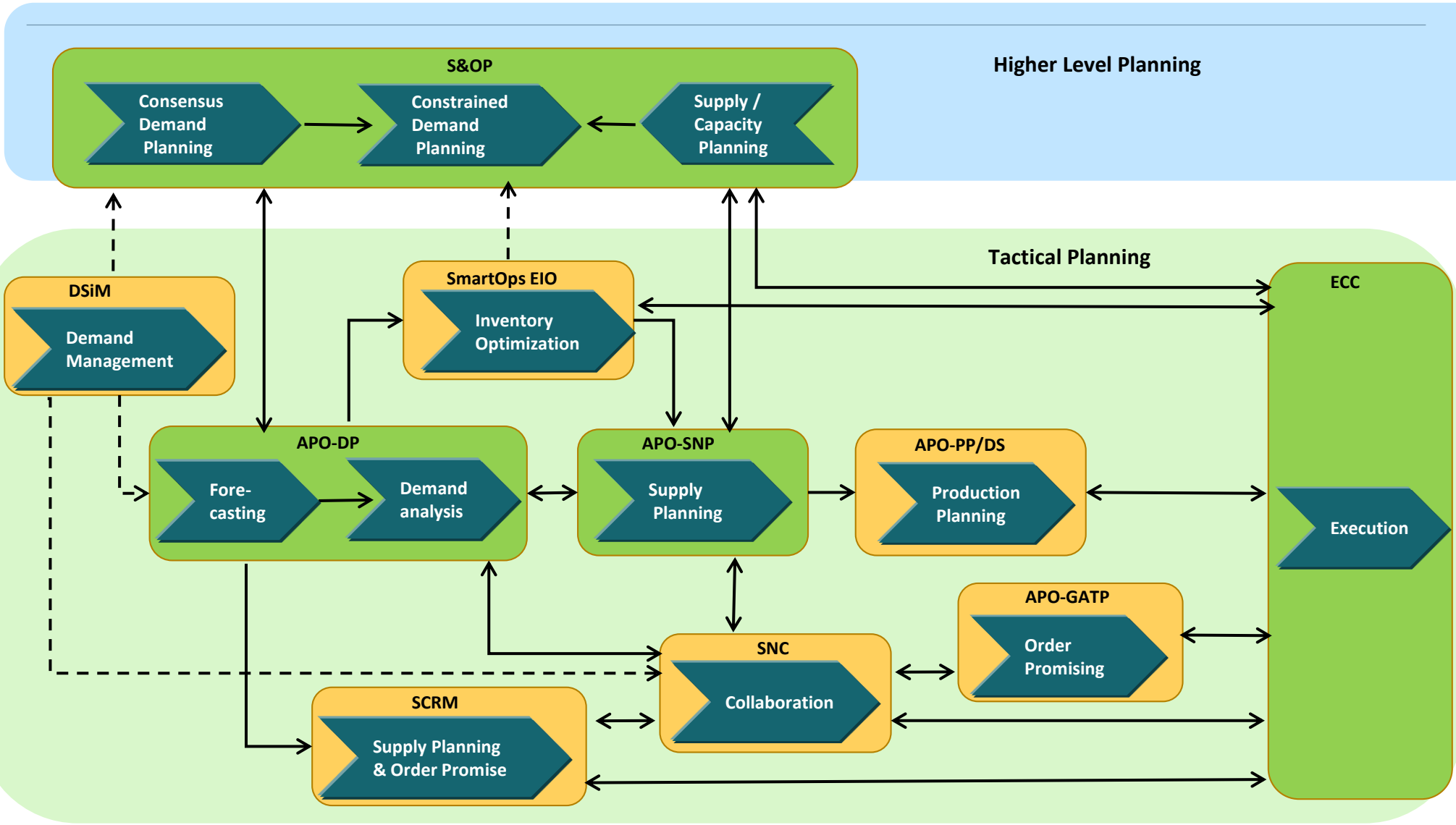
Sample: High-Level Process Flow between SAP SCM Applications



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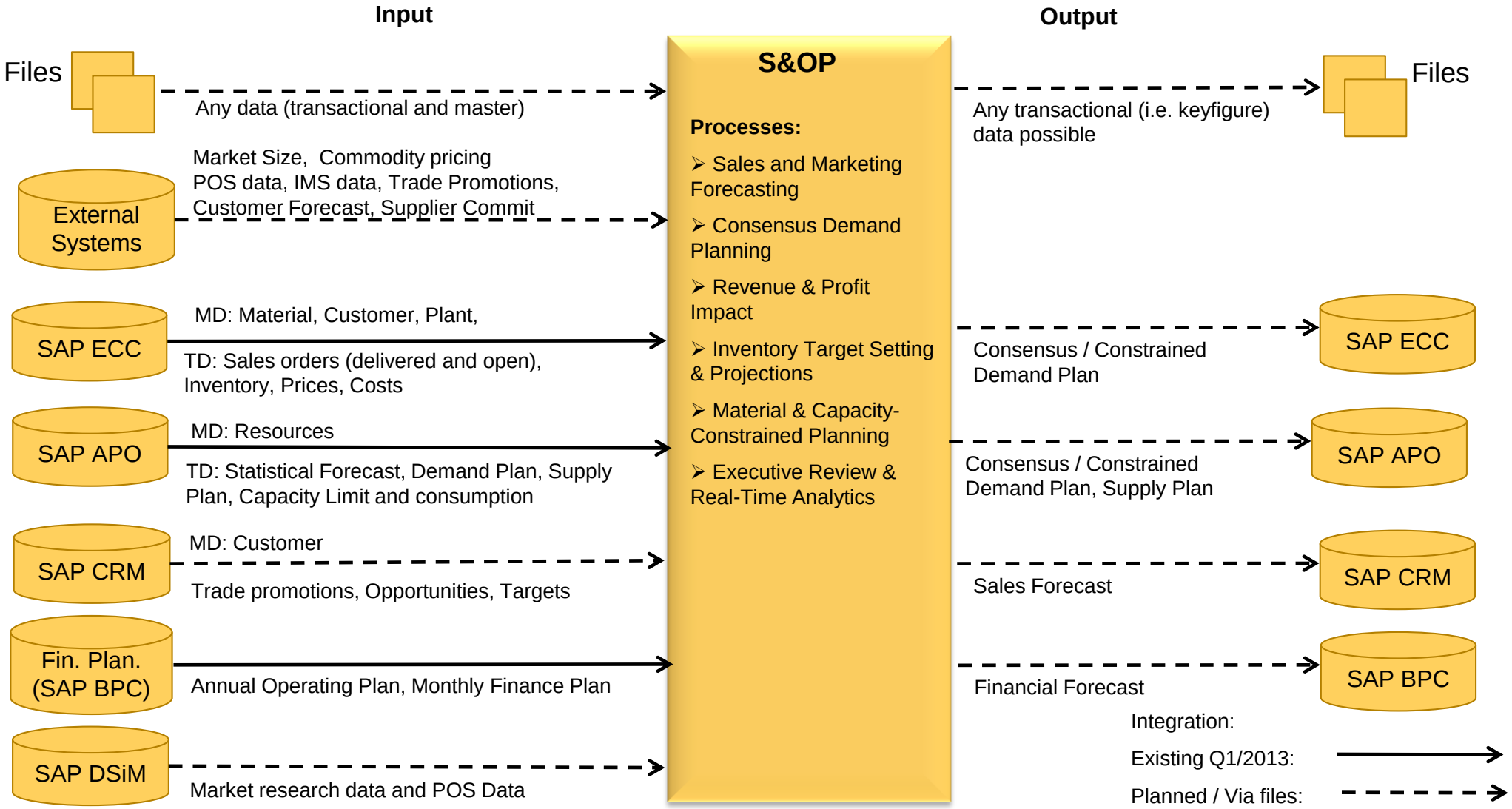
Legend: Green – In Scope; Yellow – Out of Scope

S&OP: Master and Transactional Data Integration



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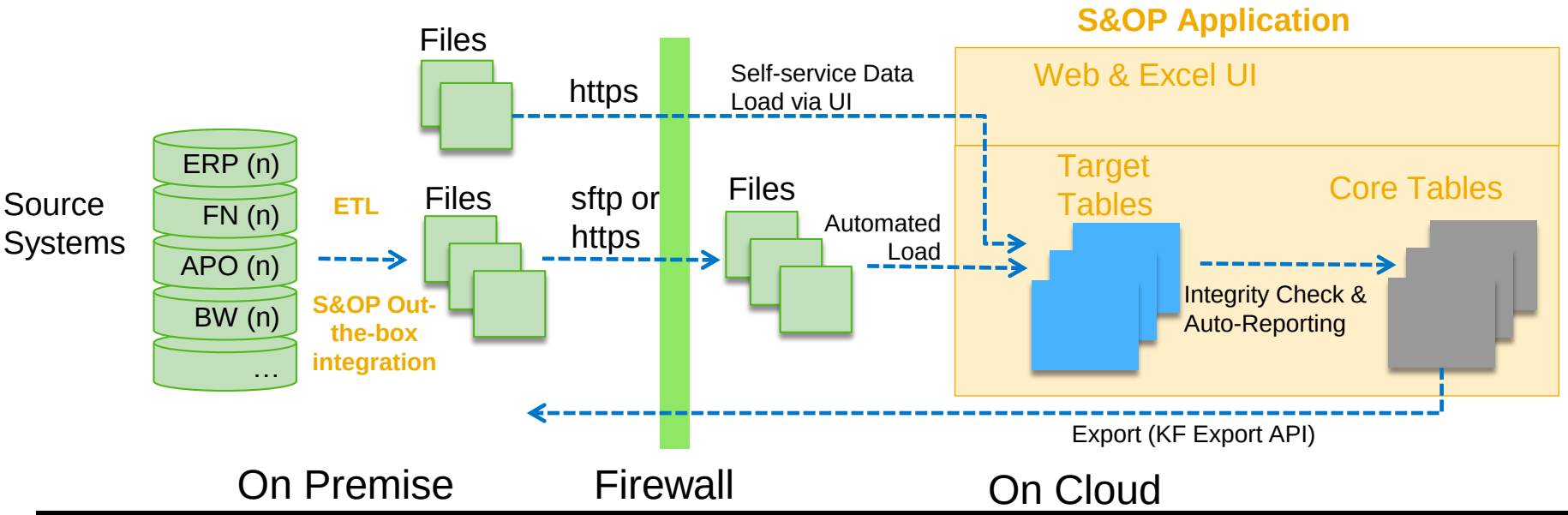
S&OP Data Integration: Security and Convenience

1. Data is extracted from multiple sources system via Data Services on-premise or on-demand (with S&OP Integration Templates) or any other ETL solution
2. Data as csv files is automatically uploaded to dedicated storage and dedicated database (per customer) via secure ftp (sftp) or https
3. Data targets are configurable via S&OP Web UI
4. Self-Service Data Load from Web UI via secure http (https)
5. Automated data integrity checks and detailed reporting for all data loads
6. Automated Export from S&OP



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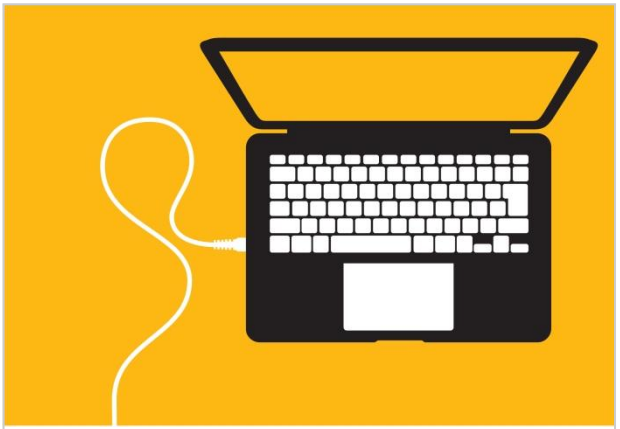
Why SAP for Sales and Operations Planning?

Top 3 key Differentiators

Unified Data Model Real-time Planning

Planning and real-time analysis with a unified model of demand, supply chain, and financial data at any level of granularity and dimension

Simulations and Scenarios – Instantly



Rapid, interactive simulation and scenario analysis, using the full S&OP data model to support demand-supply balancing decisions

Rich, Contextual Social Collaboration

Embedded, context-aware social collaboration enables rapid planning and decision-making across the organization

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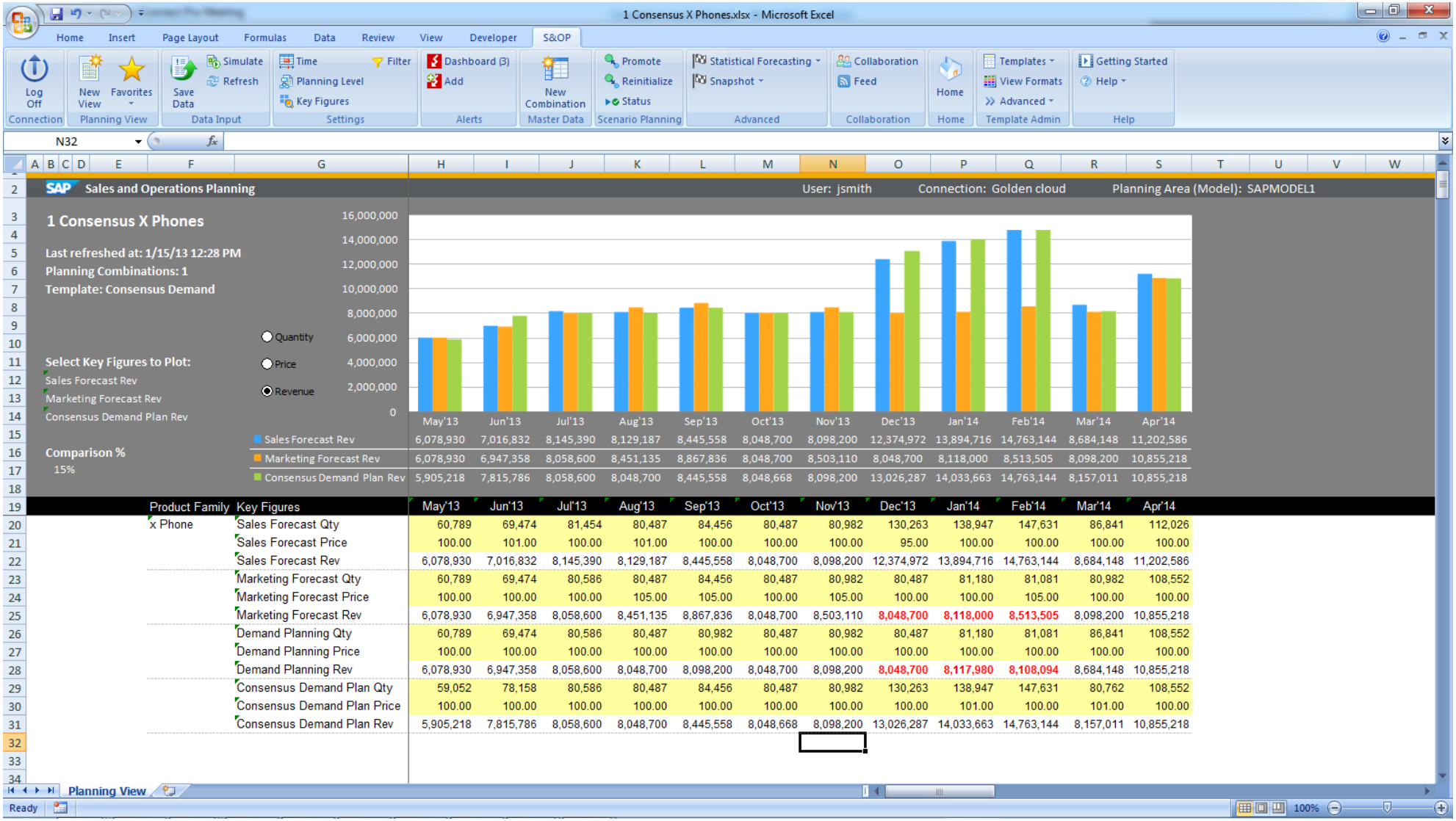
Excel Add-in: S&OP Planning Views, Scenarios, & Simulations



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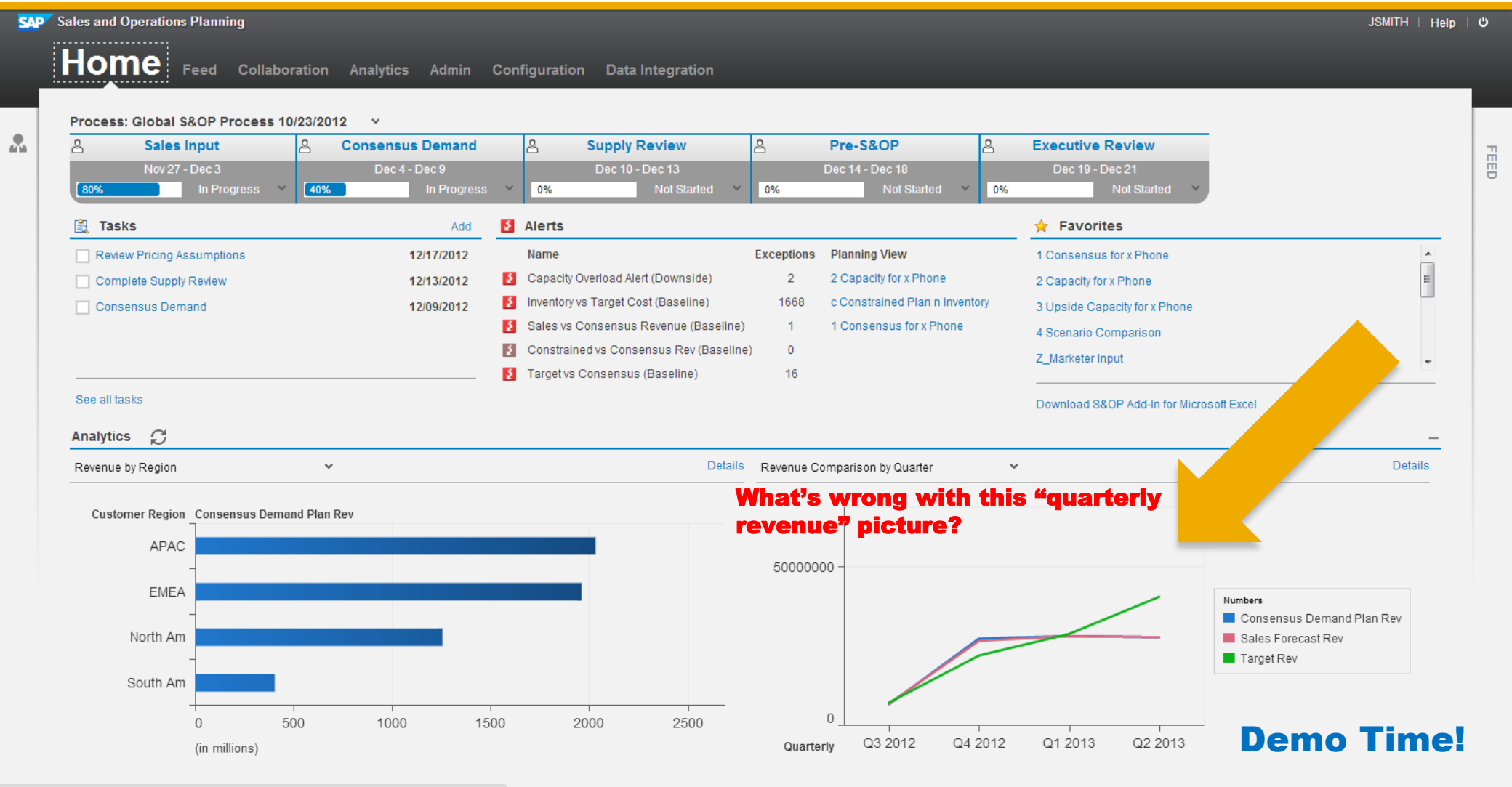
Web UI: S&OP Business Intelligence



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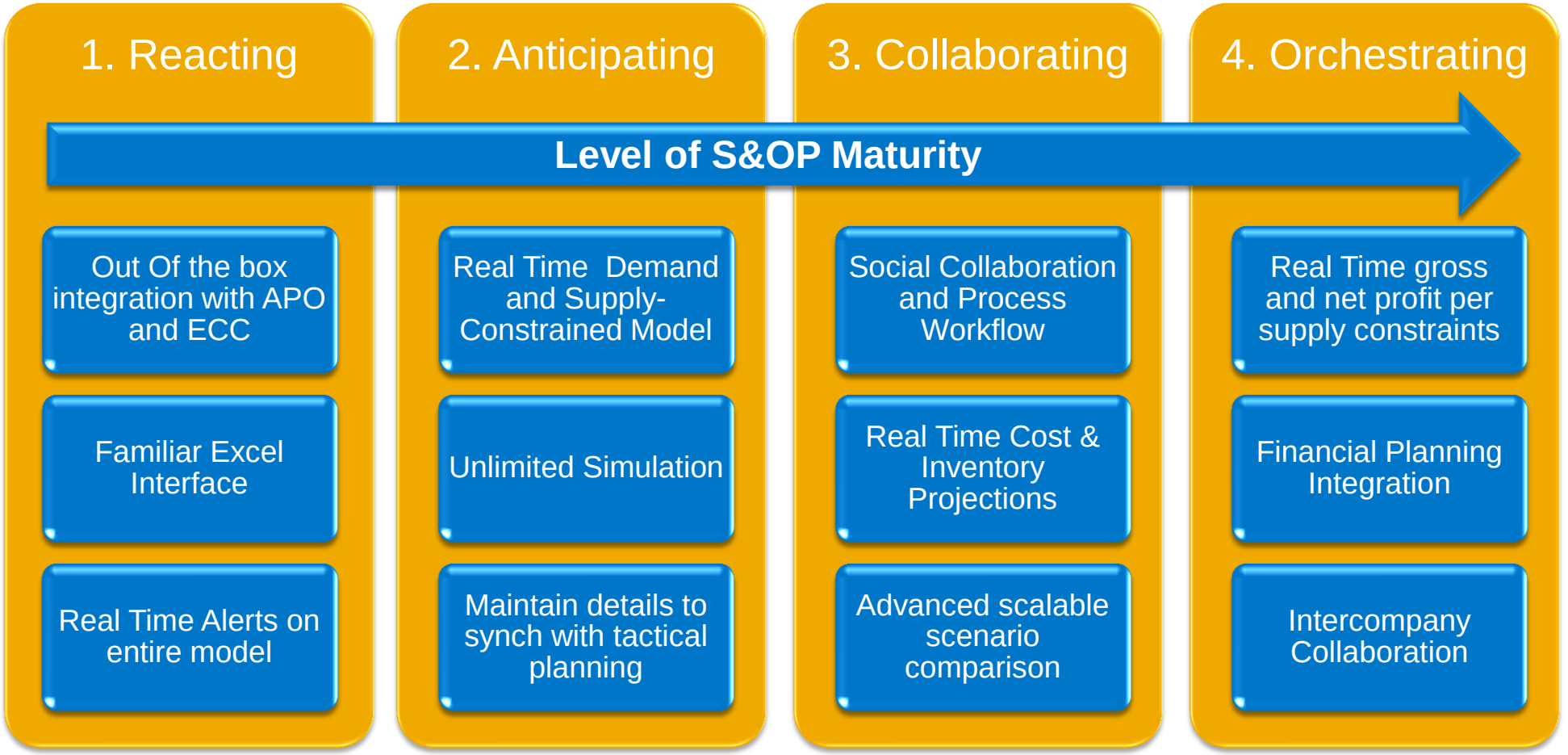
S&OP on HANA Drives & Supports Process Maturity



Stage 4 is Integrated Business Planning

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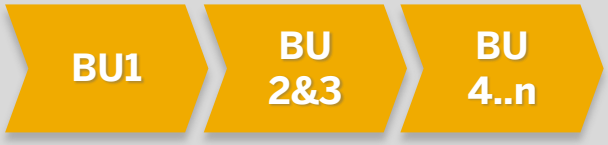
How to get to the next maturity stage – 3 Steps with SAP

1 Phased approach

Achieve early wins by deploying in bite-sized chunks

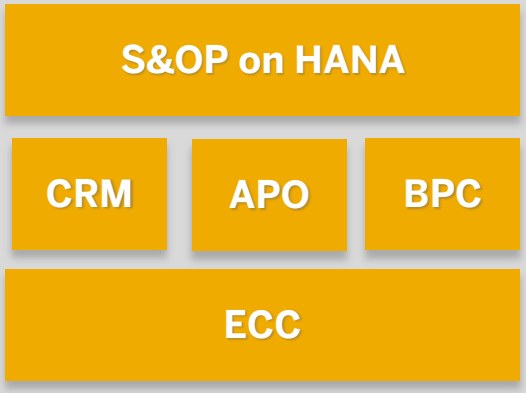
Option 1: parts of your business



Option 2: parts of your process

2 Out-of-the-box S&OP model and data integration

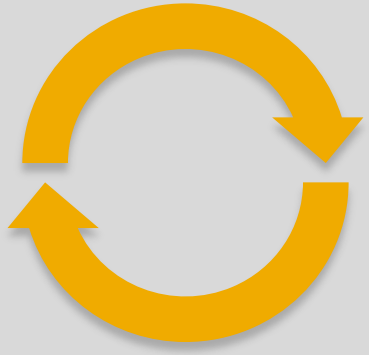
Reduce implementation time and costs by leveraging SAP certified integration



3 Quickly reconfigure the S&OP solution

Reconfigure S&OP to meet your needs as requirements change

- *6-8 weeks*
- *Configuration based*



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Business Impact – Fully Mature Integrated S&OP Solution

Tangible Benefits*	% impact
Revenue	
■ Top line revenue growth	1-2%
■ In-stock % improvement	20-30%
■ Service level increase	5-10%
Operating cost	
■ SKU rationalization	10-15%
■ Order fulfillment lead time reduction	10-20%
■ Inventory carrying cost reduction	5-10%
Asset Utilization/Working capital	
■ Reduction in inventory levels	5-15%
■ Inventory turns increase	5-10%
■ Cash-to-Cash cycle time reduction	5-10%

* IBM Case Studies & Benchmarks from SAP Value Engineering

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Question and Answer