

Time to Rethink Your Supply Chain

Greg Spray, Senior Vice President, Solution Management, Ariba

Hans Thalbauer, Senior Vice President, Supply Chain, SAP

SAPPHIRE NOW

The SAP logo is located in the bottom right corner of the slide. It consists of the letters 'SAP' in a bold, white, sans-serif font, set against a blue rectangular background that has a slight gradient and a white diagonal line.

Supply Chain and Procurement Forum, Tuesday May 14

Agenda

11:00 a.m.–
11:45 a.m.

1:00 p.m.–
5:00 p.m.

FORUM KEYNOTE

8 Theater Sessions



20-minute
presentations

30-minute
panel discussions

8 Demo Theater Sessions



Scheduled
demonstrations of
SAP innovations

8 Microforums



Small group
discussions on target
topics

SAP and Ariba

Powering the networked business



#1 Business networks and spend management

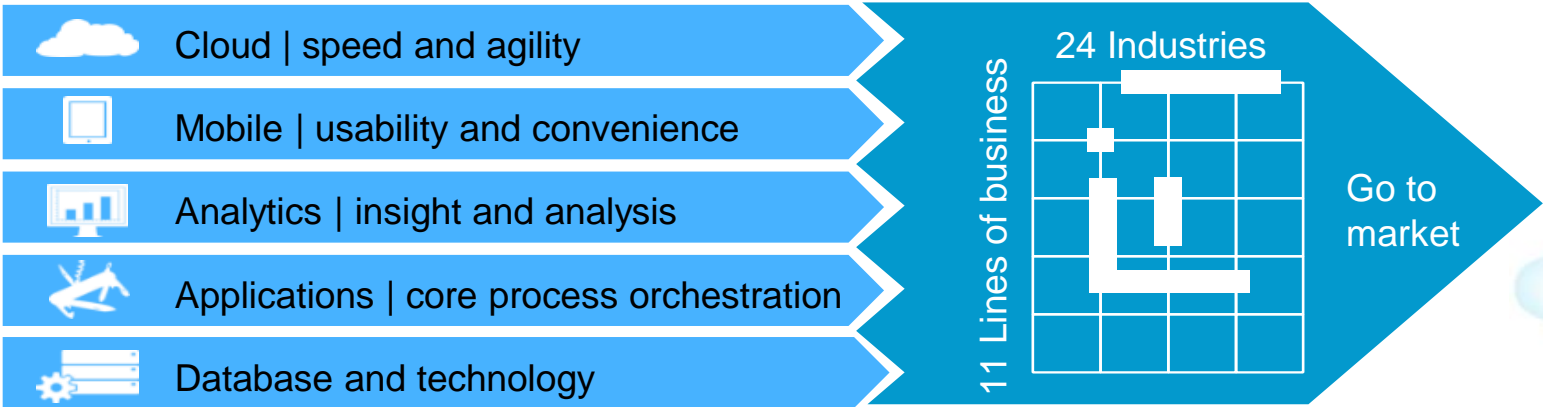
>15 years of cloud spend management innovation and global leader in business networks



#1 Enterprise applications

40 years of business software leadership and solutions expertise

We are combining the best of both companies for unsurpassed business collaboration and performance

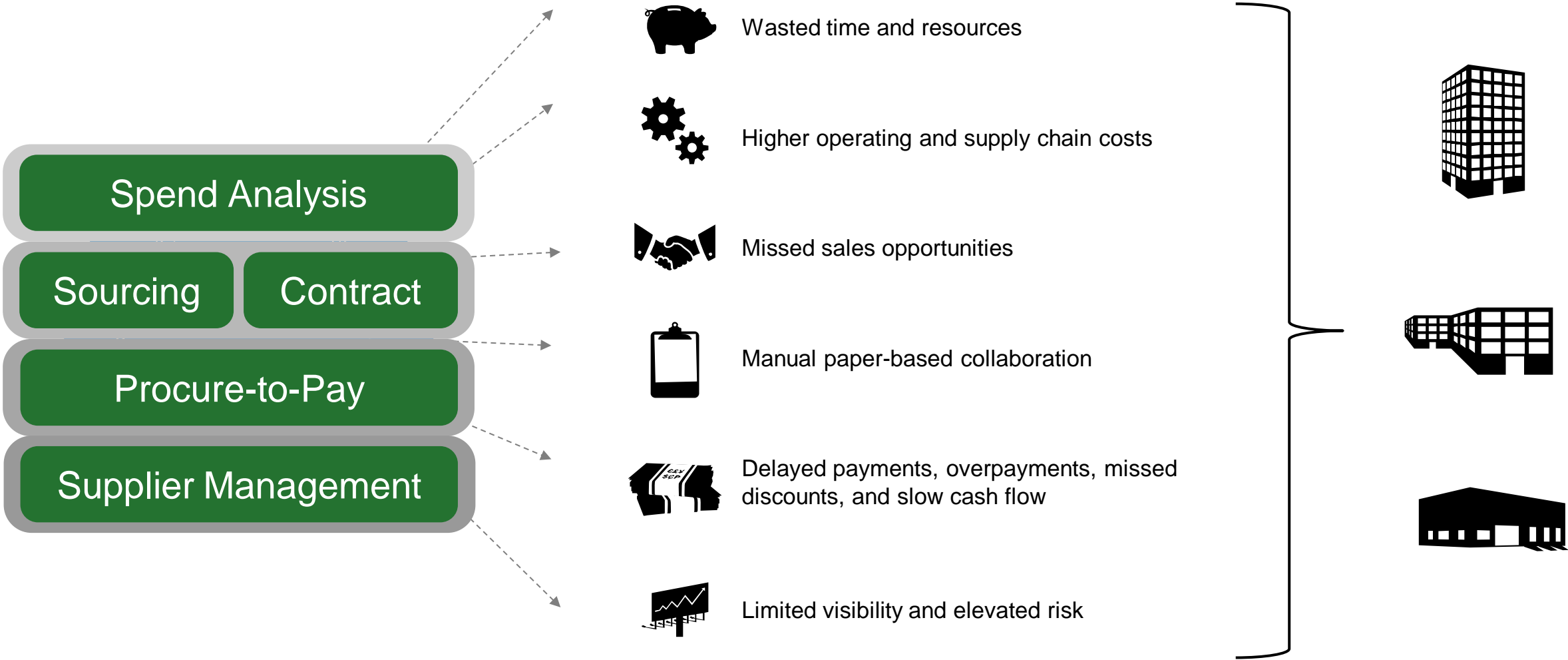


Powered by SAP HANA



An SAP Company

Interenterprise collaboration: The corporate epidemic



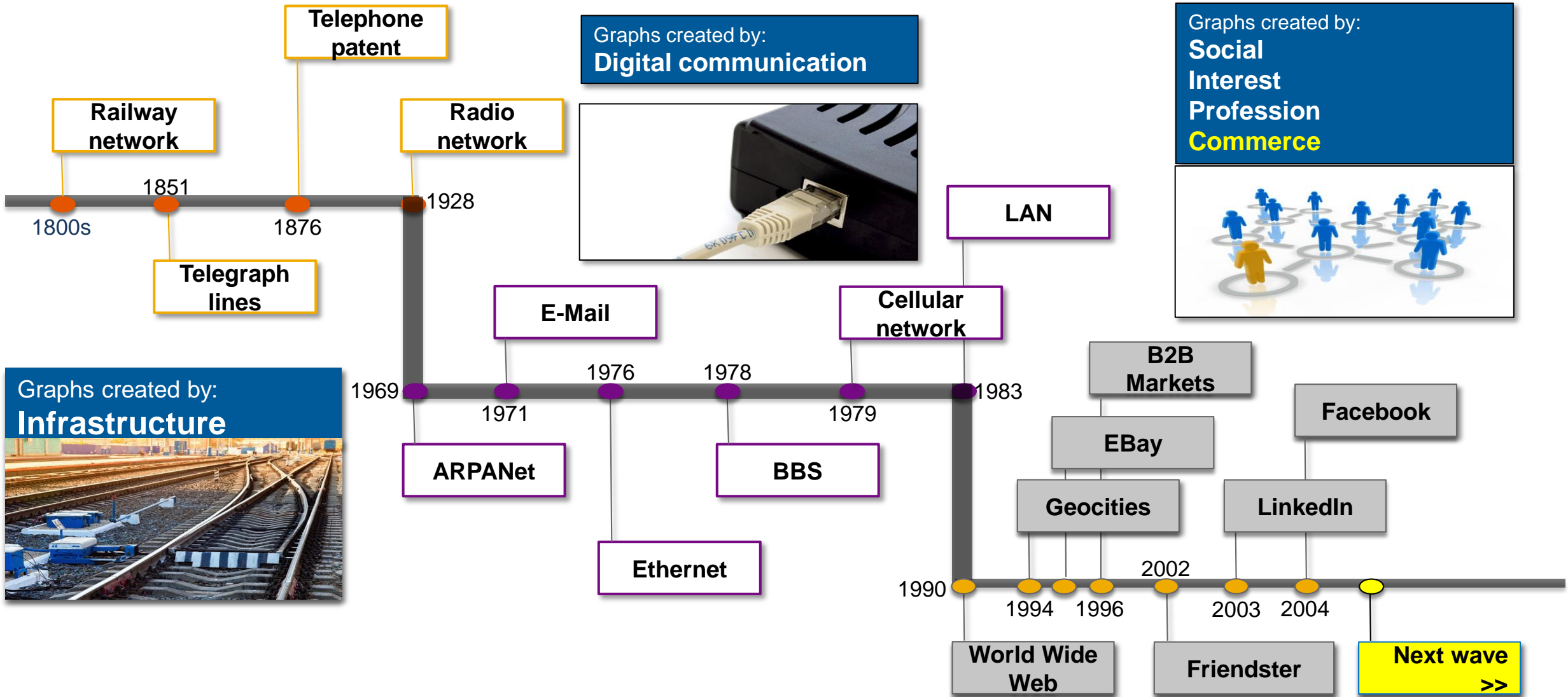
What is a network?

A network is two or more nodes linked together



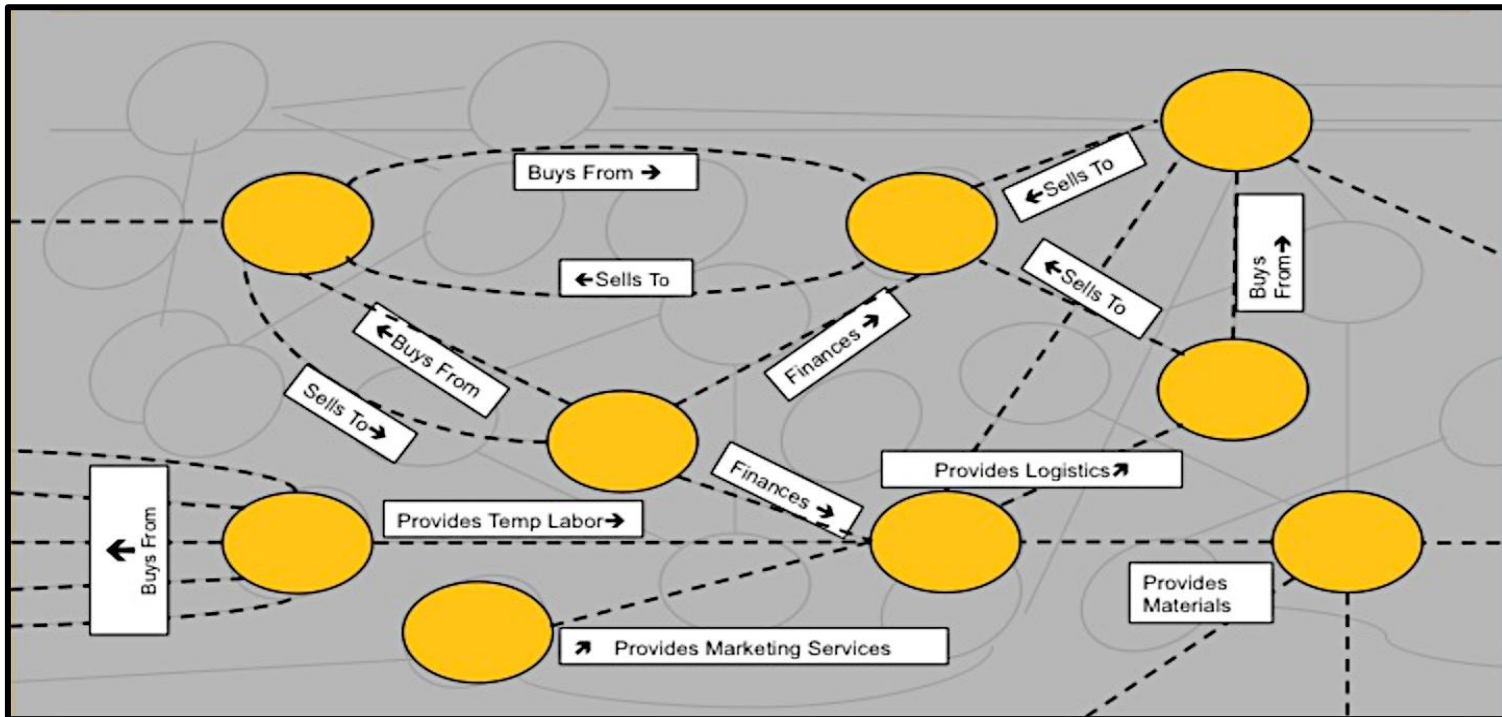
A node can be computers, humans, companies, and so on

Networks throughout recent history



The commerce graph

1. A **commerce graph** maps the business relationships between companies
2. **Ariba Network** is fundamentally based on **understanding, mapping, and utilizing** the commerce graph



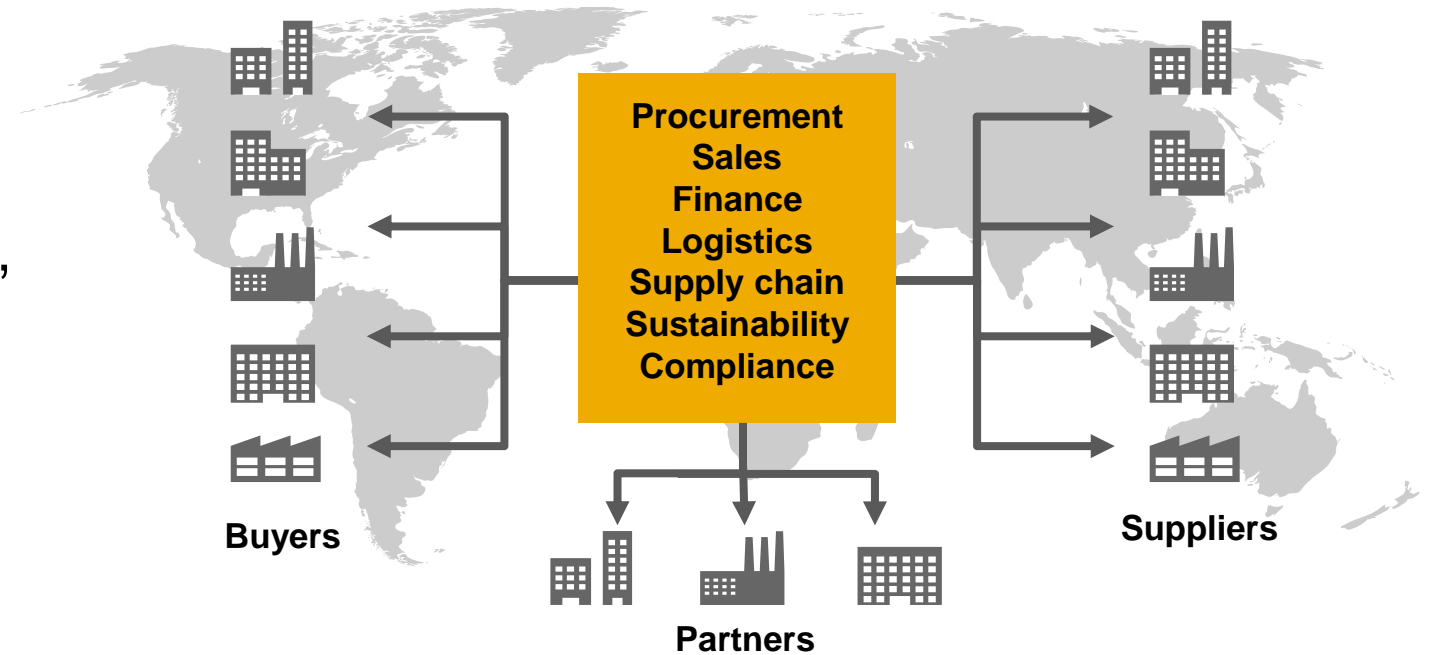
We believe:

- 1) Commerce graph-aware business applications (like Ariba Network) are inherently more intelligent
- 2) Commerce graph and Business Network will effect the next wave of business productivity

A true business network

1 Open

- **Any** back-end system
- **Any** connection technology, vendor, and protocol
- No constraint by a single standard



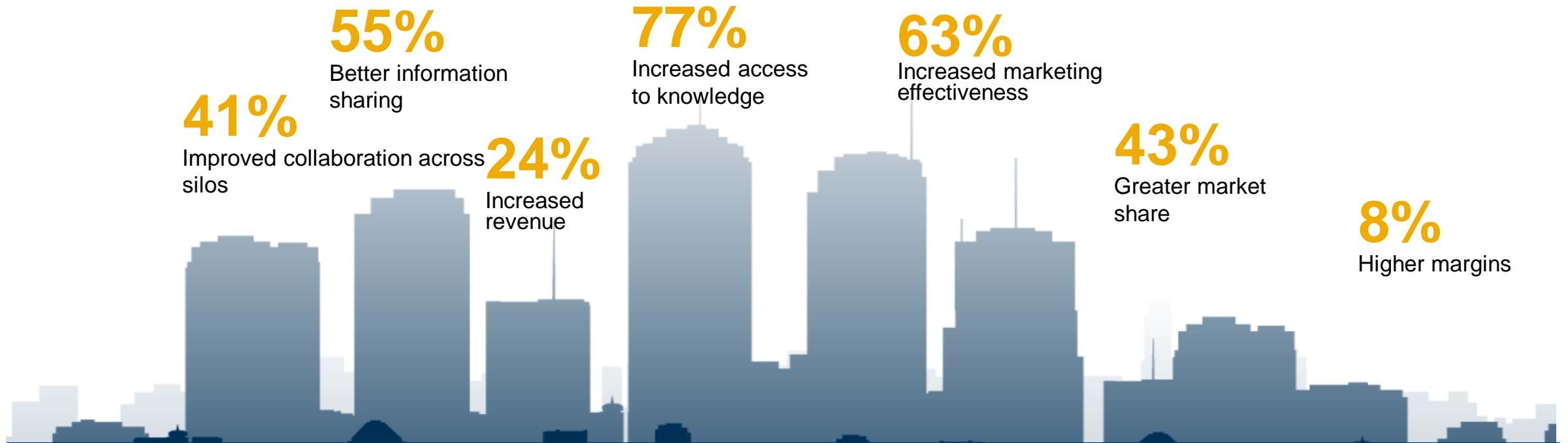
2 Intelligent

- **Open** the envelope – catch errors before they happen
- **Aggregate** data and opportunities
- Remember it's not just an integration gateway

3 Comprehensive

- **All** trading partners
- **All** collaborative business processes
- Not point to point

Interenterprise collaboration is improving productivity and profits



“Networked enterprises were 50% more likely than their peers to have increased sales, higher profit margins, gain market share, and be a market leader.”

**Source: McKinsey on Business Technology, Spring 2011 – “The Rise of the Networked Enterprise”*

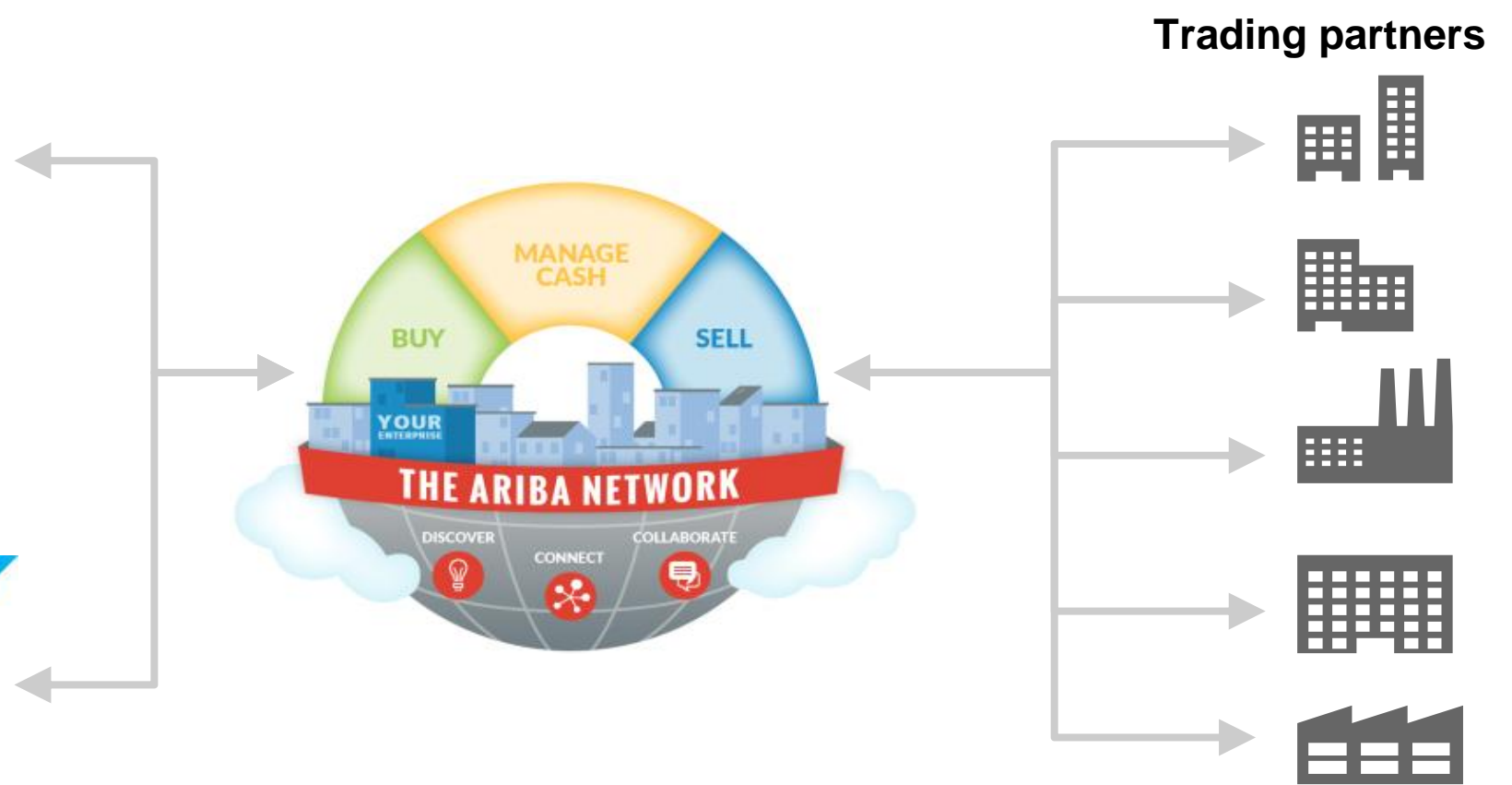
Delivering strategic value to customers . . .

Application choice + interenterprise collaboration

Source-to-Pay Applications



Business Network Solutions



... and open collaboration for all

Open network, enabling all processes, spend, and systems

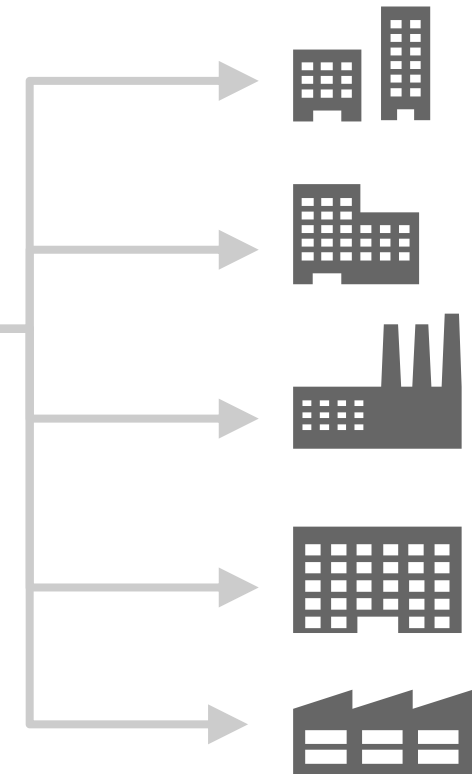
Business Process Applications



Business Network Solutions



Trading partners



- >1 million trading partners
- >40 million purchase orders
- >60 million invoices
- >US\$450 billion in spend
- 190 countries
- 72 currencies
- 38 VAT-compliant countries

The impact of networked business

Cost Savings

Only .2% contract leakage

60%–80% operational cost takeout

\$2 million savings for every \$1 billion in spend from discount execution

\$3–\$20 savings per document

Seller Benefits

Average DSO reduction of 5.6 days

Increase of annual sales by 15%

98% customer retention rate

Productivity

66% decrease in approval times

98% touchless processing

8x more invoices managed per FTE

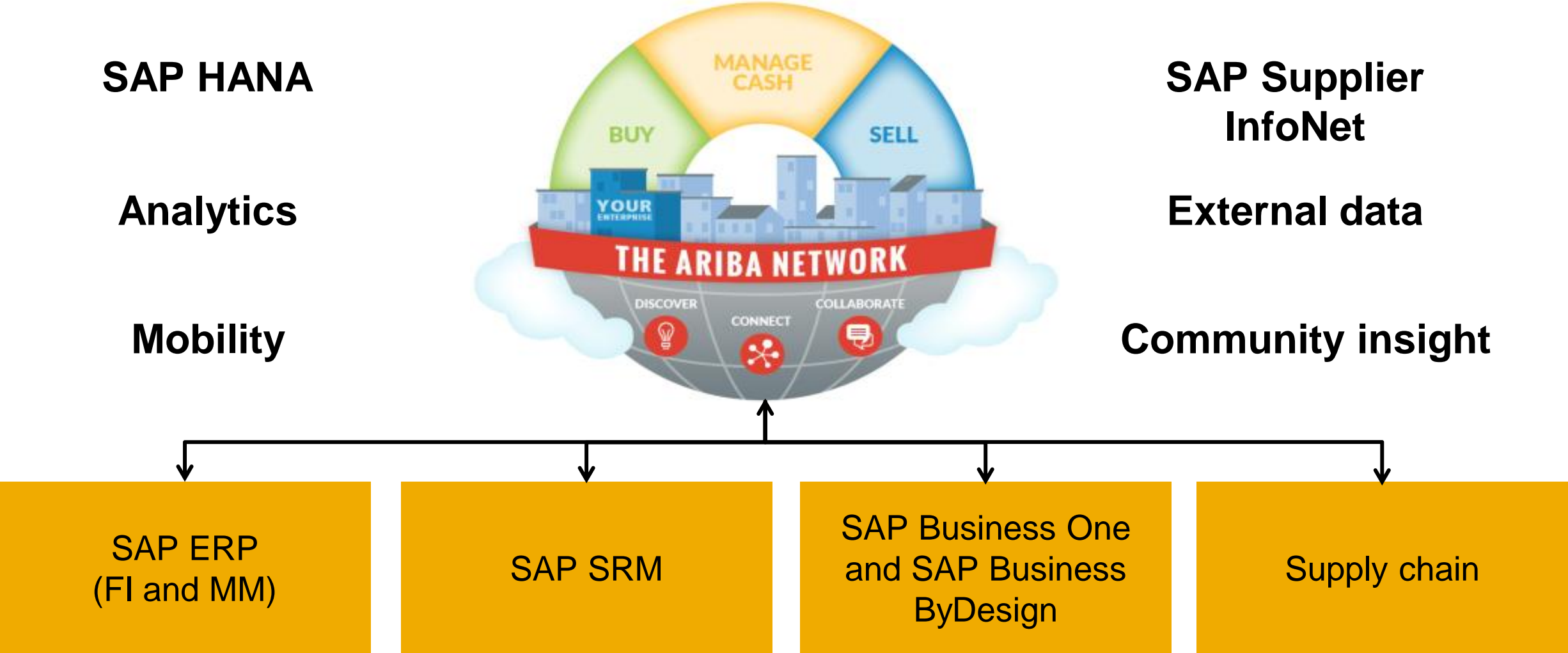
Business Results

5%–7% Net income impact

Source: Billentis, The Hackett Group 2011 P2P Benchmark Report, Aberdeen, and Ariba Results



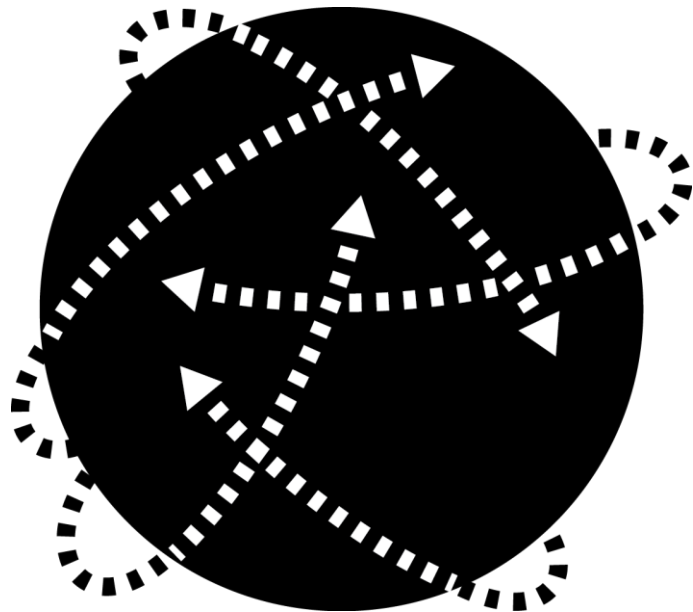
Applying the power of the network across SAP



Volatile markets and growing complexity of logistics

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

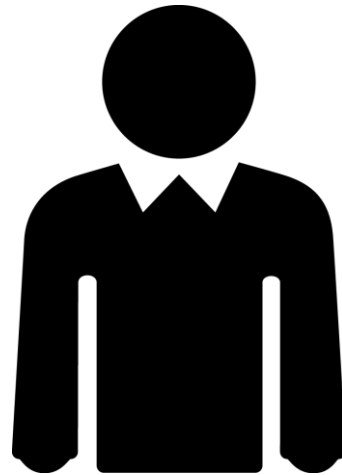
Treat exceptions as standard

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

Rethink responsiveness

Introduce fast and lean demand
and supply planning processes

Rethink operations



**Rethink supply chain
monitoring**

Frequently build and adjust profitable
business plans across departments
and companies

Rethink collaboration

Transition to on-demand shipment
combined with local, small distribution
centers

Rethink distribution

SAP is rethinking the supply chain

Solution Strategy for SAP Supply Chain Management

Provide the best possible user experience

Usability



Provide highly collaborative processes in the Cloud

Cloud

Provide mobile applications for highly automated processes

Mobile

Real time

Provide high-value capabilities for supply chain planning and execution

Insight

Our supply chain management solutions

End-to-end business process coverage

Supply chain value map

Supply chain monitoring

Sales and operations business planning

Sales and operations planning, inventory and service-level optimization, and scenario planning

Demand-driven supply chain

Demand management, collaborative response management, and manufacturing and supply planning

Logistics and order fulfillment

Transportation management, warehouse management, and track and trace

Service supply chain

Sales and operations business planning

Real-time collaboration

- Leverage the SAP HANA platform to deliver a single, aligned, and cross-departmental plan balancing the impact on inventory, service levels, and profitability
- Perform consensus planning, match demand with supply, and align with 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



SAP has acquired SmartOps

To help customers optimize inventory and service levels in supply chain

SmartOps®

Inventory optimization suite will complement and expand sales and operations business planning solutions

Enterprise demand sensing is a cloud-based analytics solution that will enhance SAP Demand Signal Management

Supply chain monitoring

Sales and operations business planning

Sales and operations planning, **inventory and service-level optimization**, and supply chain scenario planning

Demand-driven supply chain

Demand management, collaborative response management, and **manufacturing and supply planning**

Logistics and order fulfillment

Transportation management, **warehouse management**, and track and trace

Service supply chain

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



Announcement: SAP liveCache on SAP HANA now available

SAP APO on SAP HANA

SAP APO powered by HANA

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



Up to 3 times faster

Interactive alert monitoring and alert batch processing



Up to 40% faster

Supply network planning – heuristic run



Up to 40% faster

Back-order processing in global available to promise



Up to 4 times faster

Interactive planning in demand planning, supply network planning, 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 and sourcing decisions based on business dynamics



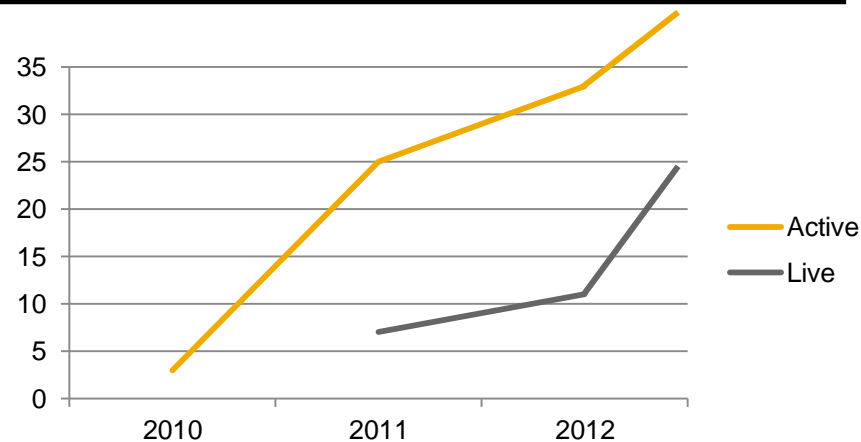
SAP TM 9.0 and SAP EWM 9.0 are generally available

Fast adoption of SAP Transportation Management (SAP TM) and SAP Extended Warehouse Management (SAP EWM) 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

Active and live customers



Sample customers



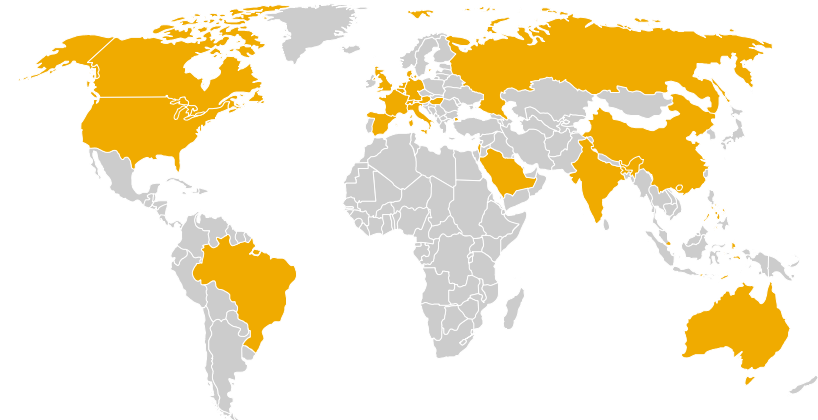
REXAM



Cargill

Artoni

Customer geographical coverage



Only SAP delivers a real-time supply chain, anytime and anywhere

Real-time collaboration



Real-time responsiveness



Real-time distribution



Real-time operations



Real-time monitoring



Powered by SAP HANA

Enjoy the day



Reduce Cycle Time with Better Sales and Operations Planning

PANEL: Take the Road to a Real-Time Supply Chain



Modernize Procurement with Innovative Solutions

Plan and Consolidate Inbound and Outbound Logistics Globally



Transform Procure-to-Pay Processes Through User Adoption



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