Unifying SAP® ERP Logistics and Operations

The Best-Run Businesses Run SAP™

Better logistics and business operations with harmonized data

Firms struggle to improve profitability and revenues and capture larger market share. Global business and customer expectations demand more efficiency, entailing optimization and unification of internal processes and overall operations – from procurement to production, logistics, and managing customer relations.

To survive in today's unpredictable markets, firms are under constant pressure to improve profitability, increase revenue growth, and capture and protect larger market share. Their worldwide efforts to globalize their business combined with increasing expectations from customers force companies to boost efficiency. For many this entails the optimization and unification of internal processes and overall business operations – from procurement to production, logistics, and communication with customers.

Being able to operate with a solid and reliable information base is a key factor in improving the efficiency of your business processes. However, data is often distributed across different systems and applications, such as sales and distribution, materials management, logistics, customer relationship management, and supply chain management. Decentralized data may increase data inconsistency, result in duplicate data records, and heighten maintenance efforts.

Maintaining process continuity is a key goal

Maintaining process continuity is a key goal

A holistic approach for data harmonization projects

Harmonizing your logistics data

Further reducing complexity and improving efficiency

Reflecting changing markets and customer preferences

Achieving consistent data across multiple applications

A top priority when you unify logistics data is maintaining the overall process continuity across your demand planning, order fulfillment, sales operations, and stock planning. Achieving this goal will support you in your overall business planning activities, ensuring correct and reliable information about inventories and sales figures. Moreover, an uninterrupted production flow needs to be guaranteed. For example, a purchase order has to be transformed correctly and fulfill all requirements for goods receipt and invoice verification.

During a data unification project, you want to make sure that your complex supply chain is sustained and that the transition process across your supply, planning, manufacturing, and distribution operations is seamless. In order to achieve full data consistency, you need to synchronize your various applications such as advanced planning and optimization, supply chain management, and sales and distribution. Each application has to use the same unique business data, including serial numbers, material numbers, and business partner information. This may require the harmonization of your material master in order to help ensure redundancy-free material data across your system landscape. It's essential to ensure data quality and data integrity at all times.

A holistic approach for data harmonization projects

Maintaining process continuity is a key goal

A holistic approach for data harmonization projects

Harmonizing your logistics data

Further reducing complexity and improving efficiency

Reflecting changing markets and customer preferences

Achieving consistent data across multiple applications

Unifying company data across your system landscapes requires a well-thought-out approach and appropriate preparatory steps. The System Landscape Optimization group, with its long-standing experience in data harmonization projects, offers you a holistic approach – from drawing up a data transformation design model to realizing all technical transformation requirements. The group's experts offer you tailored support for your conversion scenario, including all conversion-relevant data such as valuated stock, purchase and sales orders, and material master records. A thorough system analysis, expert guidance, and careful planning activities at the outset of the project will help you determine the project scope, effort, and the overall duration.

The System Landscape Optimization group has a proven track record of successful data harmonization projects. At Continental Automotive Systems, the group's experts helped conduct a global project to harmonize the company's customer and vendor data within its enterprise resource planning and business intelligence systems. Says Gerhard Riefke, IT project lead at the company: "With the conversion technology that the System Landscape Optimization group used, we were able to reach our project goals in considerably less time and with significantly less effort than would otherwise have been needed."

"With the conversion technology that the System Landscape Optimization group used, we were able to reach our project goals in considerably less time and with significantly less effort than would otherwise have been needed."

Gerhard Riefke, IT Project Lead, Continental Automotive Systems

Harmonizing your logistics data

Maintaining process continuity is a key goal

A holistic approach for data harmonization projects

Harmonizing your logistics data

Further reducing complexity and improving efficiency

Reflecting changing markets and customer preferences

Achieving consistent data across multiple applications

You may need to align your systems to reflect changed business requirements. For example, your firm's harmonization efforts might include a new corporate naming strategy for all materials. Due to previous system merges or company acquisitions, the structures of your material numbers from various systems may differ significantly. To ease working with your material data and provide improved reporting views, you now want to renumber or completely restructure your material data. In this case, the System Landscape Optimization group's experts can discuss this harmonization effort in detail with your IT and business experts.

Over time, your business expansion may have resulted in a broad range of product offerings and in extended collaboration with multiple vendors and suppliers. This may have led to the creation of multiple duplicated data records for the same materials, customers, and vendors. A well-planned harmonization project enables you to clean up your data and merge the respective duplicate records into single data records, as well as reduce system complexity and data administration efforts.

Furthermore, the original setup of your material number structure may no longer be sufficient to support your company's needs. As a result, changing your current material number structure might be a solution to allow for future growth.

Further reducing complexity and improving efficiency

Maintaining process continuity is a key goal

A holistic approach for data harmonization projects

Harmonizing your logistics data

Further reducing complexity and improving efficiency

Reflecting changing markets and customer preferences

Achieving consistent data across multiple applications

You may have also identified the need to change data related to your materials. For example, you may wish to adapt the stock-keeping unit in order to introduce company-wide standards to reflect new customer or vendor requirements or to facilitate corporate stock-keeping with harmonized units of measure. The unification efforts help you to reduce system maintenance efforts and lower complexity via a structured and consistent data transformation approach.

As a further measure to reduce costs and to improve your production operations, you may have also decided to work together with new suppliers. In order to reduce manual work for your employees, you will need to look for a solution for automatically creating new purchasing data records in your SAP system. The System Landscape Optimization group supports you in this task and helps you create copies of existing purchasing records with all related data.

Reflecting changing markets and customer preferences

Maintaining process continuity is a key goal

A holistic approach for data harmonization projects

Harmonizing your logistics data

Further reducing complexity and improving efficiency

Reflecting changing markets and customer preferences

Achieving consistent data across multiple applications

Many companies must respond to the changing buying patterns and behavior of their customers. Various factors, such as an increasing environmental consciousness, influence consumers to buy certain types of products. To keep pace with changing market behavior and retain customers, firms seek to optimize their product portfolios by, for example, simplifying the overall presentation of products or services.

All this needs to be reflected within your IT system landscape and may result in merging or renaming material groups as a suitable solution. In some cases, more extensive changes are needed, such as complementing or completely restructuring your product portfolio. New products are targeted at bridging a gap in the market, or low-profit products are replaced by more lucrative ones.

Your SAP system landscape has to mirror major changes to the product palette, and you may need to adapt your product hierarchy accordingly. Technical restrictions may also result in changes to the product hierarchy. For instance, a specific branch of your product portfolio can develop a large number of different products, more than originally anticipated. You now need additional functionality to differentiate your products. The redesign of your product hierarchy must be reflected in the data for affected products, sales and purchase orders, and pricing.

Achieving consistent data across multiple applications

Maintaining process continuity is a key goal

A holistic approach for data harmonization projects

Harmonizing your logistics data

Further reducing complexity and improving efficiency

Reflecting changing markets and customer preferences

Achieving consistent data across multiple applications

In the case of a heterogeneous system landscape, you must ensure all systems use the same master data and fulfill company-wide quality standards. Not only must data from different installations of the SAP® ERP application be changed, but your business warehouse and customer relationship management applications must also be aligned. The System Landscape Optimization group can perform the required data changes across your current systems and applications in a single project. This helps you achieve your overall goal of data consistency, keeps system downtime to a minimum, and safeguards your overall production activities.

If you are planning to implement the SAP Customer Relationship Management (SAP CRM) application, the SAP Supplier Relationship Management (SAP SRM) application, or the SAP NetWeaver® Master Data Management (SAP NetWeaver MDM) component soon, you can use the System Landscape Optimization group's data harmonization services as a preparatory step to provide a clean database and ease the implementation of SAP CRM, SAP SRM, or SAP NetWeaver MDM.

SAP customers attest to the group's expertise. "The SAP team helped with both the testing and live data conversion," says Inês Pereira, project leader at Tabaqueira S.A., where the group introduced a global CRM template. "The SAP experts were highly professional, and their support was remarkable."

"The SAP team helped with both the testing and live data conversion. The SAP experts were highly professional, and their support was remarkable."

Inês Pereira, Project Leader, Tabaqueira S.A.

The System Landscape Optimization group

The System Landscape Optimization group

Over the last 18 years, the System Landscape Optimization group has engaged in more than 10,000 migration, harmonization, and consolidation projects worldwide. The group offers a comprehensive service suite addressing various SAP landscape transformation requirements and provides both a high degree of standardization and the flexibility to fulfill special customer requirements. For all its services the group applies proven methodologies and software-based technologies. The group's project approach fully supports your requirements with regard to process continuity and safeguarding your historical data.

Because all changes are performed on the database level, a detailed cutover plan is required. Multiple feasibility checks, an in-depth performance analysis, and an initial assessment help you keep your business secure and allow a smooth production conversion.

For recurring, less-complex transformation needs, you can also use the standard SAP Landscape Transformation software, which enables firms to plan, analyze, sequence, and realize transformation projects on their own.

Summary

Companies are under constant pressure to improve profitability, increase revenue growth, and capture and protect larger market share. Worldwide efforts to globalize business combined with increasing expectations from customers force companies to boost efficiency. For many firms this entails optimizing and unifying internal processes and overall business operations – from procurement to production, sales and distribution, logistics, and communications with customers.

Objectives

- Align IT with business goals
- Optimize and unify internal processes and overall operations
- Adapt data structures to new business requirements
- Boost efficiency through synchronized applications and dependable data

Solution

- In-depth system analysis to evaluate all harmonization requirements
- Holistic approach to data harmonization
- Drawing up of data transformation design model
- Harmonization of business data consistently across all systems and applications in use

Benefits

- Data consistency and reliability, without redundancies
- Adaptation of IT infrastructure to reflect corporate priorities and goals
- Transparent access for employees to essential data

Learn more

To find out more, call your SAP representative or visit us online at www.sap.com/services/slo.

CMP4886 (12/05)

©2012 SAP AG. All rights reserved.