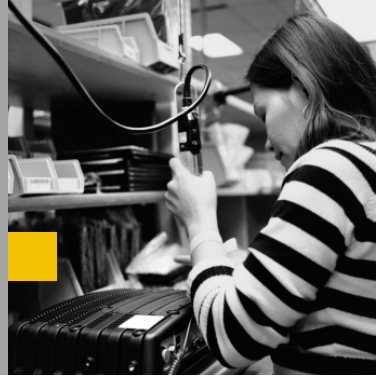


SAP Customer Success Story High Tech – Audio Technology



“We wanted to fulfill the mandate, but we also wanted to implement a solution that would deliver lasting business value.”

Barbara Moura, Business Analyst, Bose Corporation

AT A GLANCE

Company

- Name: Bose Corporation
- Location: Framingham, Massachusetts
- Industry: High tech
- Products and services: Audio technology
- Revenue: US\$2 billion
- Employees: 8,000
- Web site: www.bose.com
- Implementation partner: PEAK Technologies Inc.

Challenges and Opportunities

- Fulfill mandate from a leading consumer electronics retailer to introduce radio frequency identification (RFID) tagging
- Support future process efficiency improvements and enable increased demand visibility within Bose's supply chain

Objectives

- Meet RFID-tagging criteria specified by the mandate
- Implement an infrastructure to support the adoption of RFID-enabled processes
- Ensure integration with existing order processing software
- Minimize disruption to existing order fulfillment operations

SAP® Solution and Services

SAP® Auto-ID Infrastructure component, part of the SAP NetWeaver® platform

Implementation Highlights

- RFID tagging across 3 high-volume product lines
- Access to RFID information available to order processing staff through existing SAP interface

Why SAP

Easy integration with existing SAP software

Benefits

- Enhanced relationship with retailer as a result of fulfilling its mandate requirements
- Strong foundation for future development of RFID-enabled processes to support improved supply-chain efficiency and demand visibility
- Business advantage through improved ability to meet future RFID mandates

Existing Environment

SAP software

Third-Party Integration

- Database: Oracle
- Hardware: IBM
- Operating system: AIX

BOSE

Audio Technology Manufacturer Adopts Strategy for Radio Frequency Identification Deployment with SAP® Auto-ID Infrastructure

With a worldwide reputation for its commitment to research and innovation, Bose Corporation believes in playing for the long run. When asked by a leading consumer electronics retailer to participate in a pilot radio frequency identification (RFID) program, the response of the Framingham, Massachusetts-based manufacturer reflected this philosophy. “We wanted to fulfill the mandate, but we also wanted to implement a solution that would deliver lasting business value,” says Barbara Moura, business analyst at Bose. To support this strategic approach of adopting RFID technology, the company decided to implement the SAP® Auto-ID Infrastructure component.

Established by Dr. Amar G. Bose in 1964, the Bose brand has become synonymous with quality and excellence. With operations in the United States, Europe, Canada, Australia, Asia, and South America, the company's commitment to innovation has led to the development of sound systems that meet almost any audio challenge in any application.

RFID Mandate

Early in 2005 one of Bose's customers – a major U.S. consumer electronics retailer – mandated that its suppliers introduce RFID tagging, enabling the automatic detection of goods movement. “By adopting RFID technology, the retailer aims to improve the efficiency of its internal supply chain and reduce losses due to out-of-stock situations and shrinkage,” explains Moura. “RFID-enabled processes will allow us to react faster to customer demands and provide us with more accurate forecast data.”

When the retailer announced a pilot program, Bose was keen to take part. “By participating, we could support our retailer, improve how we worked, and increase our efficiency,” explains Moura.

Integrated Solution

Bose approached PEAK Technologies Inc. for support with the initiative. The systems integrator recommended a solution that integrated seamlessly with the enterprise resource planning functionality in the company’s existing SAP software. This would ensure that all order processes were connected. As a long-standing SAP customer, Bose favored an SAP solution. “Our users are comfortable with SAP software and we have confidence in its road map for the future,” comments Moura.

Consultants from PEAK Technologies worked closely with Bose to define precise project requirements, and then designed a turnkey solution based on the SAP Auto-ID Infrastructure component to support Bose’s RFID strategy.

The solution is straightforward. Signals from RFID labels attached to cases and pallets are detected by RFID readers located in Bose’s distribution center. The PEAK Automation Controller software solution transfers these serial numbers to the SAP Auto-ID Infrastructure component. The SAP Auto-ID Infrastructure component then constructs the “hierarchy” of cases that make up each pallet and associates this information with the shipment information stored in the SAP software. This information is used to keep track of which products have been dispatched and which have not yet left the warehouse.

Project Success

Timelines for the project were aggressive. In addition to meeting the retailer’s deadline for the first RFID-tagged shipments, Bose was also preparing for one of its busiest seasons. Despite these challenges Bose exceeded the requirements of the pilot program. “We were asked to tag deliveries for one product line by the deadline, but we were able to implement RFID tagging for three other lines,” says Moura.

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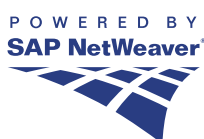
Barbara Moura, Business Analyst, Bose Corporation

Moura feels that teamwork contributed significantly to the success of the project. “As early adopters of RFID technology, we were able to call on the expertise from PEAK Technologies and SAP to help us resolve any issues.”

Looking ahead, Moura remarks, “We will soon begin RFID tagging for additional product lines and anticipate process improvements as a result of the increased volume.” Moura adds, “We’re happy to have met the requirements of our retailer.”

Competitive Edge

Moura believes in the potential of RFID. “SAP Auto-ID Infrastructure provides a solid infrastructure for other RFID-enabled processes. If necessary, we are in a strong position to respond to requests from other customers.”



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