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3 Questions to Ensure You're Collaborating Effectively Across Your Supply Chain

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As competition increases and more organizations turn to outsourcing, networked business environments are becoming the norm. To improve performance, many businesses are strategically partnering with suppliers and other supply chain participants to collaborate and share information.

This partnering can drive market share, sales, and product adoption while maximizing your ROI. But to enjoy these benefits, you'll need to ensure you can support service levels and KPIs in a networked environment. You need robust, collaborative software functionality and enhanced supply chain visibility in order to develop and maintain industry coalitions that lead to new ways to drive more value to your customers.

Here we address three common questions from organizations that are developing collaborative supply chain networks and offer ways that **SAP Supply Network Collaboration** (SAP SNC) can help you achieve supply chain success. This application offers a 360-degree view of collaboration across your network, enabling you to eliminate supply chain inefficiencies by synchronizing the information flow with your partners.

How Can We Better View Customer Demand and Respond to Changes?

The ability to respond to short-term fluctuations in customer demand for finished goods, especially during promotions, is vital. Businesses are struggling to keep inventory in the supply chain at a minimum without running out of stock.

SAP SNC offers capabilities for customer collaboration on the finished goods level with its responsive replenishment functionality. Your customer can frequently update you, the supplier, on product consumption at its plant. This drives your replenishment process, enabling you to adjust orders and shipments within days or even hours.

As a result, you have better visibility into demand signals, efficient handling of promotions with retailers, and a fully automated replenishment process — not to mention lowered inventory levels throughout the supply chain and the ability to respond quickly to changes at the customer site — leading to increased sales and reduced costs.

Case Study: Colgate-Palmolive

The Colgate-Palmolive Company wanted to shift planner focus to near-term demand signals and have the ability to respond quickly to unexpected demand. The company implemented SAP Supply Network Collaboration's responsive replenishment functionality to base replenishment and ordering on downstream demand rather than on high-level forecasts. As a result, Colgate-Palmolive reduced manual order handling and processing, enabled planners to spend more time analyzing business impact and less time cleansing data, and allowed the company to keep more products in stock during key promotions.

How Can We Improve Supplier Lead Times and Responsiveness?

Because sourcing can be done from any part of the world, supplier risk goes up. Buyers may spend considerable time chasing orders; manual communication methods such as fax may not scale; and lack of real-time visibility into forecasts, orders, and in-transits may lead to missed or late

orders. To avoid this, your diverse supply base needs to become an extension of your company.

SAP SNC offers supplier collaboration functionalities that allow even your smallest suppliers to join your strategic and tactical supply chain efforts. Suppliers can access your ERP replenishment triggers in real time and fill orders quickly. They can view your forecasts and take on responsibility for replenishment based on your stock and demand situation, freeing up your buyers for other tasks. This cooperation helps reduce costs because the functionalities replace fax and email as primary communication modes, eliminating errors that often creep into these manual processes and could adversely affect response time.

SAP SNC also offers flexibility for collaborating in different modes, such as via a dashboard-centric web user interface, which is crucial when you are dealing with a large number of suppliers that are geographically dispersed, culturally diverse, and on different IT sophistication levels (see **Figure 1**). As a result, data quality improves and response time decreases, leading to reduced costs and a more synchronized supply chain.

Case Study: Sauer-Danfoss Inc.

Sauer-Danfoss Inc. chose SAP Supply Network Collaboration to implement a single web-based interface for its suppliers to procure tens of thousands of direct materials globally. The company increased its control over its procurement operations while lowering operating costs.

How Do We Manage Our Manufacturing Network Outside of Our Own Four Walls?

With the rapid adoption of outsourcing, the supply chain has become a complex network. Participants in this network need a common, multi-tier view of supply and demand, more detailed visibility of their outsourced operations, timely information about the production progress, and seamless batch traceability.

If you outsource your manufacturing operations, SAP SNC offers visibility into inventory and supply and demand information across multiple tiers, including component suppliers and contract manufacturers. You can manage liability on finished-goods levels by monitoring component inventory levels at your contract manufacturers' locations, enabling you to find issues early and proactively address them.

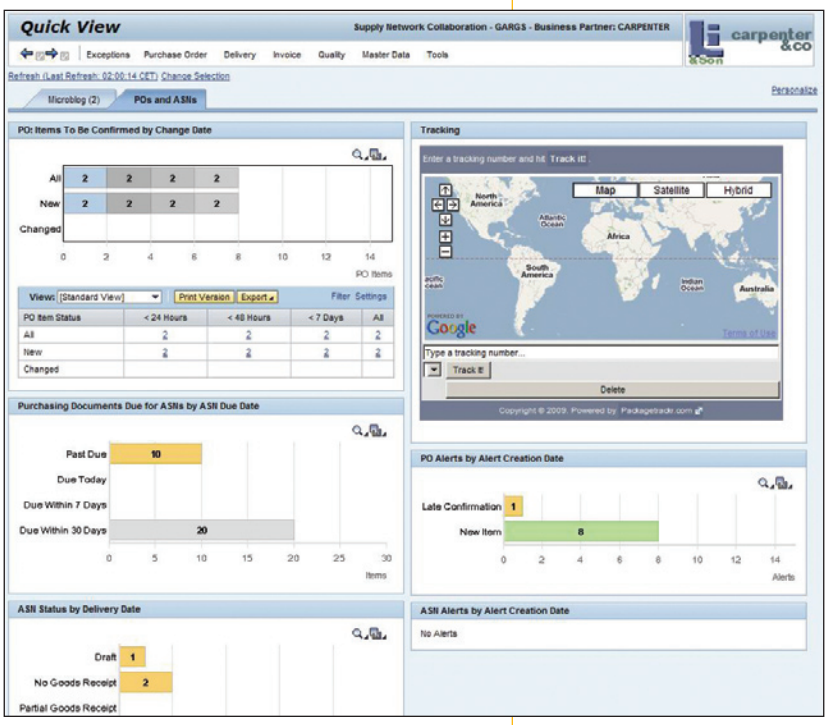

FIGURE 1 ▲ SAP Supply Network Collaboration offers the Quick View dashboard so that users can easily see work tasks prioritized by level or urgency; users can drill down directly from the charts to relevant screens to perform tasks

With the work order functionality, you can collaborate around and track production activities at your contract manufacturers' facilities to gain early insights into changes that may affect the finished-goods shipping date and final quantity of your products. As a result, you can reduce costs through process automation and enhance visibility of externally produced products.

Case Study: Conair Corporation

Conair Corporation implemented SAP Supply Network Collaboration's work order collaboration functionality to gain better visibility into its manufacturers' progress against work orders to improve inventory control and customer service. Conair increased productivity and eliminated a need for dual data entry by automating work order collaboration, and the company improved the accuracy of its supply chain information.

Supplier Collaboration Made Easier

As your supply chain expands, ensure effective collaboration and information sharing across your network of suppliers and partners. SAP Supply Network Collaboration can help make your supply chain processes more efficient. To learn more, visit **www.sap.com/scm**. ■

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