SAP Solution Brief
SAP BusinessObjects Solutions

Leveraging Business Analytics for Improved Insight in Wholesale Distribution

Quick Facts

Summary

The tools in the SAP® BusinessObjects™ portfolio can increase the efficiency of the information workers in your business. They can help you identify, manage, and mitigate the day-to-day business risks your staff faces. In addition, SAP BusinessObjects solutions provide a 360-degree view that you can deploy and scale to meet your changing business needs.

Business Challenges

- Access real-time information for effective decision making
- Model potential business strategies and decide on a course of action that maximizes value creation
- Gain insight into quality and reliability of critical business partners on the supplier and customer side
- Gain visibility into cost and profitability details and dimensions

Key Features

- **Predictive analysis** – Receive alerts automatically and access explanations of variances and root causes with one click
- **Reporting and analysis** – Review real-time reports and perform in-depth financial and operational analysis
- **Consolidation** – Centralize all performance-related data and improve compliance
- **Scenario analysis** – Test future business strategies and associated effects on relevant key metrics through role-based visualizations
- **Dynamic monitoring** – Review cost and profitability drivers

Business Benefits

- **Improved decision-making support** through a single interactive dashboard
- **Faster risk identification** using data integrated from internal and external sources
- **Increased user productivity** using familiar tools such as Microsoft Office
- **Faster action** based on accurate, timely, and relevant information
- **Visibility** into the true drivers of cost and profitability

For More Information

Call your SAP representative today, or visit us online at www.sap.com/solutions/sapbusinessobjects.

For wholesale distributors, budgets are tightening as executive demands increase, making effective decision making across the enterprise more important than ever. To improve the effectiveness of your organization, look into the power of the SAP® BusinessObjects™ portfolio of solutions. Together with your industry expertise, the software can make an immediate impact on your bottom line.

The SAP BusinessObjects portfolio contributes to improved business decisions by helping you plan and analyze more effectively, so you can react strategically to business events. Analytic tools embedded within your business processes display relevant information in a consolidated, integrated view that includes key metrics. The software alerts you when performance measurements are out of line with expectations. You can drill down into data specific to individuals and organizations to identify root causes of problems. And you get support for resolving issues based on best practices. This end-to-end visibility welds the loose ends of all areas of your organization into actionable business intelligence.

STREAMLINING FINANCIAL PROCESSES AND REDUCING BUSINESS RISK

CFOs and executive teams are under tremendous pressure to maximize profitability, reduce operational costs, minimize risk, and improve stakeholder confidence. To be effective, they need reliable, up-to-date financial and operational data for planning purposes as well as budgeting, forecasting, analysis, and statutory and management reporting tools. They need to be able to integrate corporate and departmental planning, intelligently model cost scenarios, and perform sensitivity analyses to determine operational budgets based on strategic plans and assumptions. Finally, they must provide a fully documented audit trail and comply with regulatory mandates, such as the Sarbanes-Oxley Act, for consolidating and reporting company information, both externally and internally.

But gaining a true picture of your organization's current health – let alone future performance – can be very difficult to achieve. Typically, critical operational and financial information is scattered across multiple applications and databases or trapped as unstructured data in employee e-mail attachments and spreadsheets. In many cases, financial data is hard to audit or may be unreliable due to ineffective controls. Yet, only full insight into all areas of your company will give you the necessary clarity to make decisions you can stand behind. This confidence can be achieved only if you have the required data at hand at the right time.

PREDICTING, MANAGING, AND MITIGATING PROCUREMENT DISRUPTION

Globalized supply chains have created dramatic efficiencies for many companies over the past decade. Yet this extended connectivity can quickly pass along the problems of a worldwide financial crisis to suppliers. Determining risk exposure at any one of the extended supply chain links has become critical for maintaining successful business operations. Consequently, tools, insight, and analytics for determining risk exposure across your supply chain are now a necessity.

To proactively insulate your supply chain from the risks associated with supplier disruption, your decision makers need access to integrated, real-time data from inside and outside your enterprise. Interactive dashboards provided by SAP BusinessObjects solutions deliver a 360-degree view of supplier and inventory risks and list associated mitigation activities in role-specific formats. Because the dashboards consolidate information about suppliers, products, and customers from disparate sources into a unified view, they can help decision makers quickly identify risk exposure and mitigation possibilities.

To further mitigate risk, you need to build collaborative business models and mutually supportive vendor relationships. For this, you require heightened visibility and transparency throughout your vendor ecosystem. SAP BusinessObjects solutions provide dashboards that combine internally tracked supplier performance data with externally available credit ratings and financial health indicators to provide a comprehensive view of the risk profile of any particular supplier.

MAKING ENERGY-WISE DECISIONS IN YOUR LOGISTICS AREA

For the first time in history, fuel costs represent a greater proportion of many wholesalers' cost structures than labor. And every sign points to even higher

costs in the years ahead. To cope with skyrocketing fuel costs, you need to reduce fuel consumption, optimize operating costs, and strengthen profitability while making the best decisions for your overall business.

With the SAP BusinessObjects portfolio, your operations executives can identify upward trends, perform what-if analyses, test theories, and adopt corrective actions. Through an intuitive, interactive dashboard, the software can help them evaluate transportation and energy costs at any organizational level, whether by region or distribution center. In addition, the dashboard helps them pinpoint locations and business practices that exceed established consumption thresholds.

After the initial analysis, you can test future business scenarios – including alternate shipping routes, delivery schedules, warehousing strategies, carriers, and fuel contracts. This enables you to collaborate with the carriers, vendors, and colleagues who will be most effective in reducing consumption and overall costs for your business.

USING CUSTOMER INSIGHT TO MAXIMIZE REVENUE AND RETENTION

Most businesses that rely on recurring transactions from their customer base are confronted with a daunting challenge today: how to retain those customers while maximizing revenue. Wholesale distributors in the residential construction segment face saturated markets in many regions, declining revenues from their key customers, and increased competition for the remaining market demand. As they struggle to identify the right customers with whom to do business, their outstanding bids may be undercut by competitors in a moment.

Your key to maximizing revenue and customer retention is to uncover hidden customer trends and insights. The tools in the SAP BusinessObjects portfolio can help you do that. Next, you must develop offers that are most attractive to each customer. In order to do this, you must know the services used by your customers and their profiles. Armed with relevant data provided by the software, you can develop the offerings that will increase your market share and profitability – despite a challenging business environment.

A competitor may quickly copy the products and services you are offering your customers. But if your business develops and executes a customer-centric strategy that makes the right offers to the right customers through the best channels at the most opportune time – your competitor will have trouble matching that.

SAP® BUSINESSOBJECTS™ PORTFOLIO

The tools in the SAP® BusinessObjects™ portfolio of solutions help you identify, manage, and mitigate the day-to-day business risks faced by employees in your company. SAP BusinessObjects solutions provide a 360-degree view that you can deploy and scale to meet your changing business needs.

MANAGE ORGANIZATIONAL COSTS AND OPTIMIZE PROFITABILITY

Most successful distributors are keenly aware of their revenue sources and direct costs. But many lack sufficient understanding of how the products they distribute and the customers they serve consume support services and contribute to other indirect costs. Without detailed visibility into enterprise expenses for sales, distribution, finance, and IT, it is difficult to measure the financial performance of individual products or customers or make informed decisions that reduce costs and optimize profitability.

With the SAP BusinessObjects Profitability and Cost Management application, organizations like yours can increase visibility of enterprise costs and align operational resources and capacity with demand. You can thereby increase revenues by focusing on the products, customers, and distribution channels

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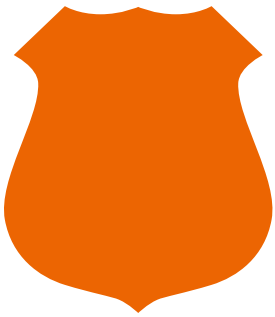

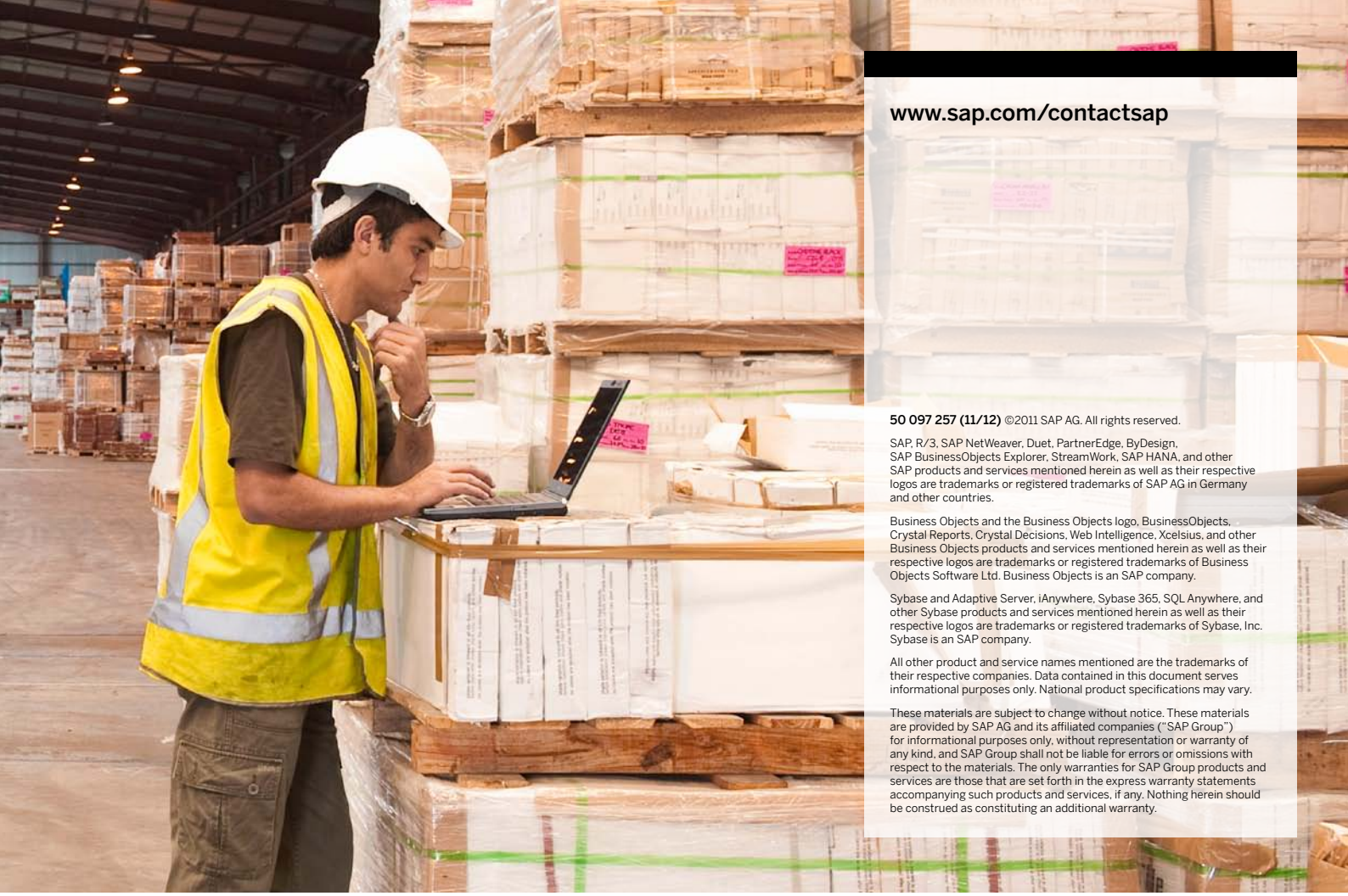

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that are most profitable. This scalable enterprise application meets your business needs, whether they are local, regional, or global. With reliable on-demand analysis and scenario modeling, you gain deeper insight into the levers affecting cost and profitability at any time. And the software integrates with both SAP and non-SAP solutions to give you support for sophisticated, comprehensive analysis.

INCREASING EXECUTIVES' CONFIDENCE DURING DECISION MAKING

Wholesale distribution executives operate in a fast-moving environment. Nothing is worse for them than to base decisions on limited information or to be forced to wait for the data they need to make those decisions. The SAP BusinessObjects portfolio can help your organization with sophisticated interactive visual representations of processes and performance as well as with what-if analysis tools. In a nutshell, SAP BusinessObjects solutions put confidence back in your decision making.

Find Out More

To learn more, call your SAP representative today or visit us online at www.sap.com/solutions/sapbusinessobjects.