SAP Solution Brief
Supply Chain and Procurement

SAP Supplier InfoNet Powered by SAP HANA

A Business Network Approach to Supplier Performance and Risk Management

Quick Facts

Summary

To manage complex supply networks, companies need analytics and data that go beyond typical supplier management and spend analysis applications. The SAP® Supplier InfoNet solution, powered by the SAP HANA® platform, employs "crowd sourcing" among enterprises to give insight into supplier performance and enhance risk management. SAP Supplier InfoNet collects performance data about suppliers, provides valuable key performance indicators (KPIs) and benchmarks, predicts supplier behavior, and helps mitigate risk in your supply base.

Business Challenges

- Benchmark supplier performance against best-in-class suppliers
- Gain visibility into and manage risks in your global supply chain
- Proactively identify, mitigate, and resolve supplier performance issues

Key Features

- **Alerts** – Get timely notification of declining supplier performance and pertinent news events
- **Performance benchmarks** – Compare a supplier's performance for other customers in the network by specific KPIs
- **Multitiered network visibility** – Gain visibility into risks deep in your supply base by leveraging business social networking concepts
- **Predictive analysis** – Anticipate supplier problems with sophisticated modeling, analytics, and prediction functionality
- **Supplier "heat map"** – Gauge the operational health of your supply base
- **Supplier profile** – Understand suppliers better with rich information from multiple internal and external sources

Business Benefits

- **Better supply chain operations** due to insights into supplier performance through sophisticated analytics and benchmarks
- **Visibility into risks** throughout your multitier network, and reduced frequency and impact of disruptions
- **Increased productivity and efficiency** for supply managers who can proactively manage supplier performance and risk

For More Information

To learn more about SAP Supplier InfoNet, contact your SAP representative or visit us online at www.sap.com/supplier-infonet.

In today's global economy, companies source materials, make products, and sell goods and services around the world. To better manage complex supply networks, you need sophisticated analyses and data that are beyond the reach of traditional supplier management and spend analysis applications. The SAP® Supplier InfoNet solution collects supplier data, provides valuable key performance indicators (KPIs) and insights, predicts supplier behavior, and helps mitigate risk in your multitier supply base.

SAP Supplier InfoNet is powered by the SAP HANA® platform, which can process massive volumes of data in memory so that the results of complex analyses and transactions are available for you immediately – and business decisions can be executed without delay. The solution brings together the power of SAP HANA and the cloud to help companies gain real-time insights from "big data" and rapidly respond to changing conditions across their multitier supply networks.

SAP Supplier InfoNet employs a "crowd sourcing" approach that engages all enterprises participating in the solution network to enhance and facilitate supplier performance and risk management. The solution collects information from participant companies on supplier performance for a range of KPIs. It combines this information with unstructured content such as real-time news wires, public data such as debarment notices, and operational performance and demographic information.

Based on this wealth of data, SAP Supplier InfoNet provides performance benchmarks, business insights, and predictions about future performance – and helps uncover potential risks in your extended supply chain.

RUN BETTER WITH INSIGHTS INTO SUPPLY RISK AND PERFORMANCE

SAP Supplier InfoNet is a cloud-based solution that provides valuable insights into supplier performance by examining KPIs based on a huge pool of data and enabling sophisticated analysis, comparison, and ranking. The solution is designed to enhance your ability to monitor, predict, and proactively manage supplier risk throughout your supply network.

SAP Supplier InfoNet leverages rich business content such as critical KPIs on quality and delivery performance from all participants in the business information network. Sophisticated content cleansing, matching, and cataloging technologies create a standardized pool of supplier, commodity, and performance data. Powerful data processing and analytics functionality enable better decision making based on real-time information such as news feeds.

SAP Supplier InfoNet helps you improve enterprise procurement and supply chain processes, minimize supply disruptions, and achieve a best-in-class supply base with the following functionality:

- Current alerts
- Predictive alerts
- Performance benchmarks
- Multitier network visibility
- Supplier heat map

Current Alerts

SAP Supplier InfoNet monitors the quality and delivery performance of your suppliers and sends proactive alerts based on KPI thresholds you define. If there is any deterioration in supplier KPIs, you receive timely notification via an alerts in-box in the solution. Alerts also notify you about significant news events pertinent to any members of your supply base. Relevant news may include geopolitical events or natural disasters that impact supply or business events that affect supplier stability, such as bankruptcy, litigation, fraud, or merger and acquisition activity.

Predictive Alerts

Going beyond real-time alerts, predictive functionality in SAP Supplier InfoNet helps you anticipate problems with suppliers, and it provides advance notice of potential deteriorations in supplier performance. The solution taps benchmarking data and uses sophisticated modeling and machine-learning technology to analyze data and make predictions.

Performance Benchmarks

Gain insights into how your suppliers' performance measures up on KPIs that are critical for your organization and make comparisons across the network. For example, you can compare how a supplier performs for you on specific KPIs with how the supplier performs for its other customers on those same KPIs. You can also see a relative ranking of the performance of all suppliers in the network.

Multitier Network Visibility
Expand your view of risks that may exist in the subtiers of your supply base. With the solution, you can use social networking tools to request your top-tier suppliers to provide visibility into subtier suppliers.

Supplier Heat Map
Get a quick snapshot into the operational health of your supply base based on important KPIs, so you can identify problematic suppliers as early as possible. This functionality highlights areas of urgent interest such as regions, suppliers, industries, or performance areas. Business users get crucial information quickly, improving decision making and efficiency.

COMPARE SUPPLIER PERFORMANCE

Key to evaluating suppliers is the ability to compare performance within an industry. SAP Supplier InfoNet enables you to compare a supplier's performance with other suppliers, and it provides rich context for statistical analysis. For example, say one of your suppliers has an on-time delivery rate of 80% for the past month. But is this a good number or not? What if the same supplier had an on-time delivery rate of 95% for its other customers for the same period? The solution provides context for your data and metrics, for a more complete picture of your suppliers' performance.

SAP Supplier InfoNet collects and aggregates supplier performance information from multiple participants in the business network and creates performance benchmarks. The solution also ensures that the data is anonymous, protecting the confidentiality of participating companies. You can view how a supplier performs against a specific metric and compare that to the same KPI performance for other customers in the network. You can view percentile rankings for all suppliers in the network and identify specific areas in which your suppliers need to improve.

INCREASE VISIBILITY INTO MULTIPLE TIERS OF YOUR SUPPLY BASE

Advanced supply networks bring enormous gains in productivity improvements and cost reductions. But the intricacies of global networks make them susceptible to endless risks, from fluctuating economic conditions to international conflicts and natural disasters. A recent example is the earthquake that struck Japan in March 2011. The quake disrupted the manufacture and distribution of Japanese-built automobile components, affecting car builders and dealers around the world and contributing to an industry slump in production and sales.

SAP Supplier InfoNet helps find potential risks hidden deep in your supply network, so you can head off trouble before it happens. The solution provides data on risks embedded across multiple tiers of your supply chain, with insights based on real-time analysis of significant news events, such as an earthquake. It can search and analyze thousands of news sources for information – about disruptions, bankruptcies, litigation, and so on – that relates to any of your subtier suppliers and could affect your operations.

The solution also supports access request functionality, where you ask your top-tier suppliers to provide information about their top-tier suppliers – which are your tier-two suppliers – and so on.

PREDICT FUTURE PERFORMANCE

In addition to finding current supply chain issues, SAP Supplier InfoNet provides predictive analyses of likely future performance levels. The software employs powerful modeling techniques and cutting-edge machine-learning technology to analyze the data and make predictions. SAP Supplier InfoNet assigns a confidence level to each prediction and only calls your attention to predictions that meet the credibility threshold.

BOOST USER PRODUCTIVITY AND EFFICIENCY

Typically, supplier and procurement managers spend a great deal of time on tactical and operational issues to ensure day-to-day operations are not affected by supply problems. The quickly

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changing complexities of the supply network often lead to reactionary behavior, with the hot issue of the day dictating the focus.

With SAP Supplier InfoNet and its rich framework for management by exception, you can take a more proactive, forward-looking approach. The software alerts business users to potential problems that need their attention, with thresholds that can be configured to meet individual needs. Alerts can be configured to indicate the severity of the exception, so business users can identify and focus on the most important issues. Management by exception frees people from rote, day-to-day activities and lets them focus on more strategic, value-added pursuits.

By offering insights, best practices, and strategies for alert resolution, the solution provides a library of best-practice strategies employed by people throughout the network. Business users can analyze different strategies that have been applied in cases similar to theirs and see what worked – and what didn't – so they can get the right answers more quickly and work more efficiently and productively.

IMPROVE SUPPLY CHAIN MANAGEMENT AND REDUCE DISRUPTIONS

Use SAP Supplier InfoNet to gain insights into supplier performance through sophisticated performance analytics and benchmarks. You can increase visibility into risks across multiple tiers of your supply base and reduce the frequency and impact of supply disruptions. Predict supplier performance and proactively generate alerts. Improve supply managers' productivity and efficiency by reducing the need for reactive responses and facilitating proactive supplier performance and risk management.

FIND OUT MORE

To learn more about how SAP Supplier InfoNet can improve supplier management and performance in your organization, contact your SAP representative or visit us online at www.sap.com/supplier-infonet.