SAP Sourcing Application on the IBM Cloud

Optimized by IBM DB2 and IBM POWER7

Highlights

- **Achieve better organization and collaboration**
- **Streamline requests for information, proposals and quotations**
- **Find the right suppliers**

The SAP® Sourcing application on the IBM® Cloud enables rapid time to value. It is designed to help you quickly access benefits and maximize savings by automating and streamlining the strategic source-to-contract process.

Under pressure to support constant profitability in the face of global competition, procurement organizations like yours must find ways to reduce costs and generate additional savings from procured goods and services. Most likely, your group struggles to meet savings goals with an overworked staff using time-consuming, manual processes or outdated systems.

As a procurement professional, you need a solution that helps you collaborate with key stakeholders, qualify suppliers, ensure a competitive bidding process and negotiate contract terms with suppliers. And the solution must help you accomplish these goals quickly, with the necessary integration and key services required to drive success.

With the SAP Sourcing application on the IBM Cloud, optimized by the IBM DB2® database environment and IBM POWER7® servers, you can take your sourcing initiatives to the next level. This application enables a rapid time to value through ease of configuration, flexibility and simplicity of adoption. You can focus on your business imperatives without worrying about the related infrastructure. Strategic sourcing generates savings for your business by helping you ensure that your users are buying against negotiated contracts.

With the SAP Sourcing application, you can start your strategic sourcing initiatives quickly and easily. Take advantage of essential features that support savings reporting, collaborative project management, online bidding, contract negotiation and ongoing contract management, as well as supplier management. When you're ready, you can add advanced features to your existing operational procurement functionality to fully leverage your existing investments.

Key tools for driving savings

The SAP Sourcing application supports the strategic source-to-contract process, enabling you to perform the following actions to improve your savings results.

Organize and collaborate with project management

Bring internal stakeholders together using a shared, online project plan. Keep team members up to date using status reports and alerts. Track opportunities for savings. Leverage preconfigured business process templates to reduce cycle time and help ensure that best practices are repeated throughout your organization.

Find the right suppliers

Help ensure that only qualified suppliers are competing for your business. Using the self-registration process and supplier assessments, you can easily identify which suppliers can meet your business needs and will be sustainable over time. Suppliers can maintain their profile information, so that you stay current on their capabilities.

Streamline requests for information, proposals and quotations

Conduct simple or complex sourcing activities for direct, indirect and service categories by automating the creation of requests for information, proposals and quotations. Automate the scoring process using multilevel weighted scoring and preference settings. Enable key stakeholders to evaluate and score responses from suppliers using collaborative scoring processes. Leverage the multiround capabilities to first qualify suppliers and then carry key data forward into a comprehensive request for proposal or auction.

Robust reporting

Analyze supplier responses using side-by-side comparisons, pricing and potential savings reports. Help ensure that you invite diverse suppliers to participate in sourcing events. Evaluate award decisions over time to understand what key criteria you are using to award business to suppliers.

Conduct effective auctions

Create competitive bidding environments using reverse, forward and Dutch auctions. Interact with suppliers in real time using instant messaging, bidding consoles that automatically refresh, and graphical representations of auction activities. Easily manage bidding and disclosure rules, such as bid and rank visibility, automatic extensions, weighted-bidding cost factors, staggered start and end times for individual items, and reserve prices.

Deliver contract negotiation and administration processes

Use the contract management features of the SAP Sourcing application to help ensure compliance with a variety of policies, procedures and regulations, such as the Sarbanes-Oxley Act. Generate, negotiate and manage contracts with a single, searchable contract repository. Create a library of standard contract clauses and contract document templates to promote and enforce your organization's legal standards during the contract-generation process. Use a predefined workflow approval process to help ensure that the right people sign off on contract changes. Use alerts to manage the contract renewal cycle.

Manage supplier information

Use the supplier management features to create and maintain a central repository of all of your suppliers. Enable suppliers to self-register and maintain key information about their organizations on an ongoing basis. Leverage these capabilities to help ensure that insurance certifications and diversity status are up to date in order to support key initiatives within your organization. Assess your suppliers on a periodic basis to mitigate risk and help ensure sustainability.

Help ensure compliance

By leveraging standard integration to your back end, you can help ensure that business users are purchasing against negotiated contracts. This helps you maximize savings opportunities by turning savings that you've identified through the sourcing process into actual savings that are realized at the time of purchase.

IBM DB2

Extreme reliability, performance and availability are critical to all SAP software systems and the applications that depend on those SAP systems. DB2 is optimized and tested jointly by IBM and SAP experts before any new versions of DB2 or SAP applications are released. This synchronization of both IBM and SAP releases helps keep DB2 "invisible" to the customer, yielding less risk and more cost savings. A significant indicator of DB2 leadership is the fact that SAP relies on it for its own daily operations. SAP runs DB2 for its business production environment, and it is the preferred platform for development in both organizations. This helps ensure deep integration with SAP applications, superior performance, extreme scalability and low total cost of ownership.

IBM POWER7

IBM and SAP have worked together closely to provide tested, optimized applications for the IBM Power Systems™ platform. POWER7 servers build on this legacy, offering unparalleled capabilities for clients to help reduce risk and more easily respond to business change. The Power Systems platform is designed for simple management and high availability so you can concentrate on running your business rather than managing your IT environment.

Power Systems cloud solutions enable customers to build an effective cloud computing environment that can reduce IT costs, improve service delivery and enable business innovation. In addition, enterprise quality of service (QOS) virtualization provides a solid foundation for your mission-critical applications running on the cloud. By optimizing IT assets based on workload, you can ensure the ideal elasticity of your cloud.

IBM and SAP

With a partnership that dates back to the founding of SAP nearly 40 years ago, IBM has the close relationship, experience and expertise needed to make the most of your SAP investment. IBM stands out with its truly end-to-end, holistic set of offerings and capabilities that are unmatched in breadth, depth and quality. IBM offerings span the entire SAP requirements spectrum, from leading technology, to comprehensive services, to industry-specific applications codeveloped with SAP.

For more information

To learn more about the SAP Sourcing application on the IBM Cloud, please contact your IBM or SAP representative, or visit:

- **ibm-sap**.com
- **sap**.com.lines-of-business/procurement.epx

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Produced in the United States of America
April 2011
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SPS03029-USEN-00