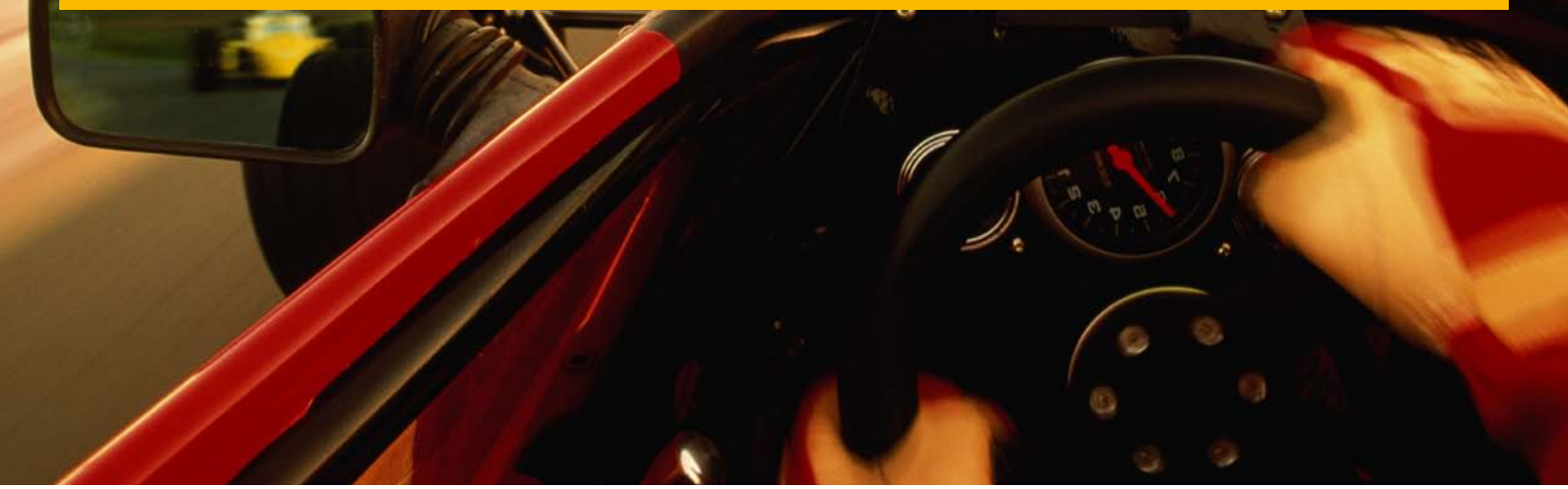
SAP Solution Brief
SAP Supply Chain Management

SAP Sales and Operations Planning, Powered by SAP HANA

Next-Generation Sales and Operations Planning Powered by the SAP HANA® Platform



Quick Facts

Summary

The SAP® Sales and Operations Planning application, powered by the SAP HANA® platform and delivered in the cloud, helps you engage key stakeholders in an efficient, integrated planning process that profitably aligns demand and supply. This next-generation planning solution provides a unified model of demand, supply chain, and financial data for real-time analysis and simulation. You'll see results in seconds – not hours – enabling rapid decision making and quick responses to unexpected events.

Business Challenges

- Complex supply chains and increasingly volatile demand
- Inability to analyze massive amounts of data for planning
- Manual processes for compiling data that consume time and introduce errors
- Difficulty driving consensus behind a single "plan of truth"

Key Features

- **Real-time planning** – Plan in real time using a unified model of demand, supply chain, and financial data; analyze massive volumes of complex data instantly; test assumptions and see impacts across the organization
- **Rapid simulations and scenario analysis** – Rapidly run simulations of demand, supply, and financial changes to support what-if analysis; compare planning scenarios for fast, informed decisions
- **Social collaboration** – Use embedded, context-aware social collaboration for rapid planning and decision making

Business Benefits

- **Improve the speed, agility, and accuracy** of sales and operations planning
- **Identify tactics** to drive revenue growth and increase market share
- **Optimize product profitability, customer profitability, and product mix,** given supply and financial constraints
- **Minimize costs** by managing inventory levels and discovering new opportunities for cost savings
- **Avoid capacity and material shortages** via effective resource usage
- **Precisely balance demand and supply** as market conditions change

For More Information

To learn more, contact your SAP representative today or visit www.sap.com/sop.

While many companies still see sales and operations planning (S&OP) as just a preproduction check to assess whether they will be able to meet future demand, it has far greater potential as a strategic process that drives your business. In a world where demand is volatile, supply chains complex, and disruptions frequent, you need to be able to create a single, achievable "plan of truth" against which you can execute.

You need to ensure that you are continuously synchronizing efforts to drive and shape demand with your supply plan – in a way that maximizes profitability. And as business or market disruptions occur or circumstances change, stakeholders from across your organization must be empowered to collaborate quickly, adjust plans, and course correct.

A PURPOSE-BUILT SOLUTION TO HELP YOU PLAN FASTER AND BETTER

The SAP® Sales and Operations Planning application has been purpose-built to help you unlock the potential of your S&OP process. It leverages the power of the SAP HANA® platform to empower you to plan and replan accurately and efficiently using a unified model of your demand, supply chain, and financial data. You can run simulations and compare planning scenarios in real time to support quick, confident decision making. And you can also connect stakeholders from across your organization using a rich, embedded social collaboration platform. This platform accelerates the planning process, drives greater engagement – and ultimately helps generate stronger buy-in from groups across your business.

Plan in Real Time to Profitably Align Demand and Supply

With SAP Sales and Operations Planning, you can plan and analyze data in real time using a unified model of your complete demand, supply chain, and financial data. Data can be imported directly from SAP and non-SAP software sources, such as enterprise resource planning, customer relationship management, financial planning, advanced planning optimization, and business warehouse software. You can then leverage the power of SAP HANA to analyze massive amounts of this data instantly – and at any level of granularity – to support demand and supply balancing decisions. For example, you can:

- Optimize product profitability, customer profitability, and product mix, taking into account supply and financial constraints
- Manage inventory levels to minimize costs while consistently meeting target customer service levels
- Make proactive changes to supply plans to avoid manufacturing capacity and material shortages

Run Rapid Simulations and Compare Scenarios

It's not enough, though, to simply be able to assess and respond to the current business situation. Effective planning requires the ability to understand what might lie ahead so you can prepare your business to seize opportunities or deal with imminent threats. SAP Sales and Operations Planning helps you do this by allowing you to perform rapid, interactive simulation and scenario analysis using your full S&OP data model. These simulations, which can be run by business users in seconds, can play a vital role in supporting decision making for demand-supply balancing.

For example, you can perform what-if analysis to assess the impact of changes in demand, supply, and financial data across your full S&OP data model – right in planning meetings. People can see the impact of proposed changes on key performance indicators in seconds. And because simulations are carried out across the full data set, you can drill down into the simulated data to perform further analysis. You can quickly promote a scenario to become your new baseline plan and export data at the level of detail your teams need to put the new plan into action. You'll be able to:

- Identify optimal sets of tactics to drive revenue growth and increase market share
- Uncover opportunities to reduce supply chain costs
- Prepare for potential changes in demand and supply before they happen

For instance, imagine that an apparel company has the opportunity to secure

a product endorsement from a popular singer in Shanghai, China. The marketing department forecasts that the endorsement will bring a 10% spike in demand in the region in eight months, when the singer's new album is scheduled to be released. With SAP Sales and Operations Planning, executives can decide whether they can pursue this opportunity with confidence. For example, they can rapidly run simulations to assess the effect this change in demand will have on their supply plan and financial results. They can compare planning scenarios to determine how best to exploit the opportunity and analyze the simulated data to better understand what levers will help drive campaign success. Armed with these insights, executives can decide to go ahead with the campaign, confident that they can commit to meeting the increased demand and with a full understanding of the impact on costs, margins, and service levels.

Move from Decision to Action Faster Than Ever

The sales and operations planning process only works if key stakeholders from across the organization provide the necessary input to inform the planning process and then buy into the plans that are ultimately created. SAP Sales and Operations Planning delivers an embedded social collaboration platform that helps you get the right people working together more closely and effectively. They can collaborate quickly and intuitively using tools for creating context-specific discussion threads, sharing documents and key assumptions, and mapping out decisions as a group.

For example, as participants in the S&OP process make planning changes, they can do so using a familiar Microsoft Excel interface. The solution enhances this interface by providing a purpose-built Excel toolbar that makes it easy to save data directly from these spreadsheets to the unified data model. You can also capture key assumptions about the changes shared with the team and post updates about changes to a group social feed.

The application's rich social collaboration platform also allows you to track planning progress, see who has been assigned key action items, and preserve records you can use to review process performance. By enabling members of your team to collaborate more quickly and easily, SAP Sales and Operations Planning helps accelerate planning and decision making, drive greater engagement, and increase plan buy-in across the organization.

KEY BENEFITS

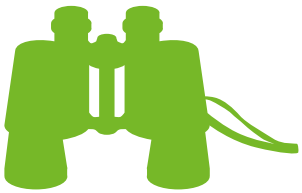
SAP Sales and Operations Planning helps you improve the speed, agility, and accuracy of your S&OP process. It allows you to drive quickly to a single, trusted sales and operations plan, supported by analysis of all relevant data – while also considering alternative scenarios for adjusting rapidly as market conditions change. With SAP Sales and Operations Planning, you can:

- **Improve the speed, agility, and accuracy** of sales and operations planning
- **Identify tactics** to drive revenue growth and increase market share
- **Optimize product profitability, customer profitability, and product mix,** given supply and financial constraints
- **Minimize costs** by managing inventory levels and discovering new opportunities for cost savings
- **Avoid capacity and material shortages** via effective resource usage
- **Precisely balance demand and supply** as market conditions change

LEARN MORE

SAP Sales and Operations Planning, powered by SAP HANA and delivered in the cloud, helps you turn S&OP into a strategic process that drives your business. To learn more, contact your SAP representative or visit us online www.sap.com/sop.

SAP Sales and Operations Planning is a next-generation planning application that enables enterprises and their supply networks to become more demand driven.



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