

**SAP Solution Brief**  
**mySAP Supply Chain Management**



## **SUPPLY CHAIN EXECUTION: SENSE AND RESPOND WITH AN ADAPTIVE SUPPLY CHAIN NETWORK**

**Your Key to Cost-Effective Supply Chain Planning,  
Improved Execution, and Increased Customer  
Satisfaction**

The mySAP™ Supply Chain Management solution supports comprehensive sense-and-respond capabilities that can be deployed in the warehouse and throughout your distribution and transportation network. Comprehensive planning functionality allows you to collaborate with partners, make accurate forecasts, and control your inventory. You can expedite the order fulfillment process and monitor events across the supply chain for a smoother, more efficient flow of goods and materials.

Today's economy has become increasingly turbulent, characterized by rapid shifts in the marketplace, heightened competitive pressures, and the need to respond to government regulations such as the U.S. Sarbanes-Oxley Act, FDA 21 CFR Part 11, and various European Union mandates such as WEEE. These conditions directly impact your supply chain. Market pressures are forcing companies toward a demand-driven business model that depends on the ability to anticipate customer requirements and respond with high-quality products and services ahead of the competition. To make the model work, you must monitor increasing numbers of activities across the entire supply chain, including those of your partners and suppliers. Every aspect of your supply chain operations must be handled with constantly improving speed and efficiency.

### **Rapidly Changing Networks**

Unfortunately, many supply chains that have grown up over time have been considered a tactical enterprise function without strategic value – typically, an accumulation of legacy systems, software patches, and bolted-on applications. The result is a lack of visibility into supply chain operations across the network and an inadequate view of supply chain material flow and inventory that impede forecasting and inventory planning. Real-time data from multiple sources – POS signals, Internet and telephone orders, radio frequency identification (RFID) – demand immediate attention, without the infrastructure to respond in real time. Meanwhile, you are faced with more demanding customer expectations for order fulfillment.

## Meeting the Challenge

The mySAP™ Supply Chain Management (mySAP SCM) solution, and in particular, its powerful supply chain execution capabilities, can help you meet these challenges and turn your supply chain into a strategic asset. The solution allows you to create an adaptive supply chain for more effective planning and execution – a supply chain that enables you to sense and respond to real-time signals and leverage opportunities as they occur.

mySAP SCM is the only complete supply chain management solution that allows you to adapt to an ever-changing competitive environment. mySAP SCM transforms traditional supply chains from linear, sequential processes into an adaptive network in which communities of customer-centric, demand-driven companies share knowledge, intelligently adapt to changing market conditions, and proactively respond to shorter, less predictable life cycles.

Networkwide visibility across the extended supply chain helps you perform strategic as well as day-to-day planning. You can monitor and analyze the performance of the extended supply chain using predefined and configurable key performance indicators.

## Supply Chain Execution with mySAP SCM

With mySAP SCM, distribution, transportation, and logistics are driven by and integrated into real-time planning processes. You can deploy supply chain execution capabilities – including the latest RFID technology – in your warehouses and throughout your distribution and transportation network. The result is improved order, product, and execution tracking that will enhance customer satisfaction.

The solution's comprehensive planning capabilities allow you to collaborate with your partners and suppliers as well as access historical data for accurate forecasting and inventory planning. By sensing and responding to real-time events across your network, you can create deep connections with your trading partners, develop a 360° view of your business, and practice

distributed control and exception management. You can plan and execute more accurately through the use of a single planning and execution data model based on capacity, forecast, and real-time demand.

Comprehensive analytic capabilities provide business insights into a rapidly changing network by leveraging real-time and historical data. Your business decisions are based on factual, up-to-date information that drives process improvements.

## Order Fulfillment

You can track and monitor the entire fulfillment process from order entry all the way to proof of delivery – which lets you provide customers with precise fulfillment promises based on the best availability of goods and components in your distribution centers, production sites, storage locations, and in-transit inventory positions. Additional capabilities are as follows.

**Sales order processing** – Access to information allows you to deliver a specific product configuration and quantity or provide a service at a specified time.

**Billing** – You can use mySAP SCM to handle the entire billing process, from creation of invoices through transfer of billing information to the accounting department.

## Procurement

Order-to-cash cycles can be compressed by tracking and monitoring closed-loop order-to-cash procurement to improve your bottom line. mySAP SCM covers processes from creation of a purchase order and invoice to the transfer of event data to analytic applications. You can perform the following procurement activities.

**Strategic sourcing** – You can identify and evaluate potential vendors based on historical performance and other data, and create long-term plans for sourcing that take into account your company's financial and marketing strategies.

**Purchase order processing** – You can manage the purchasing process for direct and indirect materials and services, and convert demand, such as purchase requisitions and electronic shopping carts, into purchase orders or delivery schedules for a scheduling agreement.

**Invoicing** – You can receive, enter, and check vendor invoices for correctness of content, price, and computation against the purchase order. Further, you can take advantage of automatic workflow support to ensure proper circulation of invoices and automatic blocking for payments exceeding set limits.

### **Transportation**

Because your transportation capabilities have a significant impact on supply chain performance, they must be synchronized with logistics and fulfillment operations. Distribution, transportation and logistics must be driven by real-time planning and execution data. With mySAP SCM, you can improve the effectiveness of your overall transportation network by measuring carrier performance and dealing immediately with any problems. Transportation managers can consolidate orders and optimize shipments across the company to reduce overall transportation spend. Using the Internet, you can share information directly with your carriers and forwarders, allowing them to maintain control while integrating their business partners into their processes. Some key transportation processes you can perform include the following.

#### **Transportation planning**

- Plan loads based upon orders, deliveries, and equipment
- Optimize assignment of loads to different transportation modes
- Split large orders and/or consolidate to fit available vehicle sizes
- Use routing guides for sales orders and rush orders interactively
- Select carriers and tender loads

#### **Transportation execution**

- Consolidate orders and optimize shipments from a centralized location or from distributed business units
- Assign carriers, calculate freight costs, create continuous moves, settle shipment costs, and print documentation
- Use denied-party and embargo lists for international shipments

### **Freight costing**

- Calculate and settle freight costs based on actual shipments and current freight rates
- Verify invoices sent from carriers or from self-billing transportation service providers

### **Warehousing**

mySAP SCM allows you to plan, execute, and analyze warehouse activities – including inbound and outbound processing, facility management and storage, physical inventory, and cross-docking, both planned and opportunistic. New data collection technologies and workload balancing tools make processes more efficient. mySAP SCM supports the following world-class warehouse activities.

**Inbound processing and receipt confirmation** – You can receive and process externally procured goods into your warehouse with a single RF scan. Additionally, using RFID-enabled tools, you can capture detailed and overview information, such as the extent to which inbound deliveries have been put away or processed.

**Outbound processing** – You can take advantage of RFID technology and voice recognition to manage all goods issue steps, including distribution and proof-of-delivery activities.

**Cross-docking** – You can direct inbound goods from receipt to issue without interim storage. With support for planned and opportunistic cross-docking processes, you can minimize duplicate goods movements within the warehouse, optimize the flow of goods from inbound to outbound processing, and shorten routes within the warehouse to reduce labor costs and improve inventory accuracy.

**Warehousing and storage management** – You can optimize internal movements and storage of goods within a warehouse and improve material flow by using task interleaving to enhance product movement and reduce labor costs.

**Physical inventory** – You can plan and execute physical inventory or dynamic velocity-based cycle counts and move your facility towards an active, perpetual inventory environment.

### **Manufacturing**

mySAP SCM supports all production processes, including engineer-to-order, configure-to-order, make-to-order, and make-to-stock manufacturing. Because manufacturing is integrated with other supply chain processes, you can create feasible, optimized production schedules that take into account real-time material and capacity constraints, ensuring a fast, flexible approach to engineering changes and customer requirements, as follows.

**Production planning and detailed scheduling** – You can generate optimized schedules for machine, labor, and overall capacity utilization, factoring in customer delivery dates, material availability, and real-time manufacturing conditions. With optimized schedules, you can address problems created by unequal allocation of constrained materials and capacity, due-date commitments, and sequencing of incoming orders without disrupting existing plans.

**Manufacturing operations** – You can capture production information from the shop floor to support production control and costing processes for discrete, process, and repetitive manufacturing processes. You can share information with partners to coordinate production, increasing visibility and responsiveness on the shop floor.

### **Optimize Your Supply Chain Execution with mySAP SCM**

The supply chain execution capabilities of mySAP SCM allow you to adapt to a dynamic, constantly changing marketplace. With visibility into the operational status of the entire supply chain, you can instantly sense deviations and respond with corrective actions – based on real-time demand and supply signals monitored on a 24/7 basis.

RFID capabilities allow your supply chain network to become more effective. The order fulfillment process is smoother thanks to an integrated, adaptive network and tighter control over the flow of goods and materials across your entire supply chain.

Supply chain execution sense-and-respond capabilities are a fundamental part of the mySAP SCM solution, allowing you to implement a demand-driven supply network that is an essential part of today's adaptive business network. The end result is improved customer satisfaction and a more competitive and profitable enterprise.

### **Find Out More**

For more information on how mySAP SCM can improve the efficiency and performance of your supply chain network, please visit [www.sap.com/solutions/scm](http://www.sap.com/solutions/scm) or call the SAP sales office nearest you.

### **Powered by SAP NetWeaver®**

mySAP SCM is powered by the SAP NetWeaver® platform, the open integration and application platform that enables change. SAP NetWeaver helps companies align IT with their business. It allows companies to obtain more business value from existing IT investments and to deploy a service-oriented architecture. SAP NetWeaver reduces total cost of ownership and complexity across the entire IT landscape.

SAP NetWeaver powers mySAP Business Suite solutions, SAP® xApps™ packaged composite applications, and partner solutions. It provides the best way to integrate all systems running SAP or non-SAP software. SAP NetWeaver unifies integration technologies into a single platform and is preintegrated with business applications, reducing the need for custom integration.