



## **mySAP™ SUPPLIER RELATIONSHIP MANAGEMENT FOR THE HIGH-TECH INDUSTRY**

Facing tough competition and fluctuating demand, high-tech companies are turning to suppliers for help improving efficiencies. But their current IT systems do not provide the global collaboration functions this step requires. The mySAP™ Supplier Relationship Management solution does. An integrated solution, it draws on SAP® and non-SAP resources to enable the kind of visibility and processes that improve relationships and business across the supply chain, decrease costs, and keep customers coming back.

In the high-tech industry, relentless global competition puts constant pressure on costs and margins. To hold their own in this environment, companies are looking at the way they manage their suppliers. In particular, they are focusing on purchasing and sourcing strategies that can help improve their ability to manage the costs of goods and services – and ultimately, boost profitability.

But competition has brought with it more than cost pressures. Today, high-tech companies also have to contend with ever-shorter product cycles and constant product innovations. Demand can fluctuate rapidly, making it difficult to produce the right products and maintain service levels. High-tech companies are looking to their suppliers to help meet these challenges – and to collaborate on reducing time to market and increasing the pace of innovation.

But forging and managing tighter, more efficient supplier relationships is not easy. Today's supply chains are complex for a variety of reasons:

- High-tech companies have been shifting their focus from individual suppliers to global supply networks.
- Outsourcing and globalization have extended supply chains around the world and dramatically increased the number of supply chain participants.
- The industry has seen numerous mergers, acquisitions, and divestments of manufacturing plants to contract manufacturers.

Too often, companies are left to manage increasing complexity in the supply network with IT systems that are fragmented, disconnected, disparate, and spread across numerous organizations. This makes it difficult to share information and collaborate across boundaries, which is why many companies find themselves taking a piecemeal approach to sourcing and purchasing. Visibility into total spending – across internal processes and the supply network – is limited. Procurement processes are not connected with suppliers. And accurate information about changes in demand and market needs does not make its way up the supply chain in a timely manner. As a result, it is almost impossible to manage supplier relationships across a comprehensive enterprise. That leads to costs, delays, and an inability to respond quickly to customers.

### **The Integrated Supply Network**

To help high-tech companies avoid these problems, SAP offers the mySAP™ Supplier Relationship Management (mySAP SRM) solution. This comprehensive solution lets you optimize the entire supply cycle, from strategy to execution.

With mySAP SRM, you can integrate and streamline sourcing and procurement processes across the company and beyond, working closely with suppliers. You can also harness the power of a global network of suppliers to control costs and work collaboratively to drive innovation, increase responsiveness, and stay in sync with customers.

The solution is based on SAP's deep experience with both the high-tech industry and supplier relationship management (SRM) processes and tools. SAP has worked with high-tech companies for more than three decades, and today its solutions are a standard in the industry. More than 6,000 high-tech companies worldwide rely on them. At the same time, more than 10,000 companies in a variety of industries now use SAP® solutions to manage their supplier-facing processes.

mySAP SRM supports and enables the complete range of supplier-relationship processes – all in a single solution. With it, you can manage activities in three basic areas: sourcing, procurement, and buyer enabling.

### **Improving Strategic Sourcing Processes**

mySAP SRM supports key sourcing processes such as purchasing planning, category management, and vendor evaluation and qualification. It lets you automate supplier-negotiation and contract-management processes – and take a centrally controlled approach to contract management that ensures compliance and achieves planned savings. With mySAP SRM, you can develop well-segmented supply strategies and use analytical insights to track the performance of your suppliers and your purchasing organization. And your purchasing organization can keep improving over time, thanks to collaborative knowledge management tools that let you continuously capture and share sourcing knowledge and new information.

### **Streamlining Procurement**

With mySAP SRM, you can simplify, automate, and accelerate your procurement processes as well as manage requisitioning, ordering, receiving, and financial settlement. The solution not only lets you manage direct material spending, it also supports the management of spending in areas such as maintenance, repair, operations, and temporary labor services. It provides an audit trail that lets you comply with Sarbanes-Oxley and other regulatory requirements. And it can be integrated easily with your back-end enterprise resource planning–based procurement systems, allowing you to complement them with e-procurement methods such as self-service requisitioning and advanced approval workflows.

### **Enabling and Connecting with Suppliers**

SAP gives you the tools to work closely with suppliers using a variety of methods. For example, document exchange functionality enables you to smoothly exchange any document in any format across heterogeneous systems. You can also give suppliers direct access to your applications using the SAP NetWeaver® Portal component – or link suppliers to your purchasing process via the SAP Supplier Network offering, a global document exchange platform that lets you bring new partners on board easily and conduct business with numerous suppliers through a single standards-based network connection.

The mySAP SRM solution lets you manage collaborative processes with suppliers so that you can work with them closely on product design and ordering and share information about transactions, catalog updates, acknowledgements, payment status, changes to orders, inventory, and supply-and-demand plans.

### **A Single Solution, Ready for High Tech**

With mySAP SRM, you can manage all spend categories from a central perspective and integrate purchasing processes across the enterprise. The solution lets you close the loop between sourcing and procurement with built-in contract and compliance-management tools and a single analytical framework. And it gives you a solid foundation for improving sourcing and procurement processes and for strengthening relationships with suppliers, resulting in long-term benefits.

The solution is designed to work with the complex, heterogeneous IT landscapes that make up today's extended supplier networks. Based on the SAP NetWeaver platform, it can easily be integrated with both SAP and non-SAP systems. It also lets you draw on key SAP NetWeaver master data management functions – to ensure that you and your trading partners are working with accurate, consistent information – and on sophisticated business intelligence tools that allow you to monitor the performance of suppliers and procurement processes. In addition, mySAP SRM helps you work smoothly on a global stage by supporting more than 25 languages and a variety of currencies as well as local regulations, laws, and taxation.

The solution is in step with today's tight IT budgets as well. It can be implemented in a modular fashion, allowing you to focus on your most pressing needs, achieve quick wins, and gradually build your SRM capabilities. Comprehensive and integrated, it offers low total cost of ownership compared to numerous point solutions. And it provides the scalability and flexibility you need to keep up with a changing industry over the long run.

### **The Rewards of Better Relationships**

With mySAP SRM, you can take an integrated approach to managing sourcing and procurement and enabling collaboration with suppliers. This approach can drive real business benefits. One high-tech equipment manufacturer, for example, used the SAP software to reduce purchase-to-approval cycle time by 90%, the receiving process by 60%, and the payment process by 10% – and to facilitate a 25% reduction in spending with indirect suppliers. Similarly, another large manufacturer used mySAP SRM to increase spend visibility from 70% to 95%, standardize purchasing processes across the company, and increase centralized control over spending to 80%.

With mySAP SRM, high-tech companies like yours can achieve a range of benefits, including:

- Increased return on assets, resulting from improved inventory management, shorter cycle times, and the ability to match assets to market needs rapidly
- Better visibility across the supply chain, achieved by tracking customer demand closely as well as by enhanced information sharing and improved control of the supply chain
- Optimized spending with suppliers, resulting from
  - the ability to leverage global purchasing power
  - the availability of shared centralized information
  - the ability to share sourcing knowledge across organizations and categories
  - the ability to monitor real-time business performance and enforce purchasing policies

- Reduced operational and administrative costs, thanks to
  - automated processes
  - a reduction in redundant processes
  - the elimination of errors
  - collaborative tools that enable more accurate information to be used throughout the supply network
- Increased responsiveness to market changes, thanks to
  - the ability to share demand-and-supply forecasts with suppliers and move supply determinations closer to the customer
  - improved forecast reliability
  - better visibility of supply chain information
- Reduced time to market for innovations, thanks to
  - enhanced information sharing with suppliers
  - the ability to identify the right suppliers
  - the ability to collaborate on creating and building new products and ensuring on-time delivery

Overall, mySAP SRM helps you create and manage value-generating supplier relationships. That can help you achieve sustainable savings, move quickly to take advantage of new opportunities, build new revenue streams, and support and accelerate business innovation.

#### **Powered by SAP NetWeaver**

mySAP SRM 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™ 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.

#### **To Get Started**

With mySAP SRM, you can bring new levels of sophistication, control, and collaboration to your global supply network – and build supplier relationships that help you stay ahead of the competition in a fast-paced industry.

To find out how mySAP SRM can help your company, please visit [www.sap.com/srm](http://www.sap.com/srm).