



**mySAP™ ERP**

**Statement of Direction  
2004**

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## FOREWORD



Over the past two decades, the business world has experienced dramatic changes, including automation, globalization, and, at the end of the nineties, an emerging “new economy” that challenged many of the so-called “old economy” business practices. After the hype died down, many companies reevaluated the old economy values and assessed the potential of innovative IT solutions to help them achieve a competitive edge and tackle today’s – and ideally tomorrow’s – business challenges.

Throughout these changes, SAP has been at the forefront of supplying enterprises with effective enterprise resource planning (ERP) software packages that facilitate best practices and collaboration and are underpinned by state-of-the-art technological solutions. SAP® R/2®, our original ERP product, met the demands of IT executives wishing to automate enterprise processes and cut costs. The next evolution, SAP R/3®, offered a powerful client-server technology that allowed organizations to reengineer their enterprise to support business environments with increasingly sophisticated solutions, resulting in improved overall efficiency and substantial business benefits.

mySAP™ ERP is the next generation of ERP from SAP. Designed for organizations that must address a multitude of challenges simultaneously – such as increased competition and globalization, new legislation and regulations, and mergers or divestitures – mySAP ERP does far more than simply provide capabilities that reduce costs and increase productivity. Our ERP solution helps organizations sense changing markets and customer requirements in real time and acquire the operational ability to respond faster than their competitors. At the same time, organizations gain deeper market insight in order to learn, continuously refine, and accelerate their strategies to serve their customers most efficiently and effectively.

In addition, through our work with thousands of customers around the world, we understand that to successfully manage today’s complex business challenges, organizations need business process integration – and ultimately, the integration of systems, processes, and people – to create an adaptive, more flexible business environment. As a result, SAP not only provides the necessary technical capabilities to support business processes, but it also empowers people by offering innovative portal solutions and enhanced usability that reduce training time while increasing overall productivity.

mySAP ERP offers everything organizations need to create truly adaptive business systems, thereby enabling them to create significant business value in terms of return on investment (ROI), as well as in terms of improved business processes, simplified access to information, and strengthened customer relationships. Enterprises benefit from deeper business insight, which in turn facilitates better decision making and improved corporate governance and compliance. By increasing business adaptability, mySAP ERP helps organizations to respond quickly and appropriately to business change. It provides enhanced flexibility to enable a greater degree of customization, as well as tailored business roles. mySAP ERP also contributes to increased productivity, which is reflected in reduced total cost of ownership (TCO), optimized use of resources, faster access to information, and more automated, simplified processes.

mySAP ERP is powered by the SAP NetWeaver™ platform, a comprehensive integration and application platform that forms the powerful Enterprise Services Architecture. Enterprise Services

Architecture significantly improves the flexibility and scalability of IT infrastructures and lowers TCO of SAP solutions. It extends the reach to previously unsupported business processes by enabling the development of applications using enterprise services across SAP and non-SAP applications. In addition, this innovative, component-based architecture facilitates smooth transitions from earlier software releases and simplifies integration with third-party solutions.

With more than 21,600 customers worldwide, SAP is the leading supplier of ERP solutions for a broad spectrum of midsize and large enterprises, and it is right in line with today's business needs. Looking into the future, however, it is clear that business change is really just getting started – and our customers will need ERP solutions that anticipate these changes and evolve accordingly. At SAP, we can ensure that mySAP ERP will continue to provide the capabilities needed by tomorrow's adaptive business environment. We are driving the evolution.



Henning Kagermann  
Chairman and CEO, SAP AG

# ABOUT THE mySAP ERP STATEMENT OF DIRECTION 2004

This document provides SAP customers, partners, and industry analysts with a clear and concise overview of the entire mySAP ERP solution. For example, it describes SAP's commitment to ERP and the key drivers that affect the company's current solution and strategy, as well as provides detailed product descriptions by core functional area.

Like the mySAP ERP solution itself, our statement of direction must adapt to meet new customer requirements as they emerge. Therefore, we welcome your feedback on any areas that could be enhanced and improved in the months and years ahead.

## HOW TO USE THIS DOCUMENT

The *mySAP ERP Statement of Direction 2004* is designed to meet the information requirements of many different types of readers. Some people may want to read it from start to finish, while others may want to only review sections that are most pertinent to their needs. The following highlights particular areas of interest:

- If you are looking for an overview of mySAP ERP 2004, you may want to review the section entitled *mySAP ERP: Driving Evolution*.
- If you are interested in SAP's ERP strategy in general, you may want to start with *mySAP ERP: A Vision Statement*.
- If you would like to know more about the self-services or new roles enabled by mySAP ERP 2004, start with section, *Self-Services and Roles in mySAP ERP*.
- If you seek information regarding analytic capabilities, you may want to read the *Analytics in mySAP ERP* section first.
- If you are interested in a specific functional area, such as financials, human capital management, operations, or corporate services, refer to the section *mySAP ERP: Driving Evolution* for a brief overview. Then read the detailed sections that overview each functional area.
- General information about key technologies, such as the SAP NetWeaver platform can be found in the *Technology in mySAP ERP* section.

## IDENTIFYING TOPICS OF INTEREST

The best way to identify topics of interest is to review the table of contents, which shows that the document is divided up into the following sections:

- **Introduction**  
Introduces SAP's vision for ERP, the current capabilities of mySAP ERP in 2004 and SAP's market-driven strategy.
- **Key Capabilities of mySAP ERP 2004**  
Describes the current capabilities of mySAP ERP in the following key areas, as well as summarizes the new capabilities and enhancements for 2004:
  - **Self-Services and Roles in mySAP ERP** – Describes how employees can be supported to execute tasks fast and accurately, especially with applications that they only use occasionally. The content also provides information on automated and workflow-based scenarios.
  - **Analytics in mySAP ERP** – Describes how to execute strategies quickly and successfully and how to manage or improve business performance throughout the

entire organization. The information focuses on analytical capabilities within the operations, human capital management, and financial management functional areas.

- **Human Capital Management with mySAP ERP** – Demonstrates how organizations can improve their HR departments by empowering and supporting employees throughout their service with the organization. In addition, the section provides an overview of how to simplify and streamline workforce-related processes.
- **Financial Management with mySAP ERP** – Describes how to increase insight into working capital and introduces accounting procedures and methods to ensure compliance with national and international regulations, standards, and laws.
- **Operations with mySAP ERP** – Provides an overview of the complete “purchase-to-pay” cycle, including self-service requisitioning and the complete “order-to-cash” cycle, including Internet sales, manufacturing, and aftermarket services. Also describes how to support the complete product life cycle and assets, from the definition or design phase and production ramp-up to aftermarket maintenance activities.
- **Corporate Services with mySAP ERP** – Introduces service solutions for end-to-end life cycles for travel management; environment, health, and safety; and real-estate management. The section also addresses the development of efficient incentive programs.
- **The Technology Foundation**  
Provides an overview of the SAP NetWeaver platform, a comprehensive integration and application platform, and introduces the Enterprise Services Architecture, a new, services-oriented architecture that represents the future of information technology and solutions.

#### **CONTACT YOUR SAP ACCOUNT MANAGER FOR MORE INFORMATION**

This document is not a substitute for an ongoing dialogue with your SAP account manager, who has a unique understanding of how to apply our ERP strategy to your business. But it can complement that dialogue by providing you with a solid background on SAP’s overall approach to ERP. In addition, it can provide you with a clear idea of what to expect from the purchase and implementation of the industry’s next-generation ERP product: mySAP ERP 2004.

We hope you find the mySAP ERP Statement of Direction 2004 helpful, and we look forward to putting our principles into practice for your organization.

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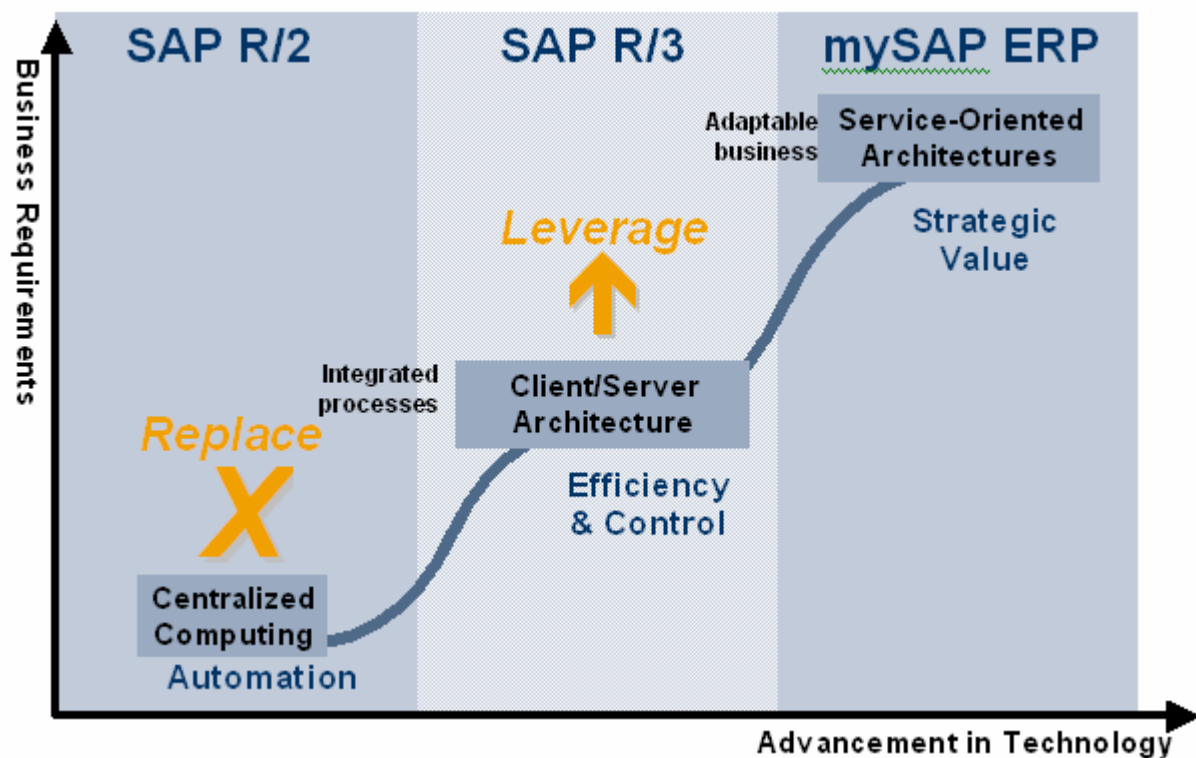
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# mySAP™ ERP: A VISION STATEMENT

## TRENDS AND CHALLENGES

More than two decades ago, enterprise resource planning (ERP) software played a significant role in helping IT executives to cut costs. Early off-the-shelf ERP applications enabled IT organizations to reduce application backlogs and spend more time implementing new applications, resulting in reduced in-house development costs, increased numbers of industry-specific solutions, more tightly integrated software, and optimized installation practices.

ERP software, as illustrated in Figure 1, has evolved dramatically in recent years to include a broad range of sophisticated solutions to support the enterprise business environment. Both services and manufacturing businesses use ERP software to manage their people, finances, business assets, and operations more effectively and to better respond to – and meet – changing customer needs. Today ERP is an integral tool for the success of any business seeking to improve efficiency and realize significant bottom-line benefits.



**Figure 1: The Evolution of ERP at SAP**

The continued push toward better ERP technologies has largely been driven by several key business trends. Globalization, for example, is increasing the complexity of corporate structures, market access, and business processes, driving the need for heightened levels of business visibility and collaboration. Because competition is also fiercer in global markets, management teams face rising pressure to improve operations efficiency and reduce costs.

At the same time, financial markets are demanding that companies use capital more efficiently, which means that management must constantly look for ways to streamline operations and simultaneously optimize human capital management, cash flow, asset management (that is, inventory), manufacturing and production capacity, and other operational resources.

Companies must also contend with shrinking business cycles and growing time pressures. Today innovation occurs with stunning speed, and yet the window of opportunity for capitalizing on innovations continues to narrow. In order for companies to operate profitably, they must find ways to reduce both time to market and time to value.

But perhaps the growing power of the customer has most profoundly impacted the ERP software evolution. Customers now have access to more information about products and services than ever before, as well as unprecedented choice in terms of price and vendor. Customer expectations are also continually rising; for example, today's customers expect higher levels of service; mass customization; and individualized, "market of one" products and services. To meet these expectations, companies must increase speed and efficiency and have immediate access to accurate information about their customers, distribution channels, products – and most importantly, their profitability.

In this complex business environment, organizations face a myriad of challenges, among them finding ways to constantly generate value, meet strategic goals, initiate new business opportunities, lower operating costs while promoting growth, and demonstrate – and document – compliance with an ever-growing number of regulatory laws.

#### **ENABLING BUSINESS TRANSFORMATION WITH mySAP ERP**

ERP solutions must evolve to equip organizations to succeed given these challenges. SAP believes that ERP solution providers must provide businesses with the following:

- **Improved productivity for greater efficiency and responsiveness** – mySAP™ ERP helps businesses raise operations efficiency to the next level by extending the reach of real-time business processes. As a result, organizations can engage and connect with more users within and beyond the enterprise – including customers, suppliers, and partners. This extendibility, coupled with the intuitive Web- and role-based portal environments provided by mySAP ERP, ensures that all users have systemwide access to one consolidated, consistent business process view. It also ensures rapid user adoption, as well as increased collaboration and productivity. Users across the enterprise are empowered with the information they need to react and proactively respond to market changes more quickly than their competitors.
- **Increased insight for more assured decision making** – mySAP ERP deepens understanding of activities across the entire business network for improved decision making. With mySAP ERP, businesses always have the right information, in real time, to proactively isolate potential areas of concern and exploit pockets of opportunity.
- **Advanced flexibility and adaptability to lower costs and speed change** – mySAP ERP, the cornerstone of the mySAP Business Suite family of business solutions, enables businesses to seamlessly integrate end-to-end processes into one scalable, adaptable industry solution, as well as incrementally add the right mix of customer relationship management (CRM), supply chain management (SCM), or product life-cycle management (PLM) functionality required by organizations over time. Open Web technology provides the flexibility and agility businesses need to enable, modify, and deploy processes that automatically adapt and accelerate business strategies. Also, because mySAP ERP is powered by the SAP NetWeaver™ platform, organizations can manage IT costs more effectively by protecting and leveraging any prior investments in SAP® R/3®. As a result, investments in people's skills and training, as well as data locked away in legacy and non-SAP systems, can be easily extended to the mySAP ERP environment, which further lowers operational costs. And as new business scenarios and technologies emerge, enterprises are well positioned to speed change.
- **A partner for long-term growth** – For new customers, SAP is the safest and most cost-effective choice in today's increasingly complex global environment. The company is uniquely qualified to help organizations succeed because it is the market leader with 30 years

of experience working with organizations of all sizes and has customers in more countries than any other vendor, a world-class partner network, and best practices in more than 25 industries. SAP offers the only complete, fully integrated suite of functionality in the areas of human capital management, financials, operations, and corporate services – all of which can be quickly implemented to achieve a fast time to benefit with minimal disruption to organizations. SAP can solve today's complex business challenges and stay with organizations as they grow and their needs change over time.

Focusing on these strategic areas will ensure that the ERP solutions offered by SAP will help businesses reduce total cost of ownership, realize a faster return on investment, and thrive in today's complex business environment.

### **EVOLVING SAP SOLUTIONS FOR ERP**

The first generation of true ERP software offered broad business functionality, application integration, and support for real-time processing. Second-generation ERP software, such as SAP R/3 software, offered in-depth business and vertical market functionality, as well as standardized best practices and business processes in a client-server environment.

Today's information technology is heading away from the mainframe, client/server architectures of the past – and toward service-based products and applications. An increasing number of organizations are beginning to see the need for efficiency in the administrative and operative environment that extends to almost every employee's desktop. For this reason, there is a growing requirement for expandable ERP solutions that will allow enterprises to collaborate and extend their ERP processes. SAP recognized this trend at the beginning of 2003 with the introduction of the SAP NetWeaver platform, which is developed on Enterprise Services Architecture. Indeed, all future product developments at SAP will be based on this services-oriented architecture, and SAP NetWeaver represents the technology basis for all SAP products and solutions.

As enterprises evolve toward an adaptive application environment, an ERP solution based on a services-oriented architecture allows organizations to draw on existing core ERP business processes for planning, execution, collaboration, and coordination. Equally critical, it allows these processes to:

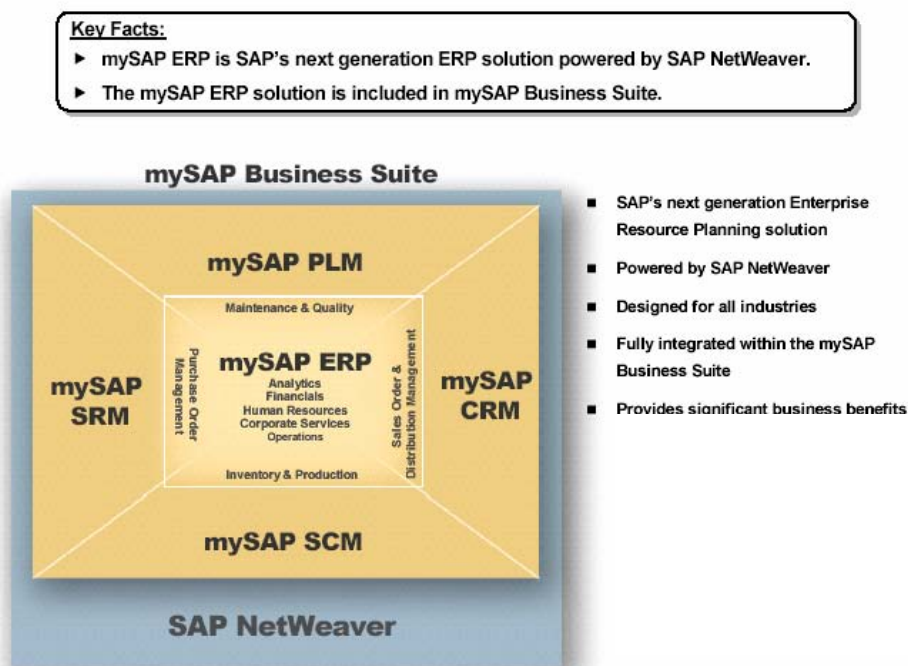
- Extend both enterprise-wide and beyond corporate boundaries
- Be closely integrated
- Be seamlessly connected to essential enterprise applications, such as customer relationship management and product life-cycle management systems

This extensive integration, which links both internal and partner systems, is prerequisite to providing the necessary, real-time information needed to support visibility, velocity, and variability.

The implications for ERP software cannot be underestimated. For example, originally, businesses implemented ERP software primarily to improve the efficiency of their back-office business operations. In contrast, the 2004 version of mySAP ERP allows companies to leverage these efficiencies *throughout the extended enterprise* by enabling all authorized users to access mySAP ERP for daily tasks. Enabling this extendibility required uniting the SAP NetWeaver platform with the SAP R/3 solution – a significant evolution of the software. By combining the enterprise portals and business intelligence capabilities of SAP NetWeaver with the advanced business applications of SAP R/3, mySAP ERP 2004 dramatically increases efficiency in the administrative and operative environment – right to end-user desktops.

These strategic developments are geared to help enterprises increase business value in order to realize a faster return on investment. The services-oriented architecture provides greater flexibility, seamless business integration, and an increased capacity for innovation across the enterprise – all of which represent significant competitive advantages. In addition, tighter integration capabilities make possible more streamlined business processes, as well as better integration with third parties for more effective information exchange and greater transparency between organizations. And the extendibility increases overall efficiency by making information available to anyone, anywhere, and anytime.

Figure 2 illustrates how the SAP NetWeaver platform is the foundation for all SAP solutions – and how mySAP ERP is at the core of mySAP Business Suite.



**Figure 2: The mySAP™ Business Suite Family of Business Solutions**

### Enabling Technologies for Adaptive Applications

At the same time, today's ERP software must support a number of emerging technologies that increase adaptiveness. mySAP ERP, for example, supports the following emerging technologies:

#### AGENT TECHNOLOGY

Agents are simple software programs capable of sensing the local or virtual environment and autonomously executing delegated tasks and communicating results to designated entities; these can be users, agents, applications, or business workflows.

Agents can execute a wide range of functional tasks. For example, they can search, make comparisons, learn, negotiate, and collaborate. They can also enable systems to coordinate tasks among workers and manage cooperation between distributed applications. Furthermore, agents can be used to automate information exchange in the network, thereby ensuring the instant circulation of relevant information across the network and allowing enterprises to make critical decisions rapidly.

Agents can also be used for real-time, predictive monitoring of critical business processes and parameters across the extended supply chain network. As a result, they can help avoid potential problems with customers, ensure implementation of plans and schedules, and support proactive risk management.

#### RFID TECHNOLOGY

Although radio frequency identification (RFID) technology is not new, it has only recently come to be regarded as a significant factor in enhancing efficiency across the supply chain network. RFID tags are thin, flexible, smart labels containing a silicon chip. Attached to or embedded in products, boxes, and pallets, the tags offer people-free, wireless tracking of items throughout the supply chain. As a tag moves past “read points” in various distribution centers or retail stores, its unique ID is automatically communicated to a central database. Managers can then make real-time decisions based on real-time visibility.

Agent technology and RFID technology can be used together to enhance the adaptability of an organization. For example, agent technology supports management of the large volumes of data captured by RFID readers. Specifically, it can make intelligent decisions based on preconfigured rules, as well as identify exceptions and generate alerts when they occur.

#### WEB SERVICES TECHNOLOGY

The biggest challenges companies face when developing an adaptive network for cross-enterprise collaboration are the lack of standards and the exorbitant costs of building application integrators. Many experts believe that Web services technology, which provides a fast and inexpensive method to link software systems, offers a solution to this problem. Web services technology builds on established Internet technologies such as Transmission Control Protocol/Internet Protocol (TCP/IP) and Extensible Markup Language (XML), in addition to three new standards – Simple Object Access Protocol (SOAP), Web Services Description Language (WSDL), and Universal Description, Discovery, and Integration (UDDI) – all of which are vendor-neutral and backed by almost the entire software industry. Deploying Web services as a single connection method can dramatically reduce or eliminate the need to define common interfaces. As portals become part of enterprise strategy, Web services can provide a standard way to aggregate and present data, reduce the number of portal objects that must be developed and maintained, and simplify the integration of enterprise applications into any portal.

#### **STARTING THE JOURNEY**

As more organizations see the need for efficiency in the administrative and operative environment that extends to almost every employee’s desktop, there will be a growing requirement for expandable ERP solutions that will allow companies to collaborate and extend their ERP processes.

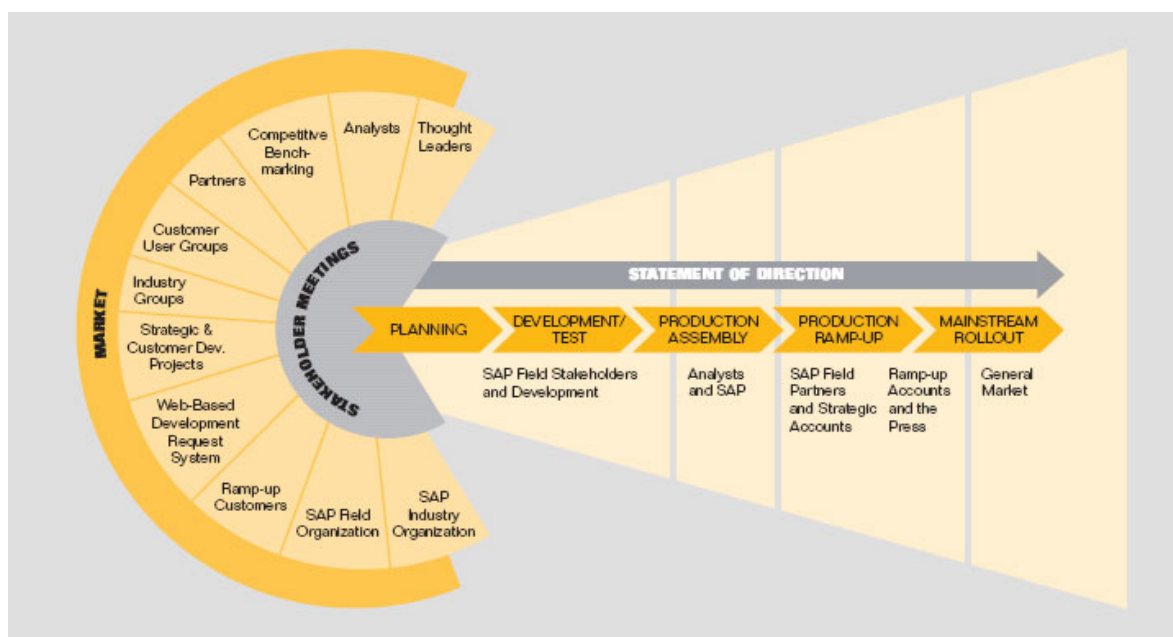
# HOW SAP SETS A MARKET-DRIVEN DEVELOPMENT STRATEGY FOR mySAP ERP

## SAP SOLUTION PRODUCTION

Customer requirements and satisfaction drive the evolution of SAP solutions. With this input, SAP directs a new product development process that manages all phases of planning, development, quality assurance, and production for all SAP products – from initial planning to ramp-up and mainstream rollout. All information about a software solution or development project is stored centrally and coordinated with all other SAP solutions to deliver solutions across our customers’ entire value chain.

### A Market-Driven Strategy

As illustrated in Figure 3, SAP has adopted a unique outside-in, customer-driven approach to its development strategy for mySAP ERP. The planning phase, which kicks off the solution production process, begins with product ideas and requirements that roll in from many channels, including thought leaders, analysts, competitors, partners, customer user groups, industry groups, strategic and customer development projects, Web-based development request systems, and ramp-up customers, as well as SAP’s own field organization and industry organizations.



**Figure 3: SAP’s Market-Driven, Multichannel Roll-In Process**

### Multichannel Roll-In Process

SAP continually collects data from external and internal channels. Customers, partners, analysts, thought leaders, and SAP development teams provide input that articulates market demand, which in turn drives product innovation. This input includes market analysis, competitive benchmarks, strategic development projects, and direct feedback from customers and consultants. Throughout the formal planning process, SAP uses a market-driven model to prioritize the ideas and requests it receives.

The following sections describe each of the channels that help make the company’s market-driven, customer-centric development strategy for mySAP ERP a success:

#### Thought Leaders

Thought leaders provide valuable insights about global business that affect current and future technologies. With its superior reputation and 30 years of business expertise, SAP has access to the world's leading thinkers and practitioners in a variety of forums.

#### Business and Financial Analysts

Business and financial analysts provide some of today's most direct and candid feedback about the ERP market and technology. Through research and public statements, the analyst community provides critical reviews of SAP software development, as well as market analyses.

#### Competitors and Competitive Benchmarking

Competitive benchmarking ensures that SAP understands what customers expect from leading vendors. Because customers typically evaluate more than one competitive product when selecting solutions, benchmarks ensure that SAP can gauge how its products compare with those of its competitors. Benchmarks also enable SAP to develop areas of value-added differentiation.

#### Partners

SAP cooperates closely and openly with its partners, sharing knowledge, ideas, and software solutions. Partner input is an invaluable element of SAP's strategy for solution development.

#### Customer Users' Groups

SAP gathers feedback from customers through a variety of forums, including its customer user groups. Chief among these international user groups are the Americas' SAP Users' Group (ASUG) and Germany's SAP Users' Group (DSUG).

#### Industry Groups

By attending and hosting industry group events, SAP can track changing market trends and solicit input from similar companies.

#### Strategic and Customer Development Projects

SAP undertakes strategic development projects and customer development projects that are in line with its strategic initiatives and its partnerships with key strategic customers, such as SAP Global Alliance partners. These projects often lead to specialized development projects that can result in new and superior capabilities – a hallmark of SAP excellence.

#### Development Requests

As an additional service, selected SAP customers can request specific development efforts, which contribute to the continuous improvement of mySAP ERP. Such customers include SAP user groups, customers with a certified customer competence center or global alliance account status, and SAP's development and consulting partners.

#### Ramp-Up Customers

Through the SAP Ramp-Up Program, customers can provide direct feedback on new products. The program also allows SAP to receive detailed information on how customers select, implement, and use mySAP ERP.

### SAP Field Organization

SAP sales, consulting, training, and support organizations are important channels for product improvements. These groups have frequent contact with prospects and customers, who provide rich input into short- and long-term product planning.

### SAP Industry Organization

Like the SAP field organization, SAP industry organizations provide direct customer input. They also provide insight into the specific needs of individual industries and translate generic product offerings into capabilities for industry-specific process improvement.

### SAP Executive Board

SAP also garners input from the SAP executive board and corporate research. The SAP executive board believes that IT spending continues to focus on solutions that can deliver a high and visible return on investment, lower the total cost of IT solution ownership, and leverage existing IT investments. mySAP ERP meets all of these requirements.

### Corporate Research

SAP's dedicated research and development organization works in research centers around the globe. Its goal is to establish SAP as the leader in innovative and strategic technologies, such as mobile and electronic business, the Internet, and mobile computing. As a respected member of the worldwide research community, the corporate research division participates in worldwide academic conferences, workshops, and other gatherings of elite R&D professionals to gather and develop the best corporate intelligence available today.

## **COMBINING RESOURCES FOR ERP SUCCESS**

With more than 30 years of success in enterprise business solutions, SAP understands the depth of knowledge and resources required to produce a superior ERP solution. mySAP ERP empowers organizations to integrate and synchronize ERP functions tightly throughout their enterprises. SAP also recognizes that good ideas originate from many places and that its own internally generated ideas may not fit specific customers' needs. By understanding the market and recognizing individual customer requirements, SAP develops the right solutions for the right customers at the right times.

SAP is committed to this customer-driven strategy. Listening to and understanding the needs of customers ensure that SAP will continue to deliver superior solutions that empower organizations to be more successful.

## **mySAP ERP IN 2004: ENABLING INNOVATION**

SAP's comprehensive knowledge of business processes, gained from experience with thousands of customers, is the foundation for more than 27 industry solutions and 280 microvertical partner solutions. This extensive experience and expertise ensure that all SAP applications offer both a high level of functionality for our customers, as well as full integration.

Backed by over 30 years of SAP experience, mySAP ERP delivers functionality for managing financials, human capital management, operations, and corporate services – resulting in the most comprehensive ERP functionality available today. Additionally, it offers analytical tools that help services and manufacturing organizations take decisive action and get more value from existing system investments. And new capabilities and enhancements offered in 2004 – developed with careful consideration of SAP customers' main objectives and requirements – provide an even more effective solution to our customers' most difficult business challenges.

mySAP ERP 2004 enables new levels of business process and technology integration and lays the foundation for incremental solution advancement. Plus, mySAP ERP offers organizations an easy path to upgrade to any and all SAP solutions, allowing them to deploy the functionality they need – when they need it – for customer relationship management, product life-cycle management, supply chain management, and supplier relationship management.

With mySAP ERP, organizations can leverage existing IT assets while regaining active control of their whole administration and operations environment. As a result, enterprises realize greater efficiency and profitability, as well as increased business insight. Additional benefits include the following:

- Better corporate governance
- Protection of existing investments, as well as the ability to leverage existing investments for increased ROI
- Increased transparency
- Reduced total cost of ownership (TCO)
- Optimal integration and extendibility
- Increased efficiency and employee empowerment
- A smooth transition

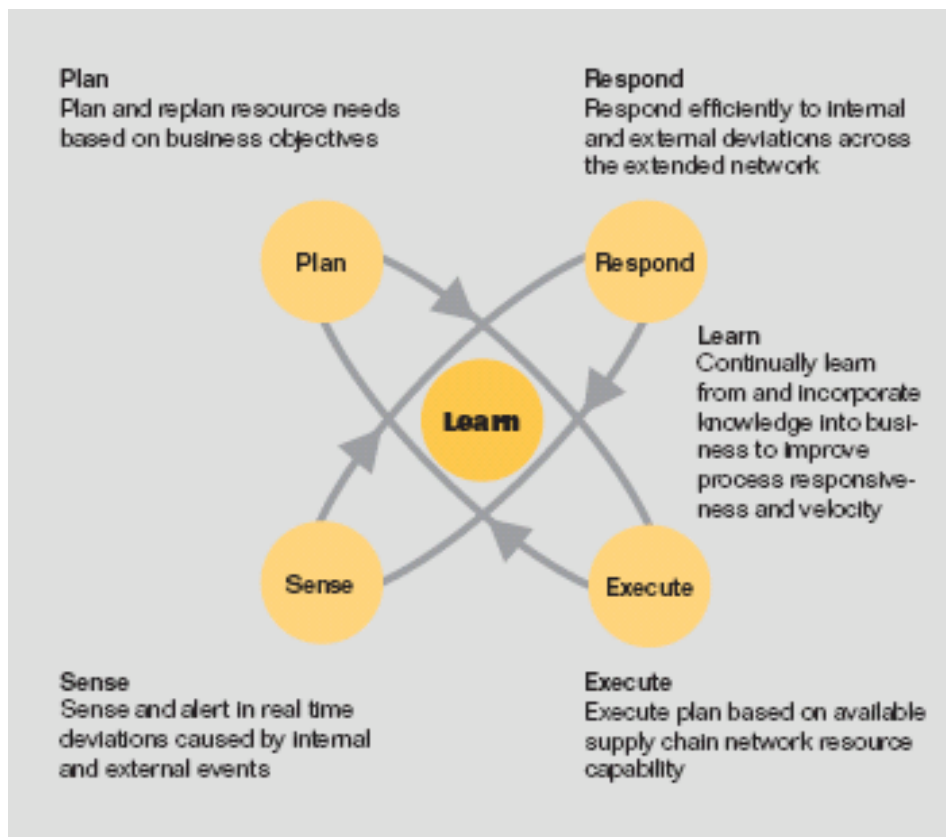
### **POWERED BY THE SAP NetWeaver PLATFORM**

In the past, ERP solutions were wholly designed with an internal back-end business focus; however, an increasing number of companies are beginning to see the need for efficiency in the administrative and operative environment that extends to almost every employee's desktop. As a result, there is a growing requirement for expandable ERP solutions that will allow companies to collaborate and extend their ERP processes.

To address this need, mySAP ERP is powered by the SAP NetWeaver platform, a technology platform that makes mySAP ERP extendable and able to be integrated into complex, heterogeneous IT environments. In addition, the platform supports portal and mobile technology, business intelligence, and knowledge management, allowing organizations to drive additional business value from existing technology investments and enable, for the first time, enterprise-scale usage of Web services.

### mySAP ERP: IMPROVING BUSINESS PERFORMANCE

mySAP ERP is on the forefront in a new era of information technology because it is based on an innovative services-oriented architecture that supports further TCO reductions and takes enterprise application integration to a new dimension. Enterprise Services Architecture supports the necessary flexibility and agility organizations need to enable, modify, and deploy processes that automatically adapt to and accelerate business strategies (see Figure 4). And, as new business scenarios and technologies emerge, organizations that leverage this architecture are well positioned to rapidly implement changes internally. mySAP ERP is the ultimate choice for organizations seeking to achieve tighter control on company operations while needing flexibility to deal with changing market and process requirements.



**Figure 4: The Adaptive Organization**

### GUIDING PRINCIPLES IN DEVELOPING mySAP ERP

Development of the leading-edge functionality in mySAP ERP is a reflection of the company's focus on solving organizations' most difficult business challenges. SAP uses the following guiding principles to evolve the mySAP ERP solution:

- Usability and user productivity
- TCO improvement
- Transparency and compliance
- Value-added key functionalities

As illustrated in Table 1, these guiding principles translate into new capabilities and enhancements that drive business processes and solve business-critical problems.

Guiding Principles	Examples
Usability & user productivity	<ul style="list-style-type: none"> <li>• Employee access to all relevant processes</li> <li>• Software support and preconfigured business content for various organizational roles such as manager, business unit analyst, employee, and traveler</li> <li>• Role-specific guidance based on the latest user interface technology, which increases user efficiency and acceptance</li> </ul>
TCO improvement	<ul style="list-style-type: none"> <li>• Reduced number of systems, that is, by implementing business analytics together with key mySAP™ ERP capabilities</li> <li>• Compatibility with the business processes and legacy systems</li> <li>• Reduced workloads and time required for upgrades</li> </ul>
Transparency & compliance	<ul style="list-style-type: none"> <li>• An application to support the requirements of the Sarbanes-Oxley Act</li> <li>• Transparency and fast financial closing via automation and unique access through a closing cockpit</li> <li>• Faster, more accurate financial and operational planning</li> <li>• Better insight through business performance management</li> </ul>
Value-added key functionalities	<ul style="list-style-type: none"> <li>• More flexible general ledger functions in financials</li> <li>• E-recruiting application</li> <li>• Internet sales</li> <li>• Adobe-based printing in various applications</li> </ul>

**Table 1: mySAP™ ERP Guiding Principles**

### **OUTLOOK AND FUTURE PLANS**

These guiding principles will play an integral role in subsequent releases of mySAP ERP. For example, to further improve usability and user productivity, work is already under way to create additional roles and related business content. In addition, SAP is developing a new, intuitive user interface for the new roles and their associated processes.

To further reduce TCO for mySAP ERP, plans are under way to simplify the system landscape, compile concise descriptions of the transition, offer uniform tools such as Adobe for Printing, and provide guided procedures for user management. Business applications can also help improve TCO by increasing flexibility and integration, as provided, for example, by the new general ledger (see the “Financial Management” section of this document for more information).

Future mySAP ERP releases will provide additional, value-added functionalities for specific industries that will, for example, allow customers to use a switch framework for easy activation of capabilities previously reserved for special industry add-ons.

## SOLUTION OVERVIEW

The mySAP ERP solution map, shown in Figure 5, reflects the core business processes that the solution supports.

	Self-Services					
Analytics	Strategic Enterprise Management		Financial Analytics	Operations Analytics	Workforce Analytics	
Financials	Financial Accounting		Management Accounting	Financial Supply Chain Management	Corporate Governance	
Human Capital Management	Employee Life-Cycle Management		Employee Transaction Management	HCM Service Delivery	Workforce Deployment	
Operations: Value Generation	Procurement	Inventory & Warehouse Management	Manufacturing	Transportation	Sales Order Management	Customer Service
Operations: Support	Life-Cycle Data Management		Program & Project Management	Quality Management	Enterprise Asset Management	
Corporate Services	Travel Management		Environment, Health, & Safety	Incentive & Commission Management	Real-Estate Management	
SAP NetWeaver™	People Integration		Information Integration	Process Integration	Application Platform	

**Figure 5: The mySAP™ ERP Solution Map**

mySAP ERP addresses the core and extended business requirements of midsize and large organizations, whatever their industry or global reach. The solution provides a sophisticated tool that empowers businesses to coordinate, plan, and execute operations activities quickly and effectively in today's challenging business environment. In addition, it gives enterprises better control of their assets and business processes by providing a full suite of software functionality for world-class self-services, analytics, finance, human capital management, operations, and corporate services. Organizations can extend capabilities to create truly adaptive business systems that support internal business processes, supply chain networks, and collaboration with customers and suppliers, resulting in improved customer relationships and increased revenue – both now and in the future.

### Proven Support for Core Business Processes

Organizations can perform their core business processes using the following key capabilities offered by mySAP ERP:

#### SELF-SERVICES AND ROLES

mySAP ERP significantly improves organization performance and user productivity by providing self-services functionality and support for various roles, such as the following:

- **Manager self-services** – mySAP ERP helps managers identify, retain, and reward top performers; recruit the right people; and make better management decisions without involving the HR department.

- **Employee self-services** – mySAP ERP enables employees to create, view, and modify personal data using multiple technologies. In addition, they can manage tasks that previously could only be handled by other departments, such as updating personal information.
- **Centralized employee interaction support** – mySAP ERP provides organizations with an employee interaction center – a central point of contact that enables employees to interact with their employer more efficiently. Employees have access to a single, unified source of information, and HR staff can easily access the information and tools they need to handle requests.
- **Roles support** – mySAP ERP has expanded its self-services portfolio to include a wide variety of new roles in the following mySAP ERP capability areas: human capital management, financials, operations, and analytics.

#### ANALYTICS

mySAP ERP offers comprehensive analysis, forecasting, and reporting tools that support human capital management, financial, and operations processes. Key functions include the following:

- **Strategic enterprise management** – mySAP ERP enables enterprises to implement strategies quickly and successfully, as well as manage business performance throughout the entire organization. The solution also supports integrated business planning, performance monitoring, business consolidation, and effective stakeholder communication.
- **Financial analysis** – The solution also helps organizations define financial targets, develop a commensurate business plan, and monitor costs and revenue on execution.
- **Operational analysis** – mySAP ERP facilitates the compilation of detailed operations reports and informed operational decision making.
- **Workforce analysis** – mySAP ERP provides data analysis and reporting tools to analyze and optimize workforce performance, implement and monitor corporate strategy, and evaluate how various scenarios may affect business goals.

#### FINANCIAL MANAGEMENT

mySAP ERP delivers a comprehensive solution for enterprise-wide financial management by providing the following:

- **Financial and management accounting** – mySAP ERP records key figures and data from financially relevant transactions of value-creation processes. Accounting can use the solution to maintain a consistent, reconciled, auditable set of books for statutory reporting and management support, as well as generate data for analytic applications.
- **Financial supply chain management** – mySAP ERP provides enterprises with greater visibility of working capital, helping to streamline cash flow activities, reduce the costs associated with billing and payment processes, and optimize transactions with customers, vendors, and suppliers.
- **Corporate governance** – mySAP ERP enables companies to comply with national and international legal requirements and the laws of corporate governance, such as Basel II and the Sarbanes-Oxley Act. The solution supports external and internal auditors and business, system, and tax audits. In addition, it helps internal controls managers perform tasks more efficiently and enables risk managers to elucidate the consequences of potential risks to business targets.

#### HUMAN CAPITAL MANAGEMENT

mySAP ERP delivers a comprehensive solution for human capital management by providing the following functionalities:

- **Employee life-cycle management** – mySAP ERP supports employees through every phase of their employment with an organization. The solution helps businesses identify and retain top performers, leverage their talents, align employee goals with corporate goals, and maximize the impact of training.
- **Employee transaction management** – mySAP ERP enables enterprises to streamline and integrate essential HCM processes, including administration, payroll, time management, and legal reporting, in order to lower IT costs. The solution supports global requirements and has been customized for more than 50 countries.
- **HCM service delivery** – mySAP ERP allows workforces to share knowledge quickly and to build collaborative, interactive relationships via mobile, help desk, portal, and voice channels.
- **Workforce deployment** – mySAP ERP facilitates workforce deployment. The solution allows organizations to create project teams based on skills and availability, monitor project progress, track time, and analyze results. It also enables organizations to ensure that resources are not wasted on ineffective projects, thereby increasing profitability via more efficient workforce management.

#### OPERATIONS VALUE GENERATION

mySAP ERP delivers complete cycle, or end-to-end logistics operations solutions, by providing the following functionalities:

- **Procurement** – mySAP ERP supports not only traditional processes such as requisitioning, purchase order management, and invoice verification, but also catalog-based self-service requisitioning for MRO material and services. Catalog integration has been expanded to maintenance operations and project management.
- **Inventory and warehouse management** – mySAP ERP supports all major areas of inventory management and warehousing, such as inbound and outbound processing, cross-docking, specific strategies for warehouse optimization, and flexible valuation concepts.
- **Manufacturing support** – mySAP ERP supports all manufacturing strategies and processes for companies in the discrete, process, and consumer products industries.
- **Transportation support** – mySAP ERP provides key functions for transport execution, as well as support for reporting and business processes for foreign trade.
- **Sales order management** – mySAP ERP provides conventional order management support, including quotation and order management, contract management, and billing.
- **Customer service** – mySAP ERP addresses basic requirements for customer support, such as management of installations and their configurations, service contracts, warranty management, service requests, and orders.

#### OPERATIONS SUPPORT

mySAP ERP streamlines and optimizes the end-to-end logistics functionalities by providing the following operations support functionality:

- **Life-cycle data management** – mySAP ERP facilitates support functions such as document management and change and configuration management, as well as integration with external systems such as computer-aided design (CAD) management and geographical information systems (GIS).
- **Program and project management** – mySAP ERP enables the collaborative exchange of documents and project status information, which is critical for organizations where product innovation is often managed by development programs and project groups, including external design partners and engineering services.
- **Quality management** – mySAP ERP supports quality engineering, quality assurance/control, and quality improvement, including integration into the relevant logistics (inbound and outbound) and manufacturing processes.

- **Enterprise asset management** – mySAP ERP supports the complete life cycle of an asset – from specification and design phases, through the development phase (which is supported by procurement activities) and the operation phase (which is supported by maintenance activities), all the way to the disposal phase.

#### CORPORATE SERVICES

mySAP ERP helps organizations to reduce costs and streamline internal processes by providing the following functionality for corporate services:

- **Travel management** – mySAP ERP provides a fully integrated, end-to-end journey life-cycle management solution. The solution improves processes for preapproval, online booking, expense reporting, and data warehousing.
- **Environment, health, and safety support** – mySAP ERP provides a solution for environment, health, and safety issues, and supports compliance with government regulations.
- **Real-estate management** – The solution enables organizations to streamline and manage every stage of the real-estate portfolio life cycle.
- **Incentives and commissions** – mySAP ERP helps organizations develop effective incentive programs, including sales and brokerage commissions, profit sharing, and bonus plans.

#### **SAP: A LONG-TERM PARTNER FOR GROWTH**

With mySAP ERP, organizations can swiftly sense and respond to customer requirements in real time and strategically learn and adapt to market insights by extending processes beyond the enterprise boundaries. With the complete, integrated suite of next-generation self-services, analytics, human capital management, financial management, operations, and corporate services functionality, all powered by the SAP NetWeaver platform, organizations benefit from:

- Improved productivity for greater efficiency and quicker responsiveness
- Increased insight for more assured decision making
- Advanced flexibility and adaptability to lower costs and accelerate business strategies

SAP is the ideal partner for organizations focused on long-term growth. And mySAP ERP is the best choice for gaining tight operational control of all activities today, as well as planning for and better responding to market and technology changes that impact business performance and growth.

## SELF-SERVICES AND ROLES IN mySAP ERP 2004

ERP applications have made a significant contribution to organizational efficiency and effectiveness, largely due to the improved integration of processes and information throughout an enterprise. However, organizations must continually modify business processes in order to take advantage of new opportunities in global markets and address the requirements of worldwide information access. Two key trends currently drive business change:

- **Decentralization** – In many organizations today, standard information and processes are centralized so that employees can easily access information, anytime and anywhere. But to make the system work, employees across the enterprise must be willing to input locally held, business-critical information. Today, employees are prepared to use ERP systems to access and add relevant information – as long as they can do so quickly and easily.
- **Business process automation** – Automating routine tasks is critical for organizations that wish to generate additional value from existing resources. Business process automation frees skilled professionals from routine administrative work so that they can focus on improving value-added business processes and strategies.

Both of these trends require organizations to do more than integrate their back-end technology systems; addressing these kinds of changes requires businesses to modify “people processes,” or the activities that employees perform on a daily basis to do their jobs. Enterprises can benefit by incorporating these “people processes” into the underlying technology on which their business relies. Doing so ensures that employees can access the tools they need to perform their jobs effectively, while enabling a free flow of information throughout the organization.

In the past, the use of technology to improve personal interactions with an organization was focused on improving the customer experience with customer self-services; these services allowed customers to interact with the business on their own terms and schedule. However, today’s forward-thinking enterprises realize that supporting internal “people processes” with appropriate technologies results in higher employee productivity.

Businesses will benefit from transactional systems that not only provide a wide range of features and functions to support professional employees, but also enhance productivity for all employees and improve competitiveness by offering business process automation and enhanced self-services.

### SELF-SERVICES IN mySAP ERP

mySAP ERP provides innovative self-services functionality that can significantly improve organization performance and user productivity. mySAP ERP not only supports professional business processes, but also simplifies tasks for all key functional areas of mySAP ERP. Automated processes and improved workflow help employees execute their tasks efficiently and accurately – even with applications that they seldom use. Self-services are especially well suited for processes that involve the assimilation of specific information from transactional systems (reports, market analyses, sales figures, and so on) or typical, routine activities such as requesting verifications, corrections, and approvals, or recording activities and leave.

Self-services functionality provided by mySAP ERP offer the following benefits:

- **Improved productivity and efficiency** – mySAP ERP simplifies tasks and eliminates process steps and paperwork. As a result, error rates are reduced, data consistency is increased, and employees across the enterprise can access vital information and tools anytime, anywhere.
- **Reduced costs** – By increasing productivity and optimizing workflow throughout the organization, transaction and administration costs can be significantly reduced and operational costs lowered.
- **Increased employee motivation** – By automating routine tasks, mySAP ERP frees employees to focus on strategic, high-value efforts where they can make the greatest contribution, thereby improving their motivation and morale. And a highly usable interface increases employee acceptance and enables even untrained staff to utilize self-services functions.

The benefits of self-services have been highlighted by an SAP AG/Deloitte Consulting study conducted in 2003 (not yet published). The study examined the use of self-services applications in the areas of leave requests, travel management, seminar administration and booking, and approval for further education. Data was taken from the personnel area, employees, and executives. The potential savings averaged around 60% in terms of time and costs compared to the normal HR processes. An investment calculation yields a dynamic amortization time of less than one year and an ROI of 480% in the analysis period of five years. The basis for these calculations is the potential savings realized due to the optimization of HR processes in a fictitious company with 10,000 employees.

mySAP ERP offers self-services functionality in three key areas:

- Employee self-services
- Manager self-services
- Centralized employee interactions

### **Employee Self-Services**

mySAP ERP provides functionality for employee self-services (ESS) that enable employees to manage a variety of tasks that would otherwise be handled by others, such as creating, viewing, and modifying various kinds of data related to their job functions. It also empowers employees to update HR information, such as entering information about life and work changes. Altogether, more than 40 international and more than 40 country-specific scenarios are available. SAP Employee Self-Service within mySAP ERP meets the needs of today's global, mobile workforce with the following functions:

- **Working time management** – mySAP enables employees to enter their own working time, allocate the time-to-work breakdown structure (WBS) elements such as cost centers, check how much leave they have available, request leave, and more.
- **Travel management** – With mySAP ERP, employees can create travel requests and submit them directly to their manager (or the department that coordinates travel). After employees return, travel expenses can be recorded and assigned to cost centers or customer sales orders.
- **Life and work event management** – Through mySAP ERP, employees can receive step-by-step guidance for viewing personal, payroll, benefit, and other professional information. The solution also prompts them to enter any necessary personal data.
- **Benefits management** – mySAP ERP makes it easy for employees to manage their own benefits information by enabling them to check which benefit plans they are currently enrolled in, view previous benefit plans, and enroll in new ones. Employees can modify

details of the benefits plan, including costs, contributions, and investments, and display information regarding dependents and beneficiaries.

- **Purchasing** – mySAP ERP enables employees to directly request the purchase of goods and services they require for maintenance, repair, and operations (MRO).
- **Job searching** – With mySAP ERP, the HR department can post a list of open positions within the organization, including job descriptions and requirements. Employees can apply for positions, create attachments that contain their application documents and photographs, and view the status of their applications.
- **Payment tracking** – mySAP ERP enables employees to display past and current remuneration statements, provides an overview of the awards they have been granted, and displays and prints complete compensation statements.
- **Personal information management** – mySAP ERP makes it easy for employees to manage the personal information that their organization requires, such as home address, bank information, marital status, family member names and dependents, and previous employers. Various country-specific services, which come standard with mySAP ERP, comply with local requirements.
- **Training** – Locating appropriate training courses is easy with mySAP ERP because the solution allows employees to view all available training and business events, as well as register online and submit attendance requests for approval.
- **Career management** – mySAP ERP enables employees to keep their list of qualifications current by making it easy to edit and display their skills profile (which details qualifications, talents, and knowledge, including the proficiency level and any dates associated of each skill). Employees can also display and review their performance appraisals.

Benefits of ESS functions within mySAP ERP include the following:

- **Improved employee motivation and satisfaction** – Employees who can access and update their own information, including training opportunities, open positions, and skills profiles, are empowered to take more control of their careers. This can improve participation in the workplace and motivate employees to deliver their best efforts to the organization. As a result, employees are more satisfied with the organization and eager to improve its bottom-line results.
- **Reduced administrative burdens and costs** – Because employees can handle their own routine HR interactions, including data entry, HR data is more accurate and the HR department is free to focus on strategic tasks instead of managing basic service requests.
- **Improved operational efficiency and lower costs** – The self-services functions provided by mySAP ERP increases employee efficiency, reduces necessary headcount for support staff, and results in lower administrative costs.

### **Manager Self-Services**

mySAP ERP provides functionality for manager self-services (MSS), which help managers throughout the enterprise to quickly and easily accomplish their goals in areas such as budgeting and personnel responsibility. These manager “tools” can have a profound impact on organizations because they make managers more efficient, effective, and proactive. SAP Manager Self-Service also enables managers to run their departments more in line with an organization’s core business objectives.

mySAP ERP enables central departments such as human resources to personalize the presentation of information in each manager’s portal so that individuals can quickly and easily find their unique information on their own virtual desktop (that is, the portal).

mySAP ERP supports the following self-services management tasks:

- **Budgeting** – mySAP ERP helps managers fulfill their cost and budget responsibilities, including annual budget planning, budget monitoring, cost analysis, service requests (for example, for correcting postings), and more. The solution also provides managers with decision support and support for cost management tasks.
- **Staffing** – mySAP ERP helps managers handle administrative and planning functions for HCM, and provides support for HR processes such as recruitment, annual employee reviews, and compensation planning. Managers can handle a variety of approval processes within mySAP ERP, such as approval of shopping carts.

Benefits of MSS functions within mySAP ERP include the following:

- **Increased user productivity and efficiency** – mySAP ERP offers a new user interface that helps administrators complete routine duties quickly so that they have more time for strategic, high-value tasks. In addition, by helping managers adhere to defined processes and guidelines for HR and other activities, mySAP ERP ensures that standards are consistently applied and goals are reliably communicated throughout the enterprise.
- **Informed decision making** – Key performance indicators and warnings enable managers to take action before a situation becomes critical. In addition, by providing analytical information to managers, mySAP ERP facilitates strategic decision making and planning.
- **Enhanced consistency** – By helping managers adhere to defined processes and guidelines for HR, financial services, and other business areas, mySAP ERP ensures that standards are consistently applied and goals are reliably communicated throughout the enterprise.

### Centralized Employee Interactions

mySAP ERP provides functionality that enables an employee interaction center (EIC), which helps employees and HR staff interact more efficiently through a central point of contact for HR requests. Employees have access to a single, unified source of information, and EIC agents and HR staff can easily access information and tools to deliver consistent, personalized services across multiple communication channels. (In order to use the EIC on a project base, customers must have either mySAP ERP and mySAP CRM or mySAP Business Suite in place.)

EIC functionality offers significant benefits to HR departments and managers:

- **Contact management** – The solution provides functions that allow HR staff to manage and process all information about employee requests, as well as track contact history.
- **Activity and case management** – mySAP ERP enables HR staff to record and process each procedural step and follow-up activity for individual employee requests. In addition, it helps HR staff to combine related requests into a single follow-up procedure, which improves overall staff efficiency.
- **Knowledge management** – The knowledge management function provides the HR department with enterprise intelligence to improve contact-handling efficiency and expedite resolution of employee requests.
- **Analytics** – mySAP ERP provides analytical functions that help managers identify opportunities to increase efficiency and employee satisfaction, optimize the interaction center's efficiency, evaluate return on investment (ROI), and ultimately reduce costs.

- **Workflow management** – The solution supports escalation and routing rules to help managers define which supervisors, support staff, and departments should receive various incoming requests. This functionality also ensures that service commitments are fulfilled as quickly and efficiently as possible.
- **Alerts and scripting** – mySAP ERP provides alerting and scripting functions that notify HR staff of open requests and guide them through business processes that comply with corporate standards.

The EIC functionality provided by mySAP ERP delivers the following benefits throughout the enterprise:

- **Increased employee satisfaction** – mySAP ERP makes it easy to ensure that each employee receives prompt, personalized answers to issues or requests, resulting in increased employee satisfaction. It also ensures that HR employees have access to the tools and information needed to deliver high-quality service.
- **Reduced HR costs and increased productivity** – By providing HR generalists with the tools they need to resolve issues quickly on first contact, mySAP ERP allows them to respond to a higher volume of employee requests in a given time period. As a result, HR employees have more freedom to focus on strategic, value-added initiatives with a greater potential impact on the bottom line.
- **Improved service levels** – mySAP ERP provides managers with tools to monitor the contact center environment in real time, allowing them to react immediately to meet business needs and define the way that information requests are routed through the enterprise. This increased insight and responsiveness help organizations maintain the highest service levels for HR.

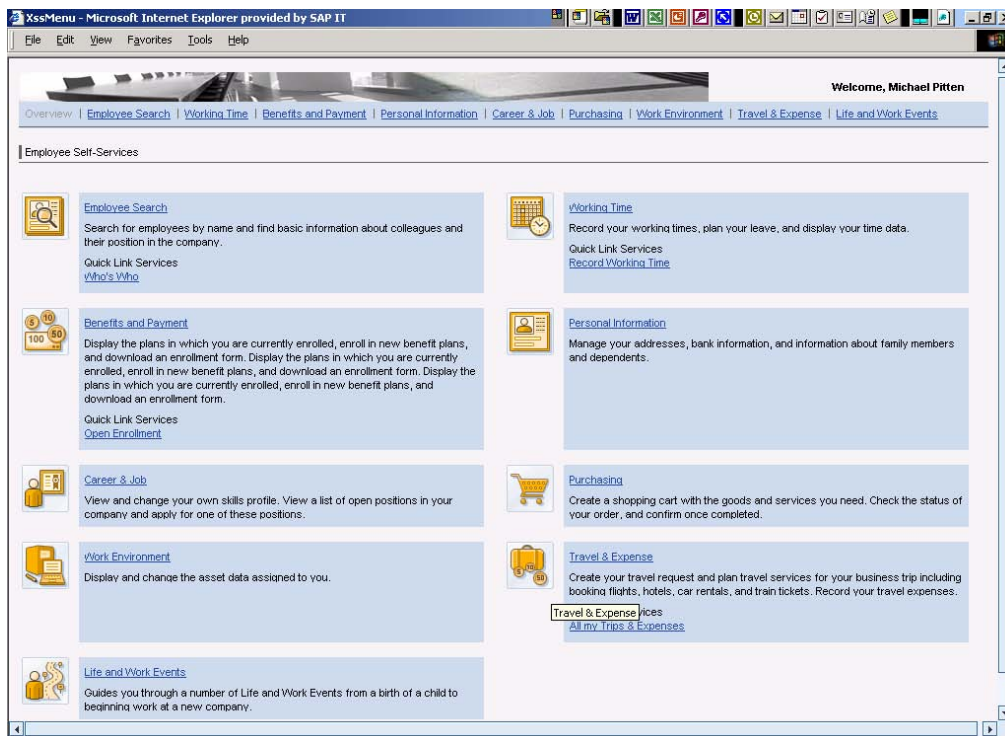
#### **NEW AND ENHANCED SELF-SERVICES FUNCTIONS WITHIN mySAP ERP**

mySAP ERP 2004 offers new, consistent navigation for all self-services functions, making them even more user-friendly and intuitive. It has been designed to improve the usability of the application by means of simple and intuitive user guidance. All pages have the same “look and feel,” and the new self-services home page gives users more guidance. Every application is explained, and users can navigate into the application from explanatory text. To simplify complex processes, mySAP ERP also now provides road maps to direct users through processes in a step-by-step format.

#### **Employee Self-Services**

##### **NEW: EMPLOYEE SELF-SERVICES HOME PAGE**

The employee self-services home page, shown in Figure 6, provides employees with an overview of all areas where employee self-services are offered (for example, benefits and payment, working time, and so on). Employees can access specific information about important applications or actions in the individual areas. They can also use this page to navigate to the self-services.



**Figure 6: SAP® Employee Self-Services Home Page**

#### NEW: EMPLOYEE SELF-SERVICES AREA PAGES

Each area is represented by an area page, such as the career and job page, which can be accessed from the employee self-services home page. An area page contains the applications for the respective area and brief information about the applications. Additional information in the form of text, HTML pages, or links to additional information can also be integrated.

Key areas for employee self-services include the following:

- Work environment
- Employee search
- Working time
- Travel and expense
- Benefits and payment
- Personal information
- Purchasing
- Career and job

#### NEW: TIME-POSTING CORRECTIONS

mySAP ERP provides functionality that enables time administrators to reduce the effort involved in processing messages that arise due to incorrect postings at time-recording terminals. In a graphical weekly overview, employees can, for example, correct duplicate postings and add missing postings and account assignments. In addition, optional control functions and an approval procedure enable time administrators to check the postings entered, as well as change and delete them manually.

## Manager Self-Services

### ENHANCED: RECRUITMENT

mySAP ERP enables managers to control the process of staffing the right people in their area of responsibility and to trigger the administrative steps that are part of this process. This functionality is integrated with SAP E-Recruiting.

### NEW: EQUIPMENT MANAGEMENT

mySAP ERP offers new equipment management functions to support a variety of tasks. In addition, it provides support for new internal service requests that make it easy for managers to handle repairs, losses, scrapping, pickups, and equipment theft. Supported equipment management functions include the following:

- **Inventory management** – Support for equipment information ensures that managers are well informed about physical inventory in their areas of responsibility.
- **Employee transfers** – mySAP ERP ensures that managers are aware of the equipment assigned to employees who are transferred to other departments or leave the organization.
- **Equipment life-cycle management** – mySAP ERP provides functionality that enables managers to use internal service requests for managing repairs; changing assignments for employees, cost centers, and organizational units; and tracking information about losses. As a result, managers and other employees can manage the equipment life-cycle process more efficiently.
- **Monitoring** – mySAP ERP provides managers with monitors to track cost centers, internal orders, and projects. The monitors generate rule-based alerts to warn managers about critical situations.

### NEW: ORGANIZATION PLANNING PROCESSES

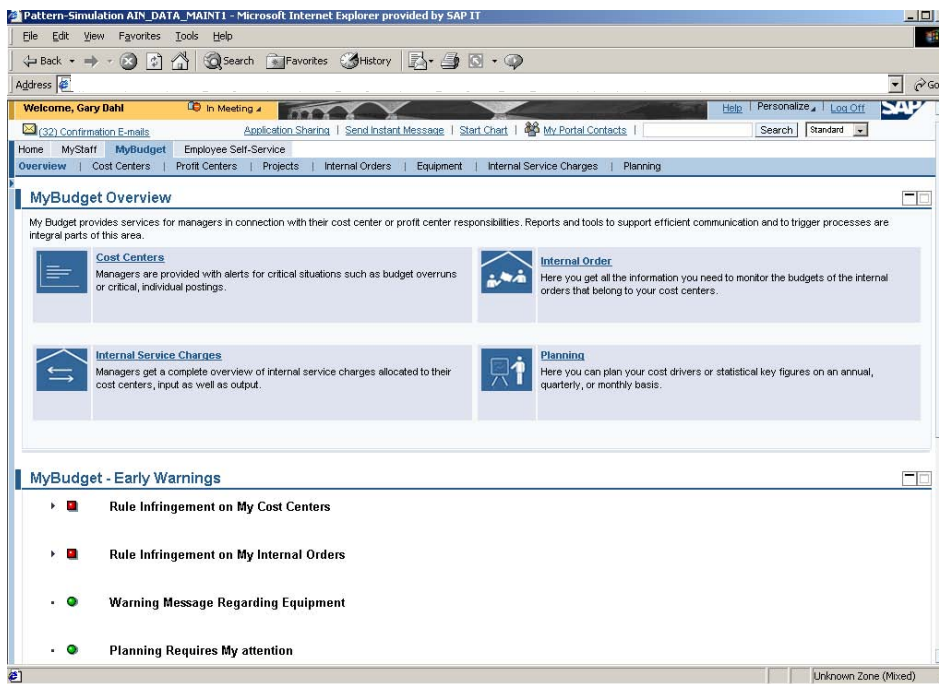
Collaborative features enable managers to work directly with business unit analysts.

### NEW: APPROVAL PROCESSES

Electronic approval processes for shopping carts, purchase requisitions, purchase orders, and travel requests replace paper forms, making it easy for managers to approve or deny these items and reduce cycle time.

### NEW: PORTAL MANAGEMENT CAPABILITIES FOR IT STAFF

Interactive Forms powered by Adobe help to lower implementation costs and enable organizations to implement their forms more easily and quickly (see Figure 7). Programming skills are no longer required to make these types of changes.



**Figure 7: SAP® Manager Self-Services Portal**

### **Role-Based Capabilities in Human Capital Management**

Support for role-based access within mySAP ERP ensures that employees can readily access the crucial data, applications, and analytical tools needed to perform their job functions efficiently and effectively. New and enhanced roles include the following:

#### **NEW: HR EXECUTIVE ROLE**

The HR executive role provides a portal designed specifically to meet the needs of HR executives. This role provides executives with a central point of access to all relevant information that supports strategic HR decision-making processes, including key figures, budgets, and processes. Information is available through a template-based, standardized interface that eases navigation. HR executives can subscribe to key data that meets their interests, as well as navigate to original data sources for further information. In addition, executives can automatically monitor key figures such as budgets and processes, and receive alerts when the data exceeds defined threshold values. The portal can be customized to address special needs of individual HR executives.

#### **NEW: COMPENSATION SPECIALIST ROLE**

The compensation specialist role in mySAP ERP addresses the needs of HR employees who are responsible for evaluating, developing, adapting, and promoting effective compensation policies that are aligned with organizational strategies. These employees act as internal service providers to advise HR and line managers on compensation-related issues. In addition, they are responsible for devising guidelines and local compensation strategies for international companies. The compensation specialist role within mySAP ERP supports the following functions:

- **Compensation administration** – mySAP ERP provides comprehensive support for displaying and editing employee compensation-related data, activating planned and approved compensation adjustments, and transmitting the information to payroll.

- **Long-term incentive plan administration** – Support for long-term incentive (LTI) plans includes the ability to display and edit employee compensation and LTI-related data, administer all LTI-relevant data for employees, and generate reports about LTI plans and status.
- **Budgeting** – Budgeting capabilities enable compensation specialists to manage activities related to budgets for compensation reviews, such as merit increases, bonuses, variable pay, and stock options. Approved budgets can be used as a control instrument during the compensation review and planning process performed by the individual line managers. A budget reassignment tool makes it easy to adjust the budget if organizational changes occur after the budget is released.
- **Job pricing** – To ensure that employees receive fair compensation, mySAP ERP supports a variety of job-pricing activities, including performing salary surveys, importing job and salary data from salary survey providers, salary benchmarking, assessing market data, and defining market-based standards. If job pricing indicates that a salary structure should be adjusted, the compensation specialist can adjust the salary structure accordingly and submit it for review.

## Role-Based Capabilities in Operations

### NEW: PLANT OR PRODUCTION MANAGER ROLE

Plant or production managers must be able to view and modify information related to production, exceptions, personnel, revenue, costs, budget planning, and other processes for one or more plants. The new plant manager role within mySAP ERP aggregates plant management information from a variety of sources on a single page, providing a concise overview of the facility's operational status that makes it easy to identify and implement appropriate actions.

### NEW: PURCHASING AGENT ROLE

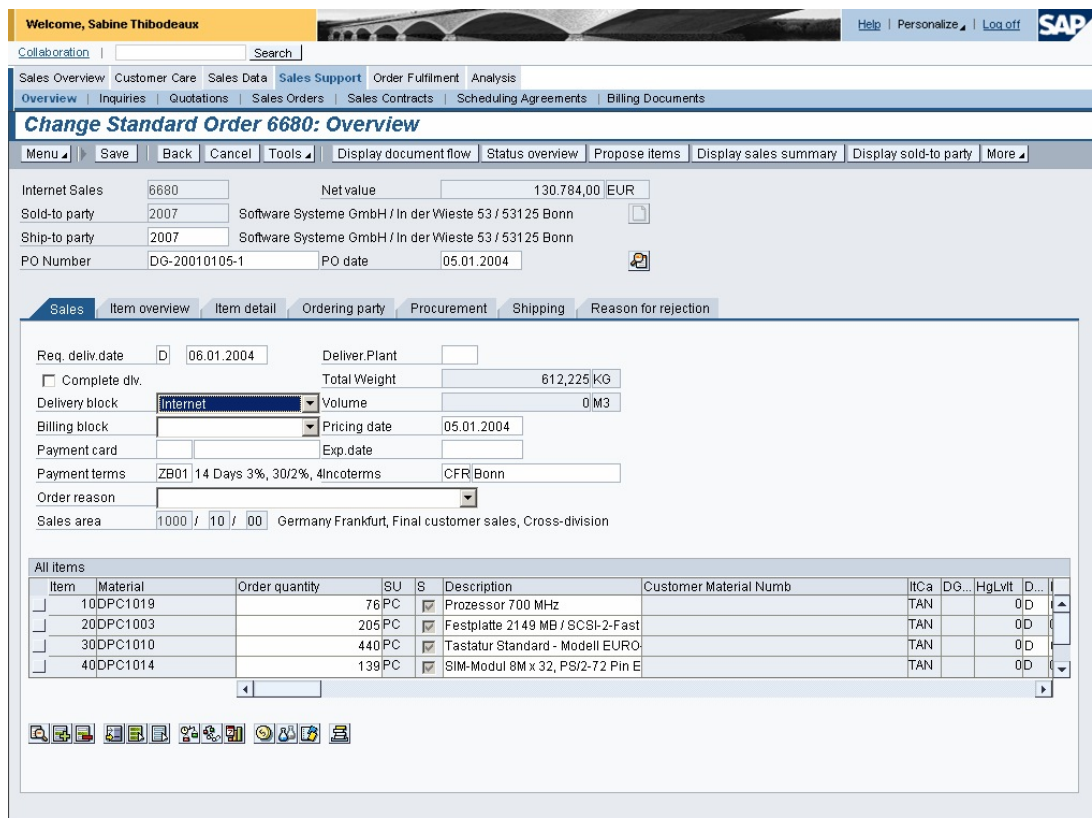
Purchasing agents, who are responsible for processing and issuing purchase orders and order acknowledgments, must ensure that the purchase of external goods and services meets delivery, quality, and price requirements. By making it easy for purchasing agents to address routine functions, such as assigning sources to requisitions or converting requisitions to orders, the purchasing agent role within mySAP ERP frees personnel to focus on strategic activities such as improving relationships with suppliers.

The purchasing agent role within mySAP ERP provides status information for procurement processes on a single portal page. The role provides ready access to information and tools so that the purchasing agent can perform the following activities:

- Check messages
- Determine sources for purchase requisitions
- Convert purchase requisitions into purchase orders
- Print purchase orders
- Create requests for quotation (RFQs)

### NEW: INTERNAL SALES REPRESENTATIVE

Internal sales representatives typically maintain master customer data; compile quotations, contracts, and orders; and perform other administrative tasks to support the sales team. In addition, sales teams may require information pertaining to customer care, sales data, sales support, order fulfillment, and reporting functions.



**Figure 8: The Internal Sales Representative Role**

The new internal sales representative role (ISR) in mySAP ERP, illustrated in Figure 8, provides a single point of access to all information and applications that internal sales representatives require, making it easy to perform the following activities:

- Answer inquiries from customers and prospects to ensure customer satisfaction
- Maintain and update customer master data and additional sales data
- Prepare and process inquiries, quotations, sales orders, and sales contracts
- Ensure efficient order management and fulfillment
- Provide information regarding order processes and logistics
- Monitor billing process
- Prepare reports and analyses for sales managers

### **Role-Based Capabilities in Financials and Analytics**

#### **NEW: BUSINESS UNIT ANALYST ROLE**

Business unit analysts typically monitor key financial and operational figures for their business units and report these figures to senior management. They often have significant planning responsibilities, including examining their units' organizational structure and requesting changes from cost accountants as required, creating guidelines for unit planning, initiating the planning process, monitoring the response from line managers, and changing the plans accordingly. In addition, business unit analysts handle inquiries from line managers regarding planning as well as individual postings. Responding to these queries typically requires analytics to better understand the situation, as well as the ability to repost to the general ledger or request adjustments to existing postings. Business-

unit analysts also support fast close processes for accounting, monitor figures for operational processes, report anomalies to the back office, and sign off on the figures for their business units when postings are complete.

The new business unit analyst role within mySAP ERP provides the following functions:

- **Monitoring** – mySAP ERP provides a number of monitors that track aggregate key figures for a business unit, as well as identify budget overruns, postings that exceed a given threshold, and unusual postings.
- **Reporting** – Hierarchical reports within mySAP ERP help business unit analysts visualize the relationships between profit centers, cost centers, and orders in the business unit, and make it easy for analysts to navigate through large numbers of items, such as information for multiple cost centers.

#### NEW: FIXED-ASSET ACCOUNTANT ROLE

Fixed-asset accountants create fixed assets within the accounting system, enter asset values, and monitor all transactions relating to fixed assets from acquisition to disposal. The fixed-asset accountant role within mySAP ERP aids these employees by supporting the following functions:

- **Period-closing transaction support** – mySAP ERP provides a single point of access for common period-closing transactions, making it easy for fixed-asset accountants to close capital spending orders and projects, post depreciation, reconcile the fixed-asset accounts with the general ledger, and create asset history sheets.
- **Record management** – mySAP ERP makes it easy to create asset master records, post asset values, compile asset value reviews, and monitor asset balances and depreciation. In addition, fixed-asset accountants can control and initiate mass changes, such as the simultaneous retirement or transfer of multiple assets.
- **Life-cycle evaluation** – mySAP ERP provides tools and information (such as asset history sheets and transaction lists) that help organizations evaluate the status of fixed assets during the complete asset life cycle.

## **ANALYTICS IN mySAP ERP 2004**

The accelerating pace of business change, increased competition, and growing scrutiny from regulators makes it more important than ever for organizations to have in-depth insight into their business and up-to-date information about their customers, employees, partners, costs, quality, and other aspects of business performance. Organizations are also under pressure to develop innovative products or services, strengthen their market position, and fulfill ever-growing stakeholder and customer demands. To achieve these goals, enterprises need information that's accurate, accessible to the relevant people, and integrated enterprise-wide. The information also needs to take into consideration all business aspects and the impact of change and dependencies.

In short, information must be more than just a collection of enterprise-wide data – it must be “intelligent” information generated by an integrated business intelligence infrastructure. Organizations can then use this information to develop and execute corporate strategies that build value and drive success. The problem is many organizations have “business intelligence” systems that, over time, have become fragmented, ineffective, complex, and costly to maintain. They cannot be extended to develop new business intelligence applications. And most importantly, the information these systems provide is unreliable and incomplete at best.

Implementing an integrated business intelligence infrastructure presents a great many challenges, but the benefits are significant. In addition to helping organizations secure a leading competitive edge, the right business intelligence infrastructure can help reduce costs, ease entry into new markets, and enable executives to develop more effective competitive strategies and plans for long-term revenue growth.

### **ANALYTICS IN mySAP ERP TODAY**

mySAP ERP provides comprehensive analytics combined with forecasting and reporting tools, enabling organizations to excel in their business and industry. Together with the SAP NetWeaver platform, the solution provides powerful analytics with support for human capital management, financial management, and operations. By leveraging mySAP ERP, organizations can achieve the following:

- Reduced operating costs by lowering working capital and ensuring efficient and intelligent business processes
- Increased efficiency by integrating disparate data from heterogeneous sources and creating a comprehensive view of business operations, enabling organizations to identify new sources of revenue and highlight cost components
- Empowerment of people by providing them with the right information at the right time
- Improved customer service by integrating customer, operational, financial, and supplier data
- Detailed investigations into costs, revenues, and exceptions and improved responsiveness to target groups
- Increased revenues by obtaining a complete picture of revenue operations and opportunities across various processes and by determining how to best exploit value-added services

mySAP ERP fulfills the complete range of analytics and business intelligence needs and enables organizations to perform the following:

- Strategic enterprise management
- Financial analytics
- Operational analytics
- Workforce analytics

### **Strategic Enterprise Management**

Strategic enterprise management (SEM) enables companies to implement strategies quickly and successfully, as well as manage business performance throughout the entire organization. SEM also supports integrated business planning, performance monitoring, business consolidation, and effective stakeholder communication.

mySAP ERP provides comprehensive SEM functionality that offers two primary advantages. First, it delivers a holistic solution that spans the entire performance management cycle, from business planning to performance measurement; by integrating tools for business consolidation, performance measurement, and strategy management with business planning tools, mySAP ERP delivers one of the only closed-loop environments for performance management available today. Second, the solution offers unparalleled functionality in a single solution; few, if any, companies can match them without partnering with other providers.

Performing strategic enterprise management using mySAP ERP requires no programming. The SEM functionality is easy to customize using configuration settings. With mySAP ERP, employees can make business strategy a part of their daily activities and perform the following functions:

- **Business planning and simulation** – mySAP ERP enhances the accuracy and sophistication of a company's financial plans and forecasts while curtailing and simplifying its budgeting and planning processes. The solution allows organizations to update budgets more frequently; meet changing business conditions; and combine traditional, bottom-up budgeting with top-down strategic planning. In addition, the solution encourages a more collaborative budgeting and planning process that involves a greater number of departmental and divisional managers, while at the same time helping companies integrate strategic, operational, and financial plans to ensure that all business activities are in line with the business strategy.
- **Performance measurement** – mySAP ERP provides a management cockpit interface, the ideal framework for reporting performance results. The structure of the interface is predefined yet flexible and enables companies to deliver graphical, numerical, and verbal information to various levels within the organization. Users also benefit from fast access to information in a Web-based environment.
- **Strategy management** – The solution supports strategy management and provides tools, such as support for Balanced Scorecard, that help organizations better translate strategy into action by defining and communicating strategies in areas such as product innovation, customer relations, and operational efficiency.
- **Accounting consolidation** – mySAP ERP provides comprehensive accounting functions to help companies handle the statutory and management requirements of financial consolidation. The solution offers powerful, ready-to-use tools, preconfigured business content, and sophisticated reporting features that help streamline the consolidation cycle. The accounting consolidation functions also add significant value to enterprises by providing advanced automation for a fast close, a user-defined data model and user-friendly graphical interface, and fully reconciled reporting for both internal and external business groups.
- **Risk management** – The solution supports the entire management process, from identifying business risks, administrating risk catalogs, and analyzing and quantifying risks to assigning

risks and implementing risk-reducing activities. Furthermore, mySAP ERP supports the setting and monitoring of risk targets, exception reporting, and the development of written assessments.

- **Stakeholder relationship management** – mySAP ERP provides functionality for communicating enterprise strategy, current financial results, and strategic initiatives to an organization’s stakeholders. It also facilitates the decentralized assimilation of financial figures from subsidiaries in a structured and systematic way.

mySAP ERP adds business value in the area of SEM by enabling organizations to:

- Control an entire organization using value-based management principles
- Set operational objectives and translate strategies into actions
- Perform continuous and efficient simulation, planning, and forecasting across an organization
- Accelerate and automate the legal and management aspects of business consolidation
- Provide risk forecasts reconciled with business objectives and targets
- Collect, structure, and edit relevant external information, and automatically distribute it to end users on an ongoing basis by using graphical user interfaces that indicate performance measurement
- Significantly improve communication with stakeholders

### Financial Analytics

mySAP ERP provides financial analytics that help organizations define financial targets, develop a commensurate business plan, and monitor costs and revenue during execution. The comprehensive financial analytics enable businesses to create and simulate value flows in a cross-functional, cross-company, or collaborative environment.

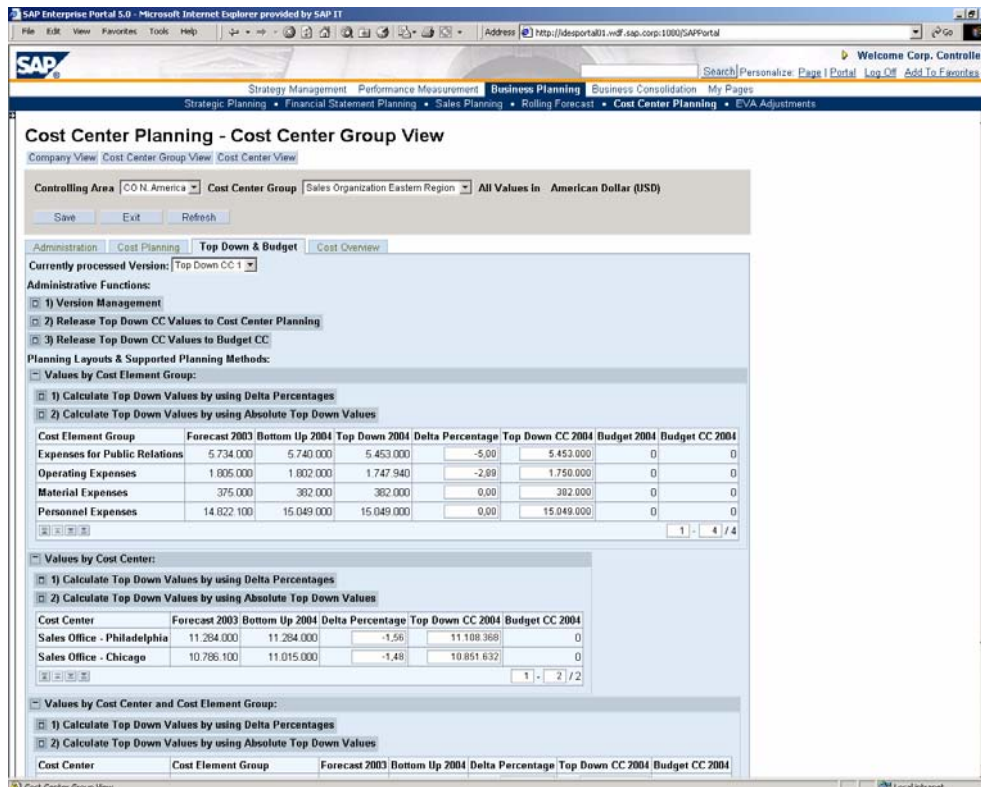


Figure 9: Financial Analytics Within mySAP™ ERP

mySAP ERP adds business value by supporting comprehensive financial analysis and reporting for a wide range of users – from C-level executives to sales assistants. In addition, the solution helps improve profitability and increase working capital and cash flow, ensure more efficient cost controls, and improve insight via better planning and forecasting.

Key functions include the following:

- **Financial and management reporting** – mySAP ERP supports a series of standard analyses to meet a wide range of end users' reporting needs, including C-level executives, line-of-business managers, and sales assistants.
- **Planning, budgeting, and forecasting** – The solution also supports traditional budgeting, rolling forecasts, and collaborative planning, such as cost center planning illustrated in Figure 9. The analytical planning workbench allows enterprises to model planning scenarios and provides preconfigured planning applications for efficient operational planning.
- **Cost and profitability management** – mySAP ERP supports cost and profitability management. It includes functions for assignment of overhead costs, management of the costs incurred by products and services, and profitability analysis of products and services.
- **Working capital and cash flow management** – mySAP ERP supports working capital management via optimized logistics processes and improved liabilities and receivables management. In addition, it supports cash flow management, including cash flow calculations and middle- and long-term planning.
- **Payment behavior analysis** – mySAP ERP provides support for the management of receivables by analyzing payment histories and determining the days sales outstanding (DSO), which form the basis for payment optimization.

### **Operational Analytics**

mySAP ERP provides operational analytics that facilitate the compilation of detailed operations reports and support informed operational decision making. mySAP ERP provides management and employees with the information they need to increase insight into business processes. The solution also includes sales planning functionality that allows organizations to generate a complete picture across the entire supply chain, including the impact of sales on operations.

In the area of operational analytics, mySAP ERP provides business value by optimizing the entire supply chain; improving revenues via more comprehensive sales planning and monitoring; increasing customer satisfaction through sophisticated quality management and quality monitoring, and providing more detailed, in-depth customer information and more customer-oriented processes. It achieves these benefits by providing operational analytics support in the following areas:

- Operations value generation
- Operations support
- Sales planning and analysis

mySAP ERP provides analytics that help organizations generate value in operations. Using this solution, organizations can perform the following functions:

- **Procurement monitoring** – mySAP ERP provides various standard analyses and reports to monitor purchasing operations and provide a detailed analysis of purchasing activities and procurement processes.
- **Inventory and warehouse management** – The solution supports inventory and warehouse management by assessing an organization's actual stock situation based on quantity- and value-based criteria. In addition, warehouse activities can be analyzed, such as the physical flow of materials and workloads.

- **Manufacturing reporting** – mySAP ERP provides various standard reports and analyses detailing production-related information.
- **Order fulfillment analysis** – mySAP ERP supports key performance indicators (KPIs) for transportation and order management, allowing organizations to assess business process performance both internally and externally. The solution provides strategic performance measurements, or distribution statistics needed for supply chain optimization, as well as operative performance measurements that capture day-to-day information needed for process optimization.
- **Customer service analysis** – The solution facilitates the analysis of *service profitability* by monitoring financial trends, costs, and revenues per customer, as well as service contracts and operations. It also offers *installed-base analysis*, which monitors the volume of orders from one installation and analyzes associated costs, revenues, and profits. In addition, it provides *customer analytics* that help enterprises understand the value of each customer, customer behavior, and levels of customer satisfaction, as well as *warranty analytics*, which provide information about warranty, no-warranty or expired warranty, as well as analyze costs and profits of warranty processes.

To enable operations support, mySAP ERP provides the following analytics functions:

- **Program and project management** – mySAP ERP provides a project information system that helps organizations monitor and control project data. The system provides data with various levels of project details and facilitates the evaluation of multiple, individual, or partial projects. In addition, product design optimization analysis, with its concurrent costing tool, captures and reports on product costs in early product development stages, enabling design-to-cost engineering that can help optimize costs. In addition, the solution supports the calculation of product characteristics and design alternatives.
- **Quality management** – mySAP ERP helps enterprises plan, collect, settle, and evaluate quality-related costs. The solution includes quality management information software that provides data that can be used as a basis for determining standard or user-defined quality scores.
- **Enterprise asset management** – mySAP ERP provides reporting and asset information software as part of its asset life-cycle management capabilities. The software offers a broad range of reporting features and performs strategic evaluations, including mean time to repair (MTTR) and mean time between repair (MTBR) analyses.

To support sales planning and analysis, mySAP ERP performs the following:

- **Sales planning** – mySAP ERP supports sales target setting by using multiple dimensions and key figures, and making it easy to communicate sales plans across the sales organization. In addition, the solution enables organizations to integrate and consolidate sales planning with marketing or service plans.
- **Sales analysis** – The solution also provides sales organizations with an accurate overview of current sales performance and an overview of sales force effectiveness. As a result, management has the information it needs to proactively address trends and measure success or revenue shortfalls.

## Workforce Analytics

mySAP ERP provides data analysis and reporting tools, as well as SEM functions, to support HR policy development and decision making. Companies can analyze workforce data; design, implement, and monitor corporate strategies to optimize the workforce; and continuously evaluate how various courses of action might affect business outcomes. In the area of workforce analytics, mySAP ERP provides a wide range of functionality, including the following:

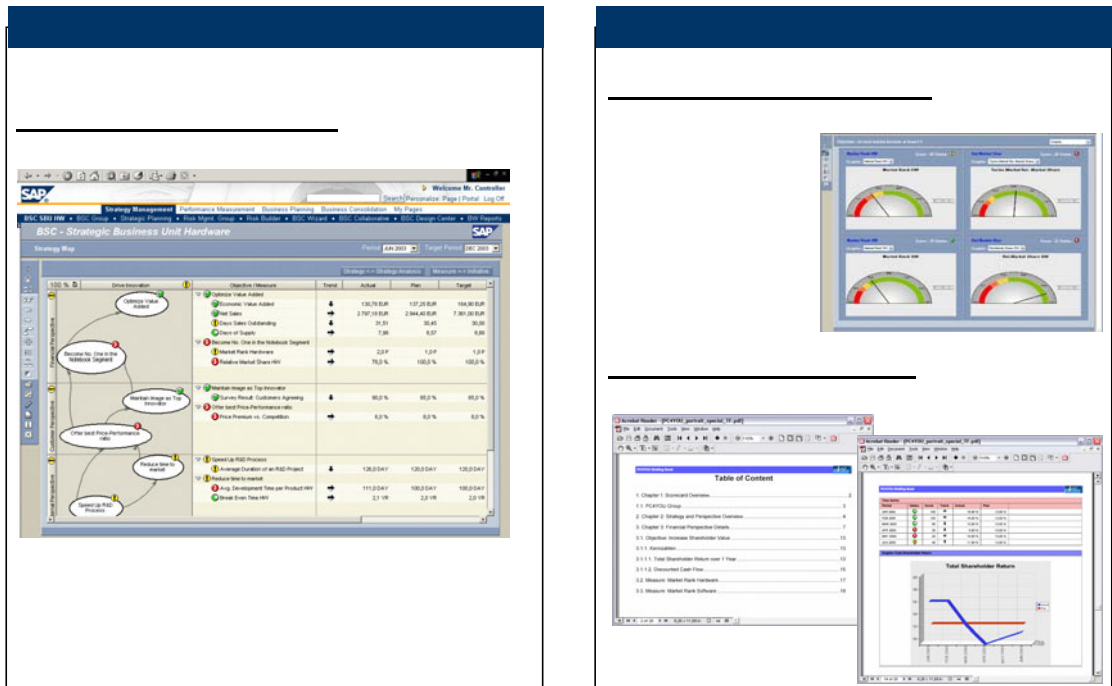
- **Strategic workforce planning and alignment** – mySAP ERP ensures that all business activities are in line with the strategic goals of the enterprise. In the solution's Balanced Scorecard framework, predefined workforce scorecards provide a series of indicators built around general metrics, targets, milestones, and other variables. These workforce scorecards are integrated into department and individual management-by-objective (MBO) documents, helping organizations to align employee goals with business strategies.
- **Workforce analysis** – mySAP ERP also provides reporting and analysis tools for operational and analytical reporting. These tools help organizations design and monitor critical success factors by tracking key performance indicators. Integrated benchmarking services allow enterprises to analyze cause-and-effect chains and optimize enterprise-wide processes, which helps build customer and shareholder value.
- **Workforce cost planning and simulation** – The solution supports HR professionals in all workforce cost-planning tasks and empowers HR executives to develop effective strategies. Users have access to a broad range of workforce-related data to support accurate planning, and they can continuously monitor actual performance relative to plan. In addition, flexible decision-support resources, such as the ability to simulate multiple planning scenarios or analyze the financial impact of headcount changes, help HR staff make more informed business decisions.
- **Organizational planning** – mySAP ERP enables companies to simulate, analyze, and experiment with proposed organizational changes. The solution also supports comprehensive succession planning – a critical step to safeguard organizations against future risks.

mySAP ERP provides unparalleled insight into the state of an enterprise's workforce; alerts management regarding overlooked opportunities helps organizations respond to unforeseen challenges quickly and enables management to effectively follow through on major initiatives.

### NEW AND ENHANCED ANALYTICS FUNCTIONALITY IN mySAP ERP 2004

#### New: Briefing Book

The strategy management process within mySAP ERP supports value-based management, management by objectives, and strategic initiatives. It uses the Balanced Scorecard, shown in Figure 10, which provides numerous tools that help organizations efficiently implement strategies within specific business areas, as well as communicates strategies and objectives throughout the entire organization.



**Figure 10: SEM Balanced Scorecard**

The Balanced Scorecard briefing book in mySAP ERP is a new Balanced Scorecard tool that makes it easy to create custom reports that summarize specific Balanced Scorecard data for different audiences. Users simply drag and drop desired data from the Balanced Scorecard into the briefing book, tailoring contents for particular audiences as needed while keeping other Balanced Scorecard data confidential. Briefing book data can be downloaded onto a PC and forwarded to the relevant parties either as a PDF file or as a printout.

The Balanced Scorecard briefing book adds value because it:

- Enables readers to see only what is of interest to them as knowledge workers or managers, even when they are offline
- Combines data from different Balanced Scorecards to meet the individual demands of the recipient
- Provides options for formatting the contents professionally using standard data transfer protocol (DTP) software to process the XML data
- Provides an easy-to-use, intuitive user environment for creating the briefing book structure
- Enables users to structure the contents flexibly to meet unique requirements
- Enables users to create different briefing books quickly and easily by copying an existing briefing book and adding the required adjustments

**Enhanced: Strategic Statutory and Management Consolidation**

Consolidation functions in mySAP ERP enable efficient collection of data from internal and external accounting, and ensure the necessary quality and detail of the data. These functions facilitate an almost fully automatic creation of consolidated financial statements for a broad spectrum of accounting methods, and they do so in compliance with various generally accepted accounting rules

(GAAP). External and internal group reporting is based on shared, consolidated data, eliminating time-intensive reconciliation and synchronization of different sets of data. The result is an efficient, integrated consolidation process for statutory and management reporting that makes a significant contribution to achieving a fast close. mySAP ERP provides the following new functions in 2004:

#### ENHANCED: INTEGRATION OF STATUTORY AND MANAGEMENT CONSOLIDATION

mySAP ERP provides the following enhancements in the area of statutory and management consolidation:

- Time and version-dependent assignment validity from statutory and managerial consolidation units
- Specific definition of first consolidation/divestiture accounting date, through consolidation unit combinations
- Customer-defined attributes of consolidation unit combinations

#### NEW: CONSOLIDATION OF INVESTMENTS

mySAP ERP provides the following enhancements in the area of investment consolidation:

- Goodwill in local currency
- Automatic treatment of method change between equity method and purchase method
- Organizational changes
- Amortization/write-up of investments

#### NEW: DATA COLLECTION CAPABILITIES

mySAP ERP provides the following enhancements to its data collection capabilities:

- Reading data from a business warehouse InfoCube
- Conversion of data from business warehouse InfoCube or flat file
- Business add-in in uploads
- Assimilated reported financial data and standardized entries from a version or group currency that has already been recorded by a copy task
- Improved user-friendliness and functionality in manual data entry

#### NEW: REPORTING FEATURES

mySAP ERP provides the following enhancements to reporting features:

- Configurable task logs
- Simpler configuration of MultiCube reporting
- Database list with report logic
- Extensible Business Reporting Language (XBRL) outbound interface (support for multiple periods)

The news and enhancements to statutory and management consolidation provide business value in a number of ways. They provide increased support for the full-integration approach to statutory and management consolidation. In addition, new ease-of-use features, such as an ergonomic user interface for manual posting system; the ability to personalize the consolidation workbench; clear definitions of options when customizing; and where-used lists for consolidation units and financial statement items when customizing selections are designed to significantly enhance usability. TCO is also reduced because time-consuming reconciliation processes can be omitted.

In addition, new functions in consolidation of investments enable a heightened level of automation during the creation of consolidated financial statements on the basis of International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) or U.S. GAAP, resulting in reduced closing times. At the same time, new data collection techniques provide links to SAP and non-SAP systems without the need for custom programming, further reducing TCO. And finally, the improved usability and simplified system configuration results in higher user acceptance and faster implementations.

### **Enhanced: Financial Analytics for Financial Planning, Budgeting, and Forecasting**

Financial planning, budgeting, and forecasting within mySAP ERP comprises various planning functions, including sales planning, cost center planning, personnel cost planning, investment planning, process and product cost planning, and financial planning. These planning functions are integrated with each other, as well as with balance sheet planning, income statement planning, and cash flow planning – the final step in the financial planning and budgeting process.

These enhanced capabilities add business value by:

- Replacing Microsoft Excel spreadsheets with direct entries in SAP software during financial planning, thereby avoiding consolidation problems
- Enabling organizations to define and provide central planning logics (for example, planning functions, layouts, planning processes) and use them decentrally for planning tasks, ensuring uniform editing of planning data
- Facilitating the definition of planning and data manipulation functions so that they can be tailored to the specific requirements of an organization
- Enabling integration with information from transactional systems
- Displaying different planning processes and controlling and monitoring them

## FINANCIAL MANAGEMENT WITH mySAP ERP 2004

When investors are paying premiums of up to 20% for stocks of companies whose financial statements are credible and transparent, it's time for enterprises to take notice. Today's business focus is back on corporate finance – organizations must simultaneously boost their top line to finance future growth while making their operations more cost efficient. In today's complex business organizations, this is only possible if finance departments have the right tools to help managers fully understand the economic implications of their decisions. The fact is, the business decisions that finance departments either make or influence are increasingly important and complex. Once primarily the guardian of an enterprise's tangible assets, today's finance departments also protect intangible assets such as the customer base, product brands, and employees.

Three major developments account for the enlarged role of finance departments today. First, the automation of traditional accounting and control processes has made finance departments more efficient, enabling greater control over their operations. In the wake of recent accounting scandals, new corporate governance rules have increased the need for such control. Second, organizations are realizing that they can use the information from financial operations to gain a clearer picture of their internal and external business environments. As a result, managers increasingly view the finance department as a key information resource, capable of processing large amounts of data needed to analyze performance and compile forecasts. Finally, to build shareholder value, companies are refocusing resources on value-added activities that connect business strategy with daily operations.

To succeed in this broadly defined business context, finance departments face several key challenges:

- **Complying with stricter requirements for corporate governance** – Enterprises must not only report financial information more quickly and in a more comprehensive way, but also certify its quality in many cases. They need solutions that streamline the closing and reporting cycle and result in credible, accurate financial statements.
- **Increasing operational efficiency and control** – Organizations must automate corporate finance departments to increase efficiency of operational processes. Automation enables many market-leading companies to cut the costs of their financial operations significantly while maintaining, or even improving, the level of service that they provide. In addition to reducing costs, streamlining financial operations can improve the speed of information delivery and the accuracy of that information, ultimately helping enterprises compete in today's competitive marketplace.
- **Enabling business insight** – To stay ahead of the competition, organizations must anticipate constant change and then leverage it to create forward-looking strategies. Change often creates new avenues for growth – the key to meeting investor expectations. Implementing the right strategies requires a detailed analysis of the entire corporate environment, as well as the transformation of data from internal and external systems to create action proposals. By further integrating analysis into planning, budgeting, and performance management processes, businesses can realize substantial gains in productivity and revenue.
- **Creating value** – Developing a business strategy is usually easier than executing it, primarily because successful execution requires aligning individual business operations with the overall company strategy. Effective alignment prevents duplication of effort across departments and ensures that the whole organization is focused on a common goal that increases shareholder value.

## **FINANCIAL MANAGEMENT WITH mySAP ERP TODAY**

mySAP ERP includes mySAP ERP Financials, which helps organizations achieve these goals by enabling them to process and interpret financial and business data; handle financial transactions; manage business performance, growth, and profit; manage internal controls; and communicate with shareholders. Finance managers have access to all of the tools they need, including support for secure and transparent accounting, streamlined financial supply chain management, and a comprehensive corporate governance solution. Equally important, mySAP ERP enables company-wide control and integration of financial and business information essential to strategic and operational decision making. By simplifying analyses, improving the management of internal controls, and enabling adaptive changes to business processes, mySAP ERP can help transform financial accounting from a purely administrative function to a globally aligned, value-based management resource.

mySAP ERP has contributed to the success of more than 3,200 organizations worldwide. Many of the world's largest construction, service, and R&D projects and programs currently in operation use mySAP ERP to achieve their goals, demonstrating that companies can significantly benefit from an integrated, end-to-end operations support solution. mySAP ERP offers a unique set of benefits in financial management, including the following:

- Better decision support and business insight via performance measurement and management functions that effectively manage budgets, cash flow, and liquidity. The solution also helps companies better understand their business, make more informed business decisions, and manage new business processes that reduce costs and increase productivity of assets.
- Comprehensive control and improved corporate governance made possible by functions that manage internal compliance, provide detailed audit support, and support faster, more accurate reporting
- Fast closing of accounting books via improved access to all closing activities, automated processes, and intensified collaboration
- Lower operational costs by significantly improving the productivity of accounting, accelerating collection processes, and supporting credit managers with customized user interfaces based on "roles"
- Improved TCO for corporate financial systems by reducing costs of integration and enabling corporate finance departments to react faster to changing business needs

The solution provides capabilities in three key areas that address the complete range of corporate finance needs:

- Financial and management accounting
- Financial supply chain management
- Corporate governance

In addition, mySAP ERP provides financial analytics that are described more fully in the "Analytics" section of this document.

### **Financial and Management Accounting**

Today's finance departments face an increasing challenge to meet reporting requirements, adapt to business change, achieve management objectives, and satisfy shareholder demands. As a result, pressure has increased on corporate accounting and financial management systems to adapt quickly and remain flexible given changing demands. mySAP ERP addresses these needs by creating a common basis for financial and management reporting.

Specifically, mySAP ERP maintains a set of books that are consistent, reconcilable, and auditable. In addition, the solution creates a common basis for financial and management reporting, thereby reducing data volume and ensuring that internal and external views in accounting can be kept separate, but reconcilable. mySAP ERP also offers customized financial reporting for various user groups, from senior management to administrative staff, as well as the ability to customize the solution using internationally recognized accounting standards. As a result, the solution can record business transactions while simultaneously simplifying financial reporting for country-specific statutory and company-wide purposes. Through the SAP NetWeaver platform, the accounting function can be integrated with third-party applications or outsourced services; this architecture provides greater flexibility for accounting departments while reducing the cost of maintaining interfaces with external systems or services. Key functions include the following:

- **Financial accounting** – mySAP ERP enables the central tracking of financial accounting data within an international framework of multiple companies, languages, currencies, and charts of accounts. The financial accounting capabilities comply with international accounting standards such as GAAP and IAS, fulfill the local legal requirements of many countries, and reflect fully the legal and accounting changes resulting from European market and currency unification.
- **Management accounting** – mySAP ERP enables the valuation and recording of financial data, not only for financial reporting, but also as the basis for all cost- and revenue-related reporting. As a result, analysts and managers can work with the same basic data as the company’s financial accountants. Because financial data is tightly integrated with the business processes of ERP’s logistics applications, users can also easily obtain detailed information about cost structures and profit margins. Easy access to this data helps support and enable management to achieve business goals such as increasing revenue, maximizing customer profitability, and reducing operating costs while increasing efficiency, reducing the cost of goods sold, and improving the visibility of inventory.
- **Cost center and internal order accounting** – mySAP ERP records costs incurred during business operations by assigning them to cost centers assigned to managers or organizational units. The solution enables users to plan, record, and analyze actual costs against planned and target costs, and provides sophisticated functions for detailed analysis of variances. In addition, it uses internal orders to plan, collect, and settle the costs of internal jobs and tasks, and monitors internal orders throughout their entire life cycle using the SAP system, from initial creation, planning, and posting of all the actual costs to final settlement and archiving.
- **Project accounting** – mySAP ERP supports detailed planning of resources and funds, as well as activity monitoring for small-scale projects, such as participation in a trade fair, and large-scale projects, such as building a factory. These capabilities allow project managers to run projects of any size successfully and efficiently while ensuring that they are executed on time and within budget.
- **Investment management** – The solution allows users to manage investments as fixed assets, research and development costs, or projects normally run under overheads. In mySAP ERP, the term “investment” is not limited only to investments capitalized for bookkeeping or tax purposes. Rather, “investment” is defined as any measure that initially causes costs and that may only generate revenue or provide other benefits after a certain time period has elapsed (for example, plant maintenance projects).
- **Product cost accounting** – mySAP ERP provides detailed information on the costs of production from the view of the production process itself, allowing organizations to successfully manage their product portfolio. The solution also calculates the cost of goods manufactured (COGM) or cost of goods sold (COGS) and generates this data broken down by each step of the production process. mySAP ERP also automatically gathers and uses product cost information available in other SAP applications and supports the calculation of standard and actual costs.

- **Activity-based costing/management** – mySAP ERP supports various methodologies for assigning costs to cost objects (ranging from pro rata allocations of period expenses to causal cost assignments) by using drivers tracked in the mySAP ERP system. Activity-based costing/management (ABC/M) may be embedded within the ERP solution. Alternatively, enterprises can use the solution's business information warehouse to collect activity drivers in multiple systems and then use flexible formulas to represent the various costing methodologies.
- **Profitability accounting and management** – The solution also provides information that organizations can use to evaluate market segments that can be classified flexibly according to products, customers, or orders (or any combination of them), or according to strategic business units, such as sales organizations or business areas, with respect to the company's profit or contribution margin.
- **Profit center accounting** – mySAP ERP can determine profit for internal areas of responsibility using either period accounting or a cost-of-sales approach. Profit center accounting can be enhanced with transfer prices to value the exchange of goods between profit centers or legal entities with prices that are different from the legal perspective. This enables mySAP ERP to provide decision support by, for example, representing operational results from different points of view and in different currencies.

### **Financial Supply Chain Management**

mySAP ERP provides comprehensive functions that address the multifaceted challenges of credit management, invoicing, collections, cash management, and working capital optimization. mySAP ERP is the first solution of its kind to offer a fully integrated, comprehensive approach to managing the financial processes for customer, supplier, and intrabusiness relationships. Designed to work in unison with an enterprise's core financial systems, the solution delivers immediate value by extending an enterprise's existing systems infrastructure and supplementing its core financial processes. mySAP ERP provides the following key functions:

- **\*Electronic bill presentment and payment** – With mySAP ERP, organizations can streamline financial processes with their customers or suppliers through Web-based invoicing, billing, payments, and account inquiry. Web-based financial processes improve customer access to financial information, extract costs associated with billing and invoicing, and simplify payments.
- **\*Dispute management** – With mySAP ERP, accounts receivable (AR) departments can leverage dispute management capabilities to maximize productivity and reduce settlement time associated with invoice or payment deduction disputes with customers.
- **\*Credit management** – The solution also enables organizations to gain process efficiency and effectiveness in their credit department. Credit decisions are automated, and credit ratings are made more visible to those employees that manage customer relationships.
- **Collections management** – mySAP ERP helps organizations prioritize key accounts from a risk perspective and establish customer-centric receivables management. Automation and prioritization of accounts enable collections departments to remain more productive.
- **Cash and liquidity management** – mySAP ERP provides cash managers with more accurate insight into current liquidity positions. In addition, organizations benefit from improved forecasting because they can better understand the status of important cash inflow and outflow transactions.
- **\*In-house cash** – For global organizations that must execute complex sets of international and intracompany payments, an in-house banking capability provided by mySAP ERP simplifies and streamlines multinational cash management.
- **\*Treasury and risk management** – mySAP ERP enables finance and treasury departments to work off a common platform, data set, and processes. Treasury accounting is executed in parallel with an enterprise's financial accounting processes, thereby eliminating manual interfaces between these operations.

## Corporate Governance

Corporate governance is the system by which corporations are directed and controlled. In addition to specifying the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, and shareholders, it defines the rules and procedures for making corporate decisions and the internal controls and financial reporting standards needed to maintain high-quality standards and monitor performance. mySAP ERP supports organizations taking a rigorous approach to corporate governance by helping them comply with rules and regulations. The solution reduces the overall cost of managing internal controls and enhances adherence to financial reporting standards and laws, such as the United States' legal requirements included in the Sarbanes-Oxley Act (SOA). Key corporate governance capabilities in mySAP ERP 2004 include the following:

- **Reporting control** – mySAP ERP provides a comprehensive set of reporting controls that are configurable and secure.
- **Audit information support** – mySAP ERP provides a set of functions that support and streamline internal or external audits.
- **Data retention** – A data retention tool is included in mySAP ERP to provide tools capable of extracting period-dependent financial data, as well as the information required to support financial transactions.
- **International accounting standards support** – mySAP ERP currently offers all necessary functions for performing parallel valuation using international accounting standards and national reporting regulations.
- **Fast close support** – The solution also provides a comprehensive set of functionalities to support fast close initiatives, including financial portals, management cockpits, intercompany reconciliations, accrual engines, business consolidations, and a schedule manager.

With these capabilities, mySAP ERP provides businesses with the foundation to support superior corporate governance business practices, as well as to reduce the costs of achieving compliance in financial and managerial reporting.

## **NEW AND ENHANCED FINANCIAL MANAGEMENT FUNCTIONALITY WITHIN mySAP ERP 2004**

### **Financial and Management Accounting**

Rising demands for stringent corporate governance and accurate financial statements have forced companies to improve the efficiency and effectiveness of their financial and managerial accounting practices. To help customers achieve these goals, mySAP ERP includes the following new capabilities:

#### **NEW: GENERAL LEDGER**

Similar to the existing general ledger, the new general ledger in mySAP ERP supports multiple industry and country requirements. With its new technical architecture, the general ledger improves financial reporting transparency, reduces reconciliation and internal communication expenses, and leaves more time for analysis by supporting legal, segment, and management reporting using one consistent, multidimensional database. It also enables finance departments to meet regulatory and compliance rules and to adapt accounting practices according to industry requirements.

New and enhanced features include the following:

- **Data structure standardization** – mySAP ERP addresses gaps in previous versions of the general ledger. In particular, the data structure of several ledgers is standardized and provided via the new general ledger in order to reduce redundant data management and streamline analysis.
- **General ledger extensions** – With mySAP ERP, organizations can more easily extend the structure of their general ledger while still leveraging the full support of SAP standard accounting.
- **Online splits** – The new general ledger allows organizations to simplify the generation of financial statements and reports on segments or dimensions that are unique to their industry. Documents are automatically balanced online by any chosen dimension, supporting transparency and fast closes.
- **Real-time integration** – The new general ledger supports real-time integration of financial and management accounting in mySAP ERP. Any postings from management accounting (for example, cost center allocations) are automatically reflected in the general ledger at the appropriate level of detail.
- **Parallel accounting** – mySAP ERP now provides additional functionality for “parallel ledgers” to support parallel accounting and to reduce costs. Organizations can use an identical interface and identical functions to process all ledgers in the general ledger, as well as update ledgers individually or simultaneously.

#### ENHANCED: FAST CLOSE SUPPORT

Finance departments are under pressure by management and external institutions such as regulators and stock exchanges to reduce the time required to close the books. To address this need, mySAP ERP includes a new closing cockpit for period-end closing of individual financial statements. The closing cockpit assimilates all relevant closing activities, and gives clerks and management a simplified overview of the entire closing process. Financial managers can also schedule and begin the closing process using an intuitive user interface. To enhance the intercompany reconciliation of open items in customer and vendor accounts, mySAP ERP now enables users to reconcile open items and intercompany balances in general ledger accounts. Users can also load intercompany data from non-SAP systems via a new interface and then audit, balance, and reconcile this data. Key benefits include the following:

- Reduced costs via automated processes, user collaboration support, and easy access to all closing activities
- Improved employee productivity and reduced costs
- Significantly reduced time to reconcile intercompany activities
- Reduced errors through transparency and support for compliance via a concise overview of the closing status and remaining tasks

#### Financial Supply Chain Management

Many companies are exploring new business processes to reduce inefficiencies in their finance operations, particularly in the area of financial supply chain management. mySAP ERP supports the following set of new, collaborative financial processes for this area:

#### \*NEW: CREDIT MANAGEMENT

With the SAP Credit Management application, enterprises can improve the management of their customers' credit lines, significantly reducing the number of late payments and potential non-payments. The application now meets all of the prerequisites for enterprises deploying a company-wide credit management tool, providing features such as automated credit application and approval processes, streamlined credit analysis, and delivery of real-time credit rating information to the credit

department (see Figure 11). By consolidating customer data from various sources, SAP Credit Management enables centralized customer credit checks and helps organizations minimize customer credit risk. It also performs the following functions:

- **Credit limit management and control** – mySAP ERP manages all business partner master data relating to credit. This data includes the current credit limit, one or more externally calculated values on creditworthiness (for example, credit ratings provided by credit-reporting agencies), the risk class assigned to a business, and order limits.
- **Credit information support** – The credit information function of mySAP ERP supports credit managers in determining and managing the external and internal credit information on customers. This information primarily serves as input parameters for the credit rules engine in mySAP ERP, which can make credit decisions or automatically calculate credit limits.
- **Credit rules automation** – mySAP ERP offers an option to use rules to automate specific processes in credit management. A credit rules engine helps score the creditworthiness of business partners and determine their credit limit.
- **Credit decision support** – mySAP ERP helps users determine the required data and analyses related to a customer. Data are summarized by customer in a customer credit fact sheet. The solution also generates reports to analyze the payment behavior or credit history of customers.

## Credit Manager Portal

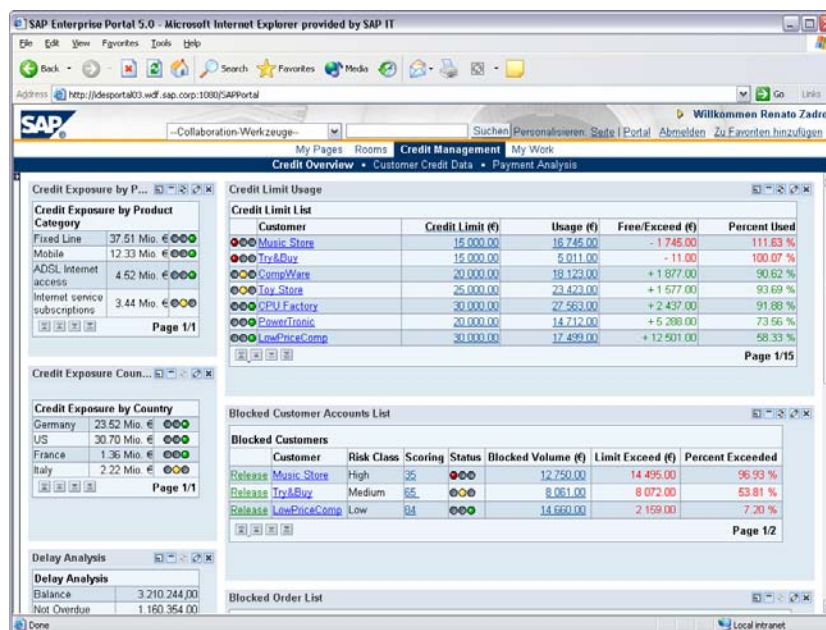


Figure 11: Credit Manager Portal

\*ENHANCED: ELECTRONIC BILL PRESENTMENT AND PAYMENT

Through the SAP Biller Direct application, mySAP ERP enables companies to deploy Web-based billing, invoicing, account management, and payment services via their Internet portals. The application supports authorization of automatic payment debits via the Internet. In addition, this Web-based application allows businesses to collaborate with their customers and trading partners and eliminates the need to manage paper-based and EDI-based payment methods. A portal that allows suppliers to view invoices and payments has also been added. SAP Biller Direct supports the complete communication process, from bill presentation to discrepancy handling and final reconciliation. Companies benefit from the following:

- Reduced billing and settlement transaction costs

- Improved payment and exception processing
- Improved cash flow
- Integrated data both in accounts receivable and accounts payable, eliminating the need to reenter information
- Reduced accounting errors on the customer side
- Reduced processing time on the supplier side

#### ENHANCED: COLLECTIONS MANAGEMENT

The SAP Collections Management application enables companies to prioritize customer accounts from a risk perspective and capture promise-to-pay agreements or disputes. This enhancement to mySAP ERP allows a collections department to accelerate the collections process by unifying and simplifying the identification of open customer invoices, account status, and invoice information. Organizations benefit from the following:

- Reduced days sales outstanding (DSO)
- Improved liquidity and liquidity forecasting
- Flexibility to collect receivables via different collection methods
- Increased efficiency in collecting receivables that must be handled in special ways
- Improved customer relationships resulting from customer-oriented receivables management

#### \*ENHANCED: DISPUTE MANAGEMENT

The SAP Dispute Management application enables enterprises to process receivables-related disputes. Organizations can structure and streamline the process of dispute resolution and reduce processing time via an entirely electronic communication process. Dispute management capabilities are integrated into accounts receivables, sales and distribution, and mySAP CRM and the SAP Business Workflow tool (including e-mail notification). Users can also automatically create dispute cases for underpayments generated by the electronic account statement. The correspondence function enables companies to send standard letters, faxes, and e-mails automatically for improved customer interaction. Finally, customers can create dispute cases directly in the application and monitor the status of their dispute. These functions offer the following benefits:

- Reduced DSO
- Reduced days deduction outstanding (DDO)
- Improved liquidity and liquidity forecasting
- Accelerated processes via automation
- Improved customer relationships via targeted inquiries and fast processing of complaints
- Reduced costs via early identification and notification about possible problems in the logistics value chain or internal processes

#### \*ENHANCED: IN-HOUSE CASH

The SAP In-House Cash application enables global enterprises to efficiently manage intragroup and external payment transactions by setting up a virtual house bank. International businesses can centrally process payments made by their affiliates by netting and consolidating internal accounts. The application can be used to pay external business partners on behalf of subsidiaries or to forward incoming payments from external business partners to the appropriate subsidiary. New enhancements include integration with cash management and treasury management components, new in-house cash payment orders, flexible routing, and new currency conversion capabilities. In addition, the application supports international payments with real-time exchange-rate information. Customers realize the following benefits:

- Reduced complexity of intercompany netting and payments
- Accurate current accounts forecasting for cash managers
- Easy integration of intercompany payments with the treasury management platform
- Flexible payment-routing capabilities that can be adapted to business needs

#### ENHANCED: CASH AND LIQUIDITY MANAGEMENT

The SAP Cash and Liquidity Management application integrates the treasury function with electronic banking, customer relationship management, and financial processes. The application improves liquidity, maximizes yields on financial assets, and simplifies multicurrency management. It also manages liquidity mid- and long-term, streamlining the planning process and comparing planning data with real-time data from the cash management component. The application adds business value because it enables the following:

- Simplifies reporting and forecasting of cash flow in any currency and in any business unit
- Facilitates better decision making by supplying accurate cash data faster
- Supports accurate cash reporting for corporate governance projects
- Increases the management of working capital by generating position reports on time
- Automates cash flow reporting

#### \*ENHANCED: TREASURY AND RISK MANAGEMENT

The SAP Treasury and Risk Management application offers a comprehensive set of functions for managing financial transactions and risk. The application supports financial deals and position management, from trading and back-office processing to data transfer and financial accounting, minimizing the need for work-arounds. Users can leverage flexible reporting and evaluation capabilities for analyzing financial transactions, positions, and portfolios. Automation capabilities help to accelerate and streamline financial processes across the enterprise. The application also improves financial insight by calculating market-to-market values and other key figures such as value-at-risk. Equally important, it helps to control credit and settlement risk, as well as measure and manage foreign exchange and interest rate exposures. New functions in SAP Treasury and Risk Management also improve compliance with the IFRS and financial accounting standards (FAS), including hedge accounting, and support the Sarbanes-Oxley Act and German regulations. New financial products for foreign exchange trading have also been added. Key benefits include the following:

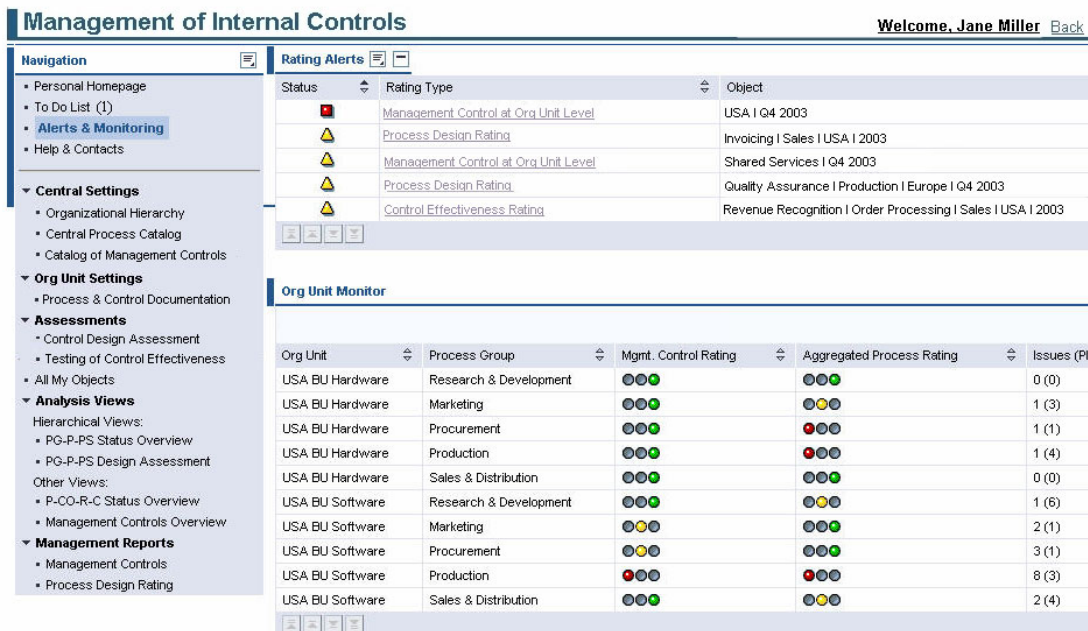
- Greater transaction support
- Improved corporate controls by integrating treasury with finance and accounting
- Improved ability to manage cash flow and liquidity
- Significant cost reductions by eliminating the costs of maintaining technical or process interfaces between treasury and finance
- Real-time insight into corporate treasury operations

### **Corporate Governance**

One of the challenges facing finance organizations today is complying with an increasing number of national and international legal requirements for financial reporting and corporate governance. Statutes like the Basel II and the Sarbanes-Oxley Act increase workloads and operational costs in finance organizations. mySAP ERP provides comprehensive functions that reduce the overall cost of managing internal controls and ensure adherence to standards and corporate governance laws. New capabilities that support corporate governance include the following:

**NEW: MANAGEMENT OF INTERNAL CONTROLS**

mySAP ERP now includes management of internal controls (MIC) capabilities that support the documentation, assessment, and testing of internal controls needed to fulfill the requirements of Sections 302 and 404 of the Sarbanes-Oxley Act, as well as The Committee of Sponsoring Organizations of the Treadway Commission (COSO) I framework and other internal control initiatives. These capabilities provide scheduling functionality and workflow-supported issue remediation capabilities to ensure on-time disclosures and reduce internal communication and administration expenses related to compliance.



**Figure 12: MIC Capabilities Within mySAP™ ERP**

Predefined and customizable management reports provide management, as well as internal and external auditors, with a wide variety of reports, from a high-level overview of the status of internal control to detailed analyses (see Figure 12). Key benefits include the following:

- Reduced internal communication and administration expenses related to compliance documentation
- Streamlined assessment procedures and tracking of issue remediation, which reduces costs and improves service levels
- Improved management reporting that highlights issues prior to legal and regulatory reporting deadlines to reduce the risk of noncompliance

**ENHANCED: AUDIT INFORMATION SUPPORT**

mySAP ERP includes the audit information system (AIS), an auditing tool kit for external and internal auditors that provides an interface between the auditor and the SAP system landscape. The interface supports auditors who may be less familiar with the SAP system and delivers several predefined roles. AIS improves the quality of the auditing process, particularly in the areas of internal and external system and business auditing, tax audits, and data protection. Users can export document data and account balances in flat files for further analysis.

Enhancements to the audit information system include new roles that support two different business audit approaches:

- An *account-oriented approach* that provides a balance sheet, an income statement, and segment reporting, as well as internal activity allocation and a consolidated financial statement
- A *process-oriented approach* that supports two different processes: from order to cash and from purchase to order

The solution offers a wider range of preconfigured business audit functions and provides the following benefits:

- Accelerated auditing by providing functionalities for system and business audits
- Reduced risk of noncompliance by including a drill-down audit trail to the document level, which enables the identification of exceptions
- Enhanced user productivity by displaying structured reporting controls
- Significantly reduced costs associated with auditing an SAP system

#### NEW: SUPPORT FOR WHISTLE BLOWER COMPLAINTS

To help companies comply with Section 301 of the Sarbanes-Oxley Act, SAP has added a new functionality supporting the complete process of “whistle blowing.” The whistle blower complaints function, illustrated in Figure 13, provides an exemplary complaints form that customers can configure according to their own specific requirements and internal policies, as well as federal laws. Because this function leverages existing portal technology (if available) and users need no additional training, it provides a low-cost way for companies to fully address the legal requirements of the Sarbanes-Oxley Act and reduce the risk of noncompliance.

The screenshot shows a web browser window displaying the SAP Whistle Blower Portal. The browser's address bar shows the SAP logo and navigation links. The page title is "Anonymous Accounting Irregularity Notification". The form includes the following elements:

- Applicant Information:** Name (anonymous employee), Telephone, and Department.
- Suspected Irregularity:** A dropdown menu for "Company code" with the value "1000 - IDES AG".
- Comments:** A text area containing a sample message addressed to the Audit Committee regarding revenue recognition for Vincent Laboratories.
- Submit Button:** A blue button labeled "Submit".
- Right Panel:** A banner with the text "Help us to prevent our company from catching Enronitis" and an image of hands holding money. Below the banner, there is explanatory text about the form's purpose and instructions for users.

**Figure 13: mySAP™ ERP Whistle Blower Portal**

**NEW: BUSINESS ROLES IN FINANCIAL MANAGEMENT**

mySAP ERP provides a number of new business roles for financial services. For detailed information about these roles, please see the “Self-Services and Roles” section of this document.

## HUMAN CAPITAL MANAGEMENT WITH mySAP ERP 2004

To gain a competitive edge, enterprises must align all corporate resources – including human capital, or employees – with the enterprise’s overall business processes, goals, and strategies. This requires transforming traditional human resources (HR) functions into a comprehensive human capital management (HCM) program that integrates employees, business processes, and technologies with business goals and objectives, and that maximizes the value of an organization’s human capital by increasing its contribution to the business. HCM views employees as key assets of the corporation, and seeks to ensure their optimal development and deployment with the goal of increasing their active commitment, productivity, engagement, and retention.

A strategic, carefully designed, and properly executed HCM solution offers far more than just cost reductions and productivity enhancements: it can bring about a transformation that dramatically impacts business results. HCM improves employee productivity, job satisfaction, and retention by:

- Matching employees to projects and careers that meet their skills and interests
- Recognizing and developing the skills of future leaders
- Identifying learning needs and delivering appropriate training

In addition, HCM enables employees to maintain their own personal information and control many administrative transactions and other processes, which were previously handled by the HR staff so that HR can focus on value-generating projects instead of administrative activities. Most importantly, HCM improves each employee’s contribution to corporate goals by aligning employee skills, activities, and incentives with measurable business objectives and the strategies to reach them. At the same time, it provides employers with the tools to measure, manage, and reward team and individual contributions. When properly designed and executed, effective HCM programs ensure that all employees contribute according to their full potential and further business objectives.

Transforming the traditional HR function into a comprehensive HCM program impacts enterprises at all levels. In addition, it requires integrated, enterprise-wide tools that support the following activities:

- Aligning corporate strategies with management, team, and individual goals throughout the enterprise
- Developing streamlined HR processes that seamlessly integrate across global operations
- Accelerating workforce-related decisions with real-time information
- Supporting employees and managers throughout the employee life cycle
- Deploying the right people to strategic initiatives quickly and efficiently
- Enabling employees to manage collaborative processes

By fully leveraging integrated HCM tools, organizations benefit from improved insight into – and control over – increasingly virtual workforces. In addition, they can adapt their workforce and IT investments more quickly and easily in response to changing business conditions. Equally important, organizations can significantly improve productivity as employees focus more time on value-added activities and leverage the personal empowerment enabled by HCM.

## HCM WITH mySAP ERP TODAY

mySAP ERP delivers leading-edge HCM capabilities that integrate fully with existing business systems and can be customized to match an enterprise's specific requirements. Designed for a global marketplace, mySAP ERP Human Capital Management (mySAP ERP HCM) includes comprehensive support for local best practices and regulatory requirements, as well as payroll functions, for more than 50 countries.

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“SAP continued to chalk up big wins largely due to the global applicability of its products,” said Albert Pang, enterprise applications research lead at IDC. “SAP’s strengths are in the global HR automation capabilities for an array of industries, and the ability to support the HR demands of 50 countries while at the same time integrating information and processes from diverse global offices in a single system.”

*IDC Document # 29803, “Worldwide Human Resources Management and Payroll Processing Applications Forecast and Analysis, 2003–2007”*

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With more than 35 years of experience in ERP, SAP supports an HCM customer base of more than 9,000 customers in over 50 countries, managing more than 54 million employees. More than 11 million employees now actively use the management tools and employee self-service functions in mySAP ERP. Table 2 summarizes the comprehensive benefits that mySAP ERP delivers throughout an organization.

Organizational Group	Benefits
C-level executives	<ul style="list-style-type: none"><li>• Reduced administrative costs and greater efficiency</li><li>• Improved alignment of human capital with business objectives</li><li>• Increased productivity throughout the organization</li></ul>
Line-of-business managers	<ul style="list-style-type: none"><li>• Comprehensive HR management and decision making</li><li>• Improved information sharing and visibility</li><li>• Enhanced collaborative relationships and networking</li><li>• Support for compliance requirements</li></ul>
IT management	<ul style="list-style-type: none"><li>• Low cost of ownership</li><li>• Investment protection through integration with all mySAP™ Business Suite solutions and the SAP NetWeaver™ platform</li><li>• Simplified IT infrastructure</li></ul>
Employees	<ul style="list-style-type: none"><li>• User-centric approach for improved usability and increased empowerment</li><li>• Improved communication, collaboration, and information sharing</li><li>• Wide range of access options to support multiple work styles</li></ul>

**Table 2: Key Benefits of HCM Functionality**

HCM incorporates processes for recruiting, deploying, developing, motivating, and retaining valuable employees, among others, and seeks to improve all of these processes from end to end. mySAP ERP provides HCM capabilities in the following four areas:

- Employee life-cycle management
- \*Employee transaction management
- HCM service delivery
- Workforce deployment

In addition, mySAP ERP also provides workforce analytics capabilities that are described more fully in the “Analytics” section of this document.

#### EMPLOYEE LIFE-CYCLE MANAGEMENT

mySAP ERP provides functions that automate and optimize all phases of the employee life cycle. As a result, companies can find the best people, develop and leverage their talent, align their efforts with corporate objectives, maximize the impact of training efforts, and retain top performers. Key functions include the following:

- **\*Recruiting and talent management** – mySAP ERP includes the SAP E-Recruiting application, which combines the latest technology with best practice know-how in an integrated solution that enables organizations to optimize their recruiting processes and develop a sophisticated talent relationship management system. This solution can handle everything from worldwide recruiting and applicant-tracking processes to local reporting. It helps business find the right people and coordinate team collaboration to identify and evaluate candidates. In addition, SAP E-Recruiting offers a full range of integration options to other enterprise applications, as well as to complementary third-party service providers, such as job boards and resume processors.
- **\*Enterprise learning management** – mySAP ERP includes the SAP Learning Solution, which provides a comprehensive enterprise learning platform capable of managing and integrating business and learning processes and supporting both e-learning and classroom training, as well as synchronous and asynchronous collaboration. It is fully integrated with mySAP ERP and includes content authoring, content management, and learning management capabilities, as well as a learning portal. The SAP Learning Solution offers back-office functionality for competency management and comprehensive assessment for performance management, and it offers strong analytical capabilities, including support for ad hoc reporting. The application uses a comprehensive learning approach to deliver knowledge to all stakeholders and tailors learning paths to an individual’s educational needs and personal learning styles. Interactive learning units can be created with SAP Tutor, a training simulation tool that is also available.
- **Performance management** – With mySAP ERP, organizations can integrate team and individual goals with corporate goals and strategies. In addition, management-by-objective documents can be linked directly to performance reviews, appraisals, and compensation administration. Employee development tools help to identify and implement career and development plans that directly relate to the organization’s core business strategy. The solution helps motivate employees to achieve corporate goals, standardizes employee reviews and appraisals, and provides functions to support the performance-oriented compensation process.
- **Compensation management** – mySAP ERP makes it easy for companies to implement innovative reward strategies, such as performance- and competency-based pay, variable pay plans, and long-term incentives reward programs. In addition, companies can perform comparative compensation package analysis based on internal and external salary data to ensure competitiveness in the marketplace.

#### \*EMPLOYEE TRANSACTION MANAGEMENT

mySAP ERP helps organizations streamline and integrate essential employee transactions and processes, as well as support global compliance with regulatory requirements. In addition, mySAP ERP helps IT organizations deliver better services at a lower cost. Key employee transaction management functions include the following:

- **Employee administration** – mySAP ERP supports all basic processes related to personnel and employee information management. Via a centralized database, employees and management always have instant access to up-to-date, consistent, complete information to support HR- and business-related decisions.
- **Organizational management** – The solution supports key processes for managing and disseminating organizational structure and policy information.
- **Expatriate management** – mySAP ERP supports all processes involved in international employee relocation, from the planning and preparation of global assignments to personnel administration and payroll for global employees.
- **Benefits management** – mySAP ERP supports diverse plan definitions and automatically tailors benefit offers to individual employees.
- **Time and attendance management** – mySAP ERP facilitates effective time-management strategies and provides convenient tracking, monitoring, record keeping, and evaluation of time data.
- **Global payroll** – mySAP ERP handles complex payroll processes and supports current legal regulations for more than 50 countries worldwide, ensuring compliance with regulatory requirements for reporting purposes. Advanced features address considerations such as national currency, multiple languages, collective agreements, and reporting.

#### HCM SERVICE DELIVERY

mySAP ERP provides a number of new and enhanced self-service capabilities and roles that increase employee efficiency and productivity. For more information on HCM-related self-services functions provided by mySAP ERP, please refer to the “Self-Services” section of this document.

#### WORKFORCE DEPLOYMENT

Effective workforce management requires consistently deploying the right people with the right skills to the right positions at the right time. mySAP ERP improves workforce efficiency and increases profitability by allowing organizations to create project teams based on skills and availability, as well as monitor and analyze progress and results to ensure that resources are not wasted on ineffective projects. Key workforce deployment functions within mySAP ERP include the following:

- **Project resource planning** – mySAP ERP provides comprehensive support for project resource planning, including a workforce-scheduling application designed for professional service organizations that ensures employees are assigned to appropriate jobs, projects, and teams.
- **Resource and program management** – mySAP ERP unifies project management, time tracking, financial data, and employee skills information in a portfolio management paradigm, with capabilities that include resource management, project portfolio management, project execution, and skills management. mySAP ERP is an integral contributor to workforce deployment solutions across other SAP solutions, enabling businesses to create project teams based on skills and availability, monitor project progress, track time, analyze results, and much more.
- **Call center staffing** – mySAP ERP supports call center scheduling based on forecasted call volume and shift schedules.

## NEW AND ENHANCED HCM FUNCTIONS IN mySAP ERP 2004

### **\*Recruiting and Talent Management**

Attracting, recruiting, and retaining the right people are the cornerstone of an organization's success. Successful recruitment relies on strong long-term relationships with both current and potential employees and the ability to locate appropriate positions for talented individuals both inside and outside the organization. New features and enhancements to the SAP E-Recruiting application included with mySAP ERP offer innovative support for talent relationship management, as well as traditional central recruitment functions. These include the following:

#### ENHANCED: TALENT RELATIONSHIP MANAGEMENT

mySAP ERP supports comprehensive talent relationship management with functions that include talent planning, sourcing, evaluation, hiring/reassignment, and retention. Recruiters benefit from enhanced search-and-match functions, clear classifications of candidates by ranking, and communication options such as newsletters and questionnaires. Candidates benefit from an intuitive user interface and new features, including employee referrals.

#### ENHANCED: APPLICANT TRACKING

The solution offers enhanced requirements management, with support for candidate rankings by recruiters as well as candidate and application administration. Organizations benefit from extended support for handling unsolicited applications, as well as advanced searches for ideal candidates. The efficiency of hiring managers is improved by comprehensive self-service support, including the ability to create and submit job requirement profiles for approval; use approval workflows for requirements profiles; view candidate short lists and profile and application data; and respond to questionnaires about candidates.

#### ENHANCED: ANALYTICS

Up-to-date information is necessary to ensure long-term effectiveness of recruitment processes. mySAP ERP delivers a broad range of reports and analyses specifically designed to meet recruitment needs, including standard reports, ad hoc reporting, and evaluations based on key performance indicators, as well as important figures such as time to hire and time to offer versus acceptance rate. In addition, comprehensive planning functions enable the analysis of various sourcing strategies and alternative recruitment concepts.

Enhancements to the SAP E-Recruiting application included with mySAP ERP enable organizations to create faster and more efficient hiring processes, resulting in a better internal and external corporate image that attracts higher-quality candidates and helps retain talented employees. In addition, as their recruitment processes improve, businesses come to rely less on costly sourcing and are able to reduce administrative and operational costs. The automated, streamlined processes enabled by SAP E-Recruiting also make it easy to outsource specific recruitment tasks or the entire recruitment function itself.

### **Performance Management**

Performance management support within mySAP ERP helps motivate employees to achieve corporate goals, standardize employee reviews and appraisals, and simplify performance-oriented compensation while enabling managers to identify employees whose contributions do not meet the requirements of their position. Enhancements include the following:

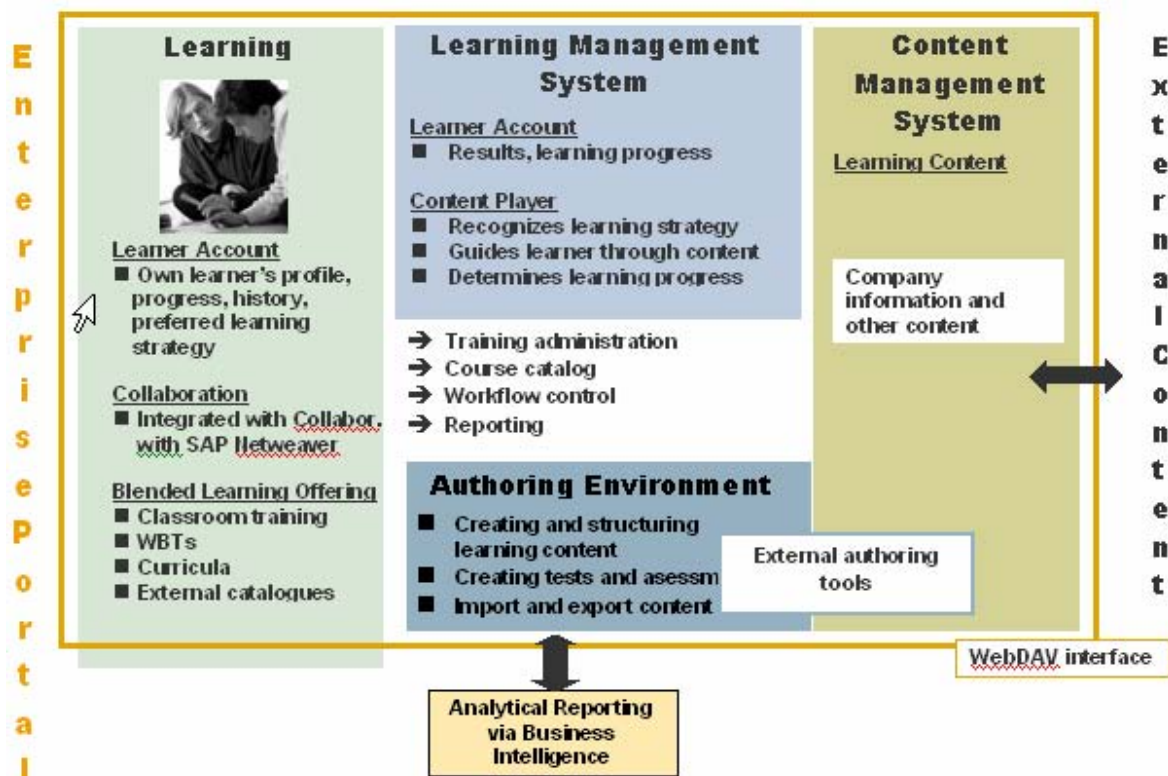
- **Performance appraisal management** – Organizational changes, varying tasks, and changed project assignments often mean that employees are reviewed by new appraisers. New maintenance features allow appraisal documents to reflect organizational changes, such as new managers or changes to the validity period of the appraisal document. In addition, mandatory process participants can now be defined.
- **Employee development** – mySAP ERP enables organizations to link business objectives and employee appraisals directly to employee development and training management applications, enabling organizations to include training and development plan steps as objectives in the appraisal document.
- **Improved attachment processing** – Support for file attachments ensures that documents associated with employee appraisals, such as documentation of a certain achievement or notes taken during the performance feedback period, can be added, displayed, and deleted in a Web-based environment.
- **Appraisal calibration** – Methodical calibration processes ensure fairness in employee appraisals and compensation packages and provide important decision support for succession management and individual promotions. Comparative overviews of appraisal results are available as reports and graphics.
- **Template management** – Appraisal processes vary depending on employee position and responsibilities. By enabling organizations to link different appraisal templates to different groups of employees, mySAP ERP helps businesses ensure that employees are fairly and appropriately reviewed.

#### **\*Learning Management**

To meet the demands of global business activities, shorter product life cycles, and accelerated time to market, employees require immediate access to the specialized training that they need to effectively perform their jobs. In addition, increasing worker mobility and decentralization mean that learning opportunities must be available anytime, anywhere. The SAP Learning Solution in mySAP ERP provides a comprehensive, enterprise-wide learning platform capable of integrating business and learning processes to deliver optimal e-learning and classroom training for internal and external users (see Figure 14).

Enhancements include the following:

- **Collaboration features** – mySAP ERP leverages components of the SAP NetWeaver platform to deliver enhanced collaboration tools for online learning. mySAP ERP supports both synchronous collaboration (for example, instant messaging, chat, shared contact list, and application and desktop sharing) and asynchronous collaboration (team news, team calendar, team tasks, and document sharing), making online learning experiences more effective.
- **Content integration** – Training administrators can coordinate, integrate, and communicate with external and internal content providers through a Web-based interface. In addition, they can customize teaching and learning scenarios by using Web services to integrate external functions and services into the learning platform.
- **Content authoring** – Simplified authoring processes, including separate views for subject matter experts and instructional designers, ensure that course developers can focus their efforts on developing content rather than on learning complicated tools. A learning strategy preview and wizards, including a configuration wizard and an import wizard, speed the development of new course material.
- **Portal-based access** – A new Section 508-compliant portal layout for learners offers intuitive navigation and improved response speed.
- **Correspondence management** – Correspondence functions and multiple delivery methods, such as sending notifications in PDF format, make it easy to communicate with learners.



**Figure 14: Learning Management Process Within mySAP™ ERP**

These enhancements result in an even more comprehensive platform that increases employee motivation and value to the business. Enterprises that focus on the education of their employees strongly benefit from the seamless, comprehensive integration of the SAP Learning Solution into mySAP ERP. In addition, because mySAP ERP offers a complete, comprehensive solution for blended learning with all components integrated into a single product, companies realize lower total cost of ownership.

**NEW: BUSINESS ROLES IN HUMAN CAPITAL MANAGEMENT**

mySAP ERP provides a number of new business roles for HCM services. For detailed information about these roles, please see the “Self-Services and Roles” section of this document.

# OPERATIONS WITH mySAP ERP 2004

## ABOUT OPERATIONS

In the face of fierce competition with shorter product and service cycle times and narrower operating margins, enterprises face significant challenges to differentiate themselves from their competitors and to create stakeholder value. Building and maintaining strong customer relationships is crucial for success; however, customer requirements are constantly growing, with a significant trend toward more personalized, customized products. Businesses are challenged to develop new revenue streams, provide customers with the products and services they desire, and improve operations throughout the supply chain, while at the same time reducing costs.

Businesses face internal and external operations challenges in the following areas:

- **Globalization issues** – Addressing the increasingly complex corporate structures, business processes, and markets of today’s international enterprises requires improved visibility and collaboration throughout the supply chain. At the same time, the demands of heightened worldwide competition pressure companies to cut costs across the board.
- **Financial demands** – To ensure the most efficient use of capital, companies must streamline operations while maximizing inventory, manufacturing capacity, and operational resources.
- **Regulatory compliance** – Organizations must comply not only with government mandates (such as the U.S. Sarbanes-Oxley Act and others), but also with the requirements, practices, and customer demands of other countries in which they operate or sell goods.
- **Reduced windows of opportunity** – As product and service innovations appear with increasing speed, the time frame in which a company can capitalize on new ideas is diminished. To address shrinking business cycles and growing time pressures, profitable operation requires speeding both time to market and time to value.
- **Changing customer expectations** – Because customers now have extensive information and unprecedented choice about products and prices, gaining market share requires exceptional service and individualized, custom offerings. Achieving this goal requires fast access to accurate consumer demand data as well as the ability to act quickly on the information.

The impact of these challenges is not limited to a few departments. To achieve the objectives of creating high-quality, innovative products and services that meet customer needs on schedule and within budget, all organizational units must work as a single, integrated unit, adapting to a global vision of a “whole enterprise” and incorporating business partners accordingly. They must use their comprehensive resources and intellectual assets in ways that differentiate them from their competitors. They must continually monitor and enhance both internal processes (including procurement, manufacturing, inventory, and sales) as well external business processes (including effective collaboration with supply chain partners). And, they all need to share information for this integrated effort to work.

Enterprises that wish to coordinate and improve global operations will benefit from comprehensive, enterprise-wide operations technologies that enable improved monitoring and management of all aspects of the product design, development, manufacturing, and customer service processes. Benefits of effective enterprise-wide operations include the following:

- Increased revenues through improved product innovation, product quality, supply chain operations, and customer service, as well as reduced time to market and time to volume.
- Improved capital efficiency and reduced costs through internal and external process optimization, legal compliance, maximized equipment efficiency, effective supply chain operations, minimized production downtimes, and other efforts.
- Enhanced customer satisfaction through rapid development of products and services that meet customer requirements, reduced engineer-to-order times, and improved customer service with efficient error handling and shortened response times.

#### **OPERATIONS WITH mySAP ERP TODAY**

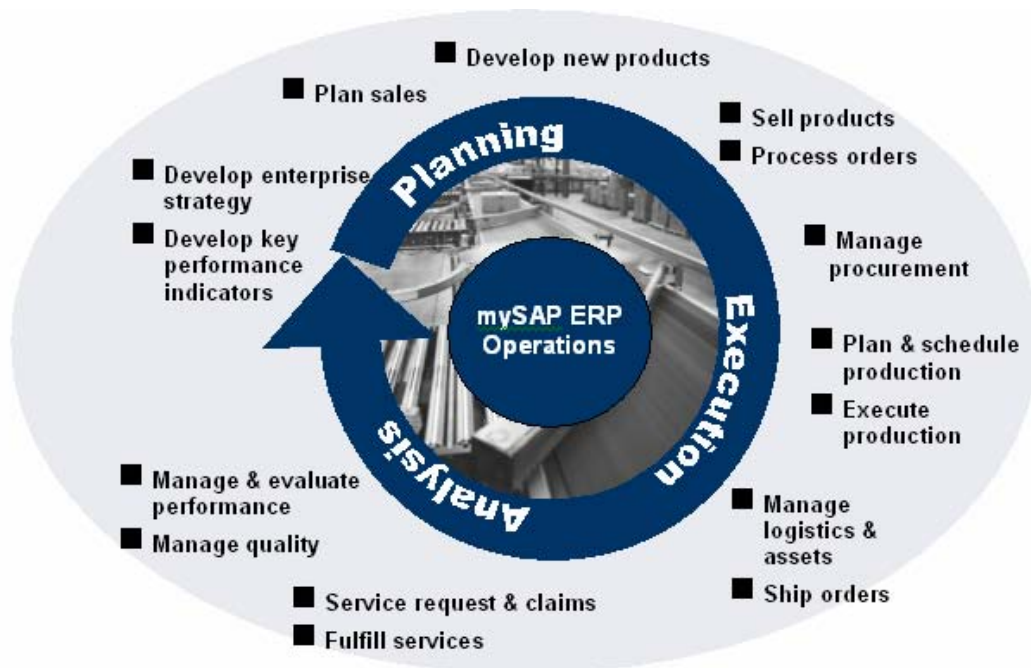
mySAP ERP includes mySAP ERP Operations, which offers comprehensive support for managing and enhancing both internal and external operations. Operations functions and benefits are organized into two categories:

- **Operations value generation** – mySAP ERP provides end-to-end logistics for complete business process cycles, such as “purchase-to-pay” cycles and “make-to-order” cycles. By supporting a variety of core business processes in this way, mySAP ERP helps organizations improve their entire logistics operation and add value to the business.
- **Operations support** – To streamline complete business process cycles, mySAP ERP also provides logistics operations management functions that ensure operations run smoothly, fulfill all quality demands, and comply with all relevant regulations and standards. These functions help to reduce downtime, enable better decision making, and increase customer loyalty while improving product quality, cost, and time to market.

In addition, mySAP ERP improves business insight into operations and the overall operations efficiency by offering the following:

- **Operations analytics** – mySAP ERP provides analytics features that help organizations compile detailed operations reports and make informed operational decisions. For more information, please refer to the “Analytics” section of this document.
- **Self-services and roles** – mySAP ERP improves employee efficiency and effectiveness with self-services and support for operations-specific roles. For more information, please refer to the “Self-Services and Roles” section of this document.

Figure 15 overviews the key operations capabilities provided by mySAP ERP.



**Figure 15: Operations Capabilities Within mySAP™ ERP**

#### **OPERATIONS VALUE GENERATION WITH mySAP ERP**

mySAP ERP seamlessly integrates enterprise operations functions – including purchasing, warehouse management, manufacturing, sales, service, and fulfillment – to provide businesses with comprehensive, up-to-date information about internal and external processes. A wide range of flexible management and analytical tools offer better insight, improved planning, and more accurate control of enterprise-wide processes to help organizations rapidly adapt to changing market and business requirements. Role-based interfaces and flexible portal environments make it easy for employees at all levels to access the information and applications they need; and support for collaborative communities makes it possible to coordinate the activities of business partners and customers within the organization.

More than 21,600 businesses worldwide rely on the integrated, end-to-end operations capabilities of mySAP ERP to plan, manufacture, distribute, and support products and services in all major industries. Businesses that utilize mySAP ERP can realize the following benefits:

- **Reduced costs** – mySAP ERP helps businesses decrease operating costs by converting time-consuming, manual processes into streamlined, online functions. Sophisticated analytical and management tools help businesses match supply with demand as well as improve overall enterprise planning.
- **Better asset utilization** – mySAP ERP supports planning and strategic asset deployment that frees resources and reduces order cycle times. As a result, businesses can improve manufacturing resource utilization, reduce excess inventories, and better meet shifts in customer demand.
- **Increased revenue** – With support for customer-focused initiatives (such as online availability checks, individual pricing information, and earliest delivery date), rapid response to customer demand, and improved customer service, mySAP ERP helps businesses realize greater revenue opportunities and improve customer satisfaction.

- **Improved adaptability** – mySAP ERP offers enterprise-wide visibility, performance management, and accurate forecasting to help businesses reduce planning cycles and lead times, enabling faster response to opportunities and continuous process improvements.
- **Enhanced employee productivity** – Customizable interfaces, portals, and self-services capabilities within mySAP ERP ensure that employees have easy access to information and tools that help them perform their jobs efficiently and effectively.

To help businesses fully realize these benefits, mySAP ERP provides capabilities in the following key areas:

- Procurement
- Inventory and warehouse management
- Manufacturing
- Transportation
- Sales order management
- Customer service

### **Procurement**

mySAP ERP improves procurement processes by facilitating plan-driven and ad hoc purchasing, complete inventory management, and intelligent reporting on all procurement activities. In addition to providing supplier relationship management tools, mySAP ERP enables supplier selection and qualification, contract negotiations, bid invitations, and vendor evaluation. mySAP ERP supports not only traditional processes such as requisitioning, purchase order management, and invoice verification, but also innovative features such as self-service requisitions for maintenance, repair, and operations (MRO) material and services. Support for process variant optimization allows individual categories of material or services to be procured in the most appropriate way; for example, the subcontracting process supports the delivery of components required by outsourced manufacturing steps, and procurement through invoicing plans helps improve rental and leasing processes.

mySAP ERP offers the following benefits for procurement:

- **Reduced raw material and procurement expenses** – mySAP ERP helps businesses better monitor material availability status, resulting in minimized procurement costs.
- **Optimized inventory turns** – By providing accurate reporting of real-time inventory availability, mySAP ERP helps organizations improve inventory utilization.
- **Increased productivity** – By automating routine tasks and by automatically determining sources or converting requisitions into purchase orders, mySAP ERP enables ongoing evaluation and optimization of procurement processes.

### **Inventory and Warehouse Management**

mySAP ERP supports and improves processes at warehouses and distribution facilities, and it can be used locally to improve the functions of an individual warehouse, or as part of an integrated, decentralized, enterprise-wide management system. As illustrated in Figure 16, all major areas of inventory and warehouse management are supported, including the following:

- Workload planning
- Wave picking and order consolidation
- \*Direct radio frequency and bar code scanning
- Handling unit management (compliant with EAN/UCC 128)
- Enhanced task management
- Resource optimization and control

- Monitoring and alert generation
- \*Cross docking



**Figure 16: Warehouse Management Within mySAP™ ERP**

Combining delivery and warehouse information with data from customers, suppliers, and logistic service providers delivers accurate, up-to-date information to all partners, thereby improving visibility and reducing errors. Internet-enabled collaborative features support online shipment tracking; Web-based execution of packing functions on the warehouse floor; online delivery confirmation and automated discrepancy handling throughout the invoicing process; and support for advance shipping notifications (ASNs) so that suppliers can provide delivery and packing information to the receiver in advance of an order's arrival.

mySAP ERP offers the following benefits for inventory and warehouse management:

- **Improved facility management** – Real-time stock keeping and stock evaluation help businesses better track, manage, and plan inventory and warehouse status.
- **Accelerated collaboration** – By supporting Internet-based collaboration, mySAP ERP enables rapid transactions, cost reductions, and increased transparency among trading partners.
- **Improved decision making** – By providing rapid, accurate data access and real-time reports, mySAP ERP provides managers with the data they need to make informed decisions.

### **Manufacturing**

With support for all manufacturing strategies for businesses in the discrete, process, and consumer products industry, mySAP ERP helps enterprises manage the full range of manufacturing activities – from planning to execution and analysis – in a single, end-to-end system. mySAP ERP delivers all

elements of a customer-oriented manufacturing management system and is fully compatible with just-in-time (JIT) and Kanban methodologies.

By combining information from a variety of business processes (including planning, cost accounting, human resources, materials management, warehouse management, plant maintenance, and quality management), mySAP ERP supports the development and execution of efficient production plans and ensures that accurate, comprehensive information is available at any time to those who need it. Businesses can share manufacturing information across the enterprise and supply network to coordinate production processes and promote cooperation. In addition, data from plant process-control and data-collection systems can be incorporated as well, enhancing decision making by including accurate production data.

Benefits of mySAP ERP for manufacturing include the following:

- **Decreased costs** – mySAP ERP can help reduce manufacturing costs in a number of ways. Accurate manufacturing information results in increased productivity and reduced errors, while role-based user interfaces reduce supervision costs and improve the efficiency of shop-floor task distribution. A single, master data model throughout the enterprise results in a lower rate of obsolescence and faster time to market.
- **Increased flexibility** – By supporting different production strategies, such as engineer-to-order, configure-to-order, make-to-order, and make-to-stock models, mySAP ERP helps businesses rapidly respond to customer demands.
- **Improved visibility and insight** – mySAP ERP establishes a continuous flow of information across engineering, planning, and execution, and it documents each step in the production process. Order change management capabilities track customer order revisions and new versions of bills of material (BOMs) to ensure that up-to-date information is available throughout manufacturing. And the combination of easy-to-use analysis tools with comprehensive, real-time data enables managers to make informed decisions.

### **Transportation**

mySAP ERP helps businesses effectively meet shipping requirements and manage the multiple processes and reports required by foreign trade. Flexible options for consolidating deliveries into shipments include rule-based automation, manual consolidation, and collaborative order combination through the Internet; in addition, the optimization logic from mySAP SCM can be used to further improve shipping choices. Support for collaborative tendering lets businesses tender directly into the transportation service provider's system. As a result, organizations can integrate information from partners into their business processes and better control transportation plans.

Benefits of using mySAP ERP for transportation management include the following:

- **Increased invoice accuracy** – mySAP ERP helps businesses develop accurate, detailed freight cost calculations, which are essential for verifying invoices to and from transportation service providers.
- **Reduced transportation costs** – mySAP ERP enables accurate management of transportation costs, with support for settling costs for multiple transportation providers, posting both costs and accruals, and billing specific shipment costs directly to the customer.
- **Enhanced management of foreign trade** – Foreign trade management capabilities handle declarations for several authorities in the European Union, North American Free Trade Agreement (NAFTA) organizations, the European Free Trade Association (EFTA), and Japan, and make it easy to identify savings that can be gained by trading with countries that are preferred partners. In addition, business transaction simulation helps businesses analyze the effects of potential exports and problems, such as embargoes or boycotts.

## Sales Order Management

mySAP ERP provides superior insight into sales back-office processes, including handling inquiries, quotations, order generation, and processing, as well as contract and billing cycle management. Businesses benefit from a complete overview of the customer life cycle, including order status, billing, payment, and credit management. In addition to the back-office features, mySAP ERP also supports Internet sales, sales entered through mobile devices such as handhelds, and basic call center functionality.

mySAP ERP includes the following sales order management functions:

- **Quotation and order management** – mySAP ERP supports inquiry, quotation, and order management, including product configuration; flexible pricing and automated price calculation; product determination; online product availability checks; substitution for obsolete products and proposals; free goods and selling bundles; and fulfillment process tracking.
- **Contract management** – The solution also provides contract management capabilities and provides support for generating and managing long-term agreements; compiling follow-up sales documents based on contract agreements; and automatically locating related contracts during order entry, with data replication into follow-up orders.
- **Billing management** – mySAP ERP supports billing management, including support for compiling billing documents, flexible rebate calculation, and integration with mySAP ERP Financials.

Benefits of mySAP ERP for sales order management include the following:

- **Enhanced customer relationships** – Sales order management with mySAP ERP improves customer relationships by streamlining the sales process; employees have immediate access to all relevant information and can easily answer customer questions and provide up-to-date information about orders and quotations. Support for several types of sales processes helps meet customers' unique requirements; and integration with mySAP ERP supply chain functionality helps ensure that customer demands such as delivery data or requested batches and quality are addressed. And, online available-to-promise (ATP) checks provide reliable delivery due dates for customer orders.
- **Reduced financial risks** – mySAP ERP offers several ways to reduce financial risks with effective sales order and financial management, including support for customer credit checks and credit card handling. Integration with mySAP ERP Financials offers benefits that include identifying and addressing sales orders that are blocked by exceeded credit limits.
- **Improved billing efficiency** – mySAP ERP offers a billing portal to provide a single point of entry for all customer information and provides tools to process invoices and create credit and debit memos.
- **Improved agility and responsiveness** – mySAP ERP offers analytics that enable businesses to quickly recognize trends. This information can then be used to rapidly adjust and improve processes, take action to strengthen customer relations, and assess future opportunities.

## Customer Service

mySAP ERP supports the complete customer service cycle, from post-sales support through initial product installation, ongoing support services, billing, and revenue recognition. mySAP ERP performs the following:

- **Installation and configuration management** – mySAP ERP supports installation and configuration management, including definition of product hierarchy, customer installed base, service location sites, serial number management, measurements and counter readings, document management, and engineering change management of the installed base at the customer site.
- **Service contract and entitlement management** – Support for service contract and entitlement management within mySAP ERP includes configurable service products and pricing, which are also linked to installed-base products. Plan costs can be compared to the actual costs incurred for the life of a service contract.
- **Service planning** – mySAP ERP helps improve resource and workload planning with support for planned services that maintain and manage all data pertaining to ongoing, scheduled, and anticipated service requirements. As a result, enterprises benefit from greater visibility into resource demand, which enables more accurate forecasting and planning.
- **Service request and order management** – mySAP ERP records and monitors quotations, service requests, validates service entitlement, and tracks costs for in-house and field repairs. The solution supports processes such as escalation management, and provides tools for recording known issues, creating audit trails of what activities have been performed, and identifying the location of customer products that have been returned for repair. mySAP ERP also enables the capture of diagnostic information from various products for analysis, and provides organizations with performance reports about products and service levels.
- **Mobile service** – With support for mobile asset management, mySAP ERP makes it possible to maintain field service information offline using a mobile device such as a laptop or a personal digital assistant (PDA). As a result, field engineers can access the tools and data they need to effectively perform their jobs.
- **Warranty management** – mySAP ERP includes warranty management functions that allow employees to process warranty, goodwill, service, recall, and parts claims from service providers. In addition, mySAP ERP enables automatic processing for most claims and can be used to support overall business analysis functions. Support for warranty claims processing enables the recovery of costs associated with warranty work from original equipment manufacturers (OEMs) and component suppliers.

The benefits of customer service management with mySAP ERP include the following:

- **Enhanced customer relationships** – By providing personnel with access to comprehensive customer and product information in a single, easy-to-use interface, mySAP ERP improves customer service by ensuring that representatives have access to the information and tools they need to provide services at the customer site.
- **Improved service processes** – mySAP ERP increases the visibility of customer service processes. In addition, it helps businesses manage and track all product manufacturing, sales, and service information to support improvements in maintenance, product recalls, and new product design. Companies can deliver fast and efficient superior service to achieve a competitive advantage. With the availability of mobile technology, technicians in the field can report their activities faster, resulting in quicker and more accurate billing and reporting.
- **Reduced costs** – By supporting data entry from field employees and streamlining service personnel planning, mySAP ERP reduces administrative efforts and improves employee efficiency.

## NEW AND ENHANCED OPERATIONS VALUE GENERATION FUNCTIONALITY WITH mySAP ERP 2004

Creating corporate value requires more than simply generating more revenue; true value generation is based on improving all aspects of a company's operations (including manufacturing processes and employee productivity), as well as a commitment to inspiring customer loyalty. mySAP ERP helps businesses meet these challenges by simplifying and accelerating business processes to reduce costs and enhance productivity, improving collaboration with partners, and providing innovative support for customers in all their communications with the organization.

### ENHANCED: SELF-SERVICE REQUISITIONING

Support for self-service requisitioning within mySAP ERP empowers employees throughout the enterprise to create and manage routine requisitions by themselves, including self-service requisitions for maintenance, repair, and operations material and services. Catalog content management in mySAP ERP helps accelerate ordering for frequently ordered services, projects, and materials, and improves compliance with company purchasing rules. Self-service requisitioning improves procurement speed and responsiveness, while freeing the purchasing department to focus on strategic tasks by reducing administrative burden.

### \*NEW: ORDER PROCESSING USING RFID

Radio frequency identification (RFID) supplements or replaces bar codes with electronic tags that store and transmit unique identifying information for individual items, cases, or pallets to readers deployed at warehouses and distribution facilities. RFID tagging is now required by some of the world's largest retailers, including Tesco, METRO, Wal-Mart, and others. By eliminating line-of-sight requirements for scanning and allowing multiple tags to be scanned at once, RFID speeds product and order handling, reduces hands-on processing, and minimizes errors. In conjunction with the SAP Event Management application, RFID support within mySAP ERP improves visibility of stock levels and execution status throughout the supply chain, enabling the identification of quality and process improvements.

RFID support within mySAP ERP enables the following benefits:

- **Minimized hands-on processing** – mySAP ERP decreases the need for human intervention in outbound order processing, resulting in improved accuracy, shorter fulfillment cycles, and reduced employee workload.
- **Instant stock verification** – Support for RFID within mySAP ERP can help businesses verify that product stock is available to meet fulfillment requirements by ensuring that accurate, up-to-date stock information is available throughout the enterprise.
- **Improved stock and order accuracy** – mySAP ERP makes it easy to use RFID information to verify the contents of an order before it leaves the warehouse, improving order accuracy and significantly reducing losses.

### ENHANCED: DOCUMENTARY BATCH

Manufacturers often face legal requirements to document where a product was produced, what components were used, and whether quality standards were met. mySAP ERP supports batch tracking, eliminating the need to manage batch inventory. Manufacturers of consumer products or cars and or their suppliers face legal and customer requirements to store data pertaining to materials procured from vendors, used in production and delivered to customers. Enabling recall actions is a mandatory and critical issue for these industries. mySAP ERP can manage all required data such as material tracking numbers thereby supporting legal regulations. mySAP ERP provides business value by:

- **Addressing the most important legal requirements** – mySAP ERP offers comprehensive search features that facilitate the traceability of products.
- **Reducing costs** – mySAP ERP supports the traceability of material flow, which significantly reduces total cost of ownership (TCO).
- **Simplifying internal logistic processes** – mySAP ERP fulfils the tracking requirements of many industries without the need to manage inventory in batches.

#### ENHANCED: INTERNET SALES

mySAP ERP provides powerful e-commerce capabilities that can be expanded in an easy, cost-effective manner in line with business growth. Organizations can run a complete sales process on the Internet, and provide business-to-business (B2B) and \*business-to-consumer (B2C) customers with personalized and interactive online self-services (see Figure 17).

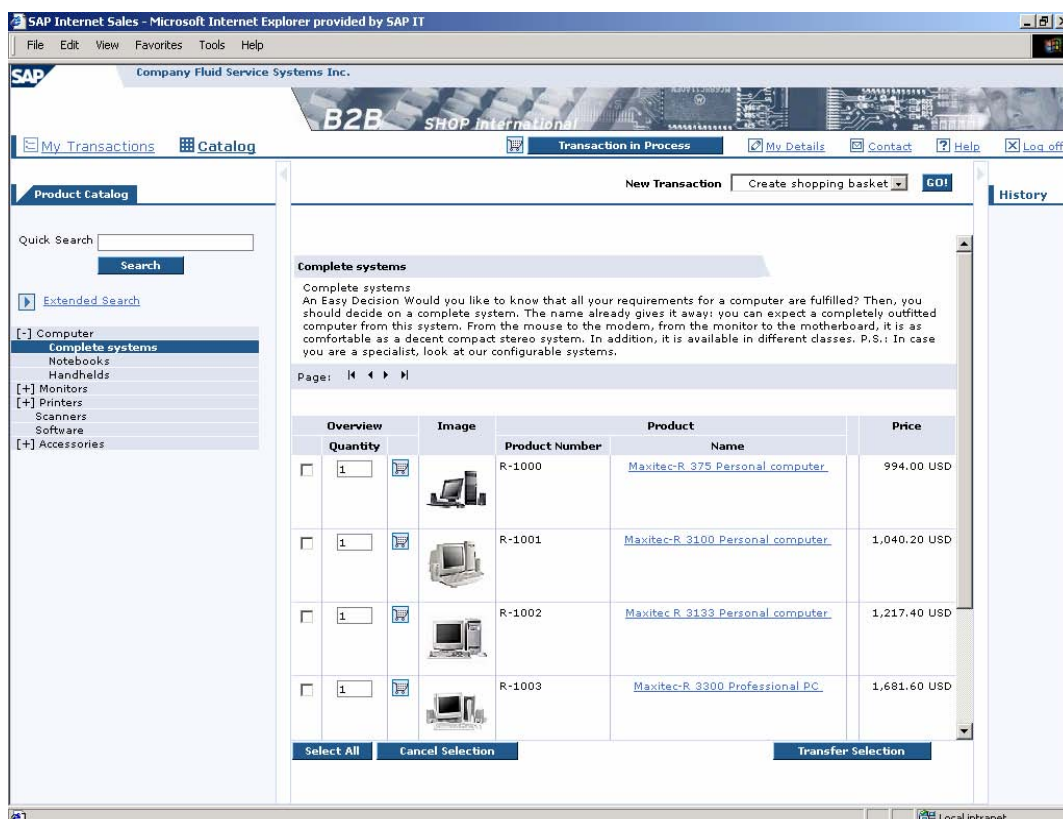


Figure 17: mySAP™ ERP Internet Sales

Benefits include the following:

- **Increased revenues** – mySAP ERP enables businesses to use the Internet as a profitable channel for sales and interaction. Web shops can be easily integrated.
- **Improved customer service** – mySAP ERP provides a convenient, easy-to-use experience, supporting customers with online product configuration, shopping basket features, product availability checks, and secure transactions as well as order status and tracking.
- **Simplified sales processes** – mySAP ERP supports a variety of end-to-end sales processes with easy-to-use interactive self-services for customers.
- **Reduced total cost of ownership** – E-commerce in mySAP ERP is fully integrated with existing mySAP ERP processes and systems, making it possible to leverage existing investments to support e-commerce activities.

#### ENHANCED: MOBILE SALES FOR HANDHELDS

mySAP ERP enables sales professionals to access front- and back-office business processes and to manage critical sales activities in the field using standard PDAs or other handheld devices (including those with bar code scanners). In this area, mySAP ERP provides the following functions:

- **Customer management** – With mySAP ERP, sales professionals may enter, view, and modify detailed customer information, and view sales order history for each customer.
- **Sales order management** – mySAP ERP enables sales staff to take sales orders via bar code scanners; search, create, and modify sales orders; and list or sort sales order partners.
- **Material management** – Support for material management for mobile sales enables staff to view material lists or details for a specific material, search material, and display customer-specific prices.

Benefits of support for mobile sales include the following:

- **Increased data entry accuracy** – Using bar code and RFID technologies instead of keystrokes ensures that data is entered rapidly and without errors.
- **Simplified and accelerated processes** – By enabling sales professionals to create orders in the field, mySAP ERP speeds order entry and fulfillment.
- **Reduced data maintenance and administrative burden** – Because data from the field is entered directly in mySAP ERP, it is not necessary to reenter field information in back-office or other systems.

#### OPERATIONS SUPPORT WITH mySAP ERP

mySAP ERP Operations is a key solution of mySAP ERP that delivers an enterprise-wide solution for operations management, with field-proven methods for improving product quality, cost, and time to market. mySAP ERP helps organizations align all operations activities with business objectives and provides a solid, scalable foundation for future enterprise growth. In addition to driving innovation across organizations, mySAP ERP provides the following benefits:

- **Improved decision making throughout the organization** – By combining powerful, flexible analytical tools with comprehensive, enterprise-wide operations data, managers can make solid, fact-based decisions for areas such as portfolio management, occupational health and safety, product safety, product quality, and enterprise asset management.
- **Maximized plant and equipment performance** – mySAP ERP supports comprehensive asset management for optimally maintaining plants and equipment, deploying them to support appropriate projects, and complying with safety and regulatory standards.
- **Enhanced customer satisfaction** – By improving all business processes – including product design and development, manufacturing, and customer service – mySAP ERP ensures that products and services meet or exceed customer demands.
- **Rapid, cost-effective time to market** – Efficient, enterprise-wide operations support speeds the product development cycle, enabling businesses to develop and maintain a competitive edge when responding to changing marketplace demands.
- **Improved internal and external collaboration** – mySAP ERP ensures that all internal and external team members and partners have immediate access to relevant data, enabling rapid response to changes or issues that arise.
- **Reduced risk exposure** – Comprehensive quality management capabilities ensure that all aspects of product development meet stringent quality requirements.
- **Lower total cost of ownership for technology infrastructure** – mySAP ERP is easily integrated with other mySAP Business Suite solutions, including mySAP CRM, mySAP SRM, and mySAP SCM, ensuring the free flow of accurate information throughout the enterprise. In addition, mySAP ERP can be integrated with product development tools,

including various CAD products, and can provide visibility and management capabilities for all aspects of the product development process.

To help enterprises fully realize these benefits, mySAP ERP provides operations support capabilities in the following key areas:

- Life-cycle data management
- Program and project management
- Quality management
- Enterprise asset management

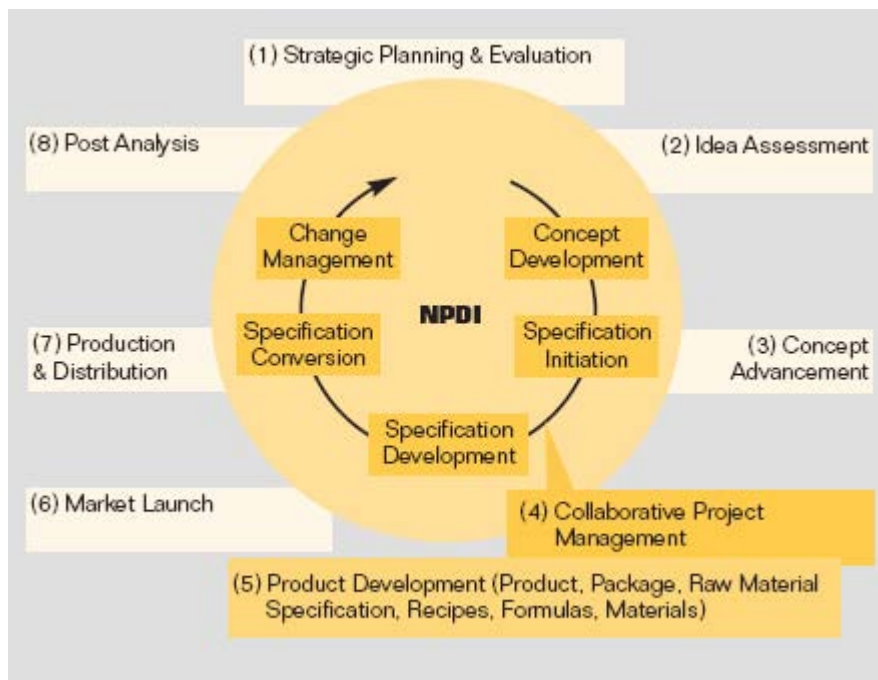
### **Life-Cycle Data Management**

With mySAP ERP, organizations can manage all product-related data, including product structures, documents, recipes, and associated configuration and change management processes. mySAP ERP can be integrated with product development technologies, including CAD, and comes pre-integrated with office applications and analytical tools to ensure that product development staff can act upon changing product information with the most appropriate tools for the task. mySAP ERP helps businesses manage the full range of product life-cycle data, including the following:

- Early development materials, including documents and specification data
- Design, planning, and production materials, including engineering documents, materials, bills of material (BOM), recipes, and routings
- Service and maintenance materials, including installed-base information, asset, and equipment data

By providing transparent, enterprise-wide access to product life-cycle data, mySAP ERP offers the following benefits:

- **Reduced costs and error rates** – mySAP ERP reduces the number of applications required to support operations, resulting in fewer errors and lowered costs.
- **Enhanced decision-making support** – mySAP ERP provides designers, planners, and product managers with immediate access to accurate, up-to-date, relevant product and project data, which helps ensure that their decisions are based on the best available information.
- **Improved NPDI processes** – By integrating people and information into a single, streamlined process, mySAP ERP helps improve new product development and introduction (NPDI) and enables efficient, successful product launches (see Figure 18).
- **Enhanced collaboration** – Support for a collaborative work environment enables everyone in the enterprise to contribute appropriately at each stage of a product's life cycle.



**Figure 18: NPDI Support Within mySAP™ ERP**

### Program and Project Management

Effective program and project management helps improve collaboration and communication among internal and external participants in the product development process, resulting in efficient processes that speed time to market and satisfy customer demand. mySAP ERP helps organizations plan, manage, and control all program and project parameters, including project structures, timelines, costs, and resources for projects of any size in any industry. Real-time document exchange and status information ensures that staff and managers have the information necessary to evaluate progress and make informed decisions at every stage, while comprehensive project overviews help organizations manage the enterprise-wide product portfolio. And program and project management information can be integrated with supply chain management and procurement systems to ensure that necessary materials are available at the right price and at the right time. mySAP ERP offers the following benefits in program and project management:

- **Rapid time to market** – Improved project management capabilities and integration with supply chain management systems reduce the time to design, develop, manufacture, and ship new products.
- **Reduced product development costs** – Access to consistent, accurate data helps organizations improve project management efficiency and reduce errors, resulting in lower development costs.
- **Optimized purchasing** – Integrating project information with supply chain management and procurement systems minimizes material costs and maximizes purchasing efficiency.
- **Improved budget management** – Detailed cost overviews help ensure accurate budgeting; and access to real-time project information helps managers identify and address potential budgetary adjustments in advance.
- **Better resource allocation** – Accurate profitability analysis helps organizations focus resources on strategically important activities.

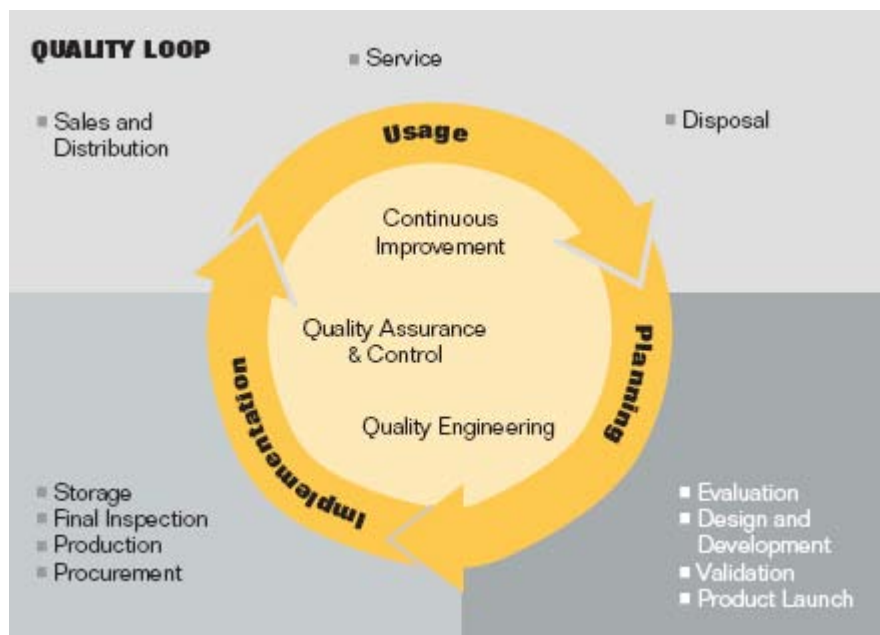
- **Improved collaboration** – Improved collaboration throughout the organization and supply chain makes it easier to adapt projects to changing markets and customer needs, drive product innovation, and explore new market opportunities.

## Quality Management

Comprehensive quality management functions within mySAP ERP help businesses meet customer demand for superior products by supporting quality processes related to product development, production, change management, and service and maintenance issues across the organization. By integrating quality information with logistics and manufacturing, mySAP ERP can help extend quality processes beyond the enterprise borders to all elements of the extended supply chain, resulting in higher quality products and faster product releases at reduced costs.

As illustrated in Figure 19, mySAP ERP delivers a unified approach to total quality management, with a complete range of features and functions that help businesses control and maintain quality and react quickly when unexpected issues arise throughout the product life cycle:

- **Quality planning** – mySAP ERP supports quality engineering during product evaluation, design and development, validation, and launch.
- **Quality assurance and control** – mySAP ERP enables efficient quality assurance and control for procurement, production, final inspection, and storage.
- **Continuous improvement** – mySAP ERP supports quality improvement capabilities throughout sales, distribution, service, and disposal.



**Figure 19: Quality Management Within mySAP™ ERP**

The benefits of quality management with mySAP ERP include the following:

- **Optimized product development** – Incorporating quality engineering practices into all stages of the product life cycle reduces time to market; improves product analysis, planning, and management; and maximizes the quality of both processes and products.
- **Increased customer satisfaction** – Quality assurance, control, and improvement capabilities ensure the overall quality of products, services, and processes, resulting in products that meet or exceed customer expectations.

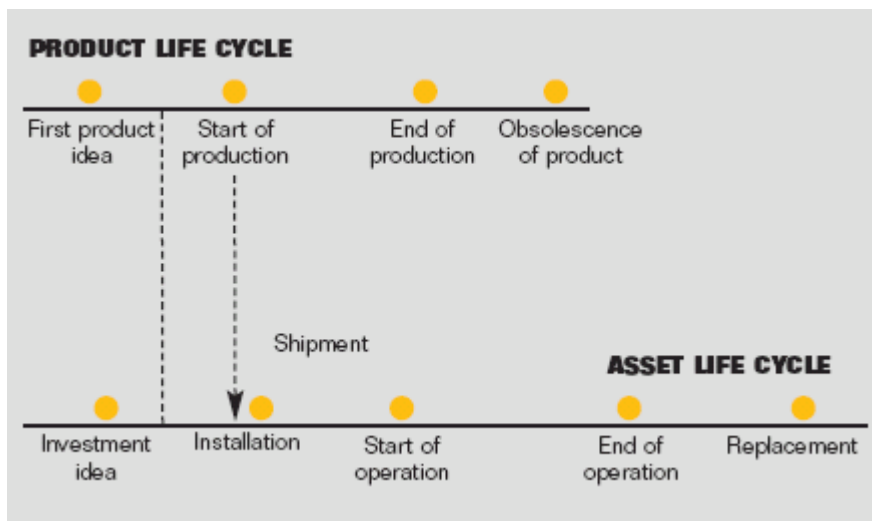
- **Reduced inspection costs** – Quality management features improve the inspection process with support for multiple kinds of inspections – including goods receipt inspections, in-process checks, recurring batch inspections, and others. mySAP ERP offers flexible methods of organizing, recording, and reviewing inspection data, including the use of Internet and mobile devices to enter results of field inspections or inspections of hard-to-access assets.
- **Enhanced quality throughout the supply chain** – Incorporating business partners into the quality management process ensures that all elements in the process meet quality requirements and reduces the need for product correction.
- **Improved regulatory and standards compliance** – Quality management features provide manufacturers with the comprehensive documentation of quality control processes required by ISO 9000 and other industry standards, such as good manufacturing practice (GMP) guidelines and other regulations governing the food and drug industry.
- **Lower total cost of ownership** – By incorporating all quality management functions in a single solution and eliminating the need for multiple, third-party applications, mySAP ERP reduces system complexity.

### Enterprise Asset Management

To maintain competitive advantage, organizations must maximize the use of every available asset and ensure that all facilities and equipment operate at peak performance and efficiency. Enterprise asset management (EAM) helps ensure that effective decisions are made during the complete asset life cycle, from specification and design, procurement, and deployment, to maintenance and eventual disposal (see Figure 20). mySAP ERP helps minimize downtime, accelerates time to market, and improves revenues by ensuring that assets are deployed, utilized, and serviced appropriately to maximize their contribution to enterprise goals.

mySAP ERP offers enterprises the following benefits in EAM:

- **Reduced operating costs** – By better tracking and managing operations, safety, maintenance, and expenses, businesses can reduce overall operating costs and make informed capital investment decisions.
- **Minimized equipment downtime** – mySAP ERP helps improve plant and equipment performance and reduce equipment downtime with comprehensive support for maintenance planning, preventive maintenance, and rapid identification of items needing repair. As a result, businesses improve asset planning, operation, maintenance, and replacement processes, and reduce the need to maintain large inventories of spare parts.
- **Strategic asset deployment** – mySAP ERP provides organizations with comprehensive, accurate asset information, enabling managers to match appropriate assets with production requirements. As a result, the most efficient assets are deployed for each project, ensuring optimal performance and reduced production costs.
- **Increased support for fact-based decision making** – Managers can make fact-based operation and maintenance decisions supported by mobile or portal-based access to accurate information, enabling improved maintenance and upgrade management and rapid equipment repair.
- **Improved environmental, safety, and regulatory compliance** – By enabling organizations to plan and organize equipment maintenance intervals, mySAP ERP helps businesses meet industrial health and safety measures, as well as comply with regulations and industry standards.



**Figure 20: Asset Life-Cycle Management**

## **NEW AND ENHANCED OPERATIONS SUPPORT FUNCTIONALITY IN mySAP ERP 2004**

### **Life-Cycle Data Management**

Successful organizations continually strive to leverage and improve industry best practices for product design and engineering. These enterprises realize that creating value in today's economy requires efficient internal and external collaboration, solid customer and partner relationships, and effective utilization of all available information sources and management tools to increase productivity, profitability, and innovation.

New and enhanced life-cycle data management (LDM) features in mySAP ERP simplify and accelerate development processes and document management, enabling improved collaboration and cost reductions at every step of the product life cycle. Overall benefits of LDM capabilities include the following:

- Lower TCO resulting from reduced administrative and operational costs
- Rapid time to market with faster, more efficient development processes
- Improved communication with vendors and customers through secure connectivity and enhanced collaboration tools
- Reduced administrative burden and training costs through improved data and document management

#### **\*ENHANCED: TRIALS IN RECIPE MANAGEMENT**

New trial capabilities in SAP Recipe Management integrate trial definition, planning, execution, and monitoring during development in laboratories, pilot plants, and handoffs to production. All data related to recipes and formulas, research and development, production, and environmental health and safety can be included in a single environment. Support for pilot plants and production lines has been enhanced to allow fully automated transformation to production planning-process industry (PP-PI) recipes. In addition, new support for process orders simplifies the use of process management objects. Together, these enhanced development functions enable faster product development and improved product consistency. The following functions are also supported:

- **NPDI process support** – New functions provide NPDI process support with recipes, specifications, formulas, materials, and production operations generated by the recipe development environment.
- **Recipe creation** – The application enables rapid access to objects and functions, as well as support for faster calculations, resulting in more efficient recipe creation.
- **Trial development** – Integration with SAP project management and workflow solutions improves control of the trial development process and results in faster time to volume.
- **Information access** – mySAP ERP makes it easy for users to access information from previous efforts, including existing recipes and formulas, resulting in a more efficient development process.

#### ENHANCED: SIMPLIFIED DOCUMENT MANAGEMENT

The new SAP Easy Document Management application, which is installed on individual users' computers, simplifies and speeds document management and maintenance time, and makes it easier for users to benefit from the sophisticated document management capabilities already available in mySAP ERP. New group structures facilitate team and group work and enhance collaboration. And users benefit from intuitive, simplified, and flexible document management capabilities such as drag and drop and hierarchical folder displays similar to those in Microsoft Windows Explorer. SAP Easy Document Management is so easy to use that even occasional users require only minimal training.

#### ENHANCED: INTERNAL AND EXTERNAL DOCUMENT ACCESS

Enhanced document-sharing features in the document management system (DMS) provide internal and external users with transparent, up-to-date documents such as design drawings and contracts, and support efficient document retrieval across multiple repositories. As a result, decision makers have secure, immediate access to the information they need. Electronic search techniques reduce labor costs when multiple or diverse storage systems are involved. Equally important, the DMS supports the integration of documents into business processes and enables collaboration through a Web-based platform for engineering and logistics. Together, these capabilities reduce access times and labor costs for routine tasks, and increase overall efficiency.

#### \*ENHANCED: CAD INTEGRATION

New features allow users to access and edit CAD document structures directly in a CAD system or from within mySAP ERP, enabling the inclusion of new product information in business processes at an early stage. CAD integration supports a variety of industry-standard CAD systems, including Pro/Engineer, CATIA, Inventor, and others; and because each interface is developed by SAP partners, businesses are assured seamless integration.

CAD integration supports enterprise-wide collaboration with concurrent engineering and versioning, making it easy for multiple users to simultaneously process an assembly, and enabling the status of several processes to be saved in the system. In addition, CAD integration provides a single access point to all CAD documents, making it easier for all users to access the resources they need, when they need them. Enhanced viewing options include tabbed pages for different views, and the ability to view two- and three-dimensional files (such as drawings and CAD models) in a single view. The CAD integration also simplifies routine tasks with automatic bills of material; visual version control; mass check-in/check-out; and check-in/check-out assistant capabilities.

#### NEW: PRODUCT MODELING FOR CONFIGURABLE PRODUCTS

A new product-modeling environment in mySAP ERP makes it easy to define and maintain product models that require variant configuration, and addresses the challenge of managing products under continual development. Variant configuration support ensures the efficient management of necessary

product data by enabling product-modeling experts to quickly adapt to market demands, and enabling business users to review and modify the product model as needed. The product modeling software is fully integrated with planning, pricing, order processing, availability checking, production, fulfillment, billing, and financial reporting, and ensures a consistent view of the product in sales orders, production plans, and profitability analyses.

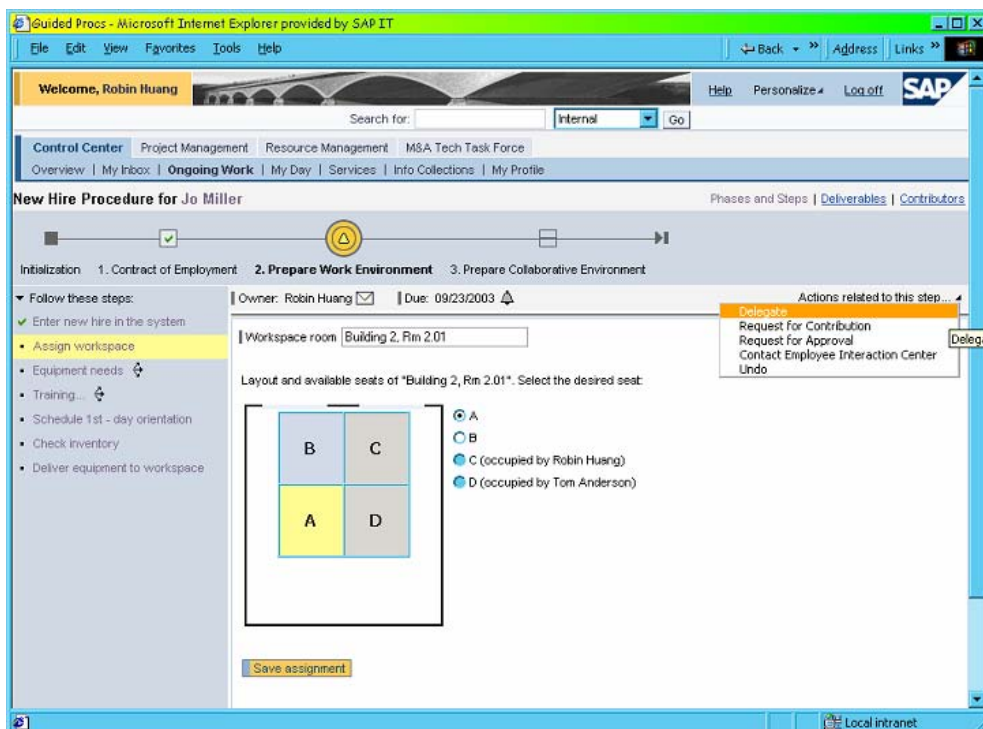
#### ENHANCED: COLLABORATION WITH PARTNERS AND SUPPLIERS

The Collaboration Folders (cFolders) application enables users to work on product design and development data in virtual teams with external partners and suppliers. With support for vertical integration with knowledge management and collaboration systems, these collaboration capabilities enable effective external collaboration for product development and engineering. Additional features of cFolders include the following:

- Structured collaboration support for sharing a variety of objects and documents, with the ability to view two- and three-dimensional objects
- Secure collaboration through encrypted files, assuring data confidentiality and integrity even when shared with external partners
- Integration with other systems (such as DMS and BOM processing) and collaboration tools such as WebEx's online meeting system ensures flexible access to related information and meetings for all participants
- Integration with Microsoft Windows Explorer to simplify access for occasional users

#### NEW: GUIDED PROCEDURES

mySAP ERP makes it easy for organizations to replace inefficient, paper-based processes with automated business workflow solutions. As illustrated in Figure 21, guided procedures within mySAP ERP enable businesses to create customized electronic forms that have the same look and feel as traditional paper forms, but can be completed and submitted online.



**Figure 21: Guided Procedures Within mySAP™ ERP**

In addition, guided procedures support flexible business processes by allowing employees to change the workflow process (such as where a form is submitted or what other processes are triggered as a result) dynamically, ensuring that the enterprise can respond appropriately to exceptions. Benefits of guided procedures within mySAP ERP include the following:

- **Improved business processes** – Replacing paper forms with electronic versions ensures that information is rapidly delivered to all the appropriate personnel and systems, without requiring copying, manual delivery, or data reentry. As a result, accurate information flows more freely through the enterprise.
- **Enhanced responsiveness** – Because workflows can be modified as needed to meet business requirements without requiring costly or time-consuming programming efforts, business units are better able to change their processes to best meet changing requirements.
- **Reduced administrative burden** – Easy-to-use electronic forms that employ a similar look and feel to paper versions help relieve employees of time-consuming data entry. In addition, because information is automatically delivered to the next step in the workflow, employees are freed from concerns regarding routing.

### **Program and Project Management**

One of the challenges businesses face today is launching innovative, high-quality products with a shorter time to market, while at the same time keeping overall product costs down. More complex IT environments, increasing customer demands for “market-to-one,” and the need for intensified collaboration with partners now require that businesses have better process management and more accurate, transparent financial data for development activities. The enhancements to the program and project management capabilities of mySAP ERP provide the following benefits:

- Better collaboration with the business partners
- Greater financial transparency and cost reductions
- Faster product development resulting from improved project modeling
- Reduced costs for training and software integration

#### **ENHANCED: MANAGEMENT OF COLLABORATIVE PROJECTS**

Through the Collaborative Projects (cProjects) suite, mySAP ERP offers support for collaborative product development processes from the planning phase to product (or process) validation based on the Stage-Gate process methodology. Users can now share information with partners through Microsoft Project integration and uploads, create project snapshots and simulation versions, and assign substitutes for their tasks while on vacation. Usability enhancements include a customizable interface and the ability to perform mass maintenance of task lists and checklists. In addition, users can now share information with collaborations used in bidding scenarios and link not only to complete collaborations, but also to single folders within a collaboration.

cProjects suite also provides the following:

- The ability to split large projects into individual subprojects, which facilitates modeling projects based on responsibilities
- Standardized project reporting, which saves time by automatically including all available information in a status report
- Support for SAP Easy Document Management, which reduces cost of ownership by leveraging existing investments in document-sharing technologies
- Simplified access to project structures and documents through Microsoft Windows Explorer and Microsoft Office, which reduces training costs and improves usability for occasional users

- Easy access to collaborative projects from other software packages through Web services, which simplifies implementation and customization

#### ENHANCED: RESOURCE-RELATED DOWN PAYMENTS AND BILLING

In long-term projects, services rendered can often be billed only after they have been approved or after the customer confirms the progress of the project. In most contracts, the customer and contractor agree on down-payment dates. Often these payments do not generate revenue. mySAP ERP enables organizations to create down-payment requests analogous to the functions offered by resource-related billing.

In addition, mySAP ERP makes it easy to bill services between different organizational units. In the past, businesses that could not bill services between company codes within a single controlling area were required to use a reconciliation ledger, which often led to delays in invoicing. Now organizations can bill the requesting company code for services provided using a resource-related billing document.

### **Quality Management**

Customer demands for product personalization and product quality are increasing, while businesses are producing new and diversified products and services at a record pace. These trends are forcing organizations to cut time to market and minimize costs. To succeed in this environment, businesses must find ways to meet and even exceed customer expectations – a challenge that requires a relentless focus on product, service, and process quality. mySAP ERP enhancements in quality management are designed to support current best practices and provide the following benefits:

- Improved system performance and flexibility
- Support of current good manufacturing practice (GMP) and good laboratory practice (GLP) guidelines
- Improved data management and data integration
- Faster development processes and simplified studies

#### ENHANCED: SUPPORT FOR ADVANCED PRODUCT QUALITY PLANNING

Advanced Product Quality Planning (APQP) is a Stage-Gate driven approach to structured project management required by various standards, such as ISO TS 16949 in the automotive industry. Enhancements in mySAP ERP that support APQP include the automatic assignment of objects, such as inspection plans or routings, to the control plan. Additional object links can be used to assign inspection lots and attach or create quality notifications (such as triggering a failure mode and effect analysis, or FMEA).

#### ENHANCED: TRIAL-SPECIFIC STABILITY STUDIES

Planning, executing, and evaluating laboratory trials are critical product development steps in the processes industries, especially food and beverage. Businesses are required to conduct stability studies using samples taken from different trials, as well as perform quality inspections. Recipe management can now handle inspection characteristics, trials, and trial-specific stability studies. These enhancements help to establish the connection between trial management and quality management in mySAP ERP. The solution allows product developers to initiate stability studies more efficiently using building blocks with fixed planning parameters such as time intervals, storage conditions, or testing plans. In addition, the solution:

- Integrates quality-relevant information into the product development process
- Supports current good manufacturing practice (GMP) guidelines and industry standards such as ISO TS 16949

- Simplifies and accelerates the planning of stability studies through the use of reusable building blocks

#### ENHANCED: QUALITY ASSURANCE AND CONTROL

New quality assurance and control enhancements in mySAP ERP provide improved sample management capabilities, including extended selections options for sample work lists, extensions to the master record, and archiving of sample data in alignment with the overall SAP archiving concept. Archival functions are particularly important for service laboratories that provide sample analyses upon customer request, as well as process industries that use the quality management application and laboratory information management systems (LIMS), and that handle large numbers of samples and drawings each day. In addition, the solution:

- Supports current good manufacturing and good laboratory practices (GMP/GLP) guidelines for regulated industries, such as the pharmaceuticals industry (which must keep sample records for long periods of time for traceability purposes)
- Delivers better system performance by removing mass data from the system, resulting in less real-time data
- Improves usability and user acceptance

#### ENHANCED: QUALITY IMPROVEMENT

To help businesses address the ongoing challenge of quality improvement, a number of enhancements are available in mySAP ERP and in other SAP software and third-party offerings. Quality manuals can be maintained with the SAP Easy Document Management application, which simplifies updates and document management. In addition, businesses can now use the SAP Business Intelligence (SAP BI) component of the SAP NetWeaver platform to analyze stability studies.

### **Enterprise Asset Management**

To meet customer demands quickly and cost effectively, organizations must exploit every asset available to them – including those within the extended supply chain. At the same time, they must ensure that their equipment and maintenance procedures comply with safety and work regulations. To meet these challenges, organizations need reliable, up-to-date asset information and innovative ways to optimize and maintain those assets throughout their entire life cycle. mySAP ERP enhancements in enterprise asset management allow businesses to implement automated, standardized processes that reduce administrative and operational costs and provide more flexible ways to access and edit asset data. As a result, organizations can ensure that they are using their assets to their full potential.

#### ENHANCED: MOBILE ASSET MANAGEMENT

The SAP Mobile Asset Management solution delivers access to critical, role-based information and services anytime and anywhere. SAP Mobile Asset Management provides a suite of tools tailored to meet the needs of plant maintenance and customer service field engineers – key players in the asset management life cycle. This complete, offline mobile solution provides ready-made scenarios that help field technicians perform their daily activities at customer sites. SAP Mobile Asset Management can be used with either a laptop or a standard PDA device. The solution offers:

- Fast, easy access to timely information anywhere, anytime
- Tools that enable field technicians to resolve problems faster
- Reduced costs per work order
- Elimination of paper-based orders
- Simplified access to usage-related stock information

In addition, technicians can enter data directly on-site, which provides the following benefits:

- Increased data entry accuracy (for example, notification or counter reading data)
- Lowered risk of losing data
- Reduced administrative time spent reentering field information in the back office
- Reduced total cycle times, from job completion to invoice submission, resulting in greater cash flow for the business

#### NEW: MAINTENANCE COST BUDGETING

In capital-intensive industries such as oil and gas, chemicals, mining, and utilities, maintenance typically accounts for 50% of operating costs. Organizations trying to establish their maintenance cost budget face a number of complex issues. In most cases, interdependent data, such as actual maintenance costs, planned maintenance costs, and maintenance-related budget data are insufficiently integrated, making data analysis difficult. In addition, planning is quite time consuming because it is usually performed manually or in nonintegrated environments such as Microsoft Excel. In either case, managers do not have the tools they need to measure continuous improvement.

Maintenance cost budgeting within mySAP ERP allows users to define a maintenance budget based on data residing in a firm's ERP systems. This solution helps businesses reduce maintenance costs and now offers a number of enhancements, including the following:

- Automated and standardized budgeting processes
- Fast, integrated overviews of all necessary asset life-cycle management functions
- A new, intuitive user interface for improved efficiency

## CORPORATE SERVICES WITH mySAP ERP 2004

In the current market situation, organizations are under enormous pressure to cut costs while meeting stakeholder expectations for continued growth, innovation, and financial success. Businesses are challenged to reduce costs wherever possible and to avoid risks that might lead to unexpected and unbudgeted expenditures. In addition, organizations are expected to achieve high levels of financial transparency, develop and adhere to strict fiscal policies, and comply with a range of regulatory standards. Businesses will benefit from enterprise-wide tools that aid in planning and administration of the crucial corporate areas of travel management; environment, health, and safety; variable compensation plan management; and real-estate management.

Travel management presents unique challenges for corporations that wish to reduce costs and streamline administrative processes. Pressure to reform traditional travel policies is increasing, as changes in compensation and pricing models from suppliers, global distribution systems (GDS), and travel agencies are forcing companies to examine the ways they plan and finance corporate travel. Traditional travel management policies often make it difficult for travel managers to ensure that employees select the most appropriate travel services or to monitor policy compliance. Businesses will benefit from travel management tools that enable the following:

- Deliver cost transparency and improved strategies for cost control
- Ensure that employees choose travel services through preferred airlines, hotel chains, and car rental companies
- Make it easy for employees to settle travel expenses
- Enable the organization to monitor policy compliance
- Integrate travel costs into corporate financial accounting

As products and processes continuously change, so do the laws and rules that regulate them. Global businesses must contend with frequent changes in the number and complexity of environment, health, and safety (EH&S) regulations and their consequences. These regulations may impact nearly every area of an enterprise, including purchasing, new product development, manufacturing, sales, distribution, service, and maintenance. Regulatory changes may require alterations to work areas, which can immediately impact industrial hygiene and safety as well as the occupational safety of employees. Organizations will benefit from technology solutions for EH&S management that enable the following:

- Production of safer products
- Creation of safer workplaces and reduced risks for employees
- Environmental protection
- Compliance with all relevant national and international regulations

Organizations also face challenges in the management and payment of variable compensation plans, which account for some of today's greatest corporate expenditures. The most effective variable compensation plans rely on supporting technologies that can evolve with a business and offer sufficient scalability to accommodate organizational changes, product launches, mergers, or acquisitions.

Businesses will benefit from compensation management solutions that do the following:

- Promote collaboration in the achievement of organization-wide goals with support for variable compensation plans that reward efforts appropriately
- Improve accuracy and streamline program administration by automating compensation programs
- Increase productivity by reducing the time spent on plan management and performing error-prone manual calculations

Real-estate management is another area that presents challenges for businesses interested in controlling costs, particularly large organizations. Businesses for which the management of commercial space is a core competency will benefit from process support and automation that aid in streamlining and improving business functions. Managers of residential real estate will benefit from tools that help avoid vacancies and reduce costs associated with real-estate development, rentals, and property management. Businesses that manage any kind of corporate, commercial, or residential real estate will benefit from solutions that offer the following:

- Greater flexibility and higher quality through enhanced data transparency
- Better cost and land-use management
- Improved investment strategy through accurate cost- and revenue-performance data
- Enhanced management of integrated property portfolios
- Better rental property management methods
- More versatile reporting and analyses
- Integration of accounting and logistic functions with property management functions

#### **CORPORATE SERVICES WITH mySAP ERP TODAY**

mySAP ERP offers an ideal solution for companies intent on improving the monitoring and administration of travel management; environment, health and safety; incentive and commissions management; and real-estate management. The mySAP ERP Corporate Services solution delivers leading-edge capabilities to help organizations effectively manage these business-critical functions, and it supports regulatory compliance, particularly in the area of EH&S. The solution is tailored to meet the needs of both global and national organizations.

While many solutions are available to support individual functions such as travel management or incentives and commissions, most lack integration with enterprise-wide business systems and processes. mySAP ERP is powered by the SAP NetWeaver platform, which enables integration of applications, processes, and data throughout the enterprise.

mySAP ERP performs administration and management functions in the following key areas:

- Travel management
- Environment, health, and safety
- Incentive and commissions management
- Real-estate management

#### **Travel Management**

New service fees and security charges may cause the cost of business travel to rise by as much as 20% over the next few years. Businesses that wish to prevent travel costs from spiraling out of control must examine their travel-booking processes, analyze and redefine travel policies, and increase employee compliance with these policies.

Travel management functions within mySAP ERP provide an end-to-end solution for managing business travel that can help organizations define and improve their travel procedures and accelerate the adoption of changes throughout the enterprise. Features are also available to help travel agencies operate more efficiently and strengthen client relationships.

mySAP ERP offers the following features for travel management:

- **Travel planning and online booking** – mySAP ERP enables business travelers to book flights, hotels, cars, and country-specific rail options, as well as look up related information. In addition, the solution fully supports communication with travel agencies, making interactions more efficient.
- **Travel expense accounting** – With easy-to-use functions that speed the processing of travel expense statements and streamline accounting and settlement processes, mySAP ERP reduces the administrative workload associated with travel expense accounting. The SAP Mobile Time and Travel solution enables offline access to expense reports, allowing travelers to create new reports and enter receipts.
- **Travel planning** – Online booking is controlled by corporate travel policy parameters, helping travel managers to bundle travel volumes to preferred providers and negotiated fares. Better compliance with travel policies facilitates a better negotiation position for central travel service procurement and has an immediate effect on direct purchasing costs.
- **Travel expense management** – Management can implement effective travel policy strategies and easily control travel budgets for the global enterprise or institution, ensuring internal policy compliance as well as national legal and tax compliance.
- **Travel management reporting** – mySAP ERP supports decision making and facilitates the development and implementation of new strategies for reducing costs and creating a more efficient travel policy. Preconfigured reports help businesses consolidate valuable data for supplier negotiations to further cut direct purchasing costs.

Organizations benefit from the following:

- **Higher adoption rates through end-to-end processes** – The consistent, easy-to-understand user-interface design used across all process steps minimizes employee learning curves, results in higher acceptance rates, and reduces training costs.
- **Improved compliance** – mySAP ERP makes it easy for businesses to define and implement travel policies, as well as help to ensure that employees choose policy-compliant travel options. As a result, the solution helps organizations apply expense policies consistently throughout the enterprise and prevent unnecessary expenses via efficient control processes and audits.
- **Improved information access and deeper insight** – With mySAP ERP, travel managers, purchasers, and controllers have immediate access to all the information they need to make informed, effective decisions.
- **Increased accuracy** – The elimination of most manual data entry significantly reduces the potential for errors in entering and processing travel-related information.

#### **\*Environment, Health, and Safety**

Enterprises in a variety of industries are subject to multiple local, national, and international laws and regulations that stringently control the proper treatment of hazardous substances. These businesses must ensure effective planning and management of operational processes that involve the use and handling of dangerous raw materials and by-products of finished goods. In addition, it is crucial that these organizations provide proper safeguards to protect customers, neighboring communities, and the environment. mySAP ERP supports environment, health, and safety professionals with functions that do the following:

- **Identify and minimize employee health risks** – mySAP ERP enhances employee health and safety with complete support for industrial hygiene, safety, and occupational health functions. In addition, it helps ensure compliance with government safety regulations.
- **Support preventive healthcare** – The occupational health function includes a medical service that records all relevant health protocol data, allowing businesses to track employee health care and monitor the results of medical examinations and diagnoses.
- **Ensure product safety and hazardous substance management** – mySAP ERP offers specific product-safety functions, including automatic product composition calculation, rule-based material safety data sheets (MSDS) authoring, automatic MSDS generation, global label management capabilities, and MSDS shipping. In addition, mySAP ERP includes inventory reports for hazardous substances, as well as a substance information search system that can block or approve the purchase of hazardous materials.
- **Track dangerous goods** – mySAP ERP helps companies store and manage regulatory data, classify dangerous goods, perform checks during transport, and compile and update dangerous goods documentation. This data can be automatically supplied to other applications for use in delivery notes and packing lists. mySAP ERP can automatically identify appropriate transportation channels (road, rail, sea, or air), and ensure that shipments comply with regulations before leaving the premises.
- **Manage waste disposal** – With management features that help ensure the efficient disposal of both hazardous and nonhazardous waste, mySAP ERP enables organizations to comply with all relevant waste disposal laws and regulations. The solution provides basic features for managing waste data. Other functions help users create hazardous waste permits, choose suitable disposal firms, allocate disposal costs among internal departments, and ensure that authorized waste quantities are not exceeded.

Organizations benefit from the following:

- **Improved safety** – By supporting full compliance with regulations and standards, mySAP ERP helps businesses produce safer products, protect customers and communities, and provide safe workplaces that reduce risks to employees.
- **Lower costs** – mySAP ERP helps organizations minimize financial risks associated with noncompliance and avoid costly downtime associated with unexpected events.
- **Enhanced corporate image** – Years of costly branding efforts can be tarnished by reports of noncompliance; by helping to ensure that organizations are compliant with regulations, mySAP ERP helps businesses promote and maintain a positive public image. In addition, meeting or exceeding regulatory compliance requirements can provide a competitive edge by helping businesses differentiate themselves from other players in their industry.
- **Optimized business processes** – mySAP ERP can help businesses improve a variety of business processes, such as simplifying the management of dangerous goods, improving administrative processes such as MSDS, and providing access to external content providers.

#### **\*Incentive and Commissions Management**

Successful companies must set clear targets for their internal and external sales forces, offer effective compensation for sales efforts, and provide methods for sales personnel and management to track performance. Incentive and commissions management features within mySAP ERP are designed to help organizations develop effective incentive programs, including sales and brokerage commissions, profit sharing, and bonuses. With mySAP ERP, businesses can determine the appropriate balance between fixed and variable pay, the mix of incentive pay arrangements (such as bonuses versus commissions), and methods for calculating commissions and other incentives based on expectations for individual sales groups.

To help businesses achieve the desired results from variable compensation programs, mySAP ERP offers the following:

- **Flexible methods to align pay with performance objectives** – mySAP ERP helps organizations implement variable pay schemes, where appropriate, and align incentives and commissions with business objectives. In addition, the solution also supports tactical, short-term incentive programs and commissions amendments.
- **Compensation calculation for various levels** – With mySAP ERP, organizations can calculate compensation for individual business transactions (such as the conclusion of a sales contract) or at an aggregated level (such as quarterly sales volume). Compensation can be scaled (increased for specific volumes of sales), time-bound (increased for sales made within a specified time period), or divided among two or more sales people working as a team. The solution can also automatically identify and calculate the appropriate compensation for indirect participants in commissions, such as sales representatives' managers at various levels of the company's hierarchy.
- **Sales tracking and monitoring** – By integrating information from sales-processing and financial systems with customer relationship management (CRM), channel partner, and sales automation systems, mySAP ERP makes it easy to track, monitor, and reward sales efforts throughout the enterprise. The solution also makes it possible for organizations to identify and reward sales performance that is strategically important to the business.

Organizations benefit from the following:

- **Improved productivity** – Effective tools for plan administration, execution, and reporting help commission administrators perform more effectively.
- **Increased sales force motivation** – By providing commission recipients greater insight into the impact of performance on compensation, mySAP ERP helps motivate sales forces to perform their best.
- **Deeper management insight** – With improved calculation and forecasting for compensation costs, managers are better able to make informed decisions.

#### **\*Real-Estate Management**

While real estate is usually an organization's second-largest operating cost (after payroll), it is often not visible to management at the enterprise level, despite the associated expense. In addition, competition and volatility within the real-estate marketplace places significant demands on property management, while real estate's inherent inflexibility can make it difficult to effectively manage properties in business environments that rely on speed and adaptability. Businesses will benefit from real-estate management tools that improve management efficiency and make it easy to address changing requirements such as those caused by acquisitions and mergers.

With tools to streamline and manage every stage of the real-estate portfolio life cycle, mySAP ERP provides strategic and operational support for corporations to effectively manage property and real-estate investments. mySAP ERP offers real-estate management functions, such as simplified service-charge settlements and improved correspondence, that provide enterprises with greater management flexibility, visibility, and control of rental space and contracts. Closely integrated with financial accounting and product life-cycle management, mySAP ERP also helps businesses manage properties as efficiently as possible while increasing customer satisfaction.

Key functions include the following:

- **Property acquisition and disposal** – mySAP ERP offers tools to support all aspects of real-estate management, including buying, building, leasing, and selling properties.
- **Property portfolio management** – Support for managing property portfolios helps property managers define the real-estate infrastructure and manage business partner relationships.
- **Commercial management** – mySAP ERP supports real-estate contract management, management of sales-based rent, service charge settlements, adjustments of conditions, and giving notice and renewing contracts.
- **Technical management** – mySAP ERP provides support for all processes related to building operations, including service management, administration of available spaces, modernization, refurbishment, and building maintenance.
- **Controlling and reporting** – By providing powerful tools to define investment strategies through accurate cost and revenue performance data, mySAP ERP improves the way that businesses manage integrated property portfolios and provides complete cost visibility.

The solution offers a variety of features to support different real-estate management requirements, including the following:

- **Commercial real-estate management** – To help commercial real-estate managers achieve greater returns on their investments, mySAP ERP supports key activities such as project development, contract management, leasing support, property management, and management of open- or closed-end real-estate funds.
- **Facility management** – mySAP ERP offers a range of features to help enterprises that provide facilities management services, including support for building control systems and infrastructure services.
- **Residential real-estate management** – To aid residential real-estate managers, mySAP ERP supports a range of management activities for rental properties (both publicly subsidized and privately financed), as well as tools for managing property construction and rentals.

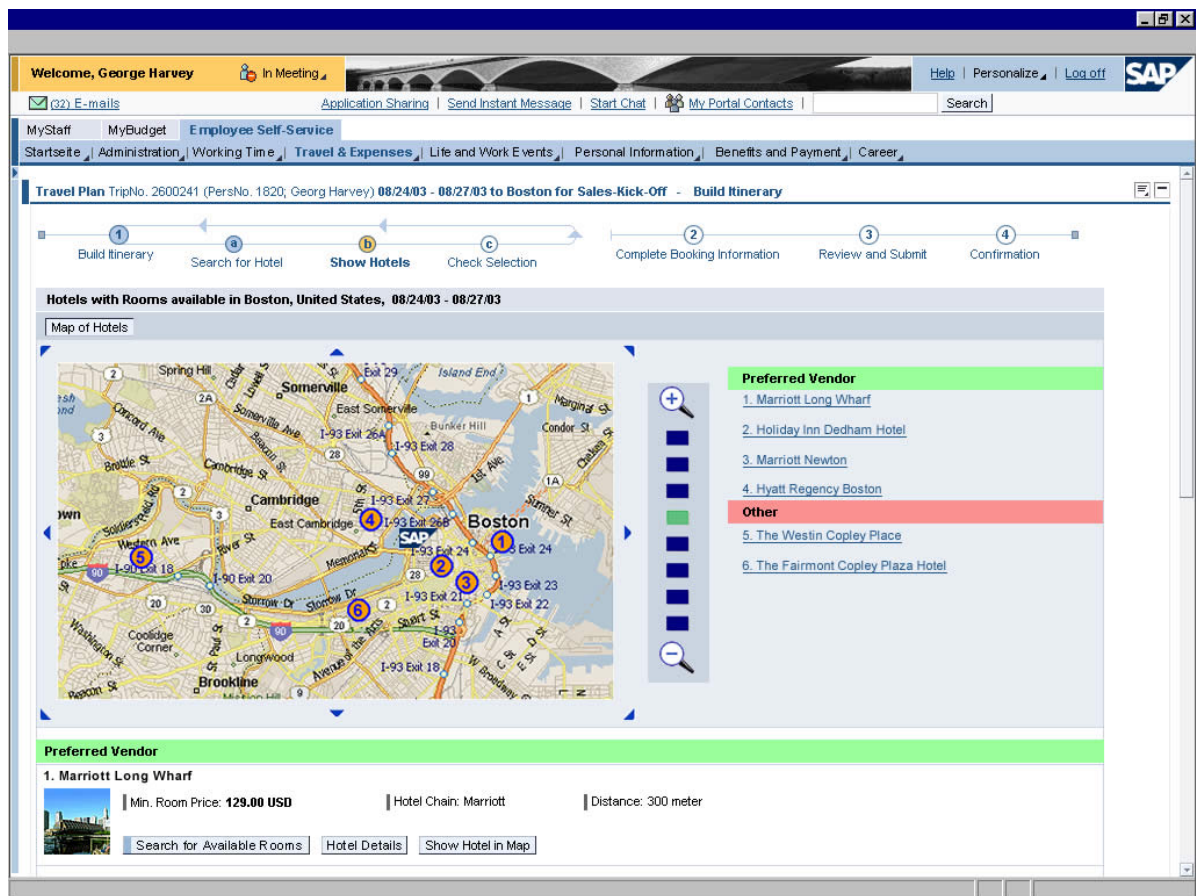
## **NEW AND ENHANCED CORPORATE SERVICES FUNCTIONALITY IN mySAP ERP 2004**

### **Travel Management**

New and enhanced features for travel management make it easy for employees to directly access a range of travel services themselves, as well as benefit from better support for travel expense reimbursement.

#### **ENHANCED: EMPLOYEE SELF-SERVICES FOR TRAVEL AND EXPENSES**

As illustrated in Figure 22, mySAP ERP offers a Web-based interface that provides a single access point for all employee self-services functions for travel and expenses, including requesting approval for business trips; booking flights, hotels, and rental cars in accordance with corporate guidelines; entering expense claims per corporate policy and assigning them to cost objects, such as a cost centers and project numbers; managing claims for per diems and receipts; handling advances; attaching receipts via credit card clearing; recording itineraries; and more.



**Figure 22: Self-Service Travel Within mySAP™ ERP**

New self-service travel management functions include the following:

- Integration of maps to support hotel and airport searches, indicating exact distances to destination address
- Integration of airline and car rental logos, hotel images, and amenities information in availability searches
- Integration of external Web content regarding up-to-date visa, health, security information, and important travel news
- Integration of company-specific texts and links to inform travelers about important policy information
- A new self-service that maintains personal traveler profiles
- Easy entry of non-travel-related expenses such as monthly cell phone bill or entertainment expenses
- Features that enable users to check imported credit card data for subsequent assignment to expense reports
- Country-specific versions that ensure all employees have access to the most relevant information for their destination

Organizations benefit from the following:

- **Improved user acceptance** – Because mySAP ERP offers an easy-to-use interface and comprehensive access to employee travel information and tools, employees are more likely to readily adopt the new services, which will improve compliance and reduce burdens for travel managers.
- **Minimized training costs and decreased help-desk calls** – Intuitive navigation and new features help ensure that employees can use travel self-services functions without requiring significant training or additional support.
- **Reduced administrative costs** – By making it easy to enter and process travel-related information online, mySAP ERP decreases manual data entry and reduces processing and reimbursement cycles.

#### ENHANCED: IMPROVED OPTIONS FOR MOBILE ACCESS

Enhancements to SAP Mobile Time and Travel provide better support to traveling employees who need to enter expense information through their laptops while working offline. Offline users can also attach credit card receipts directly to expense reports, which reduces data entry and ensures accurate exchange rates when traveling internationally. Employees can also use receipt itemization functions to break down complex receipts, such as hotel bills, into individual components.

#### **\*Environment, Health, and Safety**

New and enhanced environment, health, and safety features make it easier for organizations to provide safe workplaces and products, as well as protect the environment.

#### NEW: DATA IMPORT FROM EXTERNAL CONTENT PROVIDERS

The open content connector in mySAP ERP helps organizations from all types of industries better comply with regulations by providing easy access to relevant scientific and regulatory data from outside content providers. The feature relies on an open, standardized interface that allows customers to choose from a wide range of content providers – and do so while reducing maintenance costs.

#### **\*Incentive and Commissions Management**

New and enhanced functions in incentive and commissions management deliver improved communication with commission recipients, new reporting features, and wider integration with mySAP CRM. This integration facilitates an end-to-end compensation calculation cycle, beginning with the assimilation of data in the CRM system and ending with the final reporting of compensation results. As a result, commission administrators can improve productivity with more effective compensation planning, executing, and reporting. At the same time, commission recipients are better motivated with detailed information about the impact of performance on compensation.

#### ENHANCED: MANAGEMENT OF INCENTIVE COMPENSATION PLANS

Support for comprehensive incentive compensation plan management contains four major elements:

- A commission recipient database listing all personnel who are eligible for commissions
- Standard commission contracts, which are a series of predefined templates for standard commissions. Changes to a standard commission contract are automatically updated to any individual commission contracts based on the modified contract.

- Individual commission contracts for each commission recipient defined in the database. The contracts are based on standard commission contracts, but they may be modified on a contract-by-contract basis to meet any unique requirements.
- An organizational hierarchy that allows employees to automatically derive the recipient of the respective indirect commission (for example, the manager) from the recipient of a direct commission (for example, a sales representative).

By supporting a set of standard contracts that can be used to create individual contracts, and by ensuring that changes to standard contracts are updated throughout the system, mySAP ERP helps ensure consistency in incentive compensation plans and reduce administrative burdens for commission analysts when implementing new guidelines throughout the enterprise.

#### ENHANCED: CALCULATION OF VARIABLE COMPENSATION

mySAP ERP now supports the calculation of both direct sales commissions and incentive compensation. Direct sales commission processing enables businesses to calculate commissions based on sales activities or financial bookings, where each sales order or invoice triggers the calculation of a commission. This transactional commission processing is suitable for businesses with large volumes of transactions. For incentive compensation, mySAP ERP supports the calculation of commissions based on aggregated data, such as the overall revenue of a sales team for one or more sales periods. Both of these features support the following:

- Participation determination, which creates incentive calculations for multiple recipients within a single calculation process
- Valuation calculation, which supports the alignment of individual compensation with corporate goals by identifying the business value of each commissionable activity, thereby providing a basis for determining appropriate compensation
- Remuneration calculation, which determines the amount of individual commissions to be paid
- Posting, which defines due dates and commission periods

#### ENHANCED: COMPENSATION RESULTS ANALYSIS

With a variety of data analysis tools (including drill-down reports) and integration into other SAP software (including SAP Business Intelligence, mySAP CRM, and SAP Enterprise Portal), mySAP ERP enables key groups within an organization to perform comprehensive analysis of compensation programs and their results. Key benefits include the following:

- Commission administrators benefit from an immediate overview of changes to incentive compensation plans and their impact on financial calculations.
- Management groups gain insight into the financial impact of incentive plans and their effect on the performance of commission recipients. Additionally, managers can judge the success of various incentive compensation plans by a variety of measures, such as the degree to which the plans align individual goals with corporate goals.
- Commission recipients gain online access to their expected payments and can simulate potential payments for specific activities.

#### **\*Real-Estate Management**

Enhancements to real-estate management in mySAP ERP simplify all aspects of property management, while new reporting functions expand its analytical features and enable organizations to create detailed real-estate reports. In addition, the real-estate management features are more tightly integrated with accounting features in mySAP ERP.

#### ENHANCED: OWNER OCCUPANCY MANAGEMENT

mySAP ERP provides a link between the architectural view (for example, the overall occupancy capacity) and the real view (for example, the actual use of the property). This link allows organizations to better manage the allocation and utilization of rental and pooled office and factory space.

#### ENHANCED: RENTAL VACANCY MANAGEMENT

With mySAP ERP, managers can enter the reasons why a vacancy has occurred (and the date it occurred) into the posting parameters. The solution makes it easy to identify the appropriate account and cost center assignments.

#### ENHANCED: RENT ADJUSTMENTS

Rent adjustments can be made in accordance with representative lists of rents and comparable objects. This feature can be used to adjust rents for company-owned property and for objects belonging to third parties.

#### ENHANCED: SERVICE CHARGE SETTLEMENTS

If meters are assigned to settlement units (or master settlement units) or pooled spaces, the metered costs can be divided among the rental units and assigned accordingly.

#### ENHANCED: IMPROVED DATA INTEGRATION

The number of the real-estate contract also appears on the incoming payment transaction so that tenant accounts are displayed in standard reporting for financial accounting. In addition, organizations can record installment agreements in the system by breaking down open items in financial accounting into smaller amounts at a later time. Additional features include malfunction reports that can be created directly from real-estate objects and used by the plant maintenance function in mySAP ERP. The software also allows group real-estate master data to be entered into sets to facilitate reporting, cost planning, and revenue on real-estate objects. Alternatively, data can be entered and changed manually.

#### ENHANCED: IMPROVED REPORTS AND INVOICING

A number of new standard reports are available with mySAP ERP in 2004. For example, analysis with mySAP ERP provides new reports for plant maintenance (costs on maintenance orders), asset accounting (depreciation of real-estate objects), and controlling (costs on internal orders for real-estate objects). In addition, rent invoices can be printed from the periodic postings function and dispatched to tenants. Line items on the invoice are grouped together, and the invoice number is based on the real-estate document.

Customers benefit from the following:

- Shorter vacancy durations and reduced frequency of vacancies through more effective property management
- Improved and accelerated reporting and accounting due to a clearer framework for diverse service charges and costs
- Simplified data management and reduced complexity, which supports better decision making and business insight
- Increased efficiency through automated processes
- Flexible space and room management by leveraging integration with computer-aided facilities management (CAFM) systems

## mySAP ERP FOR INDUSTRIES

SAP has a long and successful history supporting businesses with enterprise software solutions. More than two decades ago, SAP software was originally developed to help reduce IT software costs. Today organizations in the services, manufacturing, and public sectors use SAP software to improve efficiency and achieve bottom-line benefits.

What truly sets SAP apart is its unique dedication to a wide range of industries. SAP's comprehensive knowledge of business processes, resulting from experience with thousands of customers in many different industries, forms the basis for more than 27 industry solutions and over 280 microvertical partner solutions. SAP software and services solutions take into account both industry and specific customer requirements.

mySAP ERP can play an integral role in the success of any business by addressing today's most fundamental and business-critical challenges, including:

- Improving productivity for greater efficiency and quicker responsiveness
- Increasing insight for more assured decision making
- Increasing flexibility and adaptability to lower costs and accelerate change
- Choosing solutions from a trusted partner for long-term growth

### mySAP ERP AND INDUSTRY SOLUTIONS

mySAP ERP comes with extensive configuration capabilities to support diverse requirements of customers in a variety of industries. These include the following:

- Aerospace & defense
- Apparel & footwear
- Automotive
- Banking
- Beverages
- Chemicals
- Consumer products
- Defense & security
- Engineering, construction & operations
- Financial service providers
- Global trade management
- Healthcare
- High tech
- Higher education & research
- Industrial machinery & components
- Insurance
- Media
- Mill products
- Mining
- Oil & gas
- Pharmaceuticals
- Professional services
- Public sector
- Retail
- Service providers
- Telecommunications
- Utilities

In addition, SAP provides more than 27 industry-specific solutions that build upon the software foundation of mySAP ERP and deliver additional industry-specific functionality that is integrated and supported by SAP. Table 3 summarizes the industry-specific functionality that mySAP ERP provides for the industries it supports. For further details on a specific industry solution in mySAP ERP, please contact a local SAP sales representative.

<b>Industry</b>	<b>Industry-Specific Function</b>	<b>mySAP™ ERP 2004</b>
Aerospace & defense	Commercial manufacturing	Yes
Aerospace & defense	Defense manufacturing	Yes
Aerospace & defense	Maintenance repair & overhaul/ maintenance & engineering (MRO/M&E)	Yes
Aerospace & defense	Airline management	Yes
Apparel & footwear	Apparel and footwear	Yes
Automotive	Automotive	Yes
Banking	Core banking customer accounts	Yes
Banking	Core banking consumer and mortgage loans	Yes
Banking	Collateral management system	Yes
Banking	Strategic enterprise management for banks	Yes
Beverages	Beverages	Yes (limited)
Chemicals	Chemicals	Yes
Consumer products	Consumer products	Yes
Defense & security	Defense forces & public security (DFPS)	Yes
Engineering, construction & operations	Engineering, construction & operations	Yes
Financial service providers	Corporate finance management	Yes
Global trade management	Global trade management	Yes
Healthcare	Patient management	In future release
High tech	Software	Yes
High tech	Manufacturing execution system (MES)	Yes
High tech	Distributor and reseller management (DSM)	Yes
Higher education & research	Campus management	In future release

Industry	Industry-Specific Function	mySAP™ ERP 2004
Higher education & research	Grants management	Yes
Industrial machinery & components	Industrial machinery & components	Yes
Insurance	Insurance FS-CD	In future release
Insurance	Insurance FS-CS	In future release
Insurance	Insurance FS-CM	In future release
Insurance	Insurance FS-RI	In future release
Insurance	Insurance FS-PM	In future release
Media	Media	In future release
Mill Products	Mill Products	Yes
Mining	Mining	In future release
Oil & gas	Oil & gas	In future release
Oil & gas	Production revenue accounting	In future release
Oil & gas	Remote logistics management (RLM)	In future release
Oil & gas	Trader's and Scheduler's Workbench (TSW)	In future release
Oil & gas	Joint venture accounting (JVA)	Yes
Oil & gas	Production sharing accounting (PSA)	Yes
Oil & gas	Service station and convenience retailing (SSCR)	In future release
Pharmaceuticals	Pharmaceuticals	Yes
Professional services	Professional services	Yes
Public sector	HR public sector	Yes
Public sector	Funds management	Yes
Public sector	Position budgeting and control	Yes
Public sector	Public sector collection and disbursement (PSCD)	In future release
Retail	Retail	Yes
Retail	Retail	Yes
Service providers	Service providers	Yes
Telecommunications	Revenue management – contract accounting	In future release
Utilities	Utilities – customer care and service	In future release

**Table 3: Industry-Specific Functionality Provided by mySAP™ ERP**

Each mySAP ERP industry solution is tailored to the specific standards, processes, and challenges of the particular industry, ensuring that it fits the way real enterprises do business. As a result, mySAP ERP delivers rich functionality and productivity-building tools throughout organizations – and makes it easy to adopt best practices developed by SAP with industry leaders around the world.

# TECHNOLOGY IN mySAP ERP 2004

## **ENABLING ENTERPRISE GROWTH THROUGH INNOVATION**

Recognizing and responding to new opportunities and challenges require businesses to continuously grow and innovate. Whether staying ahead of the curve or responding to the competition, corporations must be able to change and adjust business processes and strategies as and when required – or risk losing market share.

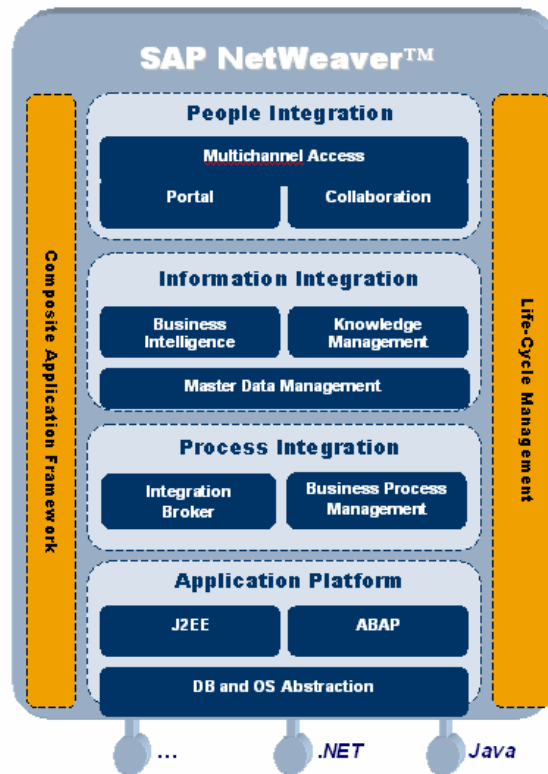
Unfortunately, the enterprise architectures that support business processes are frequently so rigid that they impede the organization's ability to change quickly enough to exploit new opportunities and address new challenges. For these organizations, the time that it takes to design, build, implement, and execute a new business process or strategy presents a significant obstacle to growth. Corporations that wish to develop and sustain a competitive advantage require an IT strategy and architecture that lets them continually refine their business processes.

The SAP NetWeaver platform – which powers mySAP ERP and the mySAP Business Suite family of business solutions, SAP xApps™ packaged composite applications, and partner solutions – provides organizations with the robust, flexible infrastructure needed to support effective enterprise-wide change and innovation.

### **About SAP NetWeaver**

SAP NetWeaver is the open integration and application platform that enables change. By integrating people, information, and business processes across technologies and organizations, the SAP NetWeaver platform helps organizations align IT with business objectives. In addition, it ensures that mission-critical business processes are reliable, secure, and scalable.

SAP NetWeaver is the best way to integrate all systems running SAP or non-SAP software (see Figure 23). It is pre-integrated with business applications, which reduces the need for custom integration. Based on industry standards, SAP NetWeaver can be extended with commonly used development tools such as Java 2 Enterprise Edition (J2EE), Microsoft .NET, and IBM WebSphere.



**Figure 23: The SAP NetWeaver™ Platform**

With SAP NetWeaver, businesses can achieve the following:

- **Support flexible business strategies** – SAP NetWeaver empowers IT organizations to quickly deploy and execute, monitor, and refine business processes and strategies.
- **Deploy innovative business processes** – SAP NetWeaver makes it easy to deploy new business processes for general and industry-specific purposes. Organizations can focus on developing effective processes with confidence that the underlying technology infrastructure will support them.
- **Reduce costs associated with change** – SAP NetWeaver helps businesses contain costs and reduce risk as the enterprise evolves. By reducing total cost of ownership (TCO) across the entire IT landscape, SAP NetWeaver frees resources to focus on developing and implementing growth strategies.

### **Benefits of SAP NetWeaver**

SAP NetWeaver offers unique benefits throughout the enterprise, including the following:

#### **BENEFITS TO C-LEVEL EXECUTIVES**

For executives charged with continuously driving change and innovation to grow the business, SAP NetWeaver facilitates enterprise-wide business process evolution while reducing risks and containing costs. SAP NetWeaver provides the flexibility, visibility, and control to effectively execute, measure, and refine corporate strategies. It also makes it easy for businesses to outsource selected functions; centralize, decentralize, or consolidate operations; and integrate IT after acquisitions and mergers.

#### BENEFITS TO LINE-OF-BUSINESS MANAGERS

Line-of-business (LOB) managers need to solve specific business risk issues and deliver rapid return on investment (ROI). As a result, they benefit from tools that enable them to develop industry-specific business processes, drive innovation throughout their units, and quantify and analyze results. With SAP NetWeaver, businesses can easily develop extensible best practices, leveraging existing skills to augment current practices or compose new practices to meet their needs. SAP NetWeaver ensures a free flow of accurate information throughout the supply chain and product life cycle, both within and outside the organization.

#### BENEFITS TO IT EXECUTIVES

For IT executives who must align IT initiatives with business objectives, SAP NetWeaver provides a technology platform that enables a flexible, end-to-end business process life cycle while leveraging existing IT investments. Its open, standards-based architecture supports both current requirements and future expansion, and it significantly reduces the complexity of the IT landscape, systems integration and consulting costs, and the risks associated with changing systems that are already operating. SAP NetWeaver improves development by enabling businesses to compose new business practices using a services-oriented architecture based on Web services, Java, and other industry standards.

#### **Enabling Enterprise Services Architecture**

Enterprise Services Architecture is the SAP blueprint for service-based, enterprise-scale business solutions that offer the increased adaptability, flexibility, and openness needed to reduce total cost of ownership. Enterprise Services Architecture combines SAP experience in enterprise applications with the flexibility of Web services and other open standards. New applications can be created on top of existing enterprise applications and are served by Enterprise Services Architecture to increase the value of current systems and automate new processes.

Enterprise Services Architecture goes beyond traditional enterprise application integration (EAI) to provide a unified set of business processes and information that supports the increased agility required by the rapid pace of business and technological change. Organizations can determine the speed at which innovations are created and adopted, make outsourcing more manageable, extend business processes to include partners, and more easily offer products to new customers.

The integration capabilities and Web services environment of SAP NetWeaver are the technical enabler of Enterprise Services Architecture.

#### **Web Services and Enterprise Services**

Web services answer the need for a standardized, vendor-agnostic method of addressing heterogeneity and creating interoperability and compatibility among various packaged and customized Web applications. Because Web services are still at an early stage of adoption, they are often used to expose the functionality delivered by a single, dedicated application. For most businesses, Web services are most beneficial – and economical – in the context of enterprise-level business scenarios that combine the functionality delivered by multiple applications.

For example, the order management process becomes more complex as new distribution channels and subcontracting relationships are added. Managing this process efficiently is crucial for a corporation's success. Effective management requires the ability to view the overall status of the customer order and, more importantly, to respond rapidly to changes in the supply chain. Enterprise Services Architecture helps meet these demands by ensuring that all communication among applications is based on Web services and other open standards and by serving as a business blueprint.

mySAP ERP also supports complex business scenarios that may involve multiple applications throughout the enterprise and supply chain. For example, from a business perspective, the directive to cancel an order encompasses several business-related activities, including sending a confirmation to the customer, removing the order from the production plan, flagging corresponding material, notifying the invoicing department, and changing the order status to “inactive,” among others. Each of these activities can be supported by individual Web services offered from different systems or called through open Web-services standards. SAP refers to these complex business scenarios as enterprise services.

#### BENEFITS OF ENTERPRISE SERVICES ARCHITECTURE

Enterprise Services Architecture helps businesses in the following ways:

- **Adapt business processes** – Enterprise Services Architecture supports separating the interface and process definition from the underlying application, resulting in faster implementations and more cost-effective upgrades.
- **Attract and retain new customers** – Enterprise Services Architecture lets businesses take advantage of Web services to deliver core competencies to new customer segments, while reducing IT costs and increasing efficiency.
- **Outsource** – By making it easy to connect to external partners, Enterprise Services Architecture enables businesses to access expert services, reduce costs and asset liabilities, and focus on core competencies while retaining visibility into critical processes.
- **Extend and automate value networks** – Enterprise Services Architecture allows the terms of a business relationship to be modeled and automated, so business models and value chains can be extended for optimum speed and transparency.
- **Innovate** – By supporting the deployment of new processes on top of existing applications, as well as the rapid modification of existing processes, Enterprise Services Architecture makes it easy for enterprises to innovate to meet changing business requirements.

#### mySAP ERP POWERED BY SAP NetWeaver

The tight integration of mySAP ERP and SAP NetWeaver enables businesses to improve the following:

- **Overall business performance** – mySAP ERP offers comprehensive analytics and planning capabilities that help organizations identify areas that require change and implement new business processes. SAP NetWeaver integrates all data and applications throughout the enterprise to support business intelligence, and makes it easy to create and modify new business practices without disruption to the IT infrastructure.
- **Corporate governance and compliance** – mySAP ERP provides organizations with the information, control, and visibility required by corporate governance and compliance with regulatory and industry standards. SAP NetWeaver ensures that accurate information is available in a usable format throughout the enterprise, supporting the development and execution of business processes in compliance with regulations.

- **Usability and human involvement** – mySAP ERP offers a user-centric interface based on employee work responsibilities, making it easy for users to find tools and data needed to perform job functions. Integrating data and applications with SAP NetWeaver enables employees to access and execute job-specific business processes in a relevant context.
- **Business best practices** – mySAP ERP supports the development and implementation of best practices for organizations throughout the enterprise – especially in the area of IT, where SAP NetWeaver leverages existing technology investments to support new, flexible business strategies.

### **Benefits of SAP NetWeaver to mySAP ERP**

SAP NetWeaver enables the following benefits of mySAP ERP throughout the enterprise:

- **Real-time visibility** – mySAP ERP offers comprehensive, real-time visibility into corporate finance, HCM, and operations.
- **Improved collaboration and knowledge management** – Capabilities within mySAP ERP rely on SAP NetWeaver to deliver comprehensive access to tools and information throughout the enterprise as well as business partners and customers.
- **Ease of customization** – SAP NetWeaver makes it easy to add business-specific functions to mySAP ERP by supporting standard development tools as well as the reuse of existing code.
- **Enhanced performance** – Improved administration and monitoring capabilities, as well as enhanced connectivity to SAP service and support, help organizations deliver a reliable ERP system that supports the nonstop demands of a global business environment.

### **SAP NetWeaver Capabilities in mySAP ERP**

The following key capabilities of SAP NetWeaver enable crucial features and functions in mySAP ERP.

#### **ENTERPRISE PORTAL**

Enterprise portal capabilities deliver a variety of predefined and pre-integrated business content from various applications and information sources through a single point of access. Employees can further personalize individual portals to suit their needs and preferences.

#### **COLLABORATION**

Real-time collaboration tools including online meetings, chat, instant messaging, and application sharing, drive dynamic communication through permanent and ad hoc groups and communities. Employees can instantly interact and exchange knowledge, and information resources can be accessed and shared in an issue-related, cost-saving team environment.

#### **ACCESS THROUGH MULTIPLE CHANNELS**

Multichannel access capabilities enable businesses to incorporate mobile, voice, or radio frequency identification (RFID) technologies into their enterprise systems. As a result, processes and information can be extended to a wide variety of employees and partners, and managers can access the aggregated data and tools they need to make informed decisions from almost any location.

#### **\*BUSINESS PROCESS MANAGEMENT**

Business process management capabilities in mySAP ERP allow businesses to combine underlying applications into adaptive, end-to-end processes that span the entire value network. For example, processes can be defined to automatically implement appropriate activities, such as alerts if a supplier will be late with a component. As a result, organizations can immediately identify and respond to changes.

**\*MASTER DATA MANAGEMENT**

Master data, such as business partner and customer information, product masters, product structures, and technical asset information, plays a key role in business applications; however, businesses often have inconsistent master data because various versions are housed in multiple systems. Master data management capabilities of mySAP ERP promote information integrity across the business network.

## CONCLUSION

Over the past three decades, ERP software has evolved from prepackaged programs designed only to help IT executives cut costs to a comprehensive, enterprise-wide resource and planning management solution. ERP enables organizations to improve efficiency and generate bottom-line benefits by managing people, finances, business assets, and operations more effectively, and by better responding to changing customer demands.

But the evolution has not ended. With a full suite of integrated analytics, finance, human capital management, operations, and corporate services functions, mySAP ERP is the next generation of ERP software. mySAP ERP addresses the business software requirements of the most demanding midsize and large organizations across all industries and locations.

The benefits of mySAP ERP are far reaching. SAP customers can significantly reduce total cost of ownership (TCO) of all enterprise assets and drive business process innovation to grow their companies at lower costs. Because mySAP ERP is powered by the SAP NetWeaver platform, a comprehensive integration and application platform, organizations benefit from leveraging existing IT infrastructure and simplified integration of non-SAP applications.

When deploying mySAP ERP, organizations lay the foundation for a future-oriented Enterprise Services Architecture, which supports further TCO reductions and takes enterprise application integration to a new dimension. With Enterprise Services Architecture, enterprises are no longer limited to integrating a succession of applications or streamlining processes – they can now transform their business with a single set of unique processes provided by mySAP ERP.

The capabilities provided by mySAP ERP – the new roles, the enhanced self-services applications, the integrated industry-specific functions, and the innovative application and technology integration – are only the beginning. SAP is committed to continuously enhancing both mySAP ERP and the SAP NetWeaver platform to ensure that they remain the ideal choice for organizations seeking to address their ERP challenges, both now and in the future.

SAP hopes that the *mySAP ERP Statement of Direction 2004* helps organizations better understand the goals and capabilities of mySAP ERP. For more information about mySAP ERP and the SAP market-driven ERP strategy, please visit the SAP Web site at [www.sap.com](http://www.sap.com).

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