

**Functions in Detail**



# **SAP<sup>®</sup> BEST PRACTICES**

**PREPACKAGED BUSINESS EXPERTISE  
FOR SMALL AND MIDSIZE BUSINESSES**

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## EXECUTIVE SUMMARY

Small and midsize businesses (SMBs) would like to realize the benefits of comprehensive mySAP™ Business Suite solutions – the solutions that give large companies a competitive edge. But the financial, technical, and personnel resources required to implement these solutions have made them inaccessible to SMBs. Until now. With the introduction of mySAP All-in-One, SAP puts a comprehensive portfolio of powerful, prepackaged solutions within the reach of SMBs. These integrated solutions are built on the sound foundation of SAP® Best Practices.

Affordable, easy to understand, and quickly implemented, mySAP All-in-One includes the built-in content and methodologies needed for cost-effective, turnkey deployment of its comprehensive technology. Its solutions can be implemented and adapted to support even the largest organizations, and its preconfigured business scenarios help small and midsize companies realize benefits rapidly.



The SAP Best Practices packages include the documentation and preconfiguration that helps you set up a mySAP All-in-One solution. Various **SAP Best Practices industry packages** are designed to meet industry-specific needs. For example, SAP Best Practices for High Tech comprises everything that is needed to set up a comprehensive solution in the area of the High Tech industry including diverse predefined industry-specific business scenarios. In contrast to the SAP Best Practices industry packages, the **SAP Best Practices Baseline Package** provides business scenarios that are not designed to meet the needs of a specific industry. Instead, these rather generic scenarios can be used as the basis for creating a mySAP All-in-One solution independent of the focus of that particular solution. Finally, an assortment of **SAP Best Practices cross-industry packages** provides predefined business scenarios that focus on the areas of customer relationship management, supply chain management, and business intelligence (for example, SAP Best Practices for Business Intelligence).

Customers who choose a mySAP All-in-One solution based on SAP Best Practices can be confident they are receiving proven expertise and concrete values. All the comprehensive functions covered by SAP Best Practices can be fine-tuned to meet a company's specific needs.

# TECHNOLOGY AND AUTOMATED TOOLS

## PRODUCT OVERVIEW

### Components

SAP Best Practices are built to meet SMB requirements.

They include three components:

- **Detailed, step-by-step implementation procedure** including automated activities
- **Extensive documentation** that can be used over and over again – for self-study, evaluation, or project team and end-user training
- **Complete preconfiguration settings** that give you everything you need to run SMB-specific key processes “out of the box” with minimal installation effort. Fully documented, these settings include business processes, training material, user roles, data conversion tools, and test catalogs. Because they are built using the latest technology, you can adapt them quickly and easily.

### Flexible Technology

SAP Best Practices provide the building blocks you need for a fast and smooth implementation of mySAP All-in-One solutions. The size and content of the blocks can vary from simple technical functions to complex functions that can be used as stand-alone solution elements. You can assemble several basic building blocks to form a higher-level block such as a scenario. Or you can use individual building blocks to modify an existing scenario or solution.

### Areas of Use

SAP Best Practices can be used in all three phases of a project:

- **Evaluation**  
SAP Best Practices help you quickly set up a prototype that can be used to get a “look and feel” impression of a mySAP All-in-One solution.
- **Implementation**  
SAP Best Practices contain all the steps necessary for implementing selected business scenarios.
- **Demonstration and training**  
At an early stage of the implementation project, the mySAP All-in-One solution based on SAP Best Practices can be used for demonstration and training of both the project team and future end users. In addition, SAP Best Practices deliver numerous end-user procedures that can serve as training material and as a basis for end-user documentation.

In this introductory section (Technology and Automated Tools) we describe the technology underlying SAP Best Practices. The concluding sections outline the main benefits of SAP Best Practices and tell you where to find more information (“Meeting Today’s Needs, Building for Tomorrow’s”). The brochure inlay provides detailed information on selected predefined business content (“Predefined Business Scenarios Delivered by SAP Best Practices”).

## TECHNICAL BUILDING BLOCKS

### Definition

Building blocks are reusable preconfiguration units you can combine to install an SAP Best Practices business scenario or solution. Similar to the components in a child's snap-together construction kit, they can be flexibly assembled into a variety of business scenarios. Because a generic building block can be used in different solutions, this method of constructing business content reduces redundancy. You can use the building block installations as the basis for your own solutions.

And because the building blocks are reusable and connectable, they accelerate and facilitate the installation process. Rather than import the configuration of an entire system, you can simply select blocks of scenario-oriented configuration, minimizing redundancy in the development process and reducing development and maintenance costs.

### Installation of Business Scenarios

To set up an SAP Best Practices scenario, you have to install a number of building blocks in a predefined sequence. The user role (discussed in the following section) and the installation documentation guide you through this process. The *Scenario Installation Guide* specifies which building block you have to install first and provides all the information needed for installing the building blocks in the correct order. Installation guides are available for all SAP Best Practices scenarios.

When you have successfully installed an SAP Best Practices scenario, you can use the Business Process Procedure to test its functionality. Business Process Procedures are provided for all business scenarios within the scope of SAP Best Practices. They contain detailed, application-focused descriptions of individual business processes and scenarios.

## USER ROLES

User roles are specific user menus delivered with SAP Best Practices. They come in two types, each of which serves a different purpose:

- **Installation roles** enable you to install SAP Best Practices building blocks as well as scenarios. Used in conjunction with an *SAP Best Practices Installation Guide*, they enable you to access and conduct all required installation transactions and configuration activities quickly and in the correct order.
- **End-user roles** enable you to test and use the business processes of the application that has been installed. Used in conjunction with the Business Process Procedures, end-user roles are the menus for anyone who uses the installed business application.

## BUSINESS CONFIGURATION SETS

SAP Best Practices deliver preconfigured settings in the form of Business Configuration Sets (BC Sets) that can be used to assemble either a prototype or a development system. Via the installation roles, you can choose which preconfiguration to use for the implementation of a business scenario. When you activate the BC Sets in the development system, configuration settings are automatically carried out and saved in transport requests. If necessary, delta configuration is employed to implement further customer-specific requests that are not covered by the SAP Best Practices scenarios. The transport requests resulting from the BC Set activation and delta configuration are then imported into the quality assurance or production system.

## MEETING TODAY'S NEEDS, BUILDING FOR TOMORROW'S

### **CATTs, eCATTs, and LSMW**

Computer Aided Test Tools (CATTs) are used within the context of SAP Best Practices to create master data and to automate technically oriented activities such as connectivity. For example, you can use CATTs to create master data in all components of the system landscape in which example data is needed. Or you can use them to automatically carry out activities to create initial technical settings, such as RFC connections.

In addition, SAP Best Practices already make use of the new **Extended Computer Aided Test Tool (eCATT)**, which provides more capabilities than the classic CATT tool. eCATT will replace CATT completely within the next few years.

The **Legacy System Migration Workbench (LSMW)** is an SAP tool that supports the one-time or periodic transfer of data from non-SAP systems (legacy systems) to SAP systems. LSMW helps you organize your data migration project and guides you through the process by using a clear sequence of steps. SAP Best Practices use the LSMW to create central master data in your system.

### **SUMMARY: BENEFITS OF SAP BEST PRACTICES**

#### **Solutions Tailored to Meet SMB Needs**

With SAP Best Practices you can quickly turn your SAP software into a live system that handles SMB-specific business requirements. SAP Best Practices provide the tools, content, and methodology you need to implement and optimize your mySAP All-in-One solution – from both a functional and a technical perspective.

#### **Rapid Implementation and Manageable Costs**

Rapid implementation techniques make it possible to reduce the costs of integrated technology by more than 50% over traditional approaches. And the solution's scalability means that a company invests only once – even when the organization changes or grows.

#### **Prepackaged Business Expertise**

SAP Best Practices largely anticipate common business requirements of small and midsize companies and deliver exactly the documentation and configuration needed for a smooth evaluation and implementation. All SAP Best Practices deliverables are fully reusable and can easily be adapted to meet your specific needs.

#### **Avoid Beginners' Mistakes**

SAP Best Practices are proven solutions that help you avoid the system, business process, and configuration mistakes of those who start from scratch. By identifying potential pitfalls up front and avoiding them, SAP delivers the efficient, ready-to-use solutions you need in SAP Best Practices.

#### **Extend Your Business Solution**

SAP Best Practices contain a fully documented implementation procedure that includes automated steps and is based on a typical customer system. You can use one or more mySAP Business Suite components as a source system for running business processes based on your own systems and data.

### Build a Working Prototype

With SAP Best Practices, it takes only a few days to build a working, fully documented prototype that you can use as a starting point for your implementation.

### Improve Project Performance and Communication

SAP Best Practices offer an integrated tool that can be used to evaluate and demonstrate mySAP All-in-One, to train your project team, and to implement solutions based on mySAP All-in-One. All project members use the same tool, which leads to effective communication.

### FUTURE DIRECTIONS

SAP will continue developing SAP Best Practices to meet customer demand, focusing primarily on the SMB market, where generic as well as industry-specific scenarios are critical. Of course, SAP Best Practices also can be used to support other market segments. For example, large enterprises can use them as a basis for creating global templates for worldwide rollout of a mySAP Business Suite solution.

As always, SAP will continue to collaborate with selected business partners in an effort to deliver the SAP Best Practices that help businesses succeed – and will support the creation of partner solutions based on these practices. For details about partner solutions, go to SAP's SMB Web page at:  
[www.sap.com/smb](http://www.sap.com/smb)

### MORE INFORMATION

#### How to Order SAP Best Practices

SAP Best Practices are available free of charge. To order the entire SAP Best Practices CD set – including the documentation and preconfiguration CD – contact the contracts department of your local SAP office. SAP customers and partners can also order online from the SAP Software Catalog on the SAP Service Marketplace. To order additional copies of the documentation CD, go to the SAP Service Marketplace and order online from the SAP Knowledge Catalog. Please note that some versions of SAP Best Practices consist of only a documentation CD (for example, SAP Best Practices for Business Intelligence); no preconfiguration CD is needed.

#### Information on the Web

To learn more about SAP Best Practices, go to [www.service.sap.com/bestpractices](http://www.service.sap.com/bestpractices) (the SAP Service Marketplace for customers and partners) or [www.sap.com/bestpractices](http://www.sap.com/bestpractices) (our public Internet site). Or, you can send an e-mail to: [bestpractices@sap.com](mailto:bestpractices@sap.com)



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## **SAP® BEST PRACTICES FOR CHEMICALS**

**BEST PRACTICES FOR THE CHEMICALS INDUSTRY,  
MADE EASY BY SAP**

### **SOLUTIONS DESIGNED FOR BUSINESSES OF ALL SIZES**

SAP® Best Practices for Chemicals is a proven method for implementing enterprise resource planning (ERP) for your business, whether it is a midsize enterprise that requires a rapid implementation with low risk, or a large company creating a corporate template for its subsidiaries. And whether you are a new or existing SAP customer, using SAP Best Practices for Chemicals gets your software solutions up and running rapidly.

SAP Best Practices for Chemicals describes exactly how to implement various key business processes in your system – including how to set up and configure your SAP software. These SAP best practices are delivered to you as an unrivalled combination of detailed business documentation that describes leading business practices and a complete set of technical tools and information to help you implement new business processes.

These best practices are based on over 30 years of experience working with global chemical companies.

## HIGHLIGHTS – BEST PRACTICES IN THE CHEMICALS INDUSTRY

The best practices extend beyond the boundaries of conventional corporate divisions and functions, and are based on mySAP™ ERP, the SAP Environment, Health & Safety application, and the SAP Recipe Management application.

The business scenarios supported by SAP Best Practices for Chemicals are listed below and encompass a wide range of activities typically found in chemical industry practice:

### Commercial scenarios:

- Demand and production planning
- Sales order processing including cross-company business
- Internet sales
- Tank-trailer processing
- Returnable packaging
- Consignment stock processing
- Samples processing

### Manufacturing scenarios:

- Procurement of materials and services
- Continuous production (as an example for basic chemicals)
- Batch production (as an example for specialty chemicals)
- Blending and repackaging
- Third-party and additional internal processing
- Plant maintenance
- Quality management for procurement, manufacturing, and sales

### Administrative scenarios:

- Revenue and cost controlling
- Dangerous goods management
- Product safety
- Conversion of general recipes to master recipes

Some highlighted scenarios supported by best practices are discussed in more detail below:

## COMMERCIAL SCENARIOS

### Demand and Production Planning

The SAP best practice for demand and production planning provides end-to-end support for commercial and supply chain

**“Small and midsize business chemicals prospects should view SAP as the low-risk option for enterprise resource planning (ERP) to support their own growth aspirations . . . Mid-market chemicals prospects should put SAP Best Practices for Chemicals at the top of their ERP shortlist – a list that will have few low-risk candidates with matching functionality.”**

**Colin Masson, AMR Research, May 14, 2004**

processes in the chemicals industry, including integrated sales and operations planning, planning strategies for bulk material, and a variety of filling processes with corresponding packaging units. The entire supply chain is mapped – from sales planning to material requirements planning to transportation procurement.

### Sales Order Processing

The SAP best practice for sales order processing covers order entry, delivery, and billing. Chemical industry functions include:

- For bulk orders, triggering an available-to-promise (ATP) inventory check after sales order entry and automatically creating a filling order. An ATP check is triggered for packaged material.
- Selecting batches according to customer requirements
- Processing internal sales activities that involve different organizational units

### Tank-Trailer Processing

The SAP best practice for tank-trailer processing provides insight and support for bulk shipments to customers. Trucks or other bulk transport methods are filled with bulk product from silos or tanks. This best practice also describes postdelivery weight determination (weighing of empty containers after delivery to determine billable weight).

## MANUFACTURING SCENARIOS

### Procurement of Materials and Services

The SAP best practice for procuring materials and services describes a range of purchasing processes, including:

- Selection of delivery schedules by vendor
- Interplant stock transfer orders
- Quality inspections for raw materials, including sampling requests triggered by goods receipt

### Continuous Production

The SAP best practice for continuous production is typical of basic or commodity chemical producers. The continuous production of plastic granules provides an example of this best

**“The best-practices template supplied by SAP for Chemicals was one of the main reasons we opted for the SAP solution. The architecture was very close to meeting our company’s needs.”**

**Project manager, Aarhus Oliefabrik,  
Denmark**

practice, showing the processing of production orders based on run-schedule headers. This best practice also describes batch and quality management in continuous production. Other scenarios supported by SAP Best Practices for Chemicals include handling of by-products, coproducts, and blending.

### Batch Production

The SAP best practice for batch production is typical of specialty chemical producers. The example demonstrates batch production of paint, and includes the following business processes:

- Process order creation, execution, and completion
- In-process and post-process control
- Paperless manufacturing using XML-based process integration (PI) sheets
- Alerts and events
- Batch derivation from bulk to finished materials

### Third-Party and Additional Internal Processing

The SAP best practice for third-party and additional internal processing describes an additional batch production step that can be applied to products previously produced by either continuous or batch processing. The included example is based on further internal processing of plastic granules. This best practice can also be applied to external toll processing, such as additional treatment or repackaging. It supports:

- Purchase order creation, staging, execution, and completion
- In-process and post-process control
- Batch assignment from bulk to finished materials
- Repackaging bulk material

### Plant Maintenance

The SAP best practice for plant maintenance focuses on creating new assets and performing preventive and emergency maintenance. The SAP best-practice tools and information support the setup of a production plant with assets and buildings.

## ADMINISTRATIVE SCENARIO

### Revenue and Cost Controlling

The SAP best practice for revenue and cost controlling provides support for product costing functions to meet the requirements of the chemicals industry. It describes how cost centers can be

“We used the SAP best practices template, and while we consider many of our practices unique, we found the preconfigured template extremely valuable to our implementation team, giving them a basis for understanding how a ‘generic’ chemical company would implement SAP. The implementation was on time, within budget, and is providing many of the benefits we expected.”

VP logistics, Stepan Company, Illinois

defined, attached to activity types, and then linked to logistics. This best practice also supports costing and settlement of production orders for batch and continuous production. Information and tools are included to provide assistance for analysis of sales and actual costs in a margin contribution report.

## KEY FEATURES

SAP Best Practices for Chemicals supports numerous integrated business scenarios typical of the chemicals industry, including:

- **Quality management:** Integration of quality management concepts across the entire supply chain (procurement, production, and sales), including batch recall
- **Batch management:** Generation of batches on the basis of deliveries from vendors or as a result of production or filling by the company. The best-practice information and tools support end-to-end management of batch production and the associated processes, including batch derivation, batch information cockpit, and batch-where-used list.
- **Warehouse management:** Identification of locations where materials or batch lots are stored. The recording of details such as bin location and other storage information for dangerous goods ensures the capture of all information needed to show compliance with legal requirements.

## SUMMARY

SAP Best Practices for Chemicals provides a comprehensive jump start to implementing your ERP software. It can reduce your project risk and speed up your timeline, thereby reducing your overall project costs. The best practices are based on our 30+ years of experience working with chemical companies and partners large and small around the world. Over 1 million users at nearly 1,300 chemical companies are using SAP software in their operations today, demonstrating the breadth and completeness of our offerings. SAP is the world leader in ERP applications, and best practices provide one more reason why you should consider the solutions from SAP.

THE BEST-RUN BUSINESSES RUN SAP



50 069 234 (04/09)

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