

SAP Solution Brief
mySAP Supply Chain Management



SUPPLY CHAIN PLANNING: SYNCHRONIZING SUPPLY AND DEMAND

**Your Road to a Demand-Driven Supply Chain
Network and Increased Customer Satisfaction**

The mySAP™ Supply Chain Management solution helps you transform your existing supply chain to an adaptive network that can respond to today's tumultuous business environment. You can set goals and forecast, optimize, and schedule time, materials, and other resources. With the solution's supply chain planning capabilities, you can synchronize supply and demand, allowing your company to maximize its return on assets and boost profitability.

Today's fast-paced and rapidly changing business environment is placing increasing pressure on companies to execute consistently and reliably. You are working in an environment where the balance of a push and a pull requires an adaptive supply chain – one that is driven by real-time customer demand and supply signals monitored on a 24/7 basis.

Your supply chain must be able to meet the highest levels of demand accuracy and order fulfillment satisfaction, fully supporting order, product, and execution tracking and logistics. Transportation and fulfillment operations need to be smoothly synchronized. Your supply chain must also provide robust planning capabilities that allow you to maximize your return on assets and ensure a profitable match of supply and demand.

mySAP™ SCM and Supply Chain Planning

The mySAP™ Supply Chain Management (mySAP SCM) solution supports an adaptive supply chain network that facilitates interaction among customers, suppliers, and partners. Business practices are linked to industry processes with real-time information, enabling the dynamic synchronization of demand-driven planning, logistics, and supply network execution. Through integration, automation, and comprehensive functionality, mySAP SCM helps you successfully deal with the supply chain challenges that you face on a daily basis.

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

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

Supply Chain Planning: Synchronizing Supply and Demand

SAP's supply chain planning and collaboration solution helps enhance your existing supply chain by delivering full planning capabilities – strategic, tactical, and operational. The solution is integrated for supply network collaboration among customers, suppliers, manufacturing, and product management. It has the flexibility to support demand-, forecast-, calendar-, event-, or order-driven supply chain process models. The resulting match of supply and demand leads to reduced inventory levels and increased demand accuracy, in-stock positions, inventory turns, profitability, and productivity.

Planning capabilities help you model your existing supply chain, set goals, and forecast, optimize, and schedule time, materials, and other resources. You can maximize return on assets and ensure a profitable match of supply and demand.

mySAP SCM enables the complete synchronization of logistics, transportation, and fulfillment operations with front-end demand and back-end supply gateways to support demand-driven manufacturing and fulfillment processes. The solution supports dynamic planning processes that effectively balance push- and pull-based requirements.

The result is a dynamic replenishment process driven by actual demand and a leaner, more efficient supply chain that reduces your inventory carrying costs. You will also be able to fulfill orders in a timelier manner, enhancing customer satisfaction. Overall, by synchronizing supply and demand, you will experience increased productivity, profitability, and customer loyalty.

Specific Capabilities

Key supply chain planning functions provided by mySAP SCM include demand and supply planning and service parts planning.

Demand and Supply Planning

Decision makers can perform strategic, tactical, and operational planning.

Demand planning and forecasting – You can use state-of-the-art forecasting algorithms to anticipate demand for products or product characteristics. You can also model and plan new product introductions, trade promotions, or causal events that will significantly impact demand.

Safety stock planning – You can assign optimal safety stock – stock kept on hand to satisfy unexpected demand – and target stock levels across the entire supply network. This means you can meet your target customer service levels while maintaining a minimum amount of safety stock.

Supply network planning – By integrating purchasing, manufacturing, distribution, and transportation plans into an overall supply picture, you can simulate and implement comprehensive tactical planning and sourcing decisions based on a single, globally consistent model. This can involve heuristics-based material and capacity planning, constraint-based optimization, and multilevel supply and demand matching.

Distribution planning – You can plan the best short-term strategy to allocate available supply to meet demand and replenish stocking locations by determining which demands can be fulfilled by existing supply elements.

Supply network collaboration – Using collaboration capabilities that improve visibility into supply and demand, you can work with partners to reduce inventory buffers, increase the velocity of raw materials and finished goods through the pipeline, improve customer service, and increase revenues.

Service Parts Planning

You can perform demand planning, inventory planning, supply planning, distribution planning, and monitoring of service parts supplies.

Parts demand planning – You can improve the accuracy of forecasts through better modeling of demand quantities, events, and their respective deviations. You can select sophisticated forecast models and optimize model parameters to improve forecasting for slow-moving parts or for parts with irregular demand patterns. Through aggregated forecast-parameter profile maintenance, you make data maintenance more efficient.

Parts inventory planning – You can reduce inventory levels and improve retail service levels by providing more precise demand modeling. You can distribute inventory optimally within the multi-echelon supply chain to ensure high service levels while keeping inventory levels at a minimum.

Parts supply planning – You can reduce inventory in the supply chain by improving supplier alignment, increasing automation, and developing accurate supply plans. You can also reduce operational cost through efficient purchasing practices.

Parts distribution planning – To reduce stock-out situations and operational costs, you can set up stock transfers for parts within a service parts network.

Parts monitoring – You can work with suppliers and customers to exchange information and handle alerts collaboratively.

Optimized Supply Chain Planning with mySAP SCM

By implementing mySAP SCM planning capabilities, your supply chain is paced to actual, real-time demand. The result is improved fulfillment, increased customer satisfaction, and a more competitive position in the marketplace. You improve demand accuracy and, at the same time, reduce inventory levels and increase inventory turns. Your company maximizes its return on assets and enjoys a profitable balance of supply and demand.

mySAP SCM supports an adaptive supply chain network that facilitates interaction between your customers, suppliers, and partners. Your business practices are linked to industry processes with real-time information, enabling the dynamic synchronization of demand-driven planning, logistics, and supply network execution. Through integration, automation, and comprehensive functionality, mySAP SCM helps you meet the challenges posed by an increasingly competitive, fast-paced, and unpredictable marketplace.

Find Out More

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

Powered by SAP NetWeaver®

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

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