

SAP Portfolio in Detail



SAP FOR LOGISTICS **SERVICE PROVIDERS**

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EXECUTIVE SUMMARY

SAP provides leading-edge solutions, applications, technology, and services to meet the needs of logistics service providers (LSP). Solutions in the SAP for Logistics Service Providers portfolio provide state-of-the-art software for managing logistics business processes. SAP® solutions help logistics companies gain competitive advantage by managing their processes more efficiently and profitably.

SAP solutions provide value to logistics service providers in the following ways:

- SAP solutions give logistics service providers the competitive advantages of speed, accuracy, and quality while reducing costs and helping you to go-to-market quickly with new value-added services to increase margins.
- SAP solutions allow logistics service providers to service multiple customers within different industries while meeting the unique demands of each customer.
- With SAP solutions, logistics service providers can use a single solution for all their companies, catering to the requirements of the principal, the agencies, the depot operations, the road hauler, and all corporate functions. This reduces cost of ownership for individual business units while giving everyone easy access to information.

SAP solutions provide a single, integrated software foundation, so logistics service providers don't have to maintain knowledge of disparate software systems.

INTRODUCTION

SAP offers a comprehensive portfolio of solutions, applications, technology, and services for logistics service providers that builds on our 30 years of experience supplying logistic service providers with leading-edge solutions. SAP® solutions in the LSP portfolio provide state-of-the-art software for managing your logistics business processes more efficiently and profitably.

SAP has worked with many of the industry's leading companies to ensure that its solutions meet the specific requirements of LSPs. SAP solutions handle all order volumes and support complex business processes in procurement, fulfillment, returns management, warehousing, and value-added logistics.

SAP includes the following in the LSP portfolio: the mySAP™ Business Suite family of business solutions, SAP solutions for small and midsize businesses, industry-specific applications and dedicated cross-industry applications, services from SAP Customer Services Network, and the SAP xApps™ portfolio of packaged composite applications. The SAP xApps portfolio is a new generation of applications that snap onto existing IT infrastructures. SAP xApps composite applications lower the cost of integration by delivering integration solutions as software products, reducing the cost of project work or custom development. You can compose and enhance SAP xApps composite applications to develop customized solutions without starting each new development effort from scratch.

SAP software is powered by the SAP NetWeaver™ technology platform, the comprehensive integration and application platform that supports enterprise solutions across heterogeneous systems and organizational boundaries.

CHARACTERISTICS OF SAP FOR LOGISTICS SERVICE PROVIDERS

SAP gives LSPs the following advantages:

- SAP solutions give you the competitive advantages of speed, accuracy, and quality while reducing costs. SAP provides real-time information on your multiple supply chains, which helps you use resources efficiently, distribute tasks correctly, provide high-quality service, and work effectively with shippers at all times.
- SAP solutions enable you to service multiple shippers within different industries, and meet the unique demands of each shipper at the same time.
- With SAP solutions, you can use a single system for satisfying all the requirements of the principal, agencies, depot operations, road hauler, and corporate functions. This reduces cost of ownership for individual business units and gives everyone easy access to information. SAP delivers solutions that work together seamlessly to perform everything from order management to planning, execution, and billing, and integrate all participants in the supply network – you, your shippers, all relevant legal entities, and third parties.
- SAP solutions provide a single, integrated software foundation, which means you do not have to operate a variety of software systems. At all times, you will have a complete view of the entire enterprise: financial, operational and human resources; shippers; third parties; suppliers; and assets.
- SAP gives the ability to create a customer-focused organization that identifies key customers and works optimally with shippers, anticipating and satisfying their needs. With SAP solutions, you can give shippers a view of the complete supply chain, and you can continuously enhance your service portfolios based on your shippers' needs. SAP solutions monitor all services and seamlessly link to the shipper's supply chain, ensuring that service offerings meet their needs.

SAP FOR LOGISTICS SERVICE PROVIDERS – mySAP ERP

mySAP ERP is a key solution within the SAP for Logistics Service Providers portfolio. mySAP ERP provides a comprehensive solution for managing financials, human resources, operations, and corporate services. With mySAP ERP, you will be able to leverage your existing IT assets, maintain control of your entire administration and operations, and thus become more efficient and profitable. mySAP ERP, based on the SAP NetWeaver technology platform, reduces complexity by storing information and applications from virtually any source. SAP NetWeaver, which comes with ready-to-use, integrated business content, is the technical foundation for all SAP solutions, including mySAP Business Suite and SAP xApps.

mySAP ERP FINANCIALS

By using mySAP ERP Financials you enhance your company's short-term profitability and long-term, value-based management. mySAP ERP Financials integrates all financial and business performance information with management processes for effective, strategic decision making. The solution improves investor communication, streamlines the financial supply chain, collaborates with customers and vendors on payment and settlement activities, and reduces transaction costs.

mySAP ERP Financials enables an LSP company to analyze its financial processes and business performance while maintaining and strengthening relationships with investors. Financials includes:

- Analytics for strategic planning, business performance management and cross-functional enhancement of day-to-day business activities
- Payment and settlement capabilities
- Accounting functions
- Seamless integration powered by SAP NetWeaver

mySAP HUMAN CAPITAL MANAGEMENT

To stay ahead of the competition, an organization must make smart human capital management decisions. mySAP ERP Human Capital Management (mySAP ERP HCM) makes a dramatic impact on those decisions with these powerful features:

- **Standard reporting** – mySAP ERP HCM includes more than 400 standardized and legal reports that are easy to access and execute. These reports provide a straightforward method for obtaining current employee data at any time.
- **Integrated business content** – mySAP ERP HCM delivers predefined HR business content through SAP Business Intelligence to enable precise analysis and workforce reporting.
- **Employee life-cycle management** – mySAP ERP Human Capital Management has life-cycle management capabilities that support your employees from recruitment through training, development, and retention. The solution helps you find the best people, leverage their talent, align their goals with corporate goals, maximize the impact of training, and retain top performers.

Key life-cycle management capabilities include:

- **Organizational development** – Powerful simulation and analysis tools let you predict how proposed organizational changes will affect your workforce.
- **E-recruiting** – mySAP ERP HCM incorporates a sophisticated e-recruiting solution that lets applicants and candidates register in a “talent warehouse.”
- **Workforce cost planning and simulation** – mySAP ERP HCM supports all workforce cost planning by giving you a broad selection of data that ensures your calculations are accurate.
- **Reporting and benchmarking** – From simple standard reports to ready-to-use data warehouse content, mySAP ERP HCM provides every reporting and analytic tool you need to meet your most demanding reporting requirements.
- **Ad hoc query** – The ad hoc query tool generates comprehensive business reports, statistics, and ranked lists. Ad hoc query accesses operational data and creates reports that are tailor-made for your company’s needs.

mySAP ERP HCM has workforce analytic capabilities to help you make wise human-capital management (HCM) decisions. The total solution provides data analysis and reporting tools as well as strategic enterprise management capabilities. mySAP ERP HCM analytic capabilities include:

- **Strategic alignment** – The solution ensures that all departments are in line with the strategic direction of your enterprise and helps employee teams around the globe work toward common objectives.

SAP NetWeaver

With today's accelerated pace of business change, you cannot afford to be locked in a rigid IT strategy. You must continually adjust business processes at reasonable costs. That's why SAP powers its business solutions with SAP NetWeaver™, an open integration and application platform that is designed to reduce the total cost of ownership (TCO) across your entire IT landscape.

SAP NetWeaver empowers you to enable flexible business strategies and to deploy innovative business processes while making use of your existing software and systems. It integrates and aligns people, information, and business processes across technologies and organizations by using open standards and technologies. This comprehensive technology platform provides preconfigured business content that reduces the need for custom integration and can be extended with commonly used development tools such as Java 2 Platform, Enterprise Edition (J2EE); Microsoft .NET; and IBM WebSphere.

SAP NetWeaver is also the foundation for Enterprise Services Architecture, the SAP blueprint for solutions based on Web services.

SAP NetWeaver is provided as a general-purpose technology platform. Its capabilities are delivered by the following technology components:

- SAP Business Intelligence
- SAP Enterprise Portal
- SAP Exchange Infrastructure
- SAP Master Data Management
- SAP Mobile Infrastructure
- SAP Web Application Server
- SAP Composite Application Framework
- SAP NetWeaver Developer Studio

SAP for Logistic Service Providers is powered by the SAP NetWeaver to boost employee efficiency, improve business insight, enable mobile access, and ensure seamless information transparency and consolidation across heterogeneous systems within and outside the enterprise. SAP for Logistic Service Provider make use of the following SAP NetWeaver components:

SAP Business Intelligence

The business intelligence component of SAP NetWeaver combines a powerful business intelligence platform, a comprehensive set of tools, and data warehousing capabilities – for a comprehensive, up-to-the-minute view of your entire business.

Decision-support tools for mission-critical tasks such as query, reporting, and multidimensional analysis to support collaborative decision making.

SAP NetWeaver enables you to:

- Display analyses in a variety of formats including grids, graphs, and maps
- Quickly adjust strategies to respond to market changes
- Monitor the performance of key success factors using external and internal benchmarks
- Efficiently combine data from all enterprise data sources for analysis

Enterprise Portal

With SAP NetWeaver, people are integrated via a unified, personalized single point of access to heterogeneous IT environments which increases the efficiency of their daily work.

Dynamic, cost-effective communication among teams and communities by using virtual collaboration rooms and real-time collaboration tools is promoted. Multichannel access to enterprise systems with mobile devices and voice systems make it possible to do business anywhere.

Master Data Management

SAP Netweaver provides a component for master data management to ensure that everyone in your organization has access to the same information through cross-system, enterprise-wide business processes and analytics.

SAP NetWeaver enables logistic service providers to store, revise, and consolidate master data and consistently distribute it to all applications and systems within your company's IT landscape.

SAP NetWeaver encourages collaboration by providing cross-system data efficiency, regardless of physical system location or vendor origin. Open and highly scalable, the solution provides sophisticated data consolidation, harmonization, and maintenance for SAP and non-SAP solutions.

SAP Solutions for Mobile Business powered by SAP NetWeaver

SAP solutions for mobile business takes supply chain management to a higher level. By integrating mobile phones, PDAs, radio frequency (RF) devices, and onboard computers with your company's information systems, it extends enterprise computing to new processes, people, and places.

SAP's mobile capabilities provide a convenient, time-saving, and highly accurate means of capturing your data on the movement of goods and other events. You can monitor tasks and get up-to-date information on the status of processes.

SAP FOR LOGISTICS SERVICE PROVIDERS – mySAP CUSTOMER RELATIONSHIP MANAGEMENT

mySAP CUSTOMER RELATIONSHIP MANAGEMENT

With mySAP Customer Relationship Management (mySAP CRM), companies can track all information about shippers, transactions, relationships, and services throughout the CRM life cycle. mySAP CRM helps you optimize your shipper relationships, create unique brand images, and improve the bottom line.

CRM Marketing

mySAP CRM supports your entire marketing process, from planning and budgeting to segmenting, designing, and executing. CRM helps your marketing efforts succeed by bringing a higher level of science to the process.

The marketing planning capabilities of mySAP CRM let an organization plan all marketing activities centrally and implement them across the enterprise. The streamlined planning process gives you the flexibility to deal with quickly shifting market trends.

mySAP CRM also enables campaign automation, e-marketing, optimized lead management, precise marketing analytics, customer segmentation, and trade show management.

With mySAP CRM, a logistics service provider can create targeted, personalized campaigns across all communications channels including direct sales, call centers, mail, e-mail, fax, the Internet, and mobile devices.

CRM Sales

mySAP CRM helps you increase the productivity of your sales reps and ensure that customers receive highly personalized service. CRM functions consistently and effectively to turn promising leads into profitable customers.

CRM addresses the needs of direct sales, telesales, channel sales, and e-selling programs. CRM lets sales teams proactively plan, execute, and monitor their sales approaches for more effective customer and prospect management.

CRM Service

This comprehensive solution gives your organization a clear focus on customer satisfaction. Using CRM, service employees can provide best-practice support in every area, from multi-channel communications to managing your installed base to delivery of field service. The service capabilities of mySAP CRM include:

- **Customer service and support** – mySAP CRM helps your interaction center manage and fulfill commitments to customers and partners through efficient service planning and execution.
- **Service planning and forecasting** – The solution helps you establish service plans for optimal performance while creating a consistent revenue stream.
- **Resource planning and optimization** – mySAP CRM enables you to plan long-term resource strategies and optimize short-term scheduling tactics.

CRM Customer Interaction Center

The interaction center of mySAP CRM provides full functionality for all types of customer interactions, whether by phone, e-mail, fax, Internet, or personal contact.

The interaction center has powerful contact-management features that help LSP companies become more efficient, productive, and customer-focused. These features include:

- **Contact management** – Manages and processes information about your individual customers (contact history) across all touch points.
- **Knowledge management** – Expedites shipper inquiries quickly by bringing enterprise intelligence to workers' desktops. Your employees can quickly and easily initiate searches based on questions or requests.
- **Analytics** – Allows decision makers to track interactions, observe trends in product quality or customer lifetime value, and evaluate employee performance.

CRM Mobile Sales

With mySAP CRM, your company's mobile sales force can gather, enter, and share important customer information in real time. CRM enables salespeople to identify leads, prioritize opportunities, prepare for sales calls, generate quotes, and finalize orders.

With its mobile sales capability, mySAP CRM supports multiple handheld devices and gives quick access to the information you need to effectively manage each opportunity. Field salespeople can use PDAs and other popular devices – such as tablet PCs – with mySAP CRM to perform their daily tasks anywhere, anytime.

mySAP CRM communicates directly with all other mySAP Business Suite solutions using middleware that saves important data in a separate database in the central CRM system.

CRM Mobile Service

How well an organization maintains accurate, timely communications with mobile service workers can have a significant impact on its customers and profitability. mySAP CRM provides a suite of tools that meets the needs of your field service force.

CRM gives service representatives who use mobile laptops, handheld devices, and tablet PCs an integrated view of customers, actual and historical service orders, service contracts and other important service information.

By using mySAP CRM, you can:

- Plan and manage the delivery of services
- Obtain the information your team needs to carry out service orders on-site
- Manage service orders assigned to field-service personnel
- Generate service billing
- Analyze the financial and operational health of the service business

CRM Analytics

With mySAP CRM Analytics, you can discover the key insights to increasing customer value by gaining a complete overview of your customers' activities, interactions and transactions. mySAP CRM delivers these important insights to every customer facing employee in your organization. The rich set of

modeling and planning capabilities use customer data to provide important perceptions into customer behavior and value allowing you to easily incorporate these insights into your business strategy. With the analytical capabilities of mySAP CRM, employees who deal with customers can make consistently smarter and faster decisions so that the right customers get the right services and attention they need.

CRM Analytics provides you with a toolset to distribute information in a variety of formats ranging from web cockpits to excel spreadsheets, designed to give you complete visibility over your organization. The following classes of analyses are available:

- Customer Analytics
- Product Analytics
- Marketing Analytics
- Sales Analytics
- Service Analytics
- Interaction Channel Analytics (including Field, Interaction Center,
- Partner and Channel, and E-Analytics)

SAP FOR LOGISTICS SERVICE PROVIDERS – mySAP SUPPLIER RELATIONSHIP MANAGEMENT

A large, well-managed supply base is a valuable asset that can only come about when the interdependent processes of buying and selling are connected and automated. mySAP Supplier Relationship Management (mySAP SRM) gives logistic service providers the ability to evaluate and fine tune their supply strategy and suppliers, improve accuracy, compress cycle sourcing times, and collaborate more efficiently with their suppliers.

Effective supplier relationship management contributes to improving customer relationships, contract compliance, purchasing efficiency, and to lowering the total cost of procurement. mySAP SRM helps you make your supply base more productive and get maximum return on your relationships with suppliers.

SAP FOR LOGISTICS SERVICE PROVIDERS – mySAP SUPPLY CHAIN MANAGEMENT

As the business environment becomes faster and more unpredictable, logistics service providers must be faster, more efficient, and more flexible, which puts pressure on their warehouse operations. Warehouse activities, people, and equipment must be coordinated with precision.

To help logistics service providers succeed in this environment, SAP offers the mySAP Supply Chain Management (mySAP SCM) solution. mySAP SCM provides a comprehensive, end-to-end solution that helps you manage inbound, fulfillment, and reverse logistics.

mySAP SCM lets you support a variety of value-added services such as customer-specific packaging and one-time labeling, and its functionality helps you monitor work, analyze warehouse performance, receive alerts when processes are not completed on time, and generate reports.

FULFILLMENT ORDER MANAGEMENT

SAP enables end-to-end order fulfillment and management throughout its three major stages – sales order processing, logistics coordination, and billing:

- **Sales order processing** – Allows order entry, pricing, and scheduling of orders for fulfillment.
- **Logistics coordination** – Fulfillment coordination controls the actual fulfillment of a sales order. It sets the touch point of order management in customer relationship management (CRM) and order fulfillment within supply chain management systems.
- **Billing** – The final processing stage of a business transaction. With SAP the information on billing is available at each stage of order and delivery processing.

EXTENDED WAREHOUSE MANAGEMENT

You can manage inventory, closely monitor warehouse processes, and accurately model complex warehouses with mySAP SCM. You can also make use of a variety of value-added services such as customer-specific packaging and on-time labeling.

With mySAP SCM you can:

- Support multiple customers with a single warehouse management system
- Manage inbound and outbound processes
- Take full advantage of radio frequency (RF) technology
- Share dispatch advice with customers
- Manage handling units
- Optimize warehouse activities

TASK AND RESOURCE MANAGEMENT

Warehouse processes and related tasks are becoming more complex, making it more important than ever to use existing warehouse resources efficiently. To achieve a high level of efficiency, SAP developed the Task and Resource Management (TRM) component.

TRM controls task processing and the sequence in which tasks are processed. With TRM, each task in your warehouse is processed at the right time, using the best resources for the job. The system considers current workload and geographical position of the resources. By using TRM to minimize the number of routes in the warehouse and simplify warehouse movements, you can achieve considerable cost reductions in the material-flow process.

CROSS-DOCKING

The new cross-docking functionality – part of SAP’s warehouse management extension – processes incoming goods and issues them without the need for storage. This functionality supports both planned and opportunistic cross-docking, which speeds up the flow of goods through your facility and reduces cycle times.

YARD MANAGEMENT

SAP’s yard management functionality gives you a starting point for extending warehouse management and control beyond the traditional “four walls” of the warehouse. Yard management links inbound and outbound transportation functions with the distribution center (DC) to optimize the flow of goods into and out of your DC. This new functionality makes your complete supply chain more efficient by reducing storage requirements and improving door and lock utilization.

VALUE-ADDED SERVICES

The enhanced functionality of value-added services (VAS) focuses on warehouse operations that increase the value of goods such as hanger insertion, price marking, tagging, packaging, and labeling. VAS functionality creates and monitors value-added services activities in your warehouse. VAS is tightly connected to yard management and cross-docking since the direct flow of goods through a warehouse without immediate storage can require repackaging or other value-added services.

RADIO FREQUENCY

By integrating radio frequency (RF) devices with information systems, the power of enterprise computing is extended to new processes, people, and places. RF devices are used in all areas of supply chain management, from planning and production to warehouse and transportation.

DECENTRALIZED WAREHOUSE

You can run SAP’s warehouse management capabilities on a central server or you can run it decentralized. By decentralizing SAP, you can achieve round-the-clock operation in the warehouse, high system performance despite a large number of documents, short response times when using the direct database, and freedom from the release status of your central system.

The decentralized warehouse system can also handle many central systems, thus enabling you to bring goods of different systems and owners together in one system – SAP.

Handling Unit Management

mySAP SCM helps manage handling units (the physical units comprised of packaging material and the packaged goods) through its handling unit management capabilities. For internal processes, SAP lets workers plan a handling unit based on an order.

Handling unit management capabilities also support external processes. After shipping is completed, workers can notify the shipper of handling units formed during picking (because of “pick and pack”) or as a result of customer-specific packing.

Logistic service providers can achieve leaner, more cost-efficient processes by using handling units in all internal and external processes including production, quality management, warehouse management, inventory management, shipping, and transportation.

Shipping

With mySAP SCM you can combine sales orders, split large orders, and prioritize single or collective orders for delivery according to availability. SAP also supports rational packing processes such as “pick and pack” at packing stations. You can print the necessary shipping documents directly from the system or forward them to customers and partners electronically as delivery notifications.

TRANSPORTATION MANAGEMENT

mySAP SCM offers a complete set of tools to enhance and improve every transaction in the transportation process. Most of the process steps are either fully enabled or enhanced by the mySAP SCM transportation management feature, including placing orders, developing transportation plans, managing events, and processing deliveries.

Transportation Planning and Vehicle Scheduling (TP/VS)

A major enhancement of logistic processes, TP/VS reduces transportation-related costs, increases vehicle utilization, and improves on-time delivery of shipments.

TP/VS provides the following functionalities:

- Searches for the best solutions by evaluating possible solutions using a cost function
- Accounts for several different constraints
- Looks simultaneously at the schedule, pickup and delivery routes, load consolidation, and vehicle assignment alternatives
- Automatic carrier selection
- Collaboration scenarios via the Internet, Electronic Data Interchange (EDI), or Extensible Markup Language (XML)

Freight cost calculation and settlement – With TP/VS you can get an accurate, detailed freight cost calculation. After shipment costs are calculated, and the settlement process with the relevant carriers can be initiated. Both costs and accruals are posted and, if required, shipment costs can be billed to the shipper and as well as credited to the carrier.

EVENT MANAGEMENT AND PERFORMANCE MANAGEMENT

With the mySAP SCM solution, you can manage processes, inventories, assets, and partners – the events that take place across the supply chain – and do everything from tracking shipments to monitoring complex business flows in major processes.

The ability to perform supply chain event management lets you manage information across a variety of systems and multiple tiers at every stage of the supply chain process – from price quoting to the moment the customer receives the product.

You can create and track a set of events – the relevant milestones of a process – such as the goods issue of a pallet or the departure of a truck using mySAP SCM. Or you can use the solution’s exhaustive set of predefined events that cover industry-specific practices.

Voice Recognition

Voice recognition technology leaves your warehouse employees’ hands free to focus entirely on picking and packing and moving stock. Employees get information through a headset. They can confirm requests – picking or put-away – using their voice. They do not need to use a bar-code scanner, an input device, or a paper list.

SAP integrates the voice application directly within the SAP screens and transaction flow. For example, if the transaction screen display says to take pallets to a specific bin location, this text information will be converted into speech and delivered to the workers through their headsets. They can confirm a bin location for put-away by saying the bin information into the headset. The voice recognition system converts voice into text and puts it directly into the data-entry field of the transaction that is waiting for bin verification.

RFID/Auto ID Technology

With the availability of low-cost passive and active radio frequency identification (RFID) tags for pallets, cases, items, and assets moving along the supply chain, and the prevalence of the Internet, many experts foresee an era of “things” becoming “smart” and “online.” A broad range of objects will be able to identify themselves electronically, enabling improved and new business processes and increased adaptability.

This auto-ID technology holds particular promise for warehouse management, where it can enable LSPs to have detailed information about products and their locations and movements. SAP is working to provide business solutions and infrastructures that will enable companies of all sizes to take advantage of “online smart things.”

SAP Global Trade Services

The SAP Global Trade Services (SAP GTS) packaged application helps logistics service providers manage all complexities of international trade including full regulatory compliance, interactions with customs, and management of risk while trading on a global basis.

SAP GTS consists of separate modular components that enable LSPs to improve their supply chain and comply with international regulations. The components Compliance Management and Customs Management are available now. Risk Management will be available in the second half of 2004. Features of these components include:

- **Compliance Management** – Manages international trade compliance issues in three primary areas: sanctioned party list screening, license management, and embargo checking
- **Customs Management** – Facilitates interactions between your enterprise and customs agencies, driving the efficient movement of goods and information across international borders
- **Risk Management** – Provides mechanisms to ensure that all parties involved in cross-border trading meet their contractual obligations and helps them mitigate financial risks while trading on a global basis

DEMAND AND SUPPLY NETWORK PLANNING

The demand and supply network planning capabilities of mySAP SCM provide an enhanced vision of your network. This vision gives stakeholders a single, focused demand plan and allows effective planning for production, warehousing, and transportation. This vision is necessary for logistic service providers acting on behalf shippers, especially the lead logistics service providers.

The functionalities offered by SAP to provide demand and supply network planning capabilities include:

- SAP Demand Planning, a packaged application of mySAP SCM, is a powerful, easy-to-implement solution that supports every function to accurately forecast and manage customer demand, including statistical forecasting, data representation, demand planning, and demand management.
- The supply network planning component enables improved usability, performance, and integration, allowing stakeholders to share a single, focused supply network plan. The planning solutions of mySAP SCM help workers create production, warehousing, and transportation plans across your organization's supply network.
- Global available-to-promise capabilities in mySAP SCM allow logistics service providers to perform multilevel availability checks of supply and transportation resources. The solution's global available-to-promise (ATP) capability checks the availability of materials and components in distribution centers, production sites, and storage locations. Global ATP then electronically promises customer orders based on best availability.
- Service parts planning in mySAP SCM, gives logistics service providers the ability to plan in both the product-driven and service management-driven supply network. Service parts planning and optimization deals with the overall planning of the service network, including forecasting demand at various customer locations, calculating optimal stocking levels for each location, and replenishing or rebalancing service parts throughout the network.

INVENTORY COLLABORATION HUB

Another important functionality of mySAP SCM is the Internet-based Inventory Collaboration Hub (ICH), which is designed to help logistics service providers collaborate more effectively with suppliers and increase overall speed, accuracy, and adaptability of the supply network. It provides inventory and demand visibility to your suppliers and supports supply-side replenishment processes, such as supplier-managed inventory (SMI). Your suppliers can see the status of their inventory at their customers' locations. They are alerted via e-mail when levels get too low. They can respond to these alerts by creating replenishment orders via the Web. With its open, scalable design, ICH can be implemented as a stand-alone solution or quickly and easily integrated with mySAP Business Suite or non-SAP solutions.

mySAP PRODUCT LIFECYCLE MANAGEMENT

mySAP Product Lifecycle Management (mySAP PLM) provides a holistic view of all asset-related business processes and information throughout the complete asset life cycle and the extended supply chain. mySAP PLM helps with every stage from conception, design, engineering, and change management as well as service and maintenance.

Facility Management/Fleet Management

With SAP, you can manage physical assets and equipment through their entire life cycle, from investment planning to operation, obsolescence, and asset replacement. The solution helps you manage the selection, purchase, and installation of equipment and monitor assets, perform equipment repairs, and track costs for individual assets.

Quality Management

SAP delivers a wide range of integrated quality management capabilities and mobile solutions to ensure the quality of your assets, services, and processes. The solution enables you to:

- **Practice continuous improvement** – Quickly identify and analyze problems, and act to eliminate their causes. A Web-based approach allows employees and partners to create service requests via the Internet.
- **Manage audit processes** – The audit-management functions of SAP let you plan, conduct, and evaluate audits enterprise-wide. Perform internal or external audits of systems, processes, and assets.
- **Deliver quality-related information** – SAP gives you quality-control capabilities that support strategic planning, continuous monitoring, and quick intervention to solve problems.

Service Parts Management

Manual processes that slow down delivery of spare parts – paper catalogs, phone calls, fax messages, and other redundant steps – can be dramatically streamlined with the Spare Parts Online component. SAP uses the Internet to connect OEMs, suppliers and retailers/dealers, and create a seamless flow of information that speeds up the delivery of parts.

Spare Parts Online provides a user-friendly Web interface that lets dealers select and order parts electronically. Dealers can review an integrated catalog of spare parts that offers an assortment of price lists, graphics, lists of purchase order numbers, drawings, and descriptions, making it easy to find parts and view a comprehensive list of available parts.

SAP INDUSTRY SOLUTIONS FOR LOGISTICS SERVICE PROVIDERS

SAP FOR RETAIL

No industry has changed as quickly or become as challenging as the retail industry. Consumers are spending less, yet they are demanding faster service, better product selection, and lower prices. To survive, retailers are turning to logistics service providers in order to ensure that they meet the increasing demands of their customers and improve efficiency.

The SAP solution provides you with a powerful set of tools and capabilities to ensure that you meet the requirements of the retailers and the increasing demands of their customers. The tools and capabilities include:

- **Store replenishment engine** – Helps balance your entire ordering process, enabling you to cut waste and avoid over-stock situations.
- **Distribution center replenishment engine** – The core of efficient office supply chain planning, this function aggregates and analyzes all purchase order data to assist with forecasting.
- **Portals** – This powerful, Web-based interface provided by SAP's enterprise portal technology lets you share sales data and quickly provide accurate replenishment services.

SUPPLY CHAIN MANAGEMENT FOR THE OIL AND GAS INDUSTRY

The trader's and scheduler's workbench (TSW) capabilities in SAP for Oil & Gas work seamlessly with mySAP SCM to provide functions tailored specifically for this complex business arena. The TSW enhances the scheduling functions for transportation and distribution, especially the business processes for the mid-stream and primary distribution areas of bulk movements.

The following capabilities of the trader's and scheduler's workbench help you manage the entire supply network:

- Inventory and replenishment planning, including supply-chain balancing
- Scheduling, including the distribution schedule
- Nomination process management
- Integration with execution processing, including ticketing for bulk oil transactions

SAP FOR AUTOMOTIVE

mySAP SCM allows you to enhance service to your automotive customers, while reducing inventory and overall supply chain costs. It also provides visibility, collaborative capabilities, and adaptive processes needed to respond in real time to changing market conditions.

The SAP solution offers:

- **Supplier portal** – Simplifies the exchange of documents between a manufacturer and its suppliers, and gives suppliers access to information on manufacturers' systems. A standard Internet browser connects suppliers to OEMs' systems, enabling suppliers to track orders, deliveries, and settlements, as well as produce shipping notices. This Internet-based approach can be a low-cost alternative or enhancement to the Electronic Data Interchange (EDI) widely used in the automotive industry.
- **Collaborative procurement** – Procurement, production, and distribution can be planned across the entire supply chain taking all constraints – such as capacities and materials – into account.
- **Sequenced just-in-time (JIT) calls** – Users can prioritize the delivery of components for individual vehicles to the production line at the moment they are needed.

- **Handling units and returnables management** – Enables reusable packaging provided by an OEM for transporting goods to be returned to the OEM. Special logistics functions track the movement of the returnable units, which come empty to the supplier and return full to the OEM, and posts them to a returnable packaging account.
- **Collaborative management of delivery schedules (CMDS)** – Establishes communication between customer and supplier for tolerance check, feasibility check, and confirmation of quantities and dates. This includes enhancement for the standard delivery schedules and release procedures, and enables an optimized and stabilized process.
- **Evaluated receipt settlement (ERS)** – Fully automates the processing of incoming credit or payment advice notifications. ERS also looks for differences in quantities and amounts, creates postings for financial accounts, and reduces the maintenance overhead in manual checking of invoices.

CONCLUSION

With SAP for Logistics Service Providers, you can manage the full range of warehouse processes efficiently and effectively, and easily share integrated, accurate information with your customers. As a result, the solutions can help you to:

- Reduce costs by optimizing resources, reducing errors and paperwork, and more tightly managing processes.
- Increase revenue by increasing customer satisfaction, cost-effectively serving multiple customers with one warehouse system, and supporting value-added services.
- Enhance customer service by improving accuracy and speed, providing dispatch advice and other information to customers, and responding quickly to problems and changes.

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