A Cohesive Subsidiary Strategy with SAP® Software



Managing subsidiaries – not to mention suppliers and other partners – is a complex undertaking. With SAP® software, you can empower them all to function independently yet still coordinate operations enterprise-wide. Designed to fit each entity's needs, SAP software is preconfigured to support best practices and provide insights that enable your subsidiaries and other business partners to operate at peak performance.

## STRIKING THE RIGHT BALANCE

When it comes to running a global business in a global market, you want IT and business systems that support data consistency and uniform processes. But when it comes to making decisions in all the different locations where business gets done on a day-to-day basis, you want flexibility and the freedom to make choices that address market conditions on the ground.

This tension that exists between corporate headquarters and the subsidiaries and partners that work with headquarters can be a vexing issue for businesses like yours that operate across geographically dispersed locations. As you enter new markets and acquire new companies, your list of subsidiaries only grows, along with the suppliers and partners you depend on for manufacturing, distribution, logistics, and other vital business functions. When all of these entities run different systems, inefficiencies abound, visibility becomes clouded, IT costs escalate, and your ability to compete becomes compromised.

To succeed in this environment, you need a clear integration strategy. Incompatible systems are out, and the emphasis is on the ability to work together as a cohesive operation. Continuous processes between partners and headquarters are a priority – as is access to information required to best serve customers no matter where they are. In the end, you need to empower your subsidiaries, suppliers, and partners to work efficiently and execute in a coordinated fashion, while at the same time giving them the agility to react quickly to market changes on a case-by-case basis. This is where SAP can help.

# Integrate Your Business Operations

SAP is the only vendor you need to drive your strategy for integrating subsidiaries and other business partners. Our solutions can power your headquarters, manufacturing sites, sales offices, distributors, and suppliers – and support the language, currency, and financial and legal requirements of each location. You can select the best solution for each entity based on fit, budget, functional complexity, and deployment model. Functionality is tightly integrated and supports best practice—based processes for finance, HR, the supply chain, manufacturing, customer relationship management, sales and marketing, business intelligence, and strategy management. Our suite of best-fit solutions includes:

- SAP Business All-in-One solutions: These comprehensive, industry-specific solutions can power your business processes from start to finish. They're a good fit for companies with more sophisticated operations that want a scalable foundation.
- SAP Business ByDesign® solution: Delivered on demand, this software-as-a-service solution provides the functionality you need without requiring a large IT infrastructure.
- SAP Business One application: This is a single, integrated application available both on premise and on demand. It's ideal for businesses that want to get up and running quickly and affordably.

You can deploy any combination of these solutions wherever they are best suited within your extended organization. You can also choose the deployment method – on premise, hosted, hosted subscription, or on demand – based on the needs of the site and your business objectives. The advantages can be dramatic. You'll be able to:

- Meet compliance requirements: SAP solutions support global best practices, enabling the traceability required to audit operations and fully comply with both corporate polices and external regulations.
- Speed up end-user acceptance: SAP solutions come prepackaged with built-in localization to meet the needs of your geographically dispersed subsidiaries and partners. You can roll out the solutions quickly, and with simple user interfaces, wizards, and report writers, you can have your people up and running quickly.
- Increase enterprise-wide agility: SAP solutions are known for their horizontal breadth, vertical depth, and standardized template design. This helps you strike the right balance between corporate and subsidiary needs. What's more, your subsidiaries and partners can implement the way they want, thanks to options for centralized hosting or decentralized installation. You can also use SAP solutions to better manage mergers and acquisitions as your company grows.
- Realize a low total cost of ownership: SAP solutions are designed in a standardized fashion, giving you the advantage of low costs of entry and maintenance. They also help you maximize resource utilization throughout the enterprise – all of which keep your total cost of ownership down and your ROI up.
- Meet the needs of your subsidiaries: SAP solutions come preconfigured to support industry-specific needs, policies, and processes. No matter what markets your subsidiaries serve

   and no matter where they do it – you'll have fit-for-purpose solutions that still enable coordination on the corporate level.



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#### OPERATIONAL INSIGHT ACROSS THE ORGANIZATION

The ultimate purpose of your organizational data is to give people the insight to make the best decisions. You should ask not only "Are we executing well?" but also "Are we doing the right things?" With SAP solutions, you can answer both questions by providing information, analysis, and visibility of each operation, throughout each process, and across the entire organization.

Reports and real-time dashboards let you monitor key performance indicators. The ability to query helps you predict the impact of different business scenarios, such as changing your product mix or adding a new sales channel. You can evaluate supplier performance to help ensure that the right products get where they need to be at the right time. In the end, you'll be able to uncover answers at all levels of your organization, driving the insight to respond nimbly to changing business conditions.

#### STANDARDIZED, INTEGRATED BUSINESS PROCESSES

Based on years of experience, SAP has developed software that supports best practices specific to the industries in which your subsidiaries and business partners operate. Tools, methodologies, and preconfigured business scenarios help you standardize business processes, map data between SAP solutions, and integrate SAP and third-party applications.

What's more, an underlying integration framework helps orchestrate activities and processes across SAP Business One, SAP Business ByDesign, SAP Business All-in-One solutions, and the SAP ERP application as well. It can also help integrate third-party applications and other technologies such as service-oriented architecture. This framework contains built-in services, interfaces, and templates that shorten time to value.

#### GLOBAL PARTNER ECOSYSTEM

The SAP global partner ecosystem is ready to assist you in deploying integrated business solutions to support your integration strategy. We select our partners based on their deep industry knowledge, understanding of local market requirements, and experience in deploying SAP solutions in more than 40 countries. They can help determine the solutions that best match the requirements of each of your subsidiaries, suppliers, and partners. They also develop the architecture and deploy the solutions to deliver the highest-possible value.

### THE BENEFITS OF ENTERPRISE-WIDE COHESION

With SAP software supporting your growth strategy, you can:

- Increase efficiency across your operations and those of your business partners
- Provide subsidiaries with flexibility and independence while enabling them to conform to headquarters' directives
- Gain the visibility to respond nimbly to customer and market changes

## FIND OUT MORE

To learn more about how SAP can help you drive your integration strategy for your subsidiaries and business partners, call your SAP representative today or visit us online at <a href="https://www54.sap.com/solutions/sme/software/erp/two-tier.html">www54.sap.com/solutions/sme/software/erp/two-tier.html</a>.

