

SAP Solution Brief

SAP Solutions for Analytics

SAP Performance Analytics for Engineering, Construction, and Operations

Enabling Insight into Strategic and Operational Performance



Quick Facts

Summary

In a low-margin industry with capital-intensive projects, success can depend on tightly monitoring and controlling the performance of projects. The SAP® Performance Analytics for Engineering, Construction, and Operations analytic application can make this task easier by helping managers identify issues, derive insights, make optimal decisions, and take action.

Business Challenges

- Tightly monitor and control project performance
- Detect and mitigate risk early in the project lifecycle
- Give managers appropriate information to make better decisions
- Avoid time and resources involved with developing firm-specific analytics content

Key Features

- **Project and business financial analysis** – Evaluate measures such as revenue, costs, and profit
- **Project and business execution analysis** – Track measures such as earned value, schedule variance, and incident rate
- **Project and business resource analysis** – Review measures such as productivity index, labor efficiency index, and equipment utilization
- **Root cause analysis** – Drill down through dashboards and reports to find sources of variance
- **Visualization of information** – View key, contextually relevant information in an easy-to-understand format

Business Benefits

- **Improved project profitability** with more visibility into execution and productivity issues
- **Better business planning** via insights into performance of lines of work and business units
- **Support for best practices** for strategic and operational performance management
- **Enhanced agility and competitiveness** due to fast information analysis and optimal decision making
- **Quick ROI** thanks to rapid deployment

For More Information

Call your SAP representative, or visit us on the Web at www.sap.com/industries/engineering-construction-operations.



The Best-Run Businesses Run SAP™

The engineering, construction, and operations industry is highly competitive and requires strict strategic and operational efficiency. Success demands **tight control of cost and schedule performance** of projects in execution. The SAP® Performance Analytics for Engineering, Construction, and Operations analytic application helps you track progress and stay on course.

In the construction industry, external pressures create challenges that can impact the performance of your firm. Eroding profit margins, a diminishing workforce, increased owner expectations, and rapidly changing technology are all issues that managers need to contend with. Firms where managers deliver on the performance goals for their projects and portfolio of projects rise to the top. Only those that employ best-in-class practices and actively monitor and tightly control their performance are able to successfully meet business profitability goals.

ACCEPTING THE PERFORMANCE MANAGEMENT CHALLENGE

Key challenges for managers in this climate include:

- Identifying the relevant strategic and growth issues up front
- Identifying performance issues with projects and project portfolios
- Investigating negative variances in profitability and cash position on projects
- Identifying gaps in resource productivity on projects
- Identifying issues with safety and quality on projects
- Analyzing and assimilating sporadically available information into key performance indicators (KPIs) to drive insights and status reporting

Managers are most likely to succeed when they approach these critical tasks with a holistic assessment of current project operations based on solid, timely, and actionable information. SAP can help. We offer industry-specific software that provides crucial visibility and insights for managing business and project performance optimally.

CHOOSING AN INTEGRATED, FLEXIBLE, POWERFUL SOLUTION FROM SAP

With SAP Performance Analytics for Engineering, Construction, and Operations, clear visualization of all relevant data supports better decision making. Years of SAP experience in developing project management functionality and analytic applications have gone into building a solution that is integrated, flexible, and powerful. This single application delivers comprehensive business intelligence across the entire project lifecycle, covering all aspects of project execution, while enabling connectivity to nearly any data source – whether internal or external. Managers see at a glance the status of business and project execution and can use ad hoc query functionality for further analysis of data, if needed. Because the application can be rapidly deployed, your ROI is faster. A preconfigured data model and over 60 predefined reports in the application also speed time to value.

SAP Performance Analytics for Engineering, Construction, and Operations has the flexibility to meet your company's diverse requirements. The application is extensible to mobile devices. It works readily in heterogeneous data environments that source SAP and non-SAP applications alike. And you can take advantage of a wide array of support options from SAP, including management consulting, quick-start, and optimization services.

OUTFITTING MANAGERS WITH THE RIGHT TOOL

SAP Performance Analytics for Engineering, Construction, and Operations offers managers a groundbreaking application that provides up-to-date, consistent business intelligence from everywhere in the construction lifecycle. The dashboards and reports help you notice variances in the areas that most often cause cost and schedule creep and impact profitability. You can monitor performance against cross-functional KPIs and share that information graphically with all appropriate audiences. You can drill down and further analyze the data to detect root causes.

Like all SAP solutions for analytics, SAP Performance Analytics for Engineering, Construction, and Operations includes predefined dashboards and reports and integrates with other SAP software for ad hoc analysis of information. Dashboards provide summarized information, whereas reports support the information analysis by providing detailed views. The application also presents information in a contextually appropriate manner, allowing you to visually correlate information, derive better insights, and quickly investigate variances. You get the business intelligence you need for assessing financial viability and optimal resource utilization.

MANAGING FINANCIAL PERFORMANCE

Managing financial performance of capital-intensive projects and business in a low-margin industry is of utmost importance. SAP Performance Analytics for Engineering, Construction, and Operations not only provides complete visibility into project revenue, costs, profitability, and cash but also aggregates data across projects to depict profitability and liquidity at a portfolio level. The ability to analyze financial data across lines of work and geographies highlights performance and growth issues and provides strategic insights for investing and growth. You will be able to look at the performance for the current time period as well as at the historical trends.

MANAGING EXECUTION PERFORMANCE

Staying within budget and meeting profitability targets require tight execution and delivering projects on schedule. With SAP Performance Analytics for Engineering, Construction, and Operations, you can not only track project performance on a cost and schedule basis but also track the earned value and project progress in terms of percent complete. You can analyze schedule and cost variances by looking at change orders and also assess quality of the work for a project. The application helps you identify risky projects in terms of environmental, health, and

safety issues and determine the impact of such incidents on profitability. Indicators and information depicting purchase and buyout performance and backlog reduction will help you plan ahead.

MANAGING RESOURCE PERFORMANCE

How productive are your project resources, and how efficiently are your assets being utilized? These factors can significantly influence performance and profitability. SAP Performance Analytics for Engineering, Construction, and Operations lets you monitor and investigate resource productivity and utilization of assets involved in projects. Analyzing productivity trends by type of work and at the activity level will help you track down the variance and take corrective actions.

FIND OUT MORE

To learn more about how SAP Performance Analytics for Engineering, Construction, and Operations can help your company meet its performance goals, call your SAP representative or visit us on the Web at www.sap.com/industries/engineering-construction-operations.

ABOUT SAP

SAP helps companies of all sizes and industries run better. From back office

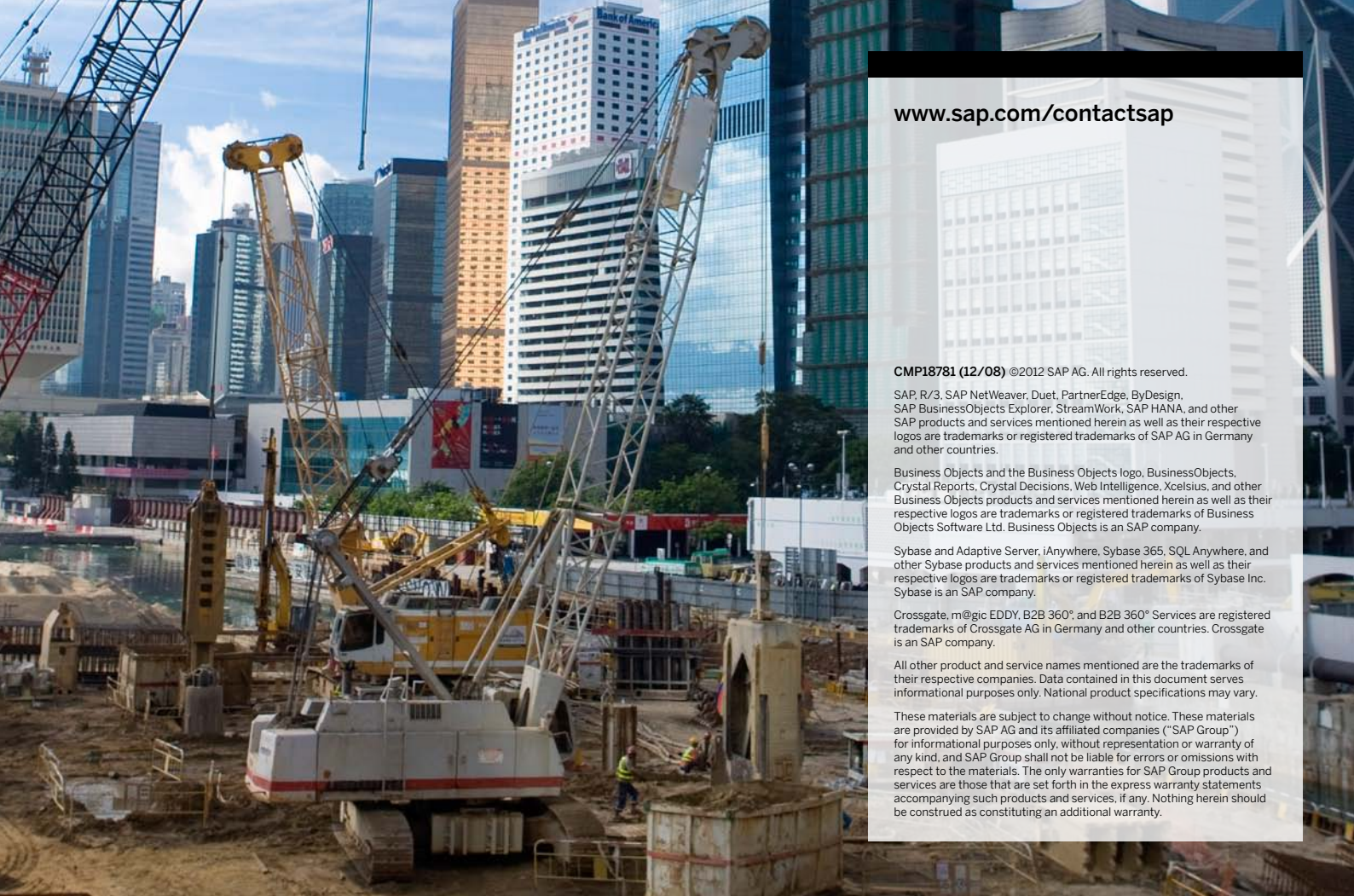
to boardroom, warehouse to storefront, desktop to mobile device, SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. We do this by extending the availability of software across on-premise installations, on-demand deployments, and mobile devices. We believe that the power of our people, products, and partners unleashes growth and creates significant new value for our customers, SAP, and, ultimately, entire industries and the economy at large. Our mission is to help companies of all sizes and industries to run better. Our vision is to help the world run better.

About Our Company

Headquartered in Walldorf, Germany, SAP is the market leader in enterprise application software. Founded in 1972, SAP (which stands for "Systems, Applications, and Products in Data Processing") has a [rich history of innovation and growth](#) as a true industry leader. SAP applications and services enable more than 183,000 customers worldwide to operate profitably, adapt continuously, and grow sustainably. With revenue (IFRS) of €12.5 billion for the year 2010, SAP has more than 54,000 employees and sales and development locations in more than [50 countries worldwide](#). SAP is listed on several exchanges, including the Frankfurt stock exchange and NYSE, under the symbol "SAP."

SAP Performance Analytics for Engineering, Construction, and Operations offers managers a groundbreaking application that provides **up-to-date, consistent business intelligence** from everywhere in the construction lifecycle.





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