Solution Overview
Consumer Products

Executive
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Sustainable
Innovation

SAP Solutions

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Consumer-Driven Innovation

Transform Imagination into Innovation

Imagination to Innovation

Streamline Product Development

Foster Innovation

SAP Innovations

To succeed in global markets, companies must offer new and successful products and services. Sustainability is prominent in customers' minds, and they must play to this sentiment without sacrificing quality and competitiveness. Key to meeting today's market is access to accurate, compliant, relevant, and timely data.

Market globalization has increased consumer choice and product competition, and companies need to keep up with expectations. Better-educated customers present new opportunities, with high-quality, feature-rich products that can claim sustainability taking more of the market. The challenge is not only to transform imagination into innovation, but to do so cost-effectively.

Successful companies respond to global competition by focusing on margins to drive profitability, and performance to maximize loyalty. They introduce next-generation products to differentiate their brands and tap into new market segments.

This strategy also enables companies to meet regulations and self-imposed standards more easily. Ensuring compliance in the early stages of product development helps keep costs under control. When the product development team has access to the full compliance framework, brand value can be optimized and recalls minimized, even eliminated. More effective marketing campaigns also result.

Product Innovation Excellence

Imagination to Innovation

Streamline Product Development
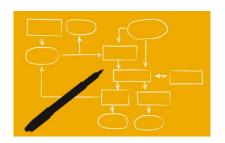
Foster Innovation

SAP Innovations

Progressive enterprises continuously deliver innovative offerings to meet evolving markets. They achieve faster time to market and volume ramp-up to maximize revenue, and manage compliance requirements to protect brand value. They show excellence in innovation by combining creativity with speed while minimizing risk.

In a climate of constant change, the drive for innovation and speed to market is an ever-present challenge. Process integration is key to using the evolving technologies and initiatives to maximize profitability.

To turn ideas into marketable offerings quickly, organizations need a single, consistent process overview, from concept to service. They then have the information to establish performance targets, analyze operations, and determine profitable next steps.

Innovation needs an integrated approach to drive new levels of performance. Decision-support dashboards with a single view of product performance, processes, and financials can help achieve efficiencies by connecting development, sourcing, manufacturing, and service seamlessly from product design to launch. Reduced time to profit results.

As regulatory compliance requirements grow in number, scope, and complexity, enterprises use risk management software to deal with global requirements – from health and safety to environmental impact.

Achieve Product and Service Leadership

Imagination to Innovation

Streamline Product Development

Foster Innovation

SAP Innovations

61%

Higher revenue from new products, where product portfolio goals are communicated downwards through the organization, and the results measured and reported

Source: SAP Performance Benchmarking

Explore new market opportunities and develop innovative products and services to meet them. The results are greater market share, increased profits, and more consumer satisfaction.

Organizations need to achieve maximum advantage from their product and service investments. They do this through improved decision making at all levels as they gather insights into portfolio performance, consumer trends, market demand, supplier performance, product quality compliance, and service satisfaction. They improve financial performance by achieving faster time to market and volume ramp-up. This acceleration occurs through close integration of product and service development, using sophisticated functions for task execution.

The successful organization integrates into its information networks interactions with external stakeholders, such as retailers, partners, and suppliers. This ensures a focus on core competencies. Where task outsourcing is a part of the process of getting products and services to market, organizations must use the tools available to manage the relevant relationships and control costs tightly.

SAP Innovations

Imagination to Innovation

Streamline Product Development

Foster Innovation

SAP Innovations

Product development in a global environment requires innovative technologies that enable companies to collaborate beyond their enterprise boundaries, access product data widely, and gain deep insight into product-level performance.

Database and technology solutions including the SAP HANA platform enable companies to manage the large volumes of master data associated with highly complex product structures. The access controls that these solutions provide are essential for efficient collaboration with external design partners.

Analytics solutions directly embedded in business applications provide 360-degree views into the performance of products, services, and projects. This approach plays an important part in the business by enabling the tracking of product development throughout the complete project lifecycle, resulting in faster, fact-based decision making.

Mobile solutions help increase employee efficiency by directly providing sales and service people and technicians in the field with service instructions and 3-D information about product assembly, capabilities, and store placement, for example. This facility enables project teams to record job time and work progress via mobile devices, increasing the overall quality of project performance tracking.

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Consumer-Driven, Sustainable Innovation

Sustainable Innovation

Manage Innovation

Develop Best Products and
Services

Help Ensure Compliance

Continuous innovation is the lifeline of consumer products companies, supporting the brand and the organization. Successful innovation requires an early understanding of markets and trends.

Manage Innovation

Selecting the best ideas and moving them into product development requires accurate insight. Connecting the innovation process with business intelligence and consumer insight is key to success.
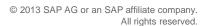
Develop Best Products and Services

Best-run companies manage product and service development centrally, integrating the needs of all stakeholders. This approach reflects the challenges of globalization, regulatory compliance, and changing market trends.

Help Ensure Compliance

Best-run companies embed product compliance functions within their product development activities from the beginning.

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Innovation**

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Continuous Innovation for Success

Sustainable Innovation

Manage Innovation

Develop Best Products and
Services

Help Ensure Compliance

14%

Higher new product revenue
as a proportion of total organi-
zational revenue, where there
are clear and documented
metrics to evaluate the idea
management process

Source: SAP Performance
Benchmarking

Organizations need to constantly identify growth
opportunities while ensuring that innovation road maps
align with corporate strategies, shifting resources to
projects with the greatest potential. Robust program
management processes help ensure completion with full
visibility of portfolio performance.

To succeed, new products must fit with a con-
sumer need. Companies must first gain insight
into market and consumer trends. The best
analytics functions support this need, helping
identify the best ideas. Using different sources in
the search, including social media, companies can
open new horizons.

Converting good ideas into winners is the next
challenge. With only a minority becoming
successful products or services, strong manage-
ment is needed – securing resources, controlling
costs, and meeting targets. Success also depends
on preparing the supply chain and market for a
successful launch, especially if new markets are a
target. Key to success is efficient planning,
monitoring, and controlling of all aspects along the
whole product lifecycle.

When market volatility forces a shift in focus,
innovative organizations are flexible enough to
fine-tune resource allocations.

The path to success lies with coordinating
development and the market launch, engaging all
stakeholders from the outset.

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Accelerated Product Development

Sustainable Innovation

Manage Innovation

**Develop Best Products and
Services**

Help Ensure Compliance

When developing, producing, and maintaining a product,
it is vital to share the same information along the whole
value chain. The product structure is the skeleton on
which all information is built for every relevant department
to access and use.

19%

More new products meet
revenue targets in organi-
zations in which an idea
management application is
integrated with all relevant
NPDI applications

Source: SAP Performance
Benchmarking

Effective product development consists of
several integrated steps, where information is
shared with all participants, and continues over
the product lifecycle as improvements are
made and issues handled.

Integrated product development solutions give
decision makers the timely information they
need and support the increasing demands of
retailers and consumers for information.

Most consumer products companies have
standard process capabilities in place. For
packaging material and specific products like
consumer durables, however, they also need
discrete capabilities.

Efficient transfer of information from product
engineering to manufacturing is critical.
Separate recipes or bills of material (BOMs)
give both departments freedom and flexibility,
but they must stay in sync.

Grouping information lets users see only what
they need. Compliance must be monitored
during product development, when inputs are
defined. Master data management is also
critical.

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Developing Compliant Products

Sustainable Innovation

Manage Innovation

Develop Best Products and Services

Help Ensure Compliance

Product compliance regulations are evolving across the globe, becoming not only stricter but also more complex. This is a challenge that best-run companies convert into an opportunity. They stay a step ahead of the changing regulations by embedding compliance into their product design processes.

16%

Greater new product revenue for organizations with higher maturity of compliance and sustainability processes

Source: SAP Performance Benchmarking

To remain competitive, companies must adopt a proactive approach to compliance, embedding it early in the product development stage. This maximizes product marketability and helps ensure that consumer and retailer expectations are met. It minimizes waste and costly product recalls.

To ensure compliance from the beginning, processes must exist to test and document the attributes of products being developed. This includes collecting from suppliers all relevant raw material information. There must be step-by-step compliance checking during development. Personnel must have easy visibility into all materials used.

Best-run companies proactively and system-atically exchange compliance information internally and externally. This ensures that the products they develop are always compliant, marketable, and true to consumer expectations.

Absolutely critical is compliance for food, bever-age, and home and personal care products.

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Consumer-Driven Innovation Value Map

SAP Solutions

Continuous Product and
Service Innovation

Accelerated Product
Development

Embedded Product
Compliance

SAP solutions address key requirements for integrated product development.

Continuous Product and Service Innovation	Idea Management	Portfolio Management	Project Management	Resource Management	Enterprise Project Connection

Accelerated Product Development	Product Development	ERP Operational Procurement	Manufacturing Ramp-Up		

Embedded Product Compliance	Product Compliance	Product Development	Quality Planning and Control		

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Continuous Product and Service Innovation

SAP Solutions

**Continuous Product and
Service Innovation**

Accelerated Product
Development

Embedded Product
Compliance

65%

Decrease in total product cost
for organizations that evaluate
product ideas with a standard
set of analytics

Source: SAP Performance
Benchmarking

Develop new products and services to strengthen the brand.

Consumer products companies can identify opportunities to develop ideas into products. They can optimize project management processes and commercialize new offerings. They have access to integrated revenue and cost analytics for monitoring product performance and formulating future strategies.

Idea Management	Collect, screen, and rationalize new ideas, assess prospects, and help ensure that prospects match company and brand strategies.
Portfolio Management	Identify the ideas, concepts, and products that will generate the most business value. Take into account available financial and human resources and required skill sets.
Project Management	Integrate project management with enterprise resource planning (ERP) software for insight into cost, time, scope, and quality at each stage of the product development and go-to-market processes.
Resource Management	Allocate appropriate resources to specific tasks. This starts in project planning, where resources are reserved for use once the project is underway.
Enterprise Project Connection	Connect to third-party scheduling tools to retrieve up-to-date project information presented in a comprehensive view of the enterprise portfolio.

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Accelerated Product Development

SAP Solutions

Continuous Product and
Service Innovation

**Accelerated Product
Development**

Embedded Product
Compliance

13%

Shorter time to market for new
products when managing
development projects from
concept via a documented
process

Source: SAP Performance
Benchmarking

Provide a complete and integrated platform for product development.

The solution must provide an effective and integrated platform for developing innovative products and related services, for both process and discrete manufacturing, based on deep consumer insight. The solution must also be capable of meeting the challenges associated with all relevant activities.

Product Development	A single, integrated process flow reduces development times with more opportunity for innovative product design. Data integration increases efficiency and product quality.
ERP Operational Procurement	Teams can consider material sourcing and procurement at an early stage. They get accurate information for evaluating potential suppliers and conducting bidding processes.
Manufacturing Ramp-Up	They can combine and align development processes with manufacturing, enabling continuous data synchronization. This approach supports up-to-date information in both areas, resulting in high product quality and fewer change cycles. It reduces time to market and transforms product data (recipes and BOMs, as well as specifications) into manufacturing data via routing based on a seamless data flow of synchronized communication.

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Developing Compliant Products

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Continuous Product and
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Accelerated Product
Development

**Embedded Product
Compliance**

28%

Higher average annual savings
where contract compliance is
directed, or even mandated,
by system controls

Source: SAP Performance
Benchmarking

Embed compliance in the product development process.

Ensure that new products are compliant by determining all their attributes systematically. This is achieved through quality planning, and by gathering and analyzing compliance information on all inputs, then giving engineers access to all information that is within the context of their work.

Product Compliance	Compliance control requires coordinated data management with embedded, automated processes. This optimizes product marketability and reduces compliance risk, maximizing revenue and brand value.
Product Development	For product compliance, every component must meet required standards. Assessments directed by environment, health, and safety (EHS) and regulatory compliance teams are needed during product development, material sourcing, and vendor selection, along with manufacturing, sales, and delivery processes.
Quality Planning and Control	A total quality management approach that includes integrated, closed-loop planning, execution, improvement, and collaboration keeps operational costs low and consumer satisfaction high. This approach centralizes materials data and combines it with sales data for reporting.

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SAP HANA

Mobile

Analytics

Cloud

36%

Higher operating margin where organizations use IT to enable strategic and competitive advantages

Source: SAP Performance Benchmarking

Leading consumer products companies deliver customer-driven, innovative, high-quality products and services faster. Leveraging new technologies is the key to success. Enterprise mobility provides information anywhere, any-time, while analytics support decision making. Effective "Big Data" management frees up time for creativity.

SAP HANA

Manage large volumes of granular and complex product information. Perform analysis with visibility via real-time in-memory processing to drive better design.

Mobile

Build flexibility in design networks. Have information available anytime, anywhere; gain greater insight into consumers; and operate faster.

Analytics

Evaluate large volumes of product design data quickly to help bring innovative products to market faster.

Cloud

Collaborate with design teams, partners, consumers, and retailers across the globe to identify innovations and find new product opportunities.

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SAP HANA

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SAP HANA

Mobile

Analytics

Cloud

Best-run companies utilize the massive volumes of data that go into new product development. They constantly collect data related to the product, processes, consumer demand, market behavior, and business trends, enabling faster fact-based decisions on designing consumer-focused products.

80%

Of decision-makers think access to the right information at the right time is critical to the business

Source: SAP Performance Benchmarking

Integrated Product Development	To meet consumer needs in today's rapidly changing market, products are constantly increasing in both quantity and variety. At the product development stage, the amount of time designers and engineers spend searching and organizing documents is enormous.
	Integration tools for product development enable project managers to gain insight into all product-related information captured in the documentation. Integration also creates an efficient document structure that enables designers to make decisions faster using up-to-date information. With the SAP document-structure explosion functionalities based on the SAP HANA platform, project managers can extract from the massive data volumes contained in these complex documents the information they need in real time, enabling them to accelerate follow-up actions.

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Mobile

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SAP HANA

Mobile

Analytics

Cloud

24%

Higher operating margins where enterprise mobility is embedded in all business processes

Source: SAP Performance Benchmarking

Improve the efficiency and effectiveness of development and service team members with product- and project-related information on mobile devices. Enable employees by giving them direct access to the information they need while working at the retailer's site or operating in the field.

Continuous Product and Service Innovation	**Continuous Product and Service Innovation** Project team members can record time worked on a project directly through their handheld devices. They can report on rates of job completion while engaged on assigned project tasks, which improves the quality of data used to track progress against planned and budgeted values. Stakeholders and decision makers can use SAP BusinessObjects Explorer software on tablets at portfolio review meetings to analyze overall performance, compare project proposals, and review the innovation pipeline for new products.
Accelerated Product Development	**Accelerated Product Development** With direct integration of 3-D visualization in the development process, project managers can provide visual product information to service technicians and salespeople in the field. Equipped with mobile devices, account managers can review 3-D placement instructions and check product presentations. The SAP Visual Enterprise Viewer mobile app helps remove the obstacles that can inhibit communication between those developing the product and those using the product information.
Embedded Product Compliance	**Embedded Product Compliance** When running recalls, salespeople can use mobile product data to identify problematic instances.

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Analytics

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SAP HANA

Mobile

Analytics

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Development efficiency depends directly on the amount and quality of information available to all concerned. Organizations avoid costly errors when they keep traditional departmental borders open and integrate data from diverse sources. This facilitates comprehensive product and project analytics.

53%

More employees leverage analytical information where business intelligence provides access to advanced analysis tools not requiring technical expertise

Source: SAP Performance Benchmarking

Continuous Product and Service Innovation	**Continuous Product and Service Innovation** Gain insights into development health by accessing project analytics combined with product-related information. With analytical applications directly embedded in port-folio management, the overall performance of the development project portfolio can easily undergo frequent review.
Accelerated Product Development	**Accelerated Product Development** The business context viewer embedded in the working environment of product managers and engineers provides visibility into advanced product information. This includes product costs, quality notifications, and material inventories, viewed in side panels or individually defined dashboards.
Embedded Product Compliance	**Embedded Product Compliance** With the business context viewer providing direct access to product compliance information early in the design phase, engineers can easily include that important information when selecting product materials and components. Full integration with SAP solutions for product compliance helps ensure consideration of regulatory requirements and product standards throughout the whole development phase. SAP rapid-deployment solutions for portfolio analysis, predictive analysis with compliance-check algorithm, and concurrent cost analysis for recipes are all designed for better and faster decision making.

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Cloud

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SAP HANA

Mobile

Analytics

Cloud

Use social networks and other tools to effectively collaborate with consumers, retailers, and partners on new product proposals and ideas. Skip organizational boundaries to facilitate discussion and assessment of ideas between co-innovation partners.

Accelerated Product Development	The SAP StreamWork application enables project managers to involve design partners from conception onwards, allowing team members to jointly identify, rate, and select the best ideas for new product development. The application provides an on-demand collaboration platform that enables administration of the complete process, facilitates communication between collaboration members, and documents the overall progress of the co-innovation process. With mobile access, partners can start the process wherever they may be.

85%

Of organizations stated that cloud computing will have a major impact on them through efficiencies, innovation, or competitive differentiation

Source: SAP Performance Benchmarking

Best-Run Customers

Best-Run Customers

ACH Foods

Henkel

Why SAP?

Ten of the top 10 consumer products companies run SAP.

>61%

Of most innovative companies drive innovation with SAP solutions for research and development

Source: Forbes 2012 and SAP PLM Customer

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Customer Co-Innovation

Best-Run Customers

ACH Foods

Henkel

Why SAP?

SAP co-innovates with leading companies to improve existing solutions through enhancements managed in various customer-connection activities. Customers influence upcoming solutions by participating in customer engagement initiatives.

Customer Network for R & D and Engineering

A forum where customers exchange best practices, discuss challenges, and identify trends in new product development, continuous innovation, and project and portfolio management

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Best-Run Customers

ACH Foods

Henkel

Why SAP?

ACH Foods is a leading manufacturer of food products including food products and spices.

With the implementation of their enterprise systems ACH determined it was a great opportunity to improve their product development process by creating a single source of the truth that was fully aligned with their manufacturing needs.

Key Benefits

- Improved information consistency with a single source of the truth
- Increased speed and flexibility of product design
- Enhanced and new development process functions
- Significant improvement in alignment of product development information and manufacturing data

75%
Less time for internal new-product initiation

25%
Improvement in time to market with new products

"The future support for our legacy software was in doubt, and we didn't want to bet of futures. In SAP, we found a stable, mature product that made our future course clear and certain to us."

Donnie Steward, Chief Information Officer, ACH Food Companies Inc.

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Best-Run Customers

ACH Foods

Henkel

Why SAP?

Henkel is a leading global company for home care, personal care and adhesives, and sealants and surface treatment for consumer and industrial purposes.

With the implementation of R & D functionality from SAP (including C-Folders and integration of recipe management) Henkel was able

to create and distribute product dossiers electronically – and to help ensure comprehensive control of communication.

Key Benefits

- Sustainability in day-to-day operations
- Product information provided more quickly and simply
- Reduced expenditure on paper, office supplies, printing, and postage
- Creation of more product dossiers by the same number of employees
- A tracked dossier recognition process

4

Times more product dossiers can be created in the same time with the same number of employees

"In our cosmetics division alone, we've produced almost 3,000 dossiers since going live. We can now create four times as many product dossiers in the same period of time."

Christiane Werth, Business Project Lead, Henkel AG and Co. KGaA

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Why SAP?

Best-Run Customers

ACH Foods

Henkel

Why SAP?

SAP solutions help manufacturers become more innovative and bring new and enhanced products to market faster. Only SAP provides the breath of managing product data from end to end and across more than 24 industries.
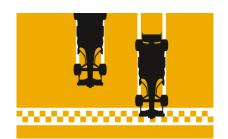
SAP solutions support integrated, end-to-end processes with strong industry-specific functionality.

They connect product portfolio strategy and development across time horizons, in one unified product lifecycle solution.
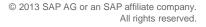
They offer low risk and proven functionalities, broadly adopted by product development leaders across all industries.

They deliver deep insight with comprehensive performance management, benchmarking, and dashboards.

They provide packaged services to leverage the value potential of product development improvements with fast deployment.

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