



SAP® BEST PRACTICES OFFERING SPEEDS SOLUTION IMPLEMENTATION FOR THE CONSUMER DURABLES AND HOME APPLIANCES INDUSTRY

The SAP® Best Practices for Consumer Durables and Home Appliances offering delivers rapid deployment at low risk for companies that are implementing the SAP for Consumer Products solution portfolio. Developed by and for companies like yours in the consumer durables and home appliances industry, the offering provides preconfigured settings, intuitive documentation, and step-by-step implementation procedures. These tools enable you to configure your new software applications, shorten times to go-live, and run state-of-the-art business processes to drive productivity, increase competitiveness, and ensure regulatory compliance – all at minimum cost.

A Powerful, Easy-to-Use Offering That Simplifies the Configuration and Implementation of Your SAP® Solution

SAP knows that consumer durables and home appliances companies face a host of challenges and opportunities in the current era of increasing market consolidation and diminishing consumer brand loyalty, as well as of expanding governmental regulation and growing environmental awareness. You have to launch new products faster than ever to satisfy the demands of the dominant retail players as well as to get consumer and market attention. Moreover, outsourcing of non-value-adding business processes makes close collaboration among your various stakeholders – such as sales and service providers, suppliers, customers, and consumers – more necessary than ever to remain competitive.

But how do you increase visibility, eliminate inefficiencies, and reduce costs across your entire value chain when you're hampered by a legacy of heterogeneous IT systems? And when ROI remains elusive, how can you devote scarce resources to standardizing your business processes on a single platform? Do you have the resources to engage in a long-term system implementation project with poorly defined business benefits?

SAP has the answers.

Two Solutions for You

From managing your supply chain, logistics, operations, and customer and consumer services to financial controlling and corporate services, the SAP for Consumer Products solution portfolio can help you solve many vexing problems posed by multivendor, heterogeneous IT environments. Built on the SAP NetWeaver® platform, the solution portfolio facilitates scalability and future growth.

And with SAP® Best Practices offerings, you can accelerate the implementation of a flexible, focused, and fully configured enterprise-class set of solutions – quickly and affordably. Targeted to the industry, the SAP Best Practices for Consumer Durables and Home Appliances offering covers a set of fully integrated business processes with preconfigurations, documentation, and implementation tools and procedures. You have increased ability to meet market demands and compete effectively without straining your budget or risking your business.

SAP Best Practices: Designed for Businesses of All Sizes – but Just for Your Industry

Using SAP Best Practices is the easiest way for industry leaders like you to set up an end-to-end business solution that provides unmatched scalability, market-tested functionality, complete integration, and easy collaboration among internal and external stakeholders. SAP Best Practices for Consumer Durables and Home Appliances can be used by midsized enterprises that need rapid implementation (measured in weeks) and by large companies that need to create a corporate template for their subsidiaries.

SAP Best Practices for Consumer Durables and Home Appliances provides your organization with the following:

- **Preconfigured settings** based on best industry practices that enable you to implement integrated software solutions with reduced installation effort
- **Documentation** that can be used for evaluation, self-study, and project-team and end-user training
- Detailed, **step-by-step implementation procedures**, supported by software tools

A Solution for Greater Business Effectiveness and Flexibility

Procurement

This best-practice description covers both external and internal procurement – from quotation handling and price comparison of offers to quality inspections at goods receipt. Procurement contracts as well as cross-plant, internal procurement of materials are also included.

Planning and Manufacturing

Regardless of your kind of manufacturing – discrete or repetitive – SAP Best Practices for Consumer Durables and Home Appliances supports your business processes.

The best-practice configurations for **discrete manufacturing** are suitable for consumer durables and home appliances companies with lot-size-oriented production. The information covers goods movements (goods issues and goods receipts) and completion confirmation for production orders.

The best-practice configurations for **repetitive manufacturing** help you implement and support the manufacturing of large quantities of identical products in a continuous workflow, including automatic goods receipt and goods issue during back flushing.

The preconfiguration settings for repetitive and discrete manufacturing are integrated, enabling you to produce semifinished materials during repetitive manufacturing and then produce the finished goods during discrete manufacturing. For both types of manufacturing, the best practices support the key functions for cost-object controlling, such as preliminary costing, simultaneous costing, and period-end closing.

Extended Sales Order Processing

SAP Best Practices for Consumer Durables and Home Appliances supports the best practices for automatically managing the entire customer order process, describing all steps from creating a sales order to issuing an invoice. This includes variable pricing, availability check, automatic material substitution, material exclusion, delivery creation with optional serial number determination, picking, posting goods issue, invoicing with integration to financials and costing, and payment processing. Preconfigured settings enable communication with the customer at each step of the order process.

Order Processing with Electronic Data Interchange

This best-practice information for order processing describes how to communicate with business partners (customers and suppliers) via electronic data interchange (EDI). Within SAP Best Practices for Consumer Durables and Home Appliances, both the customer role and the supplier role are represented with preconfiguration settings that control EDI messaging. When business documents, such as purchase orders, sales orders, deliveries, and invoices, are created, EDI messages are generated and sent to the business partner's system. EDI messages received from business partners trigger activities and the creation of documents.

Extended Rebate Processing

With SAP Best Practices for Consumer Durables and Home Appliances, you have the configurations you need to easily and accurately manage large, complex partner relationships and the accounting for any number of bonus arrangements for direct or indirect sales.

Integrated Warehouse Management

SAP Best Practices for Consumer Durables and Home Appliances supports the logistics and warehouse management functionality required in your business. Best-practice configurations help you optimize inbound and outbound delivery processes and reduce operating costs associated with quality management activities in procurement. Storage space usage can be optimized based on inventory demand planning and turnover.

Cross-Docking

This best-practice information describes how you can optimize material flow. With cross-docking, incoming materials are assigned to outbound deliveries, which enables materials to bypass the warehouse by directly forwarding them from goods receipt to goods issue.

Returns and Complaints

SAP Best Practices for Consumer Durables and Home Appliances covers all the activities necessary for the effective and efficient processing of complaints and returns – including credit memos, as required, and quality inspection of returned goods.

On-Site Repair

If you're a manufacturer that services its own product warranty obligations directly, then you know how important an effective and efficient on-site repair operation is to retaining and growing a base of satisfied customers. The best-practice configurations help your company administer and monitor customer warranty claims, including service calls and customer site visits.

Profitability Analysis

SAP Best Practices for Consumer Durables and Home Appliances covers how to set up and implement robust, industry-specific reporting capabilities, such as profit-margin reports that can be generated for individual customers, customer hierarchies, or specific products.

Best Practices Lead to Outstanding Business Benefits

Built on the experience and expertise of its customers and its own experts, SAP Best Practices for Consumer Durables and Home Appliances offers a wide range of improvements and benefits.

Real Value

In an international benchmarking study¹ of leading manufacturers, SAP customers credit SAP Best Practices offerings with providing the following benefits:

- Business process improvements such as improving labor efficiency by as much as 40%, reducing inventory by an average of 30%, and cutting financial closing time in half

1. Martin Selchert, Ludwigshafen University of Applied Sciences, Germany, conducted this independent survey of 192 manufacturers in 2004. Survey results are available from SAP Press, *Enhanced Project Success Through SAP Best Practices – International Benchmarking Study*, ISBN 1-59229-031-0.

- 20% reduction in overall operating costs over a three-year period, resulting primarily from the redesign of business processes
- 22% reduction in overall project costs, mainly due to the decrease of time-dependent costs

Speed and Flexibility

SAP Best Practices provides preconfigurations that can speed implementation, cut deployment, and minimize maintenance costs. Using the information provided, you can decide to deploy functionality all at once, individually, or to support specific processes. And because the SAP for Consumer Products solution portfolio is based on the open architecture of SAP NetWeaver, you can leverage existing applications and protect your investment.

A Safe Option

Behind all SAP Best Practices offerings is the extensive knowledge of business processes that SAP has gained over three decades serving thousands of customers in more than 25 industries worldwide. And SAP solutions are not just for major multinational corporations. Nearly 60% of all SAP software installations are in organizations with annual revenues of less than US\$500 million.

In fact, SAP Best Practices are **especially** ideal for midsize organizations seeking world-class solutions tailored to their industry-specific needs and concerns – with fast implementation at low risk. Preconfigured settings, step-by-step implementation procedures, and descriptions of best-practice business processes for consumer durables and home appliances companies can help you set up SAP for Consumer Products more easily and quickly when compared to traditional approaches.

With a predefined scope and a fast implementation measured in weeks, SAP Best Practices for Consumer Durables and Home Appliances can help your business benefit from security, innovation, and low total cost of ownership. The offering provides:

- Flexible and powerful technology combined with robust scalability designed for investment protection
- Vendor stability that mitigates risk and offers a rich heritage of world-class customer support
- Rapid time to benefit with minimum disruption to business activities

Find Out More

To learn more about how SAP Best Practices offerings and industry-specific solutions for the consumer durables and home appliances industry can help your company achieve higher levels of business success, please contact your SAP representative or visit us at www.sap.com/consumer.

Powered by SAP NetWeaver

SAP Best Practices for Consumer Durables and Home Appliances is based on the mySAP™ ERP application. mySAP ERP is powered by the SAP NetWeaver platform. SAP NetWeaver unifies technology components into a single platform, allowing organizations to reduce IT complexity and obtain more business value from their IT investments. It provides the best way to integrate all systems running SAP or non-SAP software.

SAP NetWeaver also helps organizations align IT with their business. With SAP NetWeaver, organizations can compose and enhance business solutions rapidly using enterprise services. As the foundation for enterprise services architecture, SAP NetWeaver allows organizations to evolve their current IT landscapes into a strategic environment that drives business change.