

SAP Solution Brief
SAP NetWeaver



DATA UNIFICATION WITH SAP NetWeaver™

Delivering a Single Version of the Truth

Meet your business goals with the SAP NetWeaver™ platform by implementing IT practices using a flexible, low-cost, phased approach. Data unification with SAP NetWeaver is an IT practice that helps you deliver a single version of the truth – a common definition of your customers, products, suppliers, or employees – to share throughout your enterprise and out to your trading partners. With data unification, you can streamline your supply chain, enable global data synchronization, calculate global spend analysis, and improve analytical accuracy.

Smart, streamlined operations demand that business managers – and business transactions – share consistent information about customers, suppliers, employees, products, or assets. Yet in most organizations today, this information contains significant discrepancies. As departments, divisions, regions, and subsidiaries continue to implement stand-alone IT solutions, data silos proliferate, with the inevitable result that data grows independently – and often in conflict. Running accurate reporting is also difficult when the information you need to analyze resides in several different and separate systems.

For example, a single supplier may go by four different names in four different regional purchasing systems of one company. This may cause an item categorized as “office supplies” in one system to appear as “stationery” in another and “paper” in a third. Without a way to harmonize master data, what might a global spend analysis of purchase orders reveal? That analysis might suggest that the enterprise had bought small quantities of paper, office supplies, and stationery from four different vendors – when in reality the enterprise purchased a very large quantity of paper from a single vendor. If you can’t see clearly what you are buying and from whom, your organization is in no position to negotiate better terms for volume purchases.

Data inconsistency is not just a purchasing problem, nor is it a problem specific to any single industry. Studies in the financial services industry, for example, estimate that as many as 30% of brokerage transactions fail due to the lack of harmonized customer master data. Sequential processes within manufacturing are just as susceptible: a research and innovation group may

design a next-generation product, but if the subsequent process to introduce, market, and launch the product continues to rely on an older product code with different characteristics, that can affect potential customer decisions and sales.

In reality, information discrepancies compromise exchanges between organizations every day. The use of inaccurate and outdated data in invoicing and purchasing orders results in delivery errors and lost sales. The impact of this loss is revealed in a 2003 report by the management consulting firm A.T. Kearney, which finds that delivery errors cost the retail and consumer products industries about US\$40 billion annually.

Ultimately, decisions and processes based on unsynchronized master data lead to greater risk, greater waste, and greater customer dissatisfaction. As your enterprise, your applications, and your interactions become more complex and generate increasing amounts of information, the problems posed by information inconsistency grow even more acute.

The Solution: Data Unification with SAP NetWeaver™

Data unification is made possible by a platform that supports an open, service-oriented architecture to facilitate the free flow of synchronized data between people, processes, divisions, regions, and companies. This platform is capable of delivering clean, accurate, consolidated, and synchronized data to all users throughout the entire enterprise, and to outside trading partners. By freeing critical business processes from the confines of individual applications, the platform executes them smoothly and consistently across system boundaries.

All of these data unification activities are enabled by the SAP NetWeaver™ platform and its components, SAP® Master Data Management (SAP MDM), SAP Exchange Infrastructure, and SAP Business Intelligence. With SAP NetWeaver, you can harness the potential of your most critical data to rapidly create innovative processes that drive growth and promote cost

savings. It is an evolutionary model that works with existing data silos, enabling other applications to share data through the foundation of the Enterprise Services Architecture blueprint.

Data unification with SAP NetWeaver is implemented in practical and flexible stages using road maps that can be adapted to your needs. These road maps help you address specific requirements today and provide a pragmatic path to Enterprise Services Architecture. Data unification empowers you to consolidate your content, synchronize your data, provide centralized maintenance of unified data, enable rich product content management and print publishing, and synchronize your global data.

Content Consolidation

Through the SAP MDM component, SAP NetWeaver is capable of consolidating master-data objects from various systems. It searches for them across linked systems, identifies identical or similar objects, and cleanses them as needed. After consolidation, it transfers the information from different systems to a business information warehouse, where the data is easily accessed for company-wide analysis and reporting.

Data Synchronization and Central Maintenance

Data unification with SAP NetWeaver leads to permanent harmonization of master data, using SAP MDM to maintain data and SAP Exchange Infrastructure to distribute the data to other systems. Using global attributes, you ensure that all systems receive the same master data during distribution. Thereafter, you can enrich these distributed objects with additional attribute values in the target systems, including rich content such as images and PDFs.

Central Maintenance of Unified Data

SAP NetWeaver allows users to maintain a complete object definition, including object dependencies, in a centralized server for master data. Using SAP MDM, you can execute distribution in a controlled, visible, and traceable manner, supported with active status management of each distribution step.

Rich Product Content Management and Print Publishing

With SAP MDM, SAP NetWeaver enables the creation and management of rich product content, including complex product taxonomy and hierarchy management. SAP MDM allows users to manage any kind of structured information in any format, such as PDFs, audio, video, and product specifications. It also has the unlimited ability to search and work with information in real time.

Plug-ins to desktop publishing programs maintain bidirectional links between information within the page layout and within SAP NetWeaver, allowing subsequent catalogs to be published without any user intervention whatsoever. And by automating the publishing of paper catalogs with a centralized repository, SAP NetWeaver can reduce the cost of print publishing by an order of magnitude – as much as 10 times – and also dramatically improve the production process.

Global Data Synchronization

Global data synchronization services, available through SAP MDM, enable suppliers and their retail partners to reduce costly administrative errors in invoice pricing, purchase orders, and product delivery, as well as to increase scanning accuracy. In addition, companies get new products to market faster and continuously update and communicate changes to existing product information. SAP NetWeaver enables sharing of unified item information to trading partners in industry-standard data pools, such as UCCnet and Transora.

Business Benefits

Data unification enables you to operate collaborative, flexible business processes cost-effectively. By using SAP NetWeaver for data unification, you derive the following specific benefits:

Improved Decision Making

SAP NetWeaver enhances cross-functional reporting and analysis by providing harmonized, reliable data to analytical systems and applications. With reliable analytics and accurate reports at their fingertips, your executives can make decisions more confidently.

Informed Sales and Marketing Campaigns

SAP NetWeaver improves visibility across heterogeneous systems and business processes, giving your front-line employees a single view of the information they need to manage customer relationships. Because SAP NetWeaver works seamlessly with the mySAP™ Customer Relationship Management solution, you can make informed cross-sell and up-sell recommendations in real time. Your sales, marketing, and customer service departments can offer the most appropriate pricing and promotions, as well as add-on products and services that use reliable information on the complete relationship of your customers with your company.

Lower Supply Chain Costs

Accurate product and parts data helps drive down operational costs at all stages of the supply chain – from purchase order to delivery and from storage to the retail shelf. The maintenance of a centralized and accurate parts or product content repository with SAP NetWeaver benefits you in the following ways:

- A packaged solution for global data synchronization enablement
- Lower costs for shipping and logistics, with fewer discrepancies in shipments to retailers
- Reduced number of invoice write-offs incurred as a result of data discrepancies
- Faster time to market with new products
- A foundation for electronic-product-code master data from RFID networks

Streamlined Compliance

With SAP NetWeaver, you get proven off-the-shelf software to meet industry mandates for accurate and standardized data like UCCnet and Transora, as well as government regulations that require detailed and accurate reporting.

Better Purchasing Terms with Suppliers

Uncoordinated purchasing activities can be a source of waste. With SAP NetWeaver, you can consolidate your company-wide sourcing requirements, activities, and vendors. This central, coordinated view of purchasing activities positions you to negotiate more beneficial terms with your suppliers.

Discover the Benefits of Data Unification – A Single Version of the Truth

SAP NetWeaver provides a solid platform upon which to create a consolidated and consistent master data infrastructure to help your organization reduce risk, reduce waste, and improve customer service and profitability. To learn more about the extraordinary value SAP NetWeaver can deliver to your company, please visit the SAP Web site at www.sap.com/solutions/netweaver/masterdata.