



SAP® COLLABORATIVE REPLENISHMENT PLANNING: RAPIDLY IMPLEMENTED CPFR®

Competitive consumer product (CP) manufacturers are always seeking ways to increase sales. Yet trade promotions – one of the primary tools to achieve this goal – simply do not work. While the CP industry spends an estimated \$25 billion each year on trade promotions, only 35% of those promotions turn a profit. What’s more, 60% of consumers say that promotions have no influence over store selection.

Collaborative Planning, Forecasting, and Replenishment (CPFR®) – an industry-leading initiative seeking to enhance supply chain collaboration between trading partners – can solve this dilemma. CPFR can improve supply processes with increased visibility into customer demand. While trade promotions largely fail to boost sales, CPFR can – by helping you put the right product on the right shelf at the right time.

But there’s a problem: CPFR can be a rather laborious process – especially when supported by inadequate solutions. Without automated exception management, for example, forecast reconciliation remains a frustrating, error-prone process involving e-mails and phone calls. A CPFR solution should also scale as a manufacturer adds more retailers. Unfortunately, most current solutions fail in this regard – largely due to an inability to integrate with back-end systems. Add to this list the following fact: most CPFR vendors are inexperienced companies with untested products. Under these circumstances, it’s easy to see why CPFR initiatives meet supplier resistance – despite the potential for valuable returns and pressure from top retailers such as Wal-Mart and Target.

But SAP changes all this – with SAP® Collaborative Replenishment Planning (SAP® CRP). Leveraging the unique abilities of mySAP™ Supply Chain Management (mySAP™ SCM), SAP CRP enables exception-based processes that improve supply chain visibility, enhance trading-partner collaboration, and significantly increase efficiency. And because it is UCCnet-certified, SAP CRP represents a mature, scalable, fully integrated solution – delivered by the third-largest software company in the world. That’s experience you can trust.

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CPFR PROCESSES THAT INCREASE YOUR SUPPLY CHAIN EFFICIENCY

SAP CRP helps your company easily implement compliant CPFR processes with multiple retailers – all without a proportional increase in staff. Based on open standards, SAP CRP is flexible enough to connect with a wide range of retailers and integrate with back-end corporate sales and operations planning systems. This enables increased sharing of business-critical information and comanaged processes that maximize supply chain visibility.

Five basic components make up the overall functionality of SAP CRP. These components are:

- **Forecast manager:** An automated forecast reconciliation process that intelligently alerts your supply chain professionals to exceptions. Forecast manager helps you promptly respond to out-of-tolerance situations before they cause major disruptions.
- **Order manager:** An automated order reconciliation process that helps ensure smooth supply chain operations
- **Alert overview:** A user-friendly, Web-based, task-oriented GUI that delivers a complete view of all current exceptions along with the corresponding data needed to resolve them
- **Alert generator:** An easy-to-use tool that allows suppliers to create and manage alerts and alert thresholds using simple rules
- **Planning book:** A Web-based GUI that enables the sharing of forecasts with trading partners

Through these powerful components, SAP CRP gives you improved visibility into demand – helping you increase inventory turns by integrating demand and supply side processes and flawlessly managing retail industry variability. That enables you to deliver the kind of consistently good service that keeps your trading partners happy and keeps the business coming.

What's more, SAP CRP is delivered by one of the most trusted names in the enterprise software business. With renowned stability, expert customer service, and unsurpassed business process experience, SAP ensures that your investment will be continuously enhanced and fully supported as your business grows.

CAPITALIZE ON NEW BUSINESS OPPORTUNITIES AND REDUCE SUPPLY CHAIN COSTS

With retailers increasingly demanding CPFR-compliant trading processes from their suppliers, SAP helps your business get on board quickly and easily so that you can take advantage of the opportunities as they arise. In addition, SAP CRP helps you collaborate more efficiently with retailers and other supply chain partners – enabling joint decision making and planning, based on the same facts. You'll be able to:

- Improve visibility into end-consumer data
- Increase business velocity by accessing more information, quicker
- Minimize inefficiency
- Eliminate communication time lags
- Promptly solve supply chain problems with automated exception-based processes

These capabilities give your company a decisive advantage over your competitors, resulting in:

- Superior process execution
- Goals that are aligned with important trading partners
- Increased sales
- Reduced supply chain costs

Finally, because SAP CRP leverages your existing mySAP SCM investment, it helps to maximize your overall IT investment – delivering rapid ROI and a low total cost of ownership (TCO).

To find out more about SAP CRP, call your SAP representative or visit us online at www.sap.com.