



SAP AND CAPGEMINI PARTNERSHIP

Reducing IT Complexity and Increasing Process Visibility – A Road Map for Meeting New 21st Century Challenges

Dynamic market conditions have increased the complexity of IT systems of logistics service providers (LSPs). SAP and Capgemini have partnered to design an integrated, flexible, and highly adaptive solution to reduce this complexity and help LSPs more efficiently manage their business processes. The solution enables standardization, while allowing for differentiation where competitive advantage is essential. The solution also increases visibility across the IT landscape while reducing total cost of ownership.

Logistics service providers (LSPs) perform a monumental task in delivering their vital business services to customers around the globe every day. The complexities LSPs face are enormous. Driven by a dynamically changing business environment, frequent mergers and acquisitions, and the development of companies into global enterprises, these complexities have resulted in the overly complex IT infrastructures that dominate LSP IT landscapes today.

As an LSP, you serve customers who are becoming more global in scope. They expect the same from you. But different customers have different needs. To satisfy them, you focus on solutions from niche players, but this inevitably results in a fragmented and high-cost IT landscape. The disparate IT systems that come with mergers and acquisitions also contribute to the fragmentation. You are left with solutions that are country-based and at the end of their life cycle, escalated costs, and poor visibility across the enterprise.

Until you streamline IT processes, reduce IT complexity, and lower IT total cost of ownership (TCO), you cannot expect to compete effectively. The superior IT solutions that ensure collaboration with customers – enhanced visibility, global support, and improved business process reliability and adaptability – are now key differentiators for LSPs.

Therefore, LSPs like you are now looking to consolidate their IT infrastructure and standardize processes to reduce overall IT costs. To achieve this, you require a stable, reliable, fully scalable, and flexible IT solution with the power to integrate both third-party and in-house software. But how do you get one?

Together, SAP and Capgemini Create a Truly Complete IT Solution for LSPs

To provide the answer you need, SAP formed a partnership with Capgemini to define a compelling solution that deals with this critical challenge facing LSPs. Working together, the two largest solution providers to the logistics industry – each with hundreds of LSP customers – conducted an in-depth analysis program and a series of intensive workshops to find the right solution. After speaking with many LSPs, Capgemini and SAP realized that – in order to be successful in consolidating their IT infrastructure and standardizing processing while ensuring flexibility – LSPs require a blend of enhanced business processes built on a flexible architecture, combined with change management and strategy consulting. Capgemini and SAP partnered to provide this complete solution, realizing that SAP's strength is in the processes and architecture, while Capgemini's strength is in change management and strategy consulting.

As a result of this joint effort, SAP and Capgemini now offer the most comprehensive offering available to the logistics industry. It is a road map for success, designed to help your IT infrastructure evolve, step by step – enhancing your business processes and giving you a sharp competitive advantage. It includes the business strategy, implementation, and change management expertise it takes to replace complexity with a flexible IT solution for your business – one that provides standardized functionality across all operations, including customer management, financial management, and logistics operations and reduces TCO through lower implementation costs and service-enabled processes. It creates a seamless IT landscape that links all of your core business processes across the enterprise and can even include everyone in your supply network – from suppliers and manufacturers to distributors and customers – giving them each better visibility for operational excellence and increased profit.

SAP® Solutions to Enhance Your Business Processes and Reduce TCO

SAP is the world's leading solution provider of business software and serves more than 300 LSP customers worldwide. The SAP for Logistics Service Providers solution portfolio – powered by the SAP NetWeaver® platform – offers a comprehensive set of business solutions. With a strong focus on the order-to-cash business process, these industry-specific solutions are part of the mySAP™ Business Suite solution portfolio – a family of adaptive business solutions that optimize your critical business processes and deliver rich functionality for customer and financial management and logistics operations. These solutions rest on the power of the SAP NetWeaver platform, which provides the best way to integrate all systems running SAP® or non-SAP solutions.

But even these comprehensive capabilities are not enough to meet the challenging needs of companies like yours. In speaking with LSPs, SAP realized you require more than a flexible IT solution that addresses your specific needs. Because of the changing role of IT for LSPs, you also need to revisit your business strategy and undertake a significant change management project leading to reduced TCO.

Capgemini for Strategy and Change Management Consulting and Lower Implementation Costs

Capgemini currently serves 14 of the top 20 global LSP companies and has spent more than 30 years helping LSPs with business process improvements, implementation of enterprise resource planning, and transportation and warehouse management solutions, as well as designing and deploying custom-built software.

In addition to this extensive industry knowledge, Capgemini has significant experience in implementing SAP enterprise solutions across all industries. Capgemini's dedicated SAP practice, which includes more than 6,000 consultants, provides services to clients to help them adopt SAP NetWeaver and implement SAP logistics execution and supply chain event management solutions. They also offer additional services to LSP companies like yours, such as helping companies adopt a service-oriented architecture road map.

In speaking to their LSP customers, Capgemini realized you are looking for a stable and reliable solution provider to enable not only the functionality you need across your various operations but also a scalable solution capable of integrating custom-built or niche solutions whenever they are needed. Therefore, Capgemini chose to partner with SAP to provide both the flexible infrastructure and the applications you need to meet your functionality requirements. In this area, SAP, with the integration power of SAP NetWeaver and the capability to execute its vision of the Enterprise Services Architecture blueprint, provides a unique solution. This solution enables you to derive maximum results at the lowest cost from readily available SAP solutions, while giving you the flexibility to adapt to other non-SAP solutions and systems to meet your specific client requirements.

A Joint Solution Map Specifically For Logistics Service Providers

SAP and Capgemini codeveloped a solution map that builds on the concept of a services-oriented architecture and provides a process reference model for the logistics industry. This model includes variations for different industry subsegments, such as parcel and express, groupage, freight forwarding, and contract logistics. The model is further tiered to include over 30 subcomponents, such as order entry, pickup and delivery planning, and terminal handling. These elements have been mapped against the different modules within mySAP Business Suite to help you rapidly identify specific client needs.

The solution map helps you to build an adaptive business process infrastructure that enables you to quickly adapt to change by creating new business models when you need them, such as offering a new value-added service. Moreover, as the business models of manufacturers change and become mainstream, the adaptive business process lets you in-source your clients' new business models to support, for example, lean manufacturing and service parts planning.

A Road Map for Reducing Costs, Improving Visibility, and Increasing Performance for Your Clients

With the combined capabilities from SAP and Capgemini, you can accomplish all of the following and more:

- **Easily connect to your customers**
Enabled by the in-depth experience of SAP and Capgemini in over 25 industries, you can simultaneously service customers in multiple industries, while also focusing on the unique demands of each customer. Furthermore, the integration between you and your SAP customers' systems is made that much easier.
- **Gain visibility across your entire enterprise**
By using the most comprehensive solution offering in the logistics industry, you can integrate your entire enterprise and perform everything from order management to planning, execution, and billing. Combined with business strategy and change management consulting, Capgemini delivers these with accelerated implementations at reduced cost to help your enterprise reap maximum business benefits.
- **Achieve higher customer retention**
SAP and Capgemini have a large customer base in the manufacturing and retail industries and share many customers with LSPs. As a result, you'll be able to quickly serve new customers running in the same flexible SAP environment. An IT landscape supported by SAP solutions secures tighter customer retention and makes you less replaceable. And because the solution is delivered via Capgemini strategic consulting, you can build a business strategy around your clients to ensure your continued growth.

■ **Rely on stable business partners in a market full of fluctuation**

As a financially strong global software company with more than 30 years experience, SAP is the ideal partner for logistics service providers. With an annual investment in research and development of over \$1.2 billion, SAP passes on its technological advancements to customers in the form of the most innovative, reliable, and comprehensive solutions available to the logistics industry.

Both companies discovered substantial synergies while developing the solution. SAP found synergy with Capgemini's leading position in the LSP market. Capgemini found synergy with the leading position SAP has in future-proof, integrated business solutions and its adaptive architecture, which combines full integration with flexibility and ease of implementation. Together, these synergies provide a solid, long-term investment for LSPs to lower IT TCO with standardized software.

To learn more about the SAP and Capgemini solution partnership and the road map for reducing IT complexity, visit the SAP Web site today at www.sap.com/industries.

Powered by SAP NetWeaver

SAP for Logistics Service Providers solutions are powered by the SAP NetWeaver platform, the open integration and application platform that enables change. SAP NetWeaver helps companies align IT with their business. It allows companies to obtain more business value from existing IT investments and to deploy a service-oriented architecture. SAP NetWeaver reduces total cost of ownership and complexity across the entire IT landscape.

SAP NetWeaver powers mySAP Business Suite solutions, SAP xApps™ packaged composite applications, and partner solutions. It provides the best way to integrate all systems running SAP or non-SAP software. SAP NetWeaver unifies integration technologies into a single platform and is preintegrated with business applications, reducing the need for custom integration.