MANAGEMENT BY EXCEPTION WITH SAP TM

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AGENDA:

1. Introduction to transport and Impact Case
2. High-level Solution and High-lights
3. Project Approach
4. Key Learnings
TRANSPORT IN VESTAS

Procurement, Sub-Contracting & Manufacturing
- High-volume
- Fewer bigger LSP's
- Typically Frame agreements

Construction & installation
- Low-volume
- Specialized LSPs - Heavy transports
- Typically Spot tendering
- Transport & Project Planning linked
- Transport Equipment Mgt.

Operation, Maintenance & Repair
- High-volume
- Fewer bigger LSPs + 3PL's
- Typically Frame agreements
TRANSPORT IMPACT CASE – COST OUT AND IMPROVED OPERATION

- Transparency
- Standardisation
- Consolidation
- Compliance
- Reuse of Transport Equipment

A new way of working. The foundation for becoming excellent

- Aligned processes and governance
- Financial, Incoterms, Suppliers
- Lower cost pr. kg shipped
- Higher Utilisation

..to Spend & Operation
HIGH LEVEL SOLUTION OVERVIEW

Inbound Freight

Scope Highlights

- Automation
- Management by Exception
- Cloud Collaboration Portal
PROJECT HIGHLIGHTS (PROCESS)

Automation

A high degree of automation is key of the new solution which covers:

- **Supplier Collaboration**: Automated processing of orders after confirmation from suppliers
- **Transport Optimization**: Leveraging SAPs optimizer to plan transportation demand on a permanent & continuous basis
- **Transport Collaboration**: Once Freight Orders reach certain status they are automatically shared for collaboration with supplier and LSP
- **Freight Cost Accruals**: Based on track & trace the settlement process is triggered automatically

Automated process that is controlled by a “Management by Exception” approach
"MANAGEMENT BY EXCEPTION" – ENSURE FOCUS & ACTION

Project highlights (Process)

The principle:

• Processes are running automated however exceptions might occur
• Tailored to the individual user role those exceptions need to be visualized
• Easy to use dashboards that points the user directly to the exception and enables drill-down into the individual document to solve the underlying issue.
CLOUD COLLABORATION PORTAL

Project highlights (Process)

To ensure a smooth operation it is key to be tightly integrated with all parties involved:

- **Suppliers**
  - Providing required input for inbound transports like packaging information, final measurements, documents

- **LSPs**
  - Exchanging documents and if non-EDI LSPs: Booking and Milestone reporting as well

- **(Internal) Customers**
  - Visibility of transport for receiving party
SOLUTION ARCHITECTURE

High Level

ERP

SAP TM

Supplier & Carrier

From order integration up to charge calculation and settlement
Dashboards

SAP Cloud Platform
Supplier & carrier collaboration

SAP EM
Tracking & Tracing

Supplier & Carrier
### PROJECT HIGHLIGHTS (SAP TM)

#### Overview

<table>
<thead>
<tr>
<th>Agility</th>
<th>Inbound process that requires agility up to last minute – Freight Order Updates up to pickup</th>
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<tbody>
<tr>
<td>Last minute changes</td>
<td>Huge degree of changes triggered from suppliers and LSPs via cloud portal</td>
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<tr>
<td>Dynamic optimization</td>
<td>Optimization validation after each and every change</td>
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<tr>
<td>Operational Dashboard</td>
<td>Identifying key KPIs for dashboard and making data powerful to steer business (differentiation of Analytics and Operational Dashboard)</td>
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<tr>
<td>Multi-Party Cloud Portal</td>
<td>Customers Broker access to cloud portal</td>
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PLATFORM FOR FURTHER ENHANCEMENTS & INNOVATIONS

Adding to Inbound Freight Solution

Scope Highlights

Automation
Management by Exception
Cloud Collaboration Portal

Digital collaboration with Suppliers

Project & Transport planning linked

IOT/Event reporting

Analytics on top of platform

First time right transport cost simulation

Cost Allocation

ERP

Project & Transport planning linked

IOT/Event reporting

Analytics on top of platform

Cost Allocation

ERP

Management by Exception with SAP TM
PROJECT SETUP

Main Implementation Team

Westernacher has been chosen as the implementation partner for:

- SAP Transportation Management
- SAP Event Management
- Collaboration Portal
- Integration into the End-to-End process
PROJECT APPROACH

• Agile template development. Start with Minimum Viable product (MVP) – 60% of Use cases ready for Go-live on 1st Factory

• Learn about process issues and Mature Solution before additional Go-lives

• Transport Case – Continuous focus on Business Impact and Behavioral Impact
INCREASE ENGAGEMENT AND ADOPTION THROUGH “GAMIFICATION”

Project Approach

- Requirement Capturing
- Change Management
- Training

Change mgt. support from: IMPLEMENT CONSULTING GROUP
KEY LEARNINGS

- **“NO MERCY”** when doing automation – every process deviation will surface!
- **Expect it will be a journey!**
- LSP EDI’s is a significant task – start planning early
- SAP TM and SAP Cloud – enabler for change

**Solution**

**Organisation & Approach**

- It’s a Transformation doing automation. Anchor with Top management
- Set the right team – insight is key!
- “Gamification” created engagement!

**Impact**

- Significant improvement in Settlement process – better transparency and compliance
- Consolidation - leading indicators are trending in the correct direction
- Improved collaboration with LSP’s
QUESTIONS
Vielen Dank!
Besuchen Sie uns am Westernacher Stand!