WEBINAR: SAP Best Practices for SAP IBP - 1711 Update

Presenter:
Christian Seipl, Senior Business Process Consultant, SAP
Thomas Fiebig, Product Manager, SAP
• Overview of new SAP Best Practices content in 1711
• IBP for response and supply – supply and allocations planning
• How to get started with SAP Best Practices
• Q&A
Overview of new SAP Best Practices content in 1711
New scope and changes in V9.1711

- Technical upgrade to SAP Integrated Business Planning 1711
- The new 'IBP for response and supply – supply and allocations planning' scope item adds order-based planning to the unified planning process
- Sample planning area SAP74 is used for order-based supply planning, data is copied between planning areas SAP74 and SAPIBP1 with disaggregation operator
SAP Best Practices for SAP Integrated Business Planning
Where to get it

http://help.sap.com/ibp
http://rapid.sap.com/bp/rds_ibp

Use the following assets:
- Test scripts
- Process flow diagrams
- Scope item recordings
- Configuration guides
- Excel planning view templates
- Sample data CSV files
# SAP Best Practices for SAP Integrated Business Planning

## What it can do for you

<table>
<thead>
<tr>
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<th>Sample planning area</th>
<th>Documentation</th>
<th>Technical content</th>
<th>Implementation service</th>
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- **Use as delivered**
- **Use as a starting point, adjust to your needs**
- **No use**
Unified planning in SAP Integrated Business Planning

- Exemplary, **integrated planning process** across SAP IBP applications facilitated by SAP Best Practices
- Comprehensive **sample planning area** that supports planning on different time and data granularity
- Preconfigured and **validated application content** for running the integrated process including planning views in Excel, dashboards, alerts, sample data, and more
- **Extensive documentation** of solution configuration and process execution allows for running tests, building demos, facilitating education, and accelerating implementations
- **Extendable** to cover specific customer needs
Unified planning process flow

**Tactical Planning**

- **Financial Planning**
  - Annual Operating Plan

- **Marketing Planning**
  - Marketing Plan

- **Sales Planning**
  - Sales Forecast

**Long-term**

- Frequency: Monthly
- Horizon: 1–3 years
- Buckets: Months, Weeks

**Mid-Term Operational Planning**

- Frequency: Weekly
- Horizon: 1–12 months
- Buckets: Weeks, Days

**Short-Term Operational Planning**

- Frequency: Daily
- Horizon: 1–12 weeks
- Buckets: Days

**Financial Planning**

- **Annual Operating Plan**

**Marketing Planning**

- **Marketing Plan**

**Sales Planning**

- **Sales Forecast**

**Demand Planning**

- **Global Demand Plan**

- **Consensus Demand Plan**

- **Constrained Demand Plan**

**Supply Review – Heuristic, Optimizer**

- **Constrained Demand Plan**

**Reconciliation Review**

- **Constrained Demand Plan**

**Management Business Review**

- **Final Consensus Demand Plan**

**Inventory Optimization**

- **Inventory Plans**

**Supply and Allocations Planning**

- **Supply Proposals**
- **Product Allocations**

**Sales & Distribution**

- **Open, Confirmed, Delivered Sales Orders**

**Demand Sensing**

- **Sensed Demand**

**Available-to-Promise Check**

- **Sales Order Confirmations**

**Operational Planning & Execution Processes**
Unified planning process flow – IBP applications

**Tactical Planning**
- Long-term
  - Frequency: Monthly
  - Horizon: 1–3 years
  - Buckets: Months, Weeks
- IBP applications
  - IBP for sales and operations
    - Financial Planning
      - Annual Operating Plan
    - Marketing Planning
      - Marketing Plan
  - IBP for demand
    - Sales Planning
      - Sales Forecast
  - IBP for inventory
    - Sales & Distribution
      - Open, Confirmed, Delivered Sales Orders
    - Demand Sensing
      - Sensed Demand
  - IBP for response and supply
    - Supply Review – Heuristic, Optimizer
      - Constrained Demand Plan
    - Reconciliation Review
      - Constrained Demand Plan
    - Management Business Review
      - Final Consensus Demand Plan

**Mid-Term Operational Planning**
- Mid-term
  - Frequency: Weekly
  - Horizon: 1–12 months
  - Buckets: Weeks, Days
- IBP applications
  - Sales & Distribution
    - Open, Confirmed, Delivered Sales Orders
  - Demand Planning
    - Global Demand Plan

**Short-Term Operational Planning**
- Short-term
  - Frequency: Daily
  - Horizon: 1–12 weeks
  - Buckets: Days
- IBP applications
  - Sales & Distribution
    - Open, Confirmed, Delivered Sales Orders
  - Demand Sensing
    - Sensed Demand

**Supply Chain Control Tower**
- Supply Chain Control Tower
  - Managed Cases

**Operational Planning & Execution Processes**
- Available-to-Promise Check
  - Sales Order Confirmations

**SAP IBP Process**

**External Process**
Unified planning process flow – Sample planning areas

**Tactical Planning**
- Long-term
  - Frequency: Monthly
  - Horizon: 1–3 years
  - Buckets: Months, Weeks
- Mid-Term Operational Planning
  - Frequency: Weekly
  - Horizon: 1–12 months
  - Buckets: Weeks, Days
- Short-Term Operational Planning
  - Frequency: Daily
  - Horizon: 1–12 weeks
  - Buckets: Days

**SAP IBP1**
- Time-series based, internal master data
  - Demand Review
    - Consensus Demand Plan
  - Supply Review – Heuristic, Optimizer
    - Constrained Demand Plan
  - Reconciliation Review
    - Constrained Demand Plan
  - Management Business Review
    - Final Consensus Demand Plan

**SAP74**
- Order based, external master data
  - Supply and Allocations Planning
    - Supply Proposals, Product Allocations
  - Demand Sensing
    - Sensed Demand
  - Demand Planning
    - Global Demand Plan
  - Sales Planning
    - Sales Forecast
  - Sales & Distribution
    - Open, Confirmed, Delivered Sales Orders

**Available-to-Promise Check**
- Sales Order Confirmations

**Operational Planning & Execution Processes**

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Unified Planning
Sample planning areas used

- All time-series based planning processes run in the unified SAPIBP1 planning area
- Order-based planning processes run in sample planning area SAP74
- All application content like planning views, dashboards, alerts, and sample data are tailored to the respective sample planning area
- Sample data for SAPIBP1 is loaded by the Data Integration app
- Sample data for SAP74 is loaded by the SDI agent via File Adapter and Data Integration app, please refer to the corresponding configuration guides
- Time series data is copied between the two planning areas by the disaggregation operator
IBP for response and supply – supply and allocations planning
IBP for response and supply – supply and allocations planning

**Process flow**

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Demand Planning</td>
<td>Review Priority Rules, Forecast and Constraints</td>
</tr>
<tr>
<td>2. Demand Sensing</td>
<td>Sensed Demand</td>
</tr>
<tr>
<td>3. Global Demand Plan</td>
<td>Run Constrained Forecast</td>
</tr>
<tr>
<td>4. Unconstrained Forecast</td>
<td>Check Alerts and Identify Bottlenecks</td>
</tr>
<tr>
<td>5. Constrained Forecast</td>
<td>Create Different Supply Plan Versions</td>
</tr>
<tr>
<td>6. Constrained Forecast</td>
<td>Create Product Allocation Plan</td>
</tr>
<tr>
<td>7. Constrained Forecast</td>
<td>Analyze Supply and Allocations Planning</td>
</tr>
<tr>
<td>8. Available-to-Promise Check</td>
<td>Sales Order Confirmations</td>
</tr>
<tr>
<td>9. Operational Planning &amp; Execution Processes</td>
<td></td>
</tr>
</tbody>
</table>
IBP for response and supply – supply and allocations planning

Description

Order-based planning lets you generate a finite production, distribution and procurement plan to match your demand forecast. It integrates supply chain master and order data from an external system using the OpenAPI. The priority-driven algorithm creates a feasible supply plan based on demand priority rules and supply chain constraints like resource capacity, supplier committed quantities, and safety stock targets. What-if analysis and root-cause analysis are supported by a number of SAP Fiori apps, which makes it possible to see, for example, projected stocks for all location materials and its corresponding supply elements and gating factors that prevent demand to be fulfilled. Simulation capabilities allow you to change constraints and see the impact on the generated supply plan.

The supply plan is used to provide product allocations for available-to-promise (ATP) checks and confirmation of sales orders.

Scope

Use Case
- Create a finite supply plan based on prioritized demand and supply chain constraints
- Create a product allocation plan for available-to-promise (ATP) checks and confirmation of sales orders

Benefits
- Reduce inventory carrying costs
- Avoid capacity and material shortages
- Ability to quickly react to exceptions in the supply chain with fast simulations

Frequency
- Weekly

Participants
- Supply planner

Technical details

Input
- Global demand plan, sensed demand
- Resource capacities

Output
- Constrained forecast
- Product allocations

Planning Level
- Days / Product / Location / Customer

Planning Operator
- Order-based planning: Constrained Forecast Run
  - Note: The Constrained Forecast Run only takes unconstrained forecast as a time series. It does not consider any sales orders as demand.

User interaction

Planning Views
- Forecast and Constraints, 4 worksheets
- Forecast and Product Allocations, 1 worksheet

Alerts
- ‘Forecast Deviation Above or Below Threshold’ custom alert

Analytics
- 1 predefined ‘Supply and Allocations Planning’ dashboard with 6 charts

Collaboration
- No predefined process management, no SAP Jam integration
How to get started with SAP Best Practices
How to get started with SAP Best Practices

- Download the solution package from SAP Best Practices Explorer
- Read the FAQ
- Educate yourself and view the scope item recordings
- Prepare a demo or training by installing the content in your system with the help of the configuration guides
- Start right away with the pre-installed content in the IBP starter edition by executing the test scripts
- Choose the engineered service for PoC and implementation projects
# SAP Best Practices for SAP Integrated Business Planning

## What it can do for you

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<tbody>
<tr>
<td><strong>Study</strong></td>
<td>Educate yourself and use reference material.</td>
<td>Review the configuration of SAPIBP1</td>
<td>Examine scope item simulations, test scripts, and configuration guides.</td>
<td>Review the layout of the planning views and the data structure of the CSV files.</td>
<td>Not required.</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td>Educate project members, key users, and end users.</td>
<td>Use the pre-installed planning area in the Starter edition and test systems.</td>
<td>Execute the test scripts and explore the configuration of the planning area.</td>
<td>Use the delivered sample data and planning views.</td>
<td>Not required.</td>
</tr>
<tr>
<td><strong>Demonstration</strong></td>
<td>Sell it to your clients and demonstrate IBP capabilities in a process-oriented way.</td>
<td>Use the pre-installed planning area in the Starter Edition and test systems.</td>
<td>Leverage test scripts to create your (shorten) demo script.</td>
<td>For quick demos, use the delivered sample data and planning views. Adjust sample data and planning views as needed for a tailored demo.</td>
<td>Not required.</td>
</tr>
<tr>
<td><strong>Proof of concept or pilot project</strong></td>
<td>Evaluate IBP and build a solution that fits your client’s requirements.</td>
<td>Activate a new copy of SAPIBP1 or use the pre-installed planning area in the Starter Edition and test systems.</td>
<td>As a starting point, leverage test scripts for process design and configuration guides for custom configuration.</td>
<td>Use sample data CSV files as templates to provide custom data. Adjust the planning view templates to the client’s requirements.</td>
<td>Could be leveraged to configure proof-of-concept system.</td>
</tr>
<tr>
<td><strong>Implementation project</strong></td>
<td>Roll out IBP in your client’s organization and set it into productive use.</td>
<td>Activate a new copy of SAPIBP1.</td>
<td>As a starting point, leverage test scripts for process design and configuration guides for custom configuration.</td>
<td>Use sample data CSV files as templates to provide custom data. Adjust the planning view templates to the client’s requirements.</td>
<td>Choose the predefined implementation service for a reliable implementation of SAP IBP.</td>
</tr>
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</table>
SAP Best Practices for SAP Integrated Business Planning
Starter edition, non-production

- The starter edition contains an activated copy of sample planning area SAPIBP1 with SAP Best Practices content configured and all sample data uploaded
- Immediately execute the exemplary end-to-end planning process in SAP IBP without the need of manual configuration
- Learn the capabilities of SAP IBP in a process-oriented way using illustrative sample data and click-by-click instructions provided in test scripts
- Activated SAP Best Practices scope items in the Starter edition:
  - IBP for sales and operations – demand review
  - IBP for sales and operations – supply review – heuristic
  - IBP for response and supply – supply review – optimizer
  - IBP for sales and operations – reconciliation review
  - IBP for sales and operations – management business review
  - IBP for sales and operations – forecast error calculation and analysis
  - IBP for demand – demand planning
  - IBP for demand – demand sensing
  - IBP for demand – forecast error calculation and analysis
  - IBP for inventory
  - Supply Chain Control Tower
  - IBP – ABC-XYZ Segmentation

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Implementation of SAP Integrated Business Planning

What’s included – Service scope

- The service enables customers to go live with SAP Integrated Business Planning including options for sales and operations planning, supply planning, demand planning, demand sensing, inventory planning, and Supply Chain Control Tower. The service is based on SAP Best Practices and has a predefined scope, effort, and methodology.

Partner’s scope of service may vary.
# Service scope options

A service scope option is a combination of scope that can be removed to reduce the service price.

<table>
<thead>
<tr>
<th>Scope Option ID</th>
<th>Scope Option Title</th>
<th>Configuration Requirements</th>
<th>Related Scope Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>00</td>
<td>M Mandatory</td>
<td>Mandatory and must be sold along with at least one Scope Option from 1,2,3,4,6,7</td>
<td>Relevant to all scope items</td>
</tr>
<tr>
<td>01</td>
<td>01 Sales &amp; Operations Planning</td>
<td>Must choose 0 and some combination of 2,3,4,5,6,7,8 (at least one)</td>
<td>Integrated Business Planning for sales and operations (2BQ, 2Bs, 2BU, 2BW, 2C4)</td>
</tr>
<tr>
<td>02</td>
<td>02 Demand Planning</td>
<td>Must choose 0 and some combination of 1,3,4,5,6,7,8 (at least one)</td>
<td>Integrated Business Planning for demand – demand planning (11V)</td>
</tr>
<tr>
<td>03</td>
<td>03 Demand Sensing</td>
<td>Must choose 0 and some combination of 1,2,4,5,6,7,8 (at least one)</td>
<td>Integrated Business Planning for demand – demand sensing (11X)</td>
</tr>
<tr>
<td>04</td>
<td>04 Inventory</td>
<td>Must choose 0 and some combination of 1,2,3,5,6,7,8 (at least one)</td>
<td>Integrated Business Planning for inventory (11Z)</td>
</tr>
<tr>
<td>05</td>
<td>05 Customer-Specific Config</td>
<td>Must choose 0 and some combination of 1,2,3,4,6,7,8 (at least one)</td>
<td>Relevant to all scope items</td>
</tr>
<tr>
<td>06</td>
<td>06 Supply Chain Control Tower</td>
<td>Must choose 0 and some combination of 1,2,3,4,5,7,8 (at least one)</td>
<td>Supply Chain Control Tower (18P)</td>
</tr>
<tr>
<td>07</td>
<td>07 Supply</td>
<td>Must choose 0, 1 and some combination of 2,3,4,5,6,8 (at least one)</td>
<td>Integrated Business Planning for response and supply – supply planning (18N)</td>
</tr>
<tr>
<td>08</td>
<td>08 Order Based Planning - Supply and Allocations Planning</td>
<td>Some combination of 1,2,3,4,5,6,7 (optional) and 0 (mandatory if one option is selected)</td>
<td>Integrated Business Planning for response and Supply – supply and allocations planning (2IO)</td>
</tr>
</tbody>
</table>
Implementation of SAP Integrated Business Planning
Explanatory diagram

Implementation of SAP Integrated Business Planning
- Fixed Scope
- Project Roles
- Project Methodology
- Solution Activation
- Key-User Training
- Test Support
- Go-Live Support

SAP Best Practices for SAP Integrated Business Planning
- Planning Views
- Dashboards
- Sample Data
- Process Management
- SAP Jam Integration
- Alerts
- Test Scripts
- Configuration Guides

SAPIBP1 Unified Planning Area
- Master Data Types
- Key Figures
- Planning Levels
- Time Profile
- Versions
- Attributes
- Planning Operators
- Forecast Model
- Forecast Error Profile
- Segmentation Profile

Available in SAP Best Practices Explorer
Delivered in SAP tables

IBP for sales and operations
IBP for response and supply
IBP for demand
IBP for inventory
Supply Chain Control Tower
Q&A