Webinar

Extend IBP into the Ariba Business Network

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The **Evolution of Planning**

**Current State**
- Integrated demand, supply & production planning
- Demand Driven
- Interactive problem-solving
- Mass customization & postponement

**Transformation**

**New Paradigm**
- Multi-enterprise collaboration
- Self-regulating adaptive models
- Sub-daily plan-to-deliver cycle
- Automated touchless planning
- Big Data and predictive capabilities
- Value-chain oriented
- Individualized customer experience
- Convergence of roles
- Intelligent Segmentation
- Transformation
Digital Business Planning in the Intelligent Enterprise

State-of-the-art business processes
Leverage SAP solutions to enable new end-to-end business processes, new business models and new revenue streams

Synchronized planning processes
Break down planning silos through connected and integrated planning processes

Leverage end-to-end visibility
End-to-end visibility on strategic, tactical and operational level and across siloed or external data

Faster planning cycles
React faster to changes in the business through complete integration
SAP Integrated Business Planning
Key trends, customer needs, and value proposition

One integrated planning model

Real-time insight, monitoring, and alerting

Integrated business planning supply-chain planning processes

Embedded social collaboration platform: SAP Jam

Real-time planning and what-if scenario simulation

Smart algorithms including machine learning

Simplified user experience with SAP Fiori and Microsoft Excel

State-of-the-art architecture based on SAP HANA
Supply Chain Collaboration (Ariba SCC)
SAP Ariba has Extended Beyond Indirect Procurement into Direct Materials Procurement and Supply Chain Collaboration

**Indirect:** goods or services that do not end up in the product delivered to the customer; the spend is tracked under operating expenses.

**Direct:** goods or services that go into production and are at the core of the product delivered to the customer; trading partners include:

- Contract manufacturers (Finished Goods and Subassemblies)
- Multi Tier - Component suppliers
- Logistic service providers
SAP Ariba Solutions for Direct Spend

Source and contract
- Design
- Source
- Contract

Plan
- Forecast
- Commit

Buy and Deliver
- Request
- Order
- Make

Invoice and pay
- Receive
- Manage
- Pay

Supplier and risk management
- PLM
- ERP
- APS
- SAP IBP*
- ERPSAP S/4HANA

SAP Ariba Strategic Sourcing Suite
- SAP Ariba Supply Chain Collaboration for Buyers

Speed time to market, lower cost of goods sold, avoid supply chain disruptions

* SAP Integrated Business Planning
How did we do it? – The Power of **AND**

**Best of Ariba**
- Great User Experience
- Rapid deployment
- Fast innovation/development
- Ariba Network

**Best of SAP**
- End-to-end business processes
- Industry-Focus: Manufacturing, Consumer Goods, Lifesciences
- Globalization & Scale

**Best of Customers**
- Integrated Business Planning (IBP), S/4HANA, Leonardo

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Nufarm
Microsoft
Winc.
AkerSolutions
Dulux
Collaborative Planning and Execution

Companies with enterprise wide collaboration with trading partners have

- **4 - 12%** lower DIO
- **2 - 5%** higher On-Time Delivery

SAP S/4HANA
- MRP
- Core Procurement
- Quality Management

Ariba Supply Chain Collaboration

S&OP
- Operational / Tactical Planning
- Execution
Collaborative Planning and Execution Enabled by SAP IBP & SCC

Ariba Supply Chain Collaboration

PLANNING COLLABORATION
Forecast Commit
Supplier Managed Inventory
Manufacturing Visibility
PO Collaboration (all PO types)
Vendor Consignment
Scheduling Agreement Release
Subcontract/ Contract
Manufacturing w/ Multi-tier orders

INVENTORY COLLABORATION

BUY MAKE COLLABORATION
Quality Notifications
Quality Inspections
Quality Reviews

QUALITY COLLABORATION

INVOICE COLLABORATION
Self-Billing/ ERS Invoicing
Vendor Invoice Processing
Return Order Collaboration

Companies with enterprise wide collaboration with trading partners have

4 - 12% lower DIO  2 - 5% higher On-Time Delivery

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1) **Business Process Orchestration** - Define process flow and e.g.
   - alert e.g. the supplier in case PO confirmations are not send on time
   - ensure Certificate of Analysis are provided prior ASN

2) **Multi Level Business Process Firewall** e.g. ensure
   - supplier provides high quality data aligning across the P2P flow
   - supplier follows packaging instructions defined by the buyer
   - confirmations are caught by the buyer before they go back into the core

3) **Exception Based Management**
   - Ensure users focus on exceptions through a dashboard

4) **Resolution “Widgets”**
   - Chatbox for Buyers and Suppliers integrated into outlook to e.g. find alternatives in case of de confirmations
   - Mobile Apps, …
Collaborative Planning and Execution

Ariba Supply Chain Collaboration

Companies with enterprise wide collaboration with trading partners have

4 - 12% lower DIO

2 - 5% higher On-Time Delivery
Collaborative Planning and Execution

**You**

- Integrated Business Planning
  - Supply Chain Control Tower
  - Sales & Operations Planning
  - Inventory
  - Demand
  - Response & Supply
  - SAP S/4HANA
    - MRP
    - Core Procurement
    - Quality Management

**Integrated Dataflow**

**BUSINESS RULE FRAMEWORK**

**API**

**Trading Partner Ecosystem**

- Portal
- Mobile
- Excel
- EDI
- Network of Networks

**You Receive**

- visibility
- alignment
- adoption

**We provide**

- solution
- services
- reach

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Extend IBP to Ariba SCC
Integrated business processes and value chain
Beyond organizational boundaries

Key enabler for more frequent and integrated planning cycles on all levels and across all areas

Business Networks

Supply Chain

Executives

Sales / Marketing

Finance
Manufacturer uses SAP IBP for Supply Chain Planning

Planning via embedded Excel

Insight via Dashboards & Alerts
Supply Planning and **Collaboration with Supplier**

SAP Integrated Business Planning

Consensus Demand

Supply Chain Planning
BOM-Explosion

Finished Produkt

Component

Semi-Finished

Component

Semi-Finished

Component

SAP Ariba Supply Chain Collaboration

Supply Review

Forecast collaboration

Supplier Commitment

evaluates Supplier Forecast

Supplier forecast
Data Sharing Plan Management for Business Network Collaboration

Manage Data Sharing plans:
An agreement between business partners that governs what data is shared, with whom and how, for example

- What information is shared with external partners?
- Which partners taking part in the collaboration process?
- How is the information shared?
Additional Custom Key Figures for Suppliers and Buyers

**SAP IBP: Provider Data Sharing Plan**

10 SAP Ariba custom quantity key figures for Suppliers

- Ariba Key Figure 01 Quantity
- Ariba Key Figure 02 Quantity
- ...

Data flow: IBP to Ariba SCC

**SAP IBP: Consumer Data Sharing Plan**

10 SAP Ariba custom quantity key figures for Buyers

- Ariba Key Figure 01 Quantity
- Ariba Key Figure 02 Quantity
- ...

Data flow: Ariba SCC to IBP
Analyze Shared Data Using the Excel add-in

Example of history key figures:

- Supplier Forecast (History)
- Supplier Commit (History)
Customer Example
Business value amplified - Extend planning with Supply Chain Collaboration

**Problem**

- Manual processes = slow supplier response
- Inflexible, slow, expensive onboarding
- 70% of suppliers lack visibility into customer order management
- Volatile demand, High service level expectations

**Solution**

- Be more responsive by collaborating with supply chain partners on key processes
  - Share component forecast
  - Supplier Commits
  - Multi-tier, outsourcing & subcontracting
  - Orders, scheduling agreements
  - Consigned inventory
  - Supplier managed inventory
  - Quality Management

**Value**

- 4-12%
  - Lower DIO
- 9-25%
  - Lower FTE Cost
- 1-3%
  - Lower Expedites
- 10 – 30X
  - Faster Onboarding

**Customers**

- Hewlett Packard Enterprise
- Microsoft
- DuluxGroup
- VELUX
ARIBA NETWORK ACTIVITY ANALYSIS: SUPPLY CHAIN COLLABORATION

**Top 10 SCC Customer-Buyers Have Improved Their Supply Chains (6%), More Than The Rest of the Market (1%)**

<table>
<thead>
<tr>
<th>Buyer¹</th>
<th>REGION</th>
<th>SECTOR</th>
<th>INDUSTRY</th>
<th>DIO % Change (YOY)²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer 1</td>
<td>APAC</td>
<td>Materials</td>
<td>Metals &amp; Mining</td>
<td>2%</td>
</tr>
<tr>
<td>Buyer 2</td>
<td>AMERICAS</td>
<td>Information Technology</td>
<td>Software &amp; Services</td>
<td>17%</td>
</tr>
<tr>
<td>Buyer 3</td>
<td>EMEA</td>
<td>Energy</td>
<td>Integrated Oil &amp; Gas</td>
<td>5%</td>
</tr>
<tr>
<td>Buyer 4</td>
<td>AMERICAS</td>
<td>Consumer Staples</td>
<td>Household Products</td>
<td>4%</td>
</tr>
<tr>
<td>Buyer 5</td>
<td>APAC</td>
<td>Materials</td>
<td>Metals &amp; Mining</td>
<td>-4%</td>
</tr>
<tr>
<td>Buyer 6</td>
<td>EMEA</td>
<td>Materials</td>
<td>Chemicals</td>
<td>-4%</td>
</tr>
<tr>
<td>Buyer 7</td>
<td>AMERICAS</td>
<td>Materials</td>
<td>Metals &amp; Mining</td>
<td>12%</td>
</tr>
<tr>
<td>Buyer 8</td>
<td>APAC</td>
<td>Materials</td>
<td>Metals &amp; Mining</td>
<td>20%</td>
</tr>
<tr>
<td>Buyer 9</td>
<td>EMEA</td>
<td>Telecommunications</td>
<td>Integrated Telecomm</td>
<td>-2%</td>
</tr>
<tr>
<td>Buyer 10</td>
<td>AMERICAS</td>
<td>Industrials</td>
<td>Industrial Conglomerates</td>
<td>6%</td>
</tr>
</tbody>
</table>

**Top 10 SAP Ariba SCC Buyer Total**

6%

**All S&P Capital IQ Companies, Global (40,000)**

1%

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1. Buyers Names Withheld due to Confidentiality & GDPR  
### SAP Ariba’s Top 10 SCC Customer-Suppliers Have Improved Their Supply Chains (8%), and More Than The Rest of the Market (1%)

<table>
<thead>
<tr>
<th>Supplier¹</th>
<th>REGION</th>
<th>SECTOR</th>
<th>INDUSTRY</th>
<th>DIO % Change (YOY)²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier 1</td>
<td>APAC</td>
<td>Information Technology</td>
<td>Hardware &amp; Equipment</td>
<td>2%</td>
</tr>
<tr>
<td>Supplier 2</td>
<td>AMERICAS</td>
<td>Information Technology</td>
<td>Semiconductors</td>
<td>-11%</td>
</tr>
<tr>
<td>Supplier 3</td>
<td>AMERICAS</td>
<td>Information Technology</td>
<td>Semiconductors</td>
<td>5%</td>
</tr>
<tr>
<td>Supplier 4</td>
<td>AMERICAS</td>
<td>Materials</td>
<td>Chemicals</td>
<td>8%</td>
</tr>
<tr>
<td>Supplier 5</td>
<td>APAC</td>
<td>Industrials</td>
<td>Transportation</td>
<td>11%</td>
</tr>
<tr>
<td>Supplier 6</td>
<td>APAC</td>
<td>Information Technology</td>
<td>Electronic Components</td>
<td>22%</td>
</tr>
<tr>
<td>Supplier 7</td>
<td>AMERICAS</td>
<td>Information Technology</td>
<td>Semiconductors</td>
<td>-8%</td>
</tr>
<tr>
<td>Supplier 8</td>
<td>APAC</td>
<td>Industrials</td>
<td>Commercial Services</td>
<td>46%</td>
</tr>
<tr>
<td>Supplier 9</td>
<td>AMERICAS</td>
<td>Information Technology</td>
<td>Semiconductors</td>
<td>0%</td>
</tr>
<tr>
<td>Supplier 10</td>
<td>AMERICAS</td>
<td>Consumer Staples</td>
<td>Household Products</td>
<td>N/A</td>
</tr>
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</table>

**Top 10 SAP Ariba SCC Suppliers Total**: 8%

**All S&P Capital IQ Companies, Global (40,000)**: 1%
Solution demo – SAP IBP & Ariba SCC
Forecast Collaboration
Integration SAP IBP to SAP Ariba SCC and back

SAP Integrated Business Planning (IBP)
(Planner/Manufacturer)

Supply Chain Control Tower
End-to-End Visibility, Exception Handling and Collaboration

IBP for Sales & Operations
Strategic and Tactical Decision Processes

IBP for Demand
Demand Sensing & Statistical Forecasting

IBP for Inventory
Multi-Stage Inventory Optimization

IBP for Response & Supply
Allocations
Planning & Order Rescheduling
Unconstrained & Constrained Supply Planning

SAP HANA

Forecast
ProductActivityMessage cXML

Forecast commit
ProductReplenishmentMessage cXML

SAP Ariba Supply Chain Collaboration
(Supplier)

Portal / B2B
Business Network Collaboration: Forecast Collaboration Demo

Buyer Creates Unconstrained Forecast in IBP

Supplier Receives Forecast

Supplier Adjusts and Publishes Forecast Commit

Buyer Receives Forecast Commit

Buyer creates constrained forecast based on Supplier Commit

Buyer publishes constrained forecast

Forecast Commit

• Supply Forecast in IBP is send to suppliers who are on-boarded on the SAP Ariba Supply Chain Collaboration platform

• Supplier commits forecast and sends it back to SAP Integrated Business Planning

Integration with SAP Ariba Supply Chain Collaboration
Forecast Collaboration: Supply Forecast in SAP IBP (buyer side)
Forecast Collaboration: Forecast Commit by Supplier
# Customer Forecast download by supplier from Ariba Network

<table>
<thead>
<tr>
<th>Customer ANID</th>
<th>Customer Name</th>
<th>Customer part no.</th>
<th>Description</th>
<th>plantld</th>
<th>Location</th>
<th>Unit</th>
<th>Key figures</th>
<th>1 Dec 2018</th>
<th>1 Jan 2019</th>
<th>1 Feb 2019</th>
<th>1 Mar 2019</th>
<th>1 Apr 2019</th>
<th>1 May 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>NALA CLAQ1BUYER2</td>
<td>BBRM03</td>
<td>Medical Testing Product C3</td>
<td>3200</td>
<td>Atlanta</td>
<td>EA</td>
<td>Order forecast</td>
<td>1014</td>
<td>1200</td>
<td>580</td>
<td>822</td>
<td>1600</td>
<td></td>
</tr>
<tr>
<td>95</td>
<td>NALA CLAQ1BUYER2</td>
<td>BBRM05</td>
<td>Medical Testing Product C1</td>
<td>3200</td>
<td>Atlanta</td>
<td>EA</td>
<td>Order forecast</td>
<td>2931</td>
<td>1290</td>
<td>1239</td>
<td>1500</td>
<td>1900</td>
<td></td>
</tr>
<tr>
<td>110</td>
<td>NALA CLAQ1BUYER2</td>
<td>BBRM04</td>
<td>Medical Testing Product C2</td>
<td>3200</td>
<td>Atlanta</td>
<td>EA</td>
<td>Order forecast</td>
<td>3300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>140</td>
<td>NALA CLAQ1BUYER2</td>
<td>PROC-IM-PU-7000</td>
<td>Industrial Pump</td>
<td>3200</td>
<td>Atlanta</td>
<td>EA</td>
<td>Order forecast</td>
<td>6220</td>
<td>7350</td>
<td>5000</td>
<td>4400</td>
<td>5400</td>
<td></td>
</tr>
</tbody>
</table>

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Key Take-aways

Digitizing Planning and Collaboration Processes leads to:

- **Supply chain reliability** - Reduced supply chain disruptions and expediting
- **Faster decisions** – Connected business processes
- **Bottom line benefit** – Reduction in operating cost and risk to revenue
Easy to Learn More about SAP IBP

- SAP Integrated Business Planning Overview [Video](#)
- SAP IBP on [www.sap.com/scm](http://www.sap.com/scm)
- [SAP Integrated Business Planning Community](#)
- [SAP Integrated Business Planning Online Help and Documentation](#)
- [SAP Integrated Business Planning – Functionality and Implementation](#)
- [SAP IBP Roadmap](#) via Chrome browser
- [Integrated Business Planning – Leverage SAP Technology](#)

Available on SAPPRESS

- Use coupon code [IBPSAP15](#) for 15% off

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Available on Amazon
Easy to Learn More about SAP Ariba Supply Chain Collaboration

- SAP Ariba for Direct Materials Overview Video
- SAP Ariba Supply Chain Collaboration Process Example Video
- SAP Ariba for Direct Materials Landing Page
- SAP Ariba Supply Chain Collaboration Solution Collateral
- SAP Ariba Supply Chain Collaboration Complete User Guide
- SAP Ariba Solutions Roadmap
- Cloud Integration Gateway (CIG) Solution Guide

Thought Leadership

“Now is the time to collaborate with Direct Suppliers and here’s why”

“Five Tips for Digital Transformation. What Supply Chain Leaders Need to Know”

“Achieving a Real Time Supply Chain Through Better Collaboration”
Thank you.

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