Transform Your Building Products Organization into an Intelligent Enterprise

Achieve Value with Intelligent ERP
The Power of Intelligent ERP

Supporting Next Practices With Intelligent ERP

The most powerful influencer driving change in the building products sector is the connected end consumer, who has long been a neglected entity in the value chain. Addressing the needs of the “new” end consumer drives many business decisions. New technologies such as artificial intelligence, machine learning, the Internet of Things (IoT), advanced analytics, and virtual or augmented reality enable building products companies to transform their businesses. They automate repetitive tasks, enable employees to focus on higher-value tasks, and allow building products companies to invent new business models and revenue streams by monetizing data-driven capabilities and applying core competencies in new ways. How does a digital foundation with a true single source of truth help?

The Intelligent Enterprise

Embedding intelligent technologies into SAP S/4HANA® is a key value contributor to enable building products companies to become intelligent enterprises. To achieve next-generation business processes, companies need an Intelligent ERP solution that can be continuously enhanced and extended with innovative business services and applications built on emerging technologies, including machine learning, blockchain, and the IoT. Building products organizations that have big innovation appetites or choose to be early adopters have already begun this journey.
Using SAP S/4HANA Cloud as the enabler of our digital transformation, we’ve significantly improved efficiency across the business, greatly reducing physical inventory and lowering inventory working capital by 8%.

Wu Yonghui, Chairman and General Manager, New Sega Textile (Nantong) Co. Ltd.

Read the business transformation study.
We chose SAP S/4HANA to improve our business processes and lay solid foundations for our future digital initiatives. We migrated our system without affecting critical business operations.

Sarang Deshpande, Vice President IT, Century Textiles and Industries Limited (Cement Division)

Read the business transformation study.
Strategic Priorities in a Digital Age

The digital economy is disruptive. Building products companies need strategic priorities that drive transformation. SAP supports a reimagined set of end-to-end (E2E) business scenarios to support the strategic priorities of working in a digital environment.

Delivering a superior customer experience
All B2B businesses today must understand how their customers are making buying decisions and how they are using products to deliver value – all the way to the end consumer. True customer centricity means understanding the ultimate end consumers and how their behaviors are changing, and then making every business decision based on this insight.

E2E scenario: 360-degree customer order support – Improve order fulfillment with real-time, integrated, multichannel insights.

Connecting and automating the enterprise
Companies must execute in an automated fashion to achieve operational efficiency and tightly integrate with their networks of supply and demand. This will require increased automation throughout all processes, not just on the shop floor.

E2E scenario: Managing the ecosystem – Transform your traditional, linear manufacturing supply chain into a responsive network.

Supporting enhanced business models and value-added services
Construction projects and home remodeling projects are difficult to manage. Building products companies can ease this by providing additional services beyond the traditional products. The supplier-to-customer relationship will convert to a partnership where the building products company helps its customers excel in their business.

E2E scenario: One-stop shopping – Become the go-to partner when it comes to home projects.

Building a responsible and sustainable business
Building products companies want to address growing expectations from customers, investors, employees, and society. Offering a responsible and sustainable business increases brand recognition and attracts talent, investors, and customers alike. Products that are designed and built with sustainability topics in mind can drive purchase decisions and employee engagement. Worker safety takes on a new dimension in the light of a global pandemic. Reuse of materials is the future, as part of a closed-loop material circulation.

E2E scenario: Ensuring worker safety on the spot in real time – Protect your employees as a key aspect of a sustainable business strategy.
Delivering a Superior Customer Experience

360-Degree Customer Order Support

Customer order processing solutions from SAP help organizations streamline the order-to-customer cycle, including order fulfillment and after-sales service, with real-time data and fully integrated and automated workflows.

Traditional scenario

Disparate information and data silos are hindering the ability to have a clear picture of customers’ orders and order status.

- Achieving consistent product configuration requires significant effort. Different products need to be ordered through different channels.
- Production, costing structures, price, delivery dates, and so on need to be calculated manually.
- Changes to customer orders impact many different levels and departments. A lack of integration leads to highly manual processes.
- Order fulfillment and delivery are separate processes, making product tracking difficult.
- When claims are filed, many departments need to be consulted to understand the situation and to provide appropriate assistance to the customer.

A new world with SAP

Put customer success at the center of all activities:

- Single point of truth
- One single document that covers all products or services requested
- 360-degree view of past and current customer activities, leading to better decisions
- Ability to react quickly to late order changes
- Ability to track goods and delivery
- Instant service on claims and warranty cases

- When a customer requests unique product features, machine learning can support product configuration. Products and services are captured in one central place.
- All dependent processes can be adapted based on custom requirements. Change requests to orders can take effect immediately, and decisions can be communicated to the customer in a timely manner.
- A high level of integration across sales order processing allows for total visibility of cost drivers at all stages. Knowing transportation details helps avoid delays and find alternatives. Product status and origin can be tracked across all material levels.
- Transparency of customer history and activities improves decision-making. Machine learning can automatically define the right reaction for speedy claim resolution.
- High customer satisfaction is achieved through individually configured products delivered on time. Value-adding services such as installation services or supplemental products provide a complete solution for customers. Claims and warranty cases can be more easily addressed.

Top value drivers

- 5%–20% Increase in on-time delivery performance
- 10%–50% Reduction in order fulfillment lead time

*Benefits are based on results from early adopters of SAP S/4HANA or are conservative outside-in estimates of the benefits of moving from a traditional ERP system to enhanced SAP S/4HANA with line-of-business and cloud capabilities. As each enterprise is at a different level of maturity, our recommendation is that you work with SAP to determine the value proposition for your enterprise.
Connecting and Automating the Enterprise

Managing the Ecosystem

**Traditional scenario**
- Disconnected departments and limited access to the business network prohibit responsive business.
- Inconsistent creation and sharing of plans prevent information from flowing quickly.
- R&D, sourcing, sales, manufacturing, and planning are not aligned, wasting time and money.
- Reliance on and manual communication with even just a few supply chain partners result in limited visibility and collaboration difficulties, making delays inevitable and the risk of error high.

**A new world with SAP**
- Digital technology in plants and in the supply chain intelligently connect manufacturing operations and supply chain networks to the rest of the enterprise, while technologies such as predictive quality and maintenance can help dramatically change the way products are created, sold, and delivered.
- Linear supply chains transform into digital supply networks through simultaneous collaboration of all relevant stakeholders.
- Alignment of procurement, sales, manufacturing, and delivery improves customer satisfaction.
- A connected enterprise can quickly act on any sudden change within the network.
- Your company is at the center.

**Top value drivers**

| Top value drivers | 20%–30% Reduction in R&D cost | Up to 10% Reduction in total manufacturing cost | 10%–20% Reduction in manual rework through better product configurations |

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Supporting Enhanced Business Models and Value-Added Services

One-Stop Shopping

Traditional scenario
- Customers are required to manage all of their needs to run a home improvement project by themselves.
- The parties involved are not connected to each other, which leads to increased administrative costs and a delay in project delivery.

A new world with SAP
Become the go-to partner when it comes to home projects such as construction or remodeling. Provide all products to complete a project – not only those the building products company produces but also third-party products required for the project – and deliver those to the job site. Include design, installation, and maintenance services in the offering.
- Unified business systems and standardized data to support orchestration of one-stop shopping across multiple acquired product lines
- Business networks connecting with other manufacturers and traders that can supplement your own offerings to enable a complete solution
- End-to-end management of customer needs to open up new revenue streams and increase customer retention

Top value drivers*
- 10%–20% Annual increase in service revenue per contract
- 10%–30% Increase in service margin

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SAP S/4HANA helps organizations keep employees safer and mitigate environment, health, and safety (EH&S) risks by providing the functionality to perform risk assessments, efficiently measure and report emissions, manage incidents, and communicate safe work practices to all employees.

Traditional scenario

Health and safety administrators with limited insight into root causes of incidents and their implications, and into organization-level compliance for EH&S

Out-of-the-box applications to analyze incident data

Analytics disconnected from real-time incident data

Multiple reports to monitor and analyze environmental compliance across the organization

No easy way to identify risks for location or to define risks

Incident reporting

A new world with SAP

Health and safety administrators supported by advanced analytics, simplified EH&S processes, and dedicated applications to act in the moment

Sophisticated analytics to analyze incidents, near misses, and other safety information, including asset, spatial, weather, and other IoT data

Monitoring of environmental data records graphically for different compliance scenarios with applicable compliance limits

Approval, replacement, or invalidation of the recorded values of environmental data records

Dedicated application to manage chemicals with all the relevant details

Simplified process to identify risks and assign relevant safety measures for risk mitigation

Proactive warnings to workers to avoid incidents using IoT technology

Incident management

Environment management

Health and safety management

SAP® Connected Worker Safety solution

Top value drivers

Increased safety

Less time and money loss

Increased employee satisfaction and engagement

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Intelligent ERP Is the Foundation of an Intelligent Enterprise

An intelligent enterprise can be continuously enhanced and extended with business services and applications built on a digital foundation to create transformative business value.

Many building products organizations, especially those focused on innovation or who prefer to be early adopters, have already begun this journey.
SAP Strategy – Deliver the Intelligent Enterprise

The Intelligent Enterprise connects experiences and operations using Experience Management solutions from SAP, our Business Technology Platform, and a suite of applications. The SAP Intelligent Enterprise Framework methodology incorporates these essential components to help customers achieve their business outcomes.

Experience – Experience data (X-data) from Experience Management solutions from SAP (Qualtrics) holistically measures and baselines stakeholder experiences across all touchpoints; prioritizes and predicts stakeholder needs and trends with key experience drivers; and acts and optimizes by tracking progress and experience improvement.

Intelligence – The Business Technology Platform provides unified data management to connect, discover, orchestrate, and manage both internal and external data; intelligent technologies and analytics to improve analytical and transactional workloads; and application services to simplify extension and integration across the intelligent suite.

Operations – The intelligent suite produces operational data (O-data) to automate day-to-day business processes, share insights across functions, and better interact with customers, suppliers, employees, and partners through applications embedded with intelligence.
# SAP S/4HANA Provides New Capabilities to Enable the Strategic Priorities of Building Products Organizations

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**SAP’s Value Proposition for Building Products Companies**

SAP S/4HANA provides building products organizations with a proven framework to adopt industry best practices while attaining operational excellence across the full value chain.

**Strategy enablement**
- Accelerate creation of new business models
- Enter new markets and industries
- Accelerate synergy for mergers and acquisitions
- Run live (SAP Digital Boardroom)
- Reorganize on the fly
- Achieve greater speed and agility
- Run simply (master complexity)
- Manage risk and ensure compliance

**Empowered employees**
- Higher productivity with a new, role-based way of working with the responsive, intuitive SAP Fiori® user experience on all devices
- Role-driven, user-centric processes and self-service business intelligence for user empowerment
- Actionable insights on unified, real-time data and processes with built-in system suggestions for decision support

**Business benefits**
- 10%–30% increase in on-time delivery
- 10%–20% increase in customer satisfaction
- 5%–12% reduction in days in inventory
- 2%–15% reduction in revenue loss due to stock-outs
- 1%–5% reduction in total logistics cost
- 5%–20% reduction in supply chain planning cost
- 5%–15% reduction in order fulfillment lead time

**IT benefits and total cost of ownership (TCO)**
- Reduced data footprint
- Merging of OLAP and OLTP
- Elimination of many desktop clients
- Lower testing costs
- Simplified landscapes
- Native integration

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Customers Are Achieving Value with SAP Solutions

By implementing SAP S/4HANA Cloud, New Sega Textile (Nantong) Co. Ltd. created a smart manufacturing environment, automating manual processes and enabling data-driven decision-making to:

- Manage supply chains based on real-time customer requirements, enabling 44% faster order lead times (falling from 45 days to 25 days) while significantly reducing inventory
- Improve efficiency and collaboration, standardizing procurement processes and minimizing human intervention, helping to reduce costs and efficiently manage suppliers

Using SAP S/4HANA Cloud as the enabler of our digital transformation, we’ve significantly improved efficiency across the business, greatly reducing physical inventory and lowering inventory working capital by 8%.

Wu Yonghui, Chairman and General Manager, New Sega Textile (Nantong) Co. Ltd.
Customers Are Achieving Value with SAP Solutions

Grupo Cementos de Chihuahua

Industry
Mill products – cement

SAP solution
SAP S/4HANA

Customer Web site
www.gcc.com

Click here to read the business transformation study.

Upgrading to SAP S/4HANA and migrating from the Oracle database helped Grupo Cementos de Chihuahua:
- Reduce order-query execution time by **50%**
- Speed up billing and open-orders reporting by **45%**
- Reduce the VAT transfer process from 15 hours to 8 hours

"Our mission is to be the supplier of choice in cement, concrete, and innovative solutions. With all the help SAP ActiveAttention™ services provided on our SAP S/4HANA upgrade project, we were definitely able to move toward achievement of that goal."

Monica Judith Pompa Gtz, IT Account Manager, Grupo Cementos de Chihuahua
Customers Are Achieving Value with SAP Solutions

Sauder Woodworking Co. completed its conversion to SAP S/4HANA, reducing implementation costs and minimizing disruption to the business. A successful launch was completed with only 72 hours of downtime, including conversion of the production planning and detailed scheduling (PPDS) functionality of the SAP Advanced Planning and Optimization component to PPDS within SAP S/4HANA.

Using SAP Enterprise Support and SAP Value Assurance in close cooperation with our partners, we were able to convert to SAP S/4HANA quickly and efficiently. We are now poised to release new functionality on our own timeline.

Jan Arvay, Vice President of Information Services, Sauder Woodworking Co.
Customers Are Achieving Value with SAP Solutions

Jiangsu Leida

Industry
Mill products

SAP solution
SAP S/4HANA

Customer Web site
www.leida.com.cn (Chinese)
Click here to read the business transformation study.

With simplified, standardized business processes running on SAP S/4HANA Cloud integrated with SAP Ariba® solutions, Jiangsu Leida Co. Ltd. was able to:

▪ Establish a unified, efficient, and flexible digital core platform to gain real-time insights for better, faster decision-making and operational excellence across cement subsidiaries
▪ Optimize business processes, break up information islands, and enhance information flow

“SAP S/4HANA Cloud has built up a digital platform for Jiangsu Leida’s innovation and future development. This project has integrated all siloed data and processes, supporting real-time insights into business operations. We expect deep and broad cooperation with SAP.”

Xiaoshuai Tang, Vice President and CIO, Jiangsu Leida Co. Ltd.
Customers Are **Achieving Value** with SAP Solutions

**Fuyang Dake New Materials**

**Industry**
Mill products – furniture

**SAP solution**
SAP S/4HANA Cloud

Customer Web site
[www.dakecn.com](http://www.dakecn.com) (Chinese)

Click [here](http://www.dakecn.com) to read the business transformation study.

Fuyang Dake New Materials Co. Ltd., a privately owned fiberboard producer, wanted to expand into the customized home furnishings market. The company implemented SAP S/4HANA Cloud to help it transform to a design-to-production business and address the need for both customization and mass production. Fuyang Dake has been able to increase the production efficiency and capacity of customized furniture by 3 times while reducing labor cost and working time by 50%.

"SAP software tripled our production efficiency of customized home furnishings. We really value the capability of SAP S/4HANA Cloud to integrate and the accurate and consistent data it delivers."

Zheng Guangze, CIO, Fuyang Dake New Materials Co. Ltd.