

# Why SAP IBP Solution ?

SAP Integrated Business Planning [IBP] functionality addresses all Supply chain related business challenges . Business benefits and Value Drivers are detailed in the next slide.

## Supply chain Challenges

Lack of visibility and information required to analyze and manage the end-to-end supply chain

Inability to synchronize supply and demand

Inability to understand and shape actual demand

Difficulty to determine optimal Inventory levels across the organization

Forecasts are wrong, demand is volatile, and the lead time vary

Inability to manage and plan across the complex supply network

Inability to response to short term changes in Supply and Demand



## SAP IBP Solutions

SAP Supply Chain Control Tower

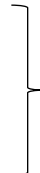
SAP IBP for sales and operations

SAP IBP for Demand

SAP IBP for Inventory

SAP IBP for Demand Driven MRP

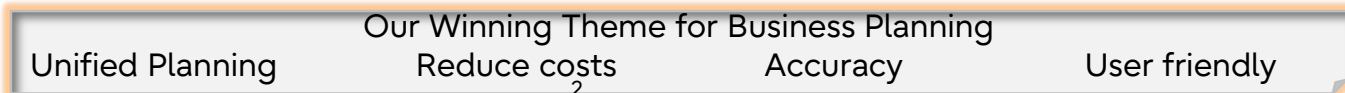
SAP IBP for Supply and Response



# Business Benefits and Value Drivers

## Business Benefits and Value Drivers, implementing SAP IBP

- Unified Planning Process
- Reduce Sales and Operations Planning costs
- Improve demand forecast accuracy and react more quickly to changes in demand
- Increase sales forecast accuracy
- Reduce inventory carrying costs and increase inventory turnover/reduce days in inventory
- Improve on-time delivery performance
- Increase revenue and reduce revenue loss due to stock-outs
- Increase user productivity by using Microsoft Excel for interactive Planning and by integrating social collaboration
- User-friendly dashboards/screens for planners
- Our winning theme for IBP are a) unified planning b) reduce costs c) Accuracy in forecasting, demand, supply planning and user-friendly dashboards/screens for planners



# SAP IBP Landscape and Functionalities

1

## SAP Supply Chain Control Tower

Real-time visibility to end-to-end supply chain for decision support and fast corrective actions

2

## SAP IBP for sales and operations

Managing the S&OP process from product and demand reviews to supply balancing with financial integration and scenario analysis

3

## SAP IBP for demand

Statistical forecasting and demand sensing capabilities combined with flexible collection of managerial judgement and consensus demand decisions

4

## SAP IBP for inventory

Advanced inventory planning solution with real multi-echelon capability to optimize the stocks in a complex network

5

## SAP IBP for demand driven replenishment

DDMRP is a methodology, to model, plan and manage supply chain to protect and promote the flow of relevant information and materials

6

## SAP IBP for response and supply

Tactical (rough-cut) supply planning as well as operational response and supply planning



SAP IBP brings all Supply Chain functions together under one common roof.

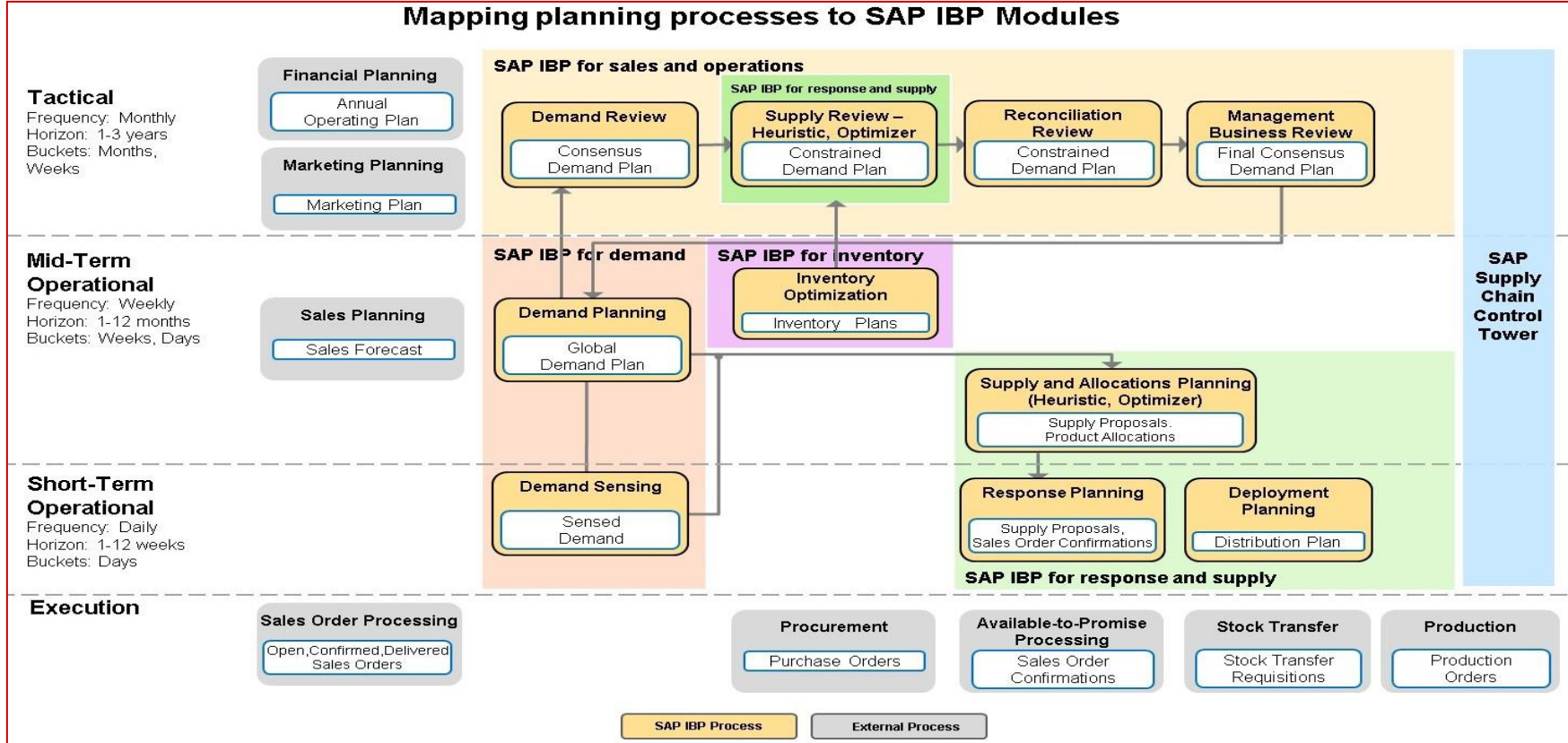
1. SAP Supply Chain Control Tower
2. SAP IBP for supply and operations Planning
3. SAP IBP for demand
4. SAP IBP for inventory
5. SAP IBP for Demand-Driven Replenishment
6. SAP IBP for response and supply

### Our Winning Theme for IBP

- Unified Planning
- Reduce costs
- Accuracy
- User friendly

# Unified Planning Process

## Mapping planning processes to SAP IBP Modules



# SAP Supply Chain Control Tower

## End-to-end visibility, exception handling, and performance management



Analyze KPIs

Check alerts

Manage cases and tasks

## Business benefits

- Proactive issue resolution through increased visibility and orchestration
- Increased responsiveness through real-time decision making capabilities
- Better decision making across the supply chain
- Lower inventory costs due to multitier visibility into inventory, demand, and supply
- Improved customer service with effective alert and exception management

## Key functionalities

- Unified Planning Process
- End-to-End visibility to Supply chain
- Real time monitoring, Smart alerts, analytics and exception-based management
- Multiple Options for visualizing the supply chain data
- Drill-down capabilities to quickly grasp the issue in detail
- built-in case and task management for resolving problems in a collaborative and efficient way

Unified Planning

Our Winning Theme for Business Planning

Reduce costs<sub>5</sub>

Accuracy

User friendly

# SAP IBP for Sales and Operation

## Sales and operations planning process



## Business benefits

- Effectively balance demand and supply, and attain financial targets
- Optimize product mix and customer/market allocations for maximum margin contribution
- Align strategic, long-term supply chain planning with operational, short-term planning
- Create the optimal business plan to drive revenue growth and increase market share
- Improve on-time delivery
- Improve capacity utilization



## Key Functionalities:

- Demand Planning with statistical forecast and input consolidation
- Supply Planning with capacity overview and Planning heuristics
- Scenarios and simulations  
Planning can be done to simulate what-if analysis
- Process management to follow the process step by step is a strong tool to enable a proper flow and understand its completion status

Unified Planning

Our Winning Theme for Business Planning

Reduce costs<sub>6</sub>

Accuracy

User friendly

# SAP IBP for Demand Planning

## Demand planning process



## Business benefits

- Build a single, comprehensive demand plan, integrated with the consensus forecasting process
- Reduce safety stock levels by lowering forecast errors
- Improve service levels, reduce stock-outs and lower expediting costs through more accurate forecasts
- Anticipate plan deviations via embedded analytics



## Key Functionalities

- ❑ Gathers and cleanses historical data with system support and automation
- ❑ Provides Statistical Forecasting and Demand Sensing
- ❑ Combines and adjusts forecasts flexibly and easily
- ❑ Generates demand scenarios for further analysis

Unified Planning

Our Winning Theme for Business Planning

Reduce costs,

Accuracy

User friendly



# Inventory Planning

## Inventory planning process



## Business benefits

- Improve customer service levels and minimize stock-outs
- Maximize the efficiency of inventory and working capital
- Standardize the inventory target-setting process at each tier within the supply chain to feed operational plans
- Improve planner productivity, standardize planning processes



## Key Functionality

- Input Data review to validate for example Service levels, demand forecasts and forecast errors
- Inventory planning
- What-if analysis
- Alerts
- Manual overrides

Unified Planning

Our Winning Theme for Business Planning

Reduce costs<sub>g</sub>

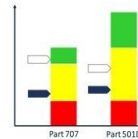
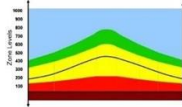
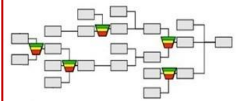
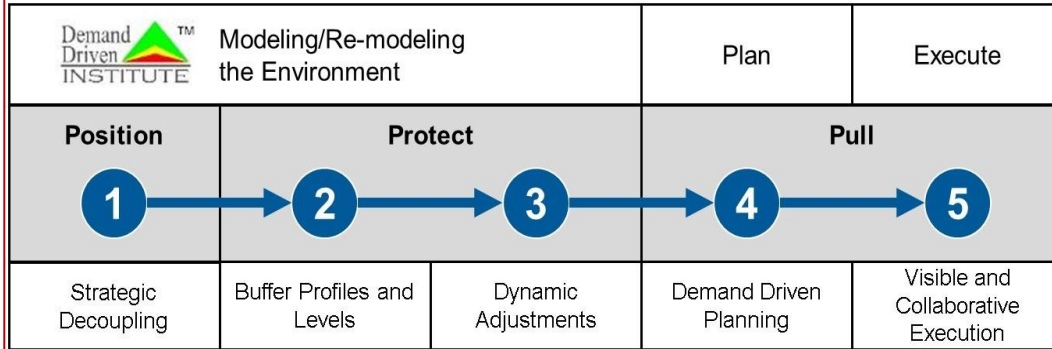
Accuracy

User friendly



# SAP IBP for Demand Driven MRP

Five components of Demand Driven MRP form the basis of a demand driven operating model



Order #	OH Buffer Status
MO 12379	
MO 12401	12% (RED)
MO 12405	22% (RED)
MO 12367	33% (YELLOW)
MO 12411	41% (YELLOW)

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Components of DDMRP

- Strategic Decoupling
- Buffer Profiles and Levels
- Dynamic Adjustments
- Demand Driven Planning
- Visible and Collaborative

Unified Planning

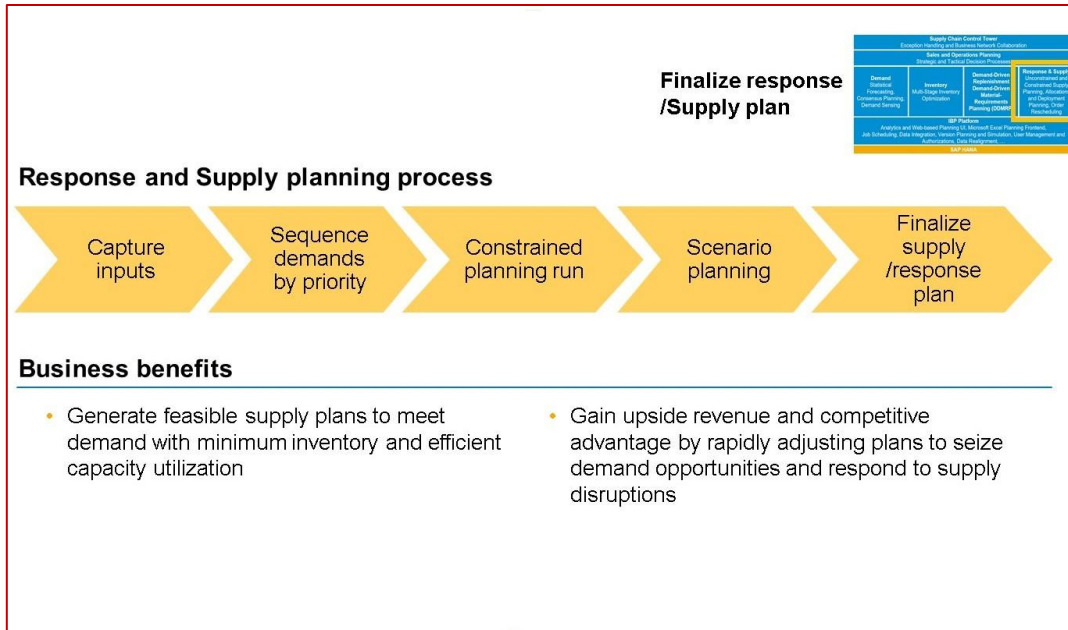
Our Winning Theme for Business Planning

Reduce costs<sub>9</sub>

Accuracy

User friendly

# SAP IBP for Response and Supply Planning



## Key Functionalities

- ❑ Support tactical, time-bucketed supply planning
- ❑ Support operational order-based Supply Planning

Our Winning Theme for Business Planning

Unified Planning      Reduce costs      Accuracy      User friendly