

SAP for High Tech Brief



ENTERPRISE MANAGEMENT AND SUPPORT

Driving Growth in the Dynamic High Tech Manufacturing Industry

The SAP® ERP packaged solution for the high tech industry is a world-class ERP solution designed for high-growth manufacturing companies. You can leverage the advanced industry functionality provided by mySAP™ ERP – in a modular solution that can be implemented within a predetermined cost and time frame. Included in the packaged solution is mySAP ERP software, SAP high tech domain expertise, and accelerated implementation services to ensure that the mission-critical business functions you need are deployed affordably and effectively.

Today's high tech companies face a myriad of challenges. Growing customer demand for new products and features is accelerating product development and shortening life cycles. The need for new sources of profitable revenue is placing a greater emphasis on product service and maintenance agreements. And to keep costs low, companies are forced to outsource select manufacturing and supply chain processes to new suppliers – often in volatile markets.

For your business to survive and thrive in the global marketplace, you need to deploy a strong, flexible enterprise management and support system to address fundamental business functions and industry-specific processes. The right enterprise resource planning (ERP) solution can help you achieve profitable and sustainable growth by automating and streamlining critical business processes, enabling greater productivity, and providing increased visibility and control. Equally important, the solution must be fast to implement, affordable to maintain, and easily adaptable to address inevitable future business changes.

With over 30 years of experience in high tech and thousands of ERP installations at midsize enterprises, SAP delivers the world's leading ERP solution – mySAP™ ERP – now available as a solution tailored to meet the demands of growing high tech businesses.

SAP® ERP Packaged Solution for the High Tech Industry: Designed for Midsize Businesses

The SAP® ERP packaged solution for the high tech industry enables you to leverage the proven functionality of mySAP ERP – in a tailored solution that can be implemented in weeks at a predictable cost and time to value. As a result, you can quickly address your most pressing industry challenges and realize significant bottom- and top-line benefits – with minimal business disruption during the implementation process.

mySAP ERP is the leading enterprise solution for high tech companies because it enables you to rapidly implement the functions required to address today's business needs – and easily add functions and change business processes as your company evolves. You gain better control of your assets and business processes by utilizing the software's built-in industry functionality. And you can extend this functionality to create truly adaptive business systems that support collaboration with customers and suppliers, resulting in more profitable customer relationships, more reliable suppliers, and increased revenue – both now and in the future.

A Complete Solution That's Fast, Proven, and Affordable

The SAP ERP packaged solution for the high tech industry combines everything you need for a fast, proven, and affordable industry solution that enables your business today – and builds for tomorrow.

A Complete Solution for Today – And Tomorrow

The packaged solution includes mySAP ERP software, the world's leading ERP solution used by over 6,000 high tech customers. You receive the complete range of mySAP ERP functionality, including sourcing and manufacturing operations, planning operations, sales and distribution operations, financials, and analytics. The packaged solution implements select ERP functions that support key business processes most critical to the success of high tech companies. Using it as a foundation, you can take a modular approach to deploy additional functions as needed.

SAP Domain Expertise: For Proven, Optimized Business Processes

With successful customer installations at midsize high tech companies around the world, SAP has extensive high tech domain expertise that is used to create industry-specific methodologies, documentation, and business process configurations for mySAP ERP. This domain expertise ensures that SAP delivers ERP solutions that consistently meet the needs of your industry. It is one of the many reasons that mySAP ERP is used successfully by thousands of customers in the manufacturing industry.

Implementation Services: For a Fast, Affordable, and Predictable Deployment

SAP's network of qualified high tech industry implementation service providers, along with SAP Consulting, ensure that your solution is up and running on time and on budget. Implementations are affordable and predictable because they are delivered using a clear, step-by-step methodology tailored specifically for deploying mySAP ERP within high tech companies. Predefined configuration settings, roles, and processes make it easy to scope the implementation, and ensure that you have a predictable deployment that keeps your staff focused on your business.

SAP also provides ready-made documentation such as configuration guides, data migration sheets, business process procedures, and test catalogs that reduce the time and cost of the implementation, and ensure quick and effective end-user adoption.

Hosting and Financing Options

SAP provides application hosting services for the ongoing maintenance of your ERP solution, giving you additional flexibility at an affordable price while also freeing up internal resources to focus on your core business. SAP Hosting works closely with a qualified SAP implementation partner to ensure a smooth and cost-effective transition from implementation to maintenance. SAP also provides a wide range of financing options to help you with your SAP investment.

Predetermined Industry Functions Deliver Rapid Time to Value

The SAP ERP packaged solution for the high tech industry includes the following set of ERP functions to support your critical business processes:

Financial and Management Accounting

mySAP ERP provides you with a common basis for financial and management reporting as well as customized financial reporting for various user groups. The software helps you maintain financial records that are consistent, reconcilable, and auditable, while simplifying financial reporting for country-specific statutory and organization-wide purposes. In addition to maintaining financial statements such as balance sheets, profit and loss statements, general ledgers, and material ledgers, mySAP ERP supports the following accounting processes:

- Cost center and internal order accounting
- Profitability accounting
- Profit center accounting
- Revenue and cost planning
- Revenue recognition
- Accounts receivable
- Accounts payable
- Tax accounting
- Fixed assets accounting
- Bank accounting

Additional functions, such as management of internal controls capabilities, enable effective corporate governance and compliance with regulations such as Basel II and the Sarbanes-Oxley Act. In addition, an audit information system supports internal and external auditors with online controls and facilitates data export to specialized auditing software.

Sales and Distribution

mySAP ERP delivers superior functionality to support sales and distribution business processes, including handling inquiries, quotations, product availability checking, order generation, processing, and contract and billing cycle management. In addition, it supports flexible pricing, contracts, and solution

configuration to meet individual customer needs, and allows you to configure a product for which different variants are available. mySAP ERP also supports the complete customer service cycle, from post-sales support through initial product installation, ongoing support services, billing, and revenue recognition. All invoices, credits, and debit memos are fully integrated with mySAP ERP financial accounting.

Materials Management

The materials management (MM) functions provided by mySAP ERP help you transform your logistics function into the hub of a multi-enterprise business alliance with customers, partners, and suppliers. mySAP ERP supports all MM processes, including purchasing, goods receiving, inventory management, and invoice verification. Purchasing functions simplify and streamline external procurement by supporting the vendor selection and agreement negotiation process, as well as monitoring deliveries from and payments to vendors. Inventory management functions track and manage physical inventory quantities and value, as well as support goods receipt processing, goods issue, and goods transfer. You can also verify invoices against purchasing documents and goods receipts, and block or initiate payments. All functions are fully integrated with the other modules of mySAP ERP.

Manufacturing

mySAP ERP helps you manage the full range of manufacturing activities – from planning to execution and analysis – in a single, end-to-end, customer-oriented manufacturing management system. The software supports all production strategies for high tech, including make to order, configure to order, make to stock, assembly to order, repetitive manufacturing, and process manufacturing, so you can rapidly respond to customer needs. In addition, techniques such as lean manufacturing and Six Sigma allow you to plan, analyze performance, ensure quality, adapt to change, and meet changing customer demands. And by combining information from a variety of business processes, mySAP ERP helps you develop and execute efficient production plans and ensure that accurate, comprehensive information is easily available to all who need it.

With mySAP ERP, you can also establish a continuous flow of information across engineering, planning, and execution, documenting each step in the production process. You can easily share manufacturing information across the enterprise and supply network to coordinate production processes and promote cooperation. In addition, data from plant process-control and data collection systems can be incorporated, further enhancing decision making. And order change management functions enable you to track customer order revisions and new versions of bills of material to ensure that up-to-date information is available throughout manufacturing.

Production Planning

mySAP ERP supports production planning to guarantee material availability required for timely production, whether you need to procure or produce those materials. You can monitor stocks and enable the automatic creation of procurement proposals for purchasing and production. These functions help you maintain the optimal balance between meeting customer service levels and minimizing costs and capital lockup. The system supports both MRP and consumption-based materials planning procedures.

mySAP ERP includes the most common lot-sizing procedures and allows you to easily integrate user-defined formulas. It also generates messages for critical parts and unusual situations so that you can rework the planning results in problem areas. Manufacturing resource planning (MRP) functions are part of the production planning process within mySAP ERP, generating replenishment schedules for all manufactured components, intermediates, purchased parts, and raw materials. You can also set due dates for production orders and purchase requisitions through lead-time scheduling, depending on buffers and other variables.

Key Benefits

The standard implementation of the SAP ERP packaged solution for the high tech industry provides a fast, low-risk path to significant benefits. Companies can leverage the solution to automate and streamline business processes globally, as well as to easily integrate merged or acquired organizations into core operations. At the same time, businesses can leverage the SAP NetWeaver™ platform to rapidly respond to changing market opportunities – and make the most of ever-shortening product life cycles – by quickly rolling out new SAP applications, integrating other applications, and developing composite applications. The solution also provides increased visibility and control, enabling more timely and effective business decisions across customer, supplier, and internal operations.

Powered by SAP NetWeaver

mySAP ERP is powered by the SAP NetWeaver platform – the open integration and application platform that provides the best way to integrate all systems running SAP or non-SAP software. SAP NetWeaver unifies integration technologies into a single platform and is preintegrated with business applications, enabling change and reducing the need for custom integration. SAP NetWeaver is the industry-leading application and integration framework that powers the most innovative industry practices for high tech companies while enabling greater speed and agility through collaboration, analytics, and Web services.

For more information about the mySAP ERP packaged solution for the high tech industry please visit the SAP Web site at www.sap.com.

Disclaimer

The contents of this solution brief only constitute an estimate of the efforts needed to implement the packaged solution and shall act as a guidance for the presales/sales preparation. Exact figures will need to be calculated based on each individual customer engagement.