

ERP Implementation

Implementing ERP Systems

- Implementation was a major challenge in the late 1990s as firms rushed to implement ERP systems to avoid the Y2K problem
 - Implementations were hampered by a lack of experienced consultants
- Since 2000, the pace of implementations has slowed significantly
 - Most Fortune 500 firms have implemented ERP systems
 - Current growth is in small to midsize business market
 - New products include Microsoft Great Plains and SAP Business One

Implementing ERP Systems

- Firms that implemented ERP to avoid the Y2K problem likely installed ERP systems that covered only the basic functionality necessary to operate the business
- Many firms are looking to leverage their ERP investment by finding ways to improve their firm's business processes
 - These implementation projects are smaller in scope, but still require effective management for success

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ERP System Costs and Benefits

- Software licensing fees: Most firms charge annual fees based on the number of users
- Consulting fees: ERP implementations require experienced consultants with extensive experience
- Project team member time: Key people must participate in the ERP implementation project to make sure that consultants understand their company's requirements
- Employee training: Project team members need extensive training in the software, and all employees need training to work with the system
- Productivity losses: No matter how effective the implementation, productivity will decrease during the first weeks and months after the system is implemented

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ERP System Costs and Benefits

- Companies must identify a significant financial benefit that will be generated by the ERP system to justify the money spent on it
- The only way companies can save money with ERP systems is to use them to make their business processes more efficient and effective
- It is possible for a company to “recreate” its old information system in SAP using modifications via ABAP programming, rather than adopt “best practices”

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Implementation Change and Management

- Key challenge in managing ERP implementations is managing people, not technology
- More effective processes require fewer people
- Some employees will not be needed after implementation
 - It is a challenging task to ask employees to participate in a software implementation process that will not only change their day-to-day activities, but might eliminate their current jobs
- Managing the human behavior aspects of organizational change is called Organizational Change Management

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Implementation Tools

- Business Maps
- Solution Manager

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Business Maps

- SAP Business Maps help to focus on business core processes and functions.
- Two kinds of business maps
 - [Solution Maps](#) model the business processes within an organization. They help visualize, plan, and implement a coherent, integrated, and comprehensive information technology solution.
 - [Business Scenario Maps](#) provide a detailed view of end-to-end processes. They define the activities, roles, system interfaces, and business documents
- [Solution Composer](#) is a free, easy-to-use PC-based tool that allows planning of an implementation project.

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Solution Maps


- SAP Solution Maps are well-defined tools that outline the scope of an organization's business. They help visualize, plan, and implement a comprehensive information technology solution.
- Solution Map views:
 - **Level I View -- An Overview.** This overview provides a broad picture of the major processes within a given industry. Organized according to process categories that represent the critical business processes for a specific industry.
 - **Level II View -- Business Blueprint.** The business blueprints provide more detailed information about the specific functionality required for each business process. A detailed description is provided for each process, and business processes are mapped to the specific SAP or partner products that support them.

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Business Scenario Maps

- A collection of industry-specific and cross-industry process blueprints. They explain proven state-of-the-art Internet business processes and they show you how to apply the mySAP Business Suite to support those processes. In addition, they help you understand what you need to invest and what you will gain in time, money, and competitive advantage.
- Define the activities, roles, system interfaces, and business documents required for inter-enterprise collaboration.

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SAP Business Maps: When You're Going Somewhere New, It Helps to Have a Good Map

SAP Business Maps help you focus on the core processes and functions that can increase your company's ability to compete, strengthen your relationships with partners, and help your company become closely oriented to the markets and customers you serve.

There are two kinds of business maps, each providing a different perspective of the processes that support a successful e-business.


- Solution Maps** model the business processes within an organization. They help you visualize, plan, and implement a coherent, integrated, and comprehensive information technology solution.
- Business Scenario Maps** provide a detailed view of end-to-end processes. They define the activities, roles, system interfaces, and even the business documents required for collaboration.


To view, customize, or create your own maps, download our [Solution Composer](#). It's a free, easy-to-use PC-based tool that lets you plan an implementation project, including defining, documenting, and communicating your business solution requirements.

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Industry-Specific Business Maps

Different Industries Need Different Business Solutions

The SAP Industry Solution Maps have been redesigned to focus on your core competencies and challenges and thereby help you visualize, plan, and implement a coherent comprehensive solution for profitable growth. Oriented along a generic industry value chain, they illustrate the end-to-end business processes of a typical enterprise within a certain industry, showing the relationship of the enterprise with suppliers and partners, customers and channels.

View the SAP Industry Solution Map for your industry segment:

- [Financials & Public Sector](#)
- [Manufacturing Industries](#)
- [Service Industries](#)


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Industry-Specific Business Maps

Manufacturing Industries

SAP understands that the only industry that matters to you is your industry. That's why there's no such thing as a generic industry solution from SAP. Our solution sets are based on an in-depth knowledge of the processes that drive your business. So you can make better, more informed strategic decisions in the areas most important to you -- whether you want to gain greater visibility across your enterprise, get closer to your customers, or reduce inefficiencies.


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Aerospace & Defense

Industry-Specific SAP Business Maps -- Aerospace & Defense

From maintenance and repair to complete business acquisitions, SAP for Aerospace & Defense is the best solution for your dynamic industry. And thanks to the SAP Business Maps, you can understand the benefits and value these processes and solutions deliver.

The SAP Industry Solution Maps help you address the business challenges you and your business face day-to-day and focus on key industry segment scenarios. Oriented along a generic industry value chain, the scenario-oriented Maps document and illustrate the end-to-end business processes (business scenarios) of a typical enterprise in a certain industry, showing the relationship of the enterprise with suppliers and partners, customers and channels ("extended enterprise").

Solution Maps

-  [Aerospace & Defense - Airline Management](#)
-  [Aerospace & Defense - Manufacturing](#)
-  [Aerospace & Defense - MRO/M&E Service Providers](#)

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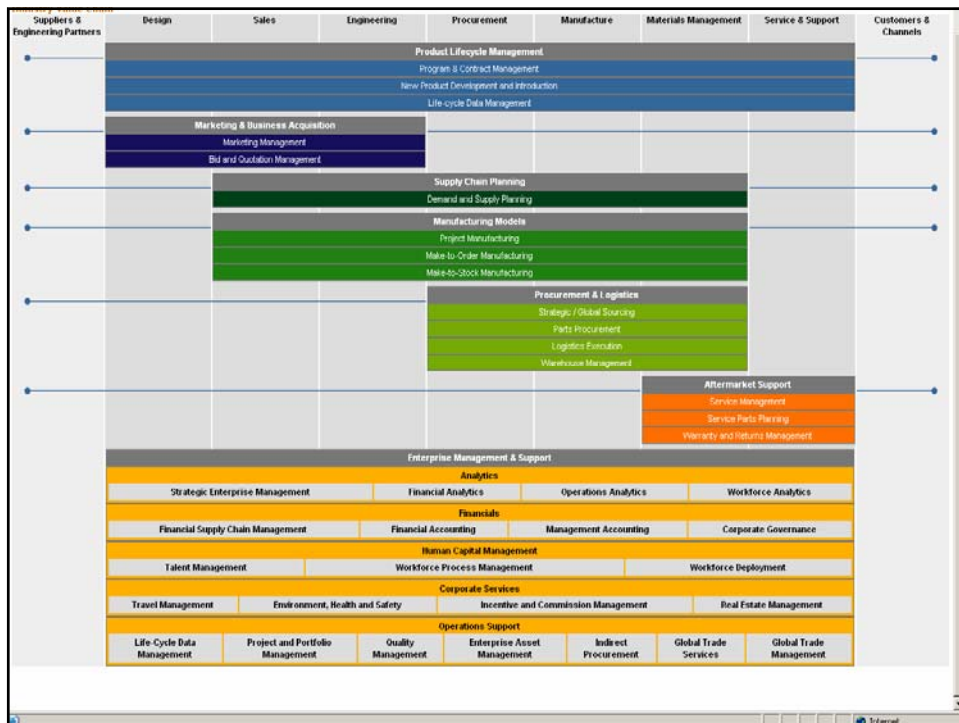
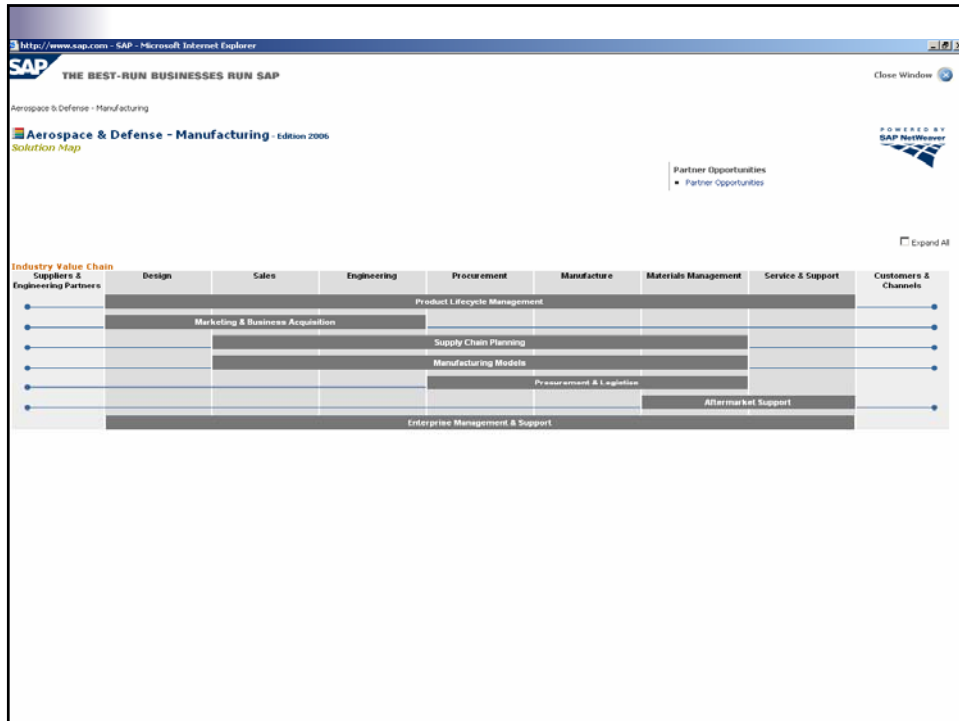
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[Aerospace & Defense - Airline Management Solution Map \(PDF, 150 KB\)](#)
[Aerospace & Defense - Manufacturing Solution Map \(PDF, 189 KB\)](#)
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Aerospace & Defense - Manufacturing > Marketing & Business Acquisition > Marketing Management

Marketing Management

Business Scenario

Marketing Management is the process of building relationships with key customers and prospects. It includes the planning, execution and analysis of marketing activities and campaigns through all interaction channels.

Business Goals & Objectives

- Increasing Revenue**
 - Develop new markets
 - Efficient campaign planning and management
 - Extend market share
 - Improve customer retention and loyalty
- Lowering Working Capital**
 - Efficient promotion planning and trade spending

Processes

Sales Planning and Forecasting

In Sales Target Planning, a sales manager sets sales or contribution targets for the sales employees in the field. Since the sales manager and the sales employees use a common planning platform, the planning tasks performed by the sales manager are closely reconciled with the business planning and operational planning tasks performed by the sales employees. You can specify as many dimensions for entering planning figures (such as sales region, product group) as you need for your planning requirements. The different planners can access the same data but plan at different levels.

To fully utilize this functionality, the following products should be evaluated:

- mySAP ERP
- SAP Sales Force Productivity Management for Aerospace & Defense

Marketing Planning and Budgeting

In this process, you plan how you wish to distribute the budget for your marketing plan.

To fully utilize this functionality, the following products should be evaluated:

- mySAP ERP
- SAP Sales Force Productivity Management for Aerospace & Defense

Lead Processing

This process enables manual and automatic qualification of leads to set the lead qualification level. Lead processing also includes the creation of a business transaction, such as an opportunity, from a lead.

To fully utilize this functionality, the following products should be evaluated:

- SAP Sales Force Productivity Management for Aerospace & Defense

Opportunity Processing

An opportunity is a recognized possibility for business, for example, the sale of products or services. The opportunity makes up the framework for displaying sales projects from the beginning, and monitoring their success.

To fully utilize this functionality, the following products should be evaluated:

- mySAP ERP
- SAP Sales Force Productivity Management for Aerospace & Defense

Account Processing

Provides you with a solution for managing and processing business partners and contact persons. In addition, the integration of business transactions, contacts, marketing attributes and so on provides quick access to and easy maintenance of all the information on business partners or contact persons.

To fully utilize this functionality, the following products should be evaluated:

- mySAP ERP
- SAP Sales Force Productivity Management for Aerospace & Defense

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Business Scenario Maps

- Campaign Management
- Marketing Planning

Key Performance Indicators

- Company Growth vs. Market Growth
- Market Share
- Time to Market

Partner Opportunities

- Partner Opportunities in Aerospace & Defense - Manufacturing

See also

- SAP NetWeaver Benefits

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Marketing Planning

Marketing Planning

This Business Scenario Map is about Marketing plans, that are intended for the long term, strategic planning of activities. This way budgets and deadlines are taken into consideration. A marketing plan could form, for example, the basis for next year's costing in the Marketing Department. As such, it is a management tool. This business scenario shows you how to set up a marketing plan. The marketing plan is used as a framework for planning, structuring and budgeting marketing projects. Within the framework, you can quickly gather and analyze data on customers, target groups, sales, territories, and competitive activity using integrated analytical functions. Throughout the duration of the plan, you can monitor performance and react accordingly. After the marketing plan has been executed, you can then use the result as a basis for evaluation of future projects. The scenario shows the typical process for setting up a marketing plan. The structure for the marketing plan is created in the Customer Relationship Management (CRM) System. The necessary planning, budgeting and performance monitoring is then carried out in the SAP Business Information Warehouse (BIW) and Strategic Enterprise Management (SEM) Systems.

☐ Show Document Flow

Business Benefits	Marketing	External Data Provider	Business Benefits
Set initiatives based on "insights" that are market driven			Easily distribute analysis, objectives, and tasks to appropriate colleagues
Increase speed to market with a streamlined process for distribution of documents to colleagues			Establish single plan forecast for each segment of the plan
Communicate enterprise strategy for conversion into operational targets for all levels of the enterprise			Single source of data for decision making and process
Increase planning acceptance with a single planning platform ensuring one version of the truth			Capture all planning components and metrics to support accurate performance tracking
Accurate forecasts, reporting and monitoring of all marketing spends			Execute and manage each program
Benchmarking for continuous improvement			
Achieve accurate forecasts, critical to managing global business			

Marketing Planning

This scenario addresses the following business challenges:

- Marketing efforts are ineffective, with poor collaboration and constant duplication of effort
- Lack of competitive intelligence to effectively drive business decisions
- Unable to ensure targets and goals are achieved, and unable to focus organizational efforts to understand and achieve goals
- Inability to manage all resources involved in execution of the plan, no insight/control of responsibilities
- Budgetary information is not effectively embedded to the plan, causing lack of full budgetary understanding and accountability
- Uncoordinated task management with constant duplication of effort
- Marketing efforts are disoriented; coordination of all marketing efforts is manual process
- Marketing efforts create extensive "paper" trails that are difficult to maintain, pertinent information is not stored or accessible within the marketing plan with no versioning control

The next section describes the scenario in more detail:

Your Strategic Planner observes the market and competitive trends to identify sales potential. External data providers supply market research data to enhance market analysis and planning. This enables your managers to ensure their marketing strategies are aligned with global and local market and competitive conditions. Further, the Strategic Planner formulates transparent strategies and communicates them within the entire enterprise. Your Marketing Manager manages a team of marketing employees and ensures that the team meets their targets. They translate strategies into operational targets and budgets for the team, monitor and analyze marketing performance, and thereby conduct performance reviews at team and Campaign Manager level. Your Marketing Managers approve and monitor marketing campaigns and promotions across multiple channels. They target the most profitable market segments and allocate their budget by deciding on the best marketing mix to optimize marketing effectiveness.

(* This scenario is written from the perspective of you as the manager of a marketing department)

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Cross-Industry Business Maps

Enterprise Resource Planning (ERP)

mySAP ERP enables new levels of business process and technology integration -- and lays the foundation for incremental solution evolution. And thanks to the SAP Business Maps, you can understand the benefits and value these processes and solutions deliver.

Solution Maps

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Solution Map

	End-User Service Delivery							SAP Business Maps
Analytics	Strategic Enterprise Management		Financial Analytics		Operations Analytics		Workforce Analytics	
Financials	Financial Supply Chain Management		Financial Accounting		Management Accounting		Corporate Governance	
Human Capital Management	Talent Management		Workforce Process Management			Workforce Deployment		
Procurement and Logistics Execution	Procurement	Supplier Collaboration		Inventory and Warehouse Management		Inbound and Outbound Logistics	Transportation Management	
Product Development and Manufacturing	Production Planning		Manufacturing Execution		Product Development		Life-Cycle Data Management	
Sales and Service	Sales Order Management		Aftermarket Sales and Service			Professional Service Delivery		
Corporate Services	Risk Estate Management	Enterprise Asset Management	Project and Portfolio Management		Travel Management	Environment, Health and Safety	Quality Management	Global Trade Services

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mySAP ERP > Financials

mySAP ERP
Financials

mySAP ERP Financials: Gain Control. Gather Insight. Generate Value.

mySAP ERP Financials provides a complete financial management solution for a broad range of industries. It's the leading enterprise software solution for accounting, financial reporting, performance management, and corporate governance.

With mySAP ERP Financials, you can transform finance from an administrative department into a strategic business partner. One that provides deep operational insight, unifies strategic action, and measures results quickly.

The solution offers depth of functionality in accounting, reporting, analysis, financial supply chain, and treasury management. Robust financial and management reporting, plus internal controls and documentation of all financial processes and transactions, ensures the highest levels of business analysis and governance.

mySAP ERP Financials provides industry-leading support for local market requirements, languages, and currencies. It also supports a broad range of industry-specific processes and is compatible with all SAP industry solutions. Its scalable and open architecture is built for multinational organizations and connects financial management with existing business systems.

mySAP ERP Financials powers the highest-performing finance organizations in the world. It offers a unique advantage to companies by providing market-leading financial management tools that work harmoniously with your operational systems.

Financial Supply Chain Management	Financial Accounting	Management Accounting	Corporate Governance
<ul style="list-style-type: none"> • Credit Management • Electronic Bill Presentation and Payment • Collections Management • Dispute Management • Incoming Cash • Cash and Liquidity Management • Treasury and Risk Management • Bank Relationship Management 	<ul style="list-style-type: none"> • General Ledger • Accounts Receivable • Accounts Payable • Contract Accounting • Fixed Assets Accounting • Bank Accounting • Cash Journal Accounting • Inventory Accounting • Tax Accounting • Accrual Accounting • Local Close • Financial Statements 	<ul style="list-style-type: none"> • Profit Center Accounting • Cost Center and Internal Order Accounting • Project Accounting • Investment Management • Product Cost Accounting • Profitability Accounting • Transfer Pricing 	<ul style="list-style-type: none"> • Audit Information System • Management of Internal Controls • Risk Management • Whistle Blower Consultants • Segregation of Duties

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 Link to Business Scenario Maps

For further information see:
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mySAP ERP > Financials > Financial Accounting

mySAP ERP
Financials -- Financial Accounting

Financial accounting supports the valuation and reporting of inventory according to different regulations. Uses the Material Ledger component to carry inventory values in two additional currencies/valuations. Performs all goods movements in the Material Ledger in up to three currencies or valuations. Translates currency amounts into foreign currencies at historical exchange rates at the time of posting. Supports the determination of actual costs (compared to standard costs) for externally procured materials and materials produced in-house via Actual Costing. Uses this to value material inventories, such as raw materials as well as semi-finished and finished products, accordingly.

The following **business goals and objectives** can be achieved through the implementation of these processes:

- Reducing Operating Costs & Increasing Efficiency

Financial Accounting

General Ledger ● Provides a comprehensive picture for internal accounting and accounts. Records all business transactions (primary postings as well as settlements from internal accounting) in a software system that is fully integrated with all the other operational areas of a company to ensure that the accounting data is always complete and accurate.

To fully utilize this functionality, the following products should be evaluated:
 mySAP ERP

Accounts Receivable ● Records and manages customer accounting data via the Accounts Receivable (AR) component. Connects AR directly to the GL using a special reconciliation account.

To fully utilize this functionality, the following products should be evaluated:
 mySAP ERP

Accounts Payable ● Records and manages vendor accounting data via the Accounts Payable (AP) component. Connects AP directly to the GL using a special reconciliation account.

To fully utilize this functionality, the following products should be evaluated:
 mySAP ERP

Contract Accounting ● Covers all standard accounts receivable and accounts payable functions and provides new functions with a high degree of flexibility.

Manages receivables and payables in a subledger that follows the aspects of mass data processing and system integration.

Contract Accounting represents a solution that is most valuable for customers with a large volume of business partners and documents to process.

Please note that the following business processes are not included in the mySAP ERP shipment:
 Managing Collections in Interaction Center
 Managing Defaults and Installment Plans
 Managing Disputes in Interaction Center
 Managing Financial Inquiries in Interaction Center
 Managing Payment Data
 Managing Processing Locks

Fixed Assets Accounting ● Maintains and analyzes fixed assets according to generally accepted rules in the company's country. Delivers country templates with the system.

To fully utilize this functionality, the following products should be evaluated:
 mySAP ERP

Bank Accounting ● Manages all bank relations from one place. Retrieves account statements in paper form or loads them into the system electronically.

To fully utilize this functionality, the following products should be evaluated:
 mySAP ERP

Solution Composer

- Display and **edit** Solution Maps and Business Scenario Maps.
- The Solution Composer helps you visualize, plan, and implement coherent and comprehensive IT solutions that integrate business processes within your enterprise and between organizations.
- The Solution Composer makes it easy to create and **change** content included in Solution Maps and Business Scenario Maps.
- Must be downloaded from SAP's Web site.

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Solution Manager

- SAP provides Solution Manager to help manage implementation projects
- In Solution Manager, the R/3 Implementation Project is presented in a 5 phase Implementation Roadmap
 - Project Preparation (15 to 20 days)
 - Business Blueprint (25 to 40 days)
 - Realization (55 to 80 days)
 - Final Preparation (35 to 55 days)
 - Go Live and Support (20 to 24 days)

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Solution Manager

- Project Preparation Phase
 - Tasks include organizing technical team
 - Defining system landscape (servers and network)
 - Selecting hardware and database vendors
 - Defining projects scope—what the project is supposed to accomplish
 - Scope creep—unplanned expansion of the project—is probably the primary reason projects go over time and budget

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Solution Manager

- Business Blueprint Phase
 - Produces the business blueprint, which is a detailed description of how the company intends to run its business with the SAP R/3 system
 - Process mapping is critical to the business blueprint phase
 - The business blueprint guides consultants and project team members in configuring the SAP R/3 system
 - During this phase, technical team members determine how they will transfer data from the firm's legacy systems

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Solution Manager

- Realization Phase
 - Project team members work with consultants to configure the SAP R/3 software in the development system
 - Developers create:
 - Special ABAP programs
 - Connections to legacy systems
 - Integration with 3rd party software packages

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Solution Manager

- Final Preparation Phase
 - Testing the system throughout for critical business processes
 - Setting up help desk for end-user support
 - Setting up operation of the production system and transferring data from legacy systems
 - Conducting end-user training
 - Setting the Go Live date
- When scope creep results in projects going over time and budget, testing and training is usually all that is left to be cut
 - Cutting testing and training always leads to disaster

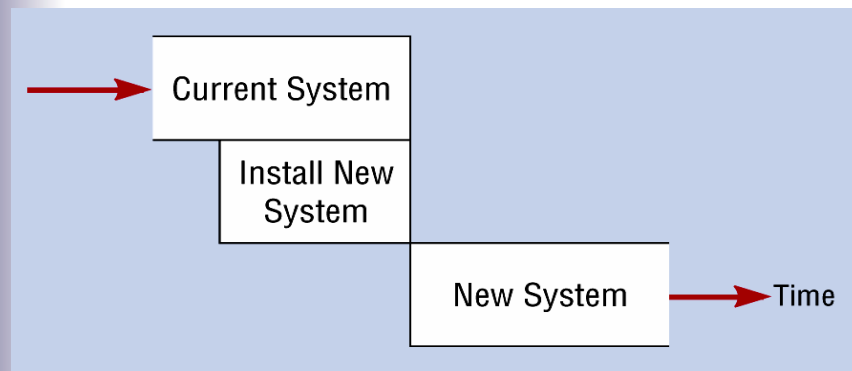
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Solution Manager

- Go Live Phase
 - Company begins using the SAP system
 - Go Live date should be scheduled for a slack business period
 - Properly staffed help desk is critical, as most questions occur in the first few weeks of operation
 - Project team members and consultants should be scheduled to work the help desk during this period
 - Monitoring of system performance is also critical
 - Also important to set a project completion date
 - New features or enhancements should be a new project

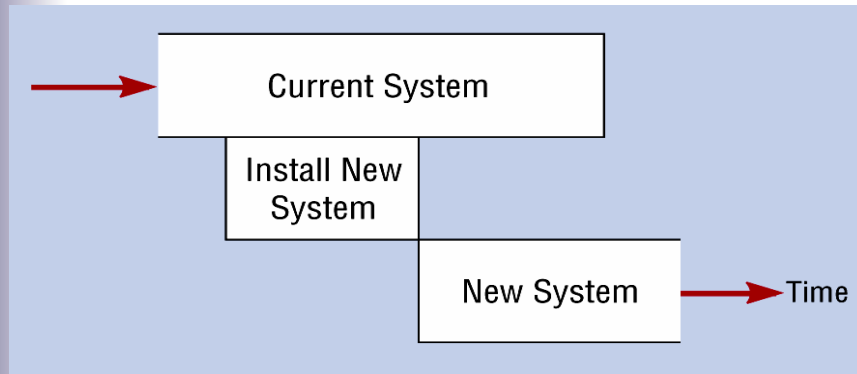
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Direct Conversion



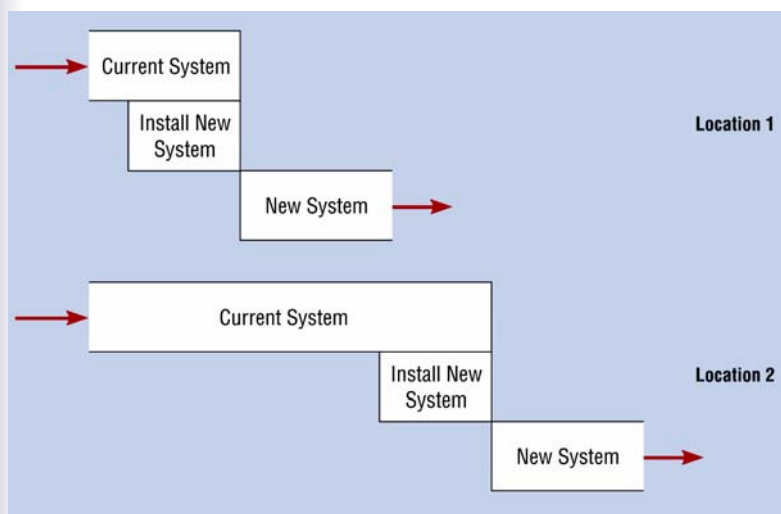
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Parallel Conversion



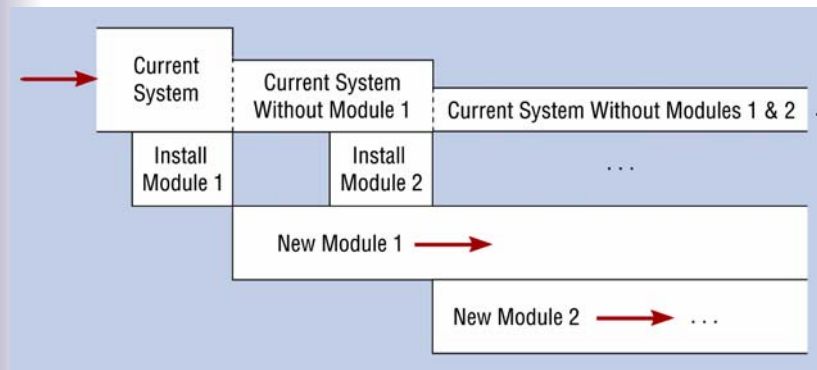
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Pilot Conversion



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Phased Conversion



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System Landscape Concept

- SAP recommends that companies set up three completely separate systems
 - Development (DEV)
 - Used to develop configuration settings and ABAP programs
 - Quality Assurance (QAS)
 - Used to test configuration settings and ABAP programs
 - Production (PROD)
 - Actual system where the company runs its business
- Changes are transported from DEV to QAS to PROD via the Change Transport system

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