

Strengthen Your Core Before You Do More

A Solid Core SAP System Enables a Digital Supply Chain

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Business executives are very interested in improving visibility within the supply chain. Glance at any supply chain information resource, and you will find much talk about companies offering visibility solutions, analytics tools, supply chain planning software, network optimization solutions, and transportation management systems — all of which can help enable an intelligent digital supply chain. However, each of these technologies relies on accurate data from the core system that drives your organization. For SAP customers, that core system is namely SAP ECC or, for early adopters of SAP's next-gen ERP platform, SAP S/4HANA.

Before investing in additional technology to improve their supply chain, organizations must consider what value they currently receive from their existing SAP software. The areas that supply chain executives are contemplating investing in may not provide the anticipated return on investment (ROI), because the technology can only bring value if the core system is being leveraged properly. When Reveal first meets with prospective clients, the initial topic discussed is how they are using SAP software in their organization. In almost every case, we hear that people are working outside the system, in personal information systems (e.g., Microsoft Excel). We often find that these organizations are using less than 20% of SAP's core functionality. There are two significant ramifications of this circumstance:

1. Unused existing SAP functionality and automation hinders a company's ability to operate at high levels of efficiency
2. Suboptimal use of SAP systems leads to a limited success rate of dependent external technologies

Supply chains specifically can feel the negative effects of organizations' underutilization of the SAP capabilities available to them. However, there are several areas where SAP customers can concentrate to make better use of their systems.

Focus on Rules, Data, and Educating Users

Out of the box with no customization, SAP software has the functionality to schedule production lines, automatically create purchase requisitions and purchase orders, and more — if your business rules are set up properly and your master data is correct. Unfortunately, most implementations are focused merely on transactions, not on leveraging all the SAP system's capabilities. As a result, SAP customers usually lack thorough education on all the functionality included with the system. With the proper business rules in place, and master data maintained

accurately, organizations can leverage standard SAP functionality to achieve sustainable business improvements.

While this challenge is nearly universal, that does not mean it is unsurmountable. Before investing further in technology, organizations need to first invest in their people, processes, and data integrity so they can extract the value from the core system they already own. This means educating their people to elevate their capabilities, and ultimately, move them from tactical to strategic thinking. Reveal offers a proven methodology to help organizations assess their level of business maturity, reach and sustain a higher level by leveraging education and best practices, and ensure continuous improvement. The results of this approach are significant.

Achieve Results and Maximize Benefits

SAP customers that follow a methodology to educate users and increase their understanding of available SAP functionality will reap a variety of benefits in the supply chain, among other areas of the business. To start, organizations see reductions in inventory levels, improved service levels, increased inventory turns, and reduced operations costs. But that is just the beginning. An organization that has embraced SAP software, and uses it as a single source of truth, will be able to take full advantage of the new external technologies that rely on good data from an ERP system to achieve the intended ROI. Utilizing SAP software properly, companies will achieve the expected results from new technologies and solutions that depend on this core system, because they will have access to consistent, accurate, essential data. What's more, a fully utilized existing SAP system will not only provide the necessary inputs to these dependent technologies, but will enable the organization to make a clean, less costly migration to SAP S/4HANA, an essential step on the path to the digital enterprise.

While there has been tremendous progress recently in the development of technologies and solutions for the supply chain, the core issue to enabling a successful utilization of these tools remains — a clean, trusted, single source of data throughout the organization must be established. With the proper education, best practices, and process improvements, along with change management to sustain the improvement, the benefits of these new capabilities can be realized. For more information on how SAP customers can strengthen their core to make their supply chains run better, visit www.revealvalue.com. ■