

The Consumer-Driven Enterprise



Serving the Next-Generation Consumer

Market Situation

The Consumer-Driven Enterprise

Business Priorities

SAP Innovations

Consumers today are savvy, fickle, and demanding. How do consumer products (CP) companies grow profitably in these challenging times? By aligning every aspect of their operations to the end customer – the consumer.

Now more than ever, consumers want products and brands that are relevant and compelling. And they want to engage with CP companies and each other via tailored experiences at every stage of the buying cycle. Yet in today's global marketplace, trends proliferate at lightning speed based on both positive and negative consumer sentiment.

Creating and reinforcing benefits that support a brand's position in the marketplace, and enabling consumers to enjoy a brand's benefits across multiple touch points on demand, are critical for making brand value tangible and improving brand loyalty.

Serving consumers in these challenging times is enabled by technology that allows for "markets of one," with powerful analytics that spot patterns and identify new opportunities.

CP companies must orient themselves to respond to rapidly evolving market opportunities. They need to establish a platform that enables innovative ideas to be brought to market quickly, compelling offers to be available at the point of demand, and inventory availability wherever, whenever consumers want to buy – all while optimizing core business functions.

Find out how leading CP companies take advantage of SAP technology and solutions to become consumer driven and power their growth.

Join the family; become a best-run consumer products company.



The Consumer-Driven Enterprise

Market Situation

The Consumer-Driven Enterprise

Business Priorities

SAP Innovations

Aligning with consumers enables companies to be:

First, Relevant, and Compelling

Consumers have more choices than ever, and only the most innovative products win at the point of decision. Consumer-driven companies identify the best ideas, coordinate product development, and accelerate time to market.

Available Wherever There's Demand

Consumers want what they want when they want it, and how they want to buy it. Consumer-driven companies organize to fulfill consumer demand as it happens, wherever it might be.

Brand- and Value-Driven

Consumers are motivated by high perceived value – brand, price, quality, or a combination of these and other factors. Consumer-driven companies organize to deliver value at every stage of the path to purchase and beyond.

Best-Run Consumer Products



The ability to understand consumer needs and respond with the right products at the right price precisely at the point of demand – wherever and whenever that might be – drives consumer loyalty and customer commitment.

Priorities for Best-Run Companies

Market Situation

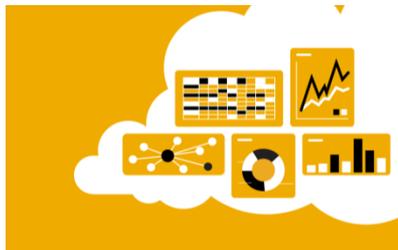
The Consumer-Driven
Enterprise

Business Priorities

SAP Innovations

Best-run consumer products companies meet the needs of dynamic consumers and demanding channels while responding to the evolving business requirements of global markets in a persistently uncertain economy by focusing on key imperatives.

- Sustainable Innovation
- Procurement Excellence
- Responsive Manufacturing
- Real-Time Supply Chain
- Brand and Channel Management
- Human Resources
- Finance
- Information Technology
- Technology and Platform



Understanding the value drivers for each of these priorities is key to executing as a best-run consumer products company.



SAP Innovations

Market Situation

The Consumer-Driven
Enterprise

Business Priorities

SAP Innovations

Enabling technologies are proliferating rapidly. One billion Facebook users, the rise of smartphones, widespread tablet adoption – all point to consumers' increasing appetite for technology adoption. SAP technology and innovations can help companies bring their brands and products directly into the hands of consumers.

Consumer products companies have access to vast amounts of highly variable, internal and external, qualitative and quantitative data. Breakthrough database and technology solutions such as the SAP HANA platform make information available instantly at any level of granularity to any business process, enterprise-wide.

Leveraging that information requires flexible, scalable, and cost-effective analytics embedded within business processes to enable real-time modeling and optimization, decision support, and effective analysis to inform future planning across stakeholder business functions.

Consumers today are mobile, connected, and always on. To reach, engage, and satisfy them, the consumer-driven enterprise must also leverage enterprise mobility solutions to learn from consumers, drive marketing and sales, and observe consumer demand for the supply chain.

Finally, as IT transforms from a supporting function to a strategic driver, new cloud-based solutions for differentiating business functions offer low-cost, low-risk deployment while helping ensure flexibility, scalability, and full integration across end-to-end business processes.



Consumer Products Value Map

SAP Solutions

SAP solutions enable the consumer-driven enterprise.

Sustainable Innovation

Procurement Excellence

Responsive Manufacturing

Real-Time Supply Chain

Brand and Channel Management

Human Resources

Finance

Information Technology

Technology and Platform

	Sustainable Innovation	Procurement Excellence	Responsive Manufacturing	Real-Time Supply Chain	Brand and Channel Management			
	Continuous Products and Service Innovation	Strategic Sourcing and Supplier Management	Production Planning and Execution	Integrated Business Planning	Consumer Dialog			
	Commercial Project Management	Procure to Pay with Business Network Collaboration	Process Visibility and Performance	Demand-Driven Supply Network	Brand Management			
	Integrated Product Development	Business Network Extensions for Procure to Pay	Lean Manufacturing	Logistics and Order Fulfillment	Trade Management			
	Product Safety and Stewardship	Commodity Management	Outsourced Manufacturing	Supply Chain Monitoring	Sales Management			
			Quality Management and Compliance		Omnichannel Management			
Human Resources	Core Human Resources and Payroll	Talent Management	Time and Attendance Management	Workforce Planning and Analytics				
Finance	Financial Planning and Analysis	Accounting and Financial Close	Treasury and Financial Risk Management	Collaborative Finance Operations	Enterprise Risk and Compliance Management			
Information Technology	Application Lifecycle Management	IT Infrastructure Management	IT Portfolio and Project Management	IT Service Management	IT Strategy and Governance			
Technology and Platform	Big Data	Demand Signal Management	Real-Time Enterprise	Real-Time Analytics	Enterprise Mobility	Enterprise Information Management	Application Integration	Cloud Solutions



Sustainable Innovation

SAP Solutions

Sustainable Innovation

Priorities

SAP Solutions

Companies face more-demanding, less-loyal consumers and shrinking windows of opportunity. Best-run companies innovate continuously by using new approaches for engaging consumers to generate ideas, develop products, and quickly deliver innovations to market.



Building and sustaining consumer loyalty in an intensely competitive consumer products marketplace requires a relentless focus on delivering timely, relevant innovation.

In a recent study, 70% of those surveyed said new product innovations would be one of the top three growth drivers for their business. Yet at the same time, other studies show that an average of 40% and up to a staggering 90% of all new product launches fail.

Enabling the promise of growth while avoiding the pitfalls of unsuccessful product launches requires timely visibility to evolving consumer trends and preferences, along with a deep understanding of consumer needs.

At the same time, the ability to capture and prioritize the best ideas with consumers, build a viable innovation pipeline, and then coordinate stakeholder teams – including sales, marketing, supply chain, and manufacturing – is key to product launch success.

Sustainable Innovation

SAP Solutions

Sustainable Innovation

Priorities

SAP Solutions

6

Months average time to market among top-performing companies versus 14 months average for laggards

Source: SAP Performance Benchmarking

Shorten time to market and increase product success rates.

Increase transparency over innovation processes and operations while encouraging continuous innovation. Improve collaboration and project management between R & D, manufacturing, and other functional stakeholders with visual rendering and document management while enforcing compliance and quality.

Continuous
Products and
Service Innovation

Synchronize strategy with innovation and execution for competitive differentiation and growth.

Commercial
Project
Management

Link ideas and strategies to relevant project data, workflows, and processes – to better manage portfolios and projects from start to finish.

Integrated Product
Development

Shorten time to profit via efficient, integrated product development that aligns execution across stakeholders from idea to launch.

Product Safety and
Stewardship

Mitigate risks and handle compliance via built-in compliance efforts throughout the entire product lifecycle.

Benefits

- Accelerated time to profit for new product introductions
- Improved new product success rates
- Increased revenue from new products (as an indicator of innovation capability)
- Built-in compliance support



Procurement Excellence

SAP Solutions

Procurement Excellence

Priorities

SAP Solutions

Satisfying dynamic consumer demand requires managing fluctuating costs, variable availability, and a global network of raw materials suppliers. Best-run companies align to mitigate supply risk by ensuring sustainable supply to meet forecast demand.



Ensuring optimum supply means a number of things. Optimizing material and commodity costs. Establishing sustaining and reliable sourcing. Streamlining procurement, contract management, and payment processes.

Leading companies consider procurement to be strategic: a source of competitive differentiation – from optimizing material and commodity costs to maximizing supplier relationships and contract terms and accelerating inbound receipt and payment.

By making procurement a strategic driver, these same companies are exceeding cost-savings targets, facilitating effective collaboration with suppliers globally, enforcing contract compliance, and streamlining operations.

These improvements cascade to every other area of the enterprise, including sales, supply chain, manufacturing, finance, and more – all of which translates to a significant, and positive, impact on the bottom line.

29%

Of CP companies have the ability to aggregate purchases across all business units for accurate global analysis of supplier spend data

Source: SAP Performance Benchmarking



Procurement Excellence

SAP Solutions

Procurement Excellence

Priorities

SAP Solutions

Procure long-term cost savings.

Drive cost savings, procurement compliance, and process efficiency by integrating sourcing and procurement to maximize cost savings across all areas of spend.

Strategic Sourcing
and Supplier
Management

Find new suppliers through the Ariba Network, and manage these relationships through supplier management solutions.

Procure to Pay
with Business
Network
Collaboration

Identify and act on sourcing opportunities, and create favorable, low-risk supply contracts.

Business Network
Extensions for
Procure to Pay

Drive invoice automation and exception management with available dynamic discounting on the Ariba Network.



Commodity
Management

Optimize procurement, sales, and risk management for a consolidated, real-time view of commodity risk to react quickly to market changes.

2x

Average annual savings for CP companies that operate a single, integrated procurement system

Source: SAP Performance Benchmarking

Benefits

- Repeatable savings on material and services
- Accelerated negotiations processes
- Built-in compliance and reduced process costs
- Reduced purchasing



Responsive Manufacturing

SAP Solutions

Responsive Manufacturing

Priorities

SAP Solutions

The role of manufacturing has changed from a capacity question to a competitive differentiator. Global manufacturing is aligned to accelerate innovation delivery and provide efficient, sustainable, and cost-effective production.



17%

Higher-capacity utilization, where a concurrent material and capacity constraint plan is generated multiple times in a day

Source: SAP Performance Benchmarking

Consumer demand for new and innovative products, a need for shorter product lifecycles and increased product quality, and stricter compliance regulations are just some of the challenges facing manufacturers in today's competitive global environment.

Serving the needs of the global consumer, companies have to consider ever-growing complexity and volatile demand.

An efficient manufacturer is able to rapidly align the global demand signals to shop floor orders with the most efficient utilization of the internal and external capacity.

Resources are effectively utilized in consistent and high-quality manufacturing execution.

Customer and consumer feedback, quality improvements, and new innovations are rapidly integrated from design into production.

Full visibility into manufacturing activities, production, cost, quality, and resource utilization is accessible in real time to the entire organization and external stakeholders.



Responsive Manufacturing

SAP Solutions

Responsive Manufacturing

Priorities

SAP Solutions

13%

Higher operating equipment effectiveness with the ability to monitor production and parametric data about processes, materials, operations, and exceptions thereof in real time

Source: SAP Performance Benchmarking

Increase agility and reduce cost.

Highly efficient manufacturing requires global orchestration of sustainable manufacturing operations, product innovation, and supply network processes.

Production
Planning and
Execution

Robust planning and scheduling capabilities can rapidly align global manufacturing operations to changing conditions.

Process Visibility
and Performance

Efficient, sustainable, high-quality, and compliant production can be executed with effective utilization of material, energy, and human resources.

Lean
Manufacturing

Use lean manufacturing techniques including flow manufacturing, lean planning and execution, and data collection, integration, and analytics.

Outsourced
Manufacturing

Integrate co-packing and outsource manufacturing operations to improve visibility to order demand and quality.

Quality
Management and
Compliance

Build collaboration and quality control into quality management processes – from engineering, to manufacturing, to continuous improvement.

Benefits

- Increased manufacturing profitability
- Efficient resource utilization
- Improved production and yield performance
- Increased production responsiveness
- Reliable equipment performance and utilization
- Quality and compliant production



Real-Time Supply Chain

SAP Solutions

Real-Time Supply Chain

Priorities

SAP Solutions

Consumers today can buy from almost anyone, anytime, anywhere. They're mobile, connected, informed, and opinionated. Best-run companies anticipate consumer demand and are ready to fulfill – wherever that demand might be.



23%

Lower inventory carrying costs where forecasts are dynamic and updated frequently

Source: SAP Performance Benchmarking

To satisfy highly variable, dynamic consumer demand, companies need to gain insights into customer and consumer buying behavior and mitigate the risks of global demand and supply volatility. And they have to contend with internal mandates to optimize inventory levels while managing the complexity and costs of a global network of suppliers, warehouses, and customer locations.

A real-time supply chain uses improved visibility into retailer, channel, and consumer demand to synchronize supply with the company's extended business network.

Simultaneously, a real-time supply chain integrates and automates logistics and fulfillment across warehousing, transportation, and distribution to ensure that the right products are in the right place in time to meet actual demand.

In addition to fulfilling demand, real-time supply chains must ensure product safety along the way and be able to execute recalls in a very effective manner to protect consumers and brands at optimum costs.

Real-Time Supply Chain

SAP Solutions

Real-Time Supply Chain

Priorities

SAP Solutions

Create transparent and highly responsive supply networks.

Optimize customer service and profitability by balancing supply to meet dynamic demand at optimum cost.

Integrated Business Planning

Align cross-functional demand and supply plans with financial goals in real time to reduce inventory, improve capacity, and increase profitability.

Demand-Driven Supply Network

Gain visibility into large volumes of retailer and consumer demand, with real-time response tightly integrated to supply processes.

Logistics and Order Fulfillment

Integrate and automate logistics operations across warehousing, transport, and fulfillment.

Supply Chain Monitoring

Enable real-time visibility into supply chain operations, processes, and performance management, across devices and platforms.

9%

Top-quartile consumer products companies have ~9% higher on-time in-full deliveries (in %) than bottom-quartile companies

Source: SAP Performance Benchmarking

Benefits

- Maximize on-time, in-full deliveries
- Accelerate inventory turns
- Optimize channel inventory
- Improve customer satisfaction
- Reduce transport and distribution costs



Brand and Channel Management

SAP Solutions

Brand and Channel Management

Priorities

SAP Solutions

Reaching consumers with relevant products and compelling promotions has never been more challenging. Best-run companies are innovating by engaging consumers with valuable information and offers along the entire path to purchase.



Today's consumer is frugal, highly informed, and impatient – willing to share information and opinions with other consumers, research the best deals, and switch brands or stores if they spot a more interesting offer or, even worse, an empty shelf.

Cultivating and maintaining the consumer's interest up to the point of purchase requires highly coordinated marketing campaigns and promotion programs, tailored to the needs of ever-more-specific segments of consumers.

At the same time, retailers are demanding competitively priced programs and promotions specifically tailored to their own brand and category objectives.

And both consumer products companies and their retailer partners are increasingly developing and growing direct-to-consumer marketing, sales, and service channels that are emerging as major opportunities for future growth.

Developing and delivering differentiated promotions across multiple channels, and supporting them with complementary and highly targeted marketing initiatives, increases complexity and cost to serve across sales and distribution channels.

Brand and Channel Management

SAP Solutions

Brand and Channel Management

Priorities

SAP Solutions

70%

Of annual trade promotion spend is profitable among the top 25% of highest performing consumer products companies

Source: SAP Performance Benchmarking

Maximize brand value and promotion return by delivering the right offers to the right people.

Provide personalized consumer experiences and improve processes – with marketing software for companies of any size.

Consumer Dialog

Manage seamless consumer interactions to establish direct relationships, enable direct-to-consumer marketing, and grow brand loyalty.

Brand Management

Streamline campaign planning, program development, and execution across all consumer interaction channels.

Trade Management

Orchestrate value delivery to customers in real time, increasing promotion spend efficiency and reducing outstanding customer claims.

Sales Management

Manage in-store merchandising and promotion compliance, check inventory status, and process replenishment orders for compelling shopping experiences.

Omnichannel Management

Enable compelling, consistent brand experiences for consumers through marketing, sales, and service across physical and virtual channels.

Benefits

- Increased brand value
- Revenue and market share growth
- Maximized return on promotion spend
- Unified shopping and brand experience



Human Resources

SAP Solutions

Human Resources

Priorities

SAP Solutions

Talent is a true competitive advantage today and critical when aligning business strategy and execution. Best-run organizations achieve profitable growth by leveraging their talent and out-innovating the competition.



For organizational growth and an agile response to business change, organizations must give people the knowledge and technology to facilitate innovation.

Organizations that quickly respond with the right talent in the right places will have a unique advantage in the marketplace.

They must also move into new markets, adapting to local practices and tapping the right local talent. In addition, they must identify and retain new talent acquired through mergers and acquisitions.

32%

Less employee turnover by using analysis of workforce data to design, implement, and monitor workforce optimization strategies

Source: SAP Performance Benchmarking



Human Resources

SAP Solutions

Human Resources

Priorities

SAP Solutions

38%

Lower costs for HR organizations with a high degree of internal integration compared to organizations with a fragmented HR environment

Source: SAP Performance Benchmarking

The new world of work.

Enable growth and sustainability by coupling global capabilities, integration, and real-time insight with choice in the way HR processes and services are delivered.

Core HR and Payroll

Consolidate HR and payroll processes on a common global platform for better workforce data and legal compliance.

Talent Management

Improve strategic alignment, increase productivity, and accelerate results by identifying, developing, motivating, and retaining talent.

Time and Attendance Management

Streamline time management processes to enhance resource effectiveness and visibility into, and control over, labor costs.

Workforce Planning and Analytics

Identify and analyze talent gaps and streamline workforce planning for efficient and effective management of workforce demand and supply.

Benefits

- Align people to organizational strategies
- Support global expansion into new markets
- Improve productivity and engagement
- Provide real-time insight into business needs



Finance

SAP Solutions

Finance

Priorities

SAP Solutions

Being able to win consumers with value means managing the top line, the bottom line, and everything in between. Revenue, costs, profitability, and compliance – every facet of the best-run consumer products enterprise requires input, transparency, and oversight from finance.



Intimately know the business across all product, organizational, and geographic dimensions. Assess and manage key factors influencing cost and delivering profitability. Achieve clarity of insight for business decision makers to take the right action at the right time, and to quickly adjust course as conditions change.

Meet and exceed the highest consumer expectations. Respond to complex and variable global, regional, and local requirements. Be confident in achieving and maintaining the highest possible safety and compliance standards.

Know exact cash positions at all times, and make better treasury decisions based on rock-solid liquidity planning. Mitigate financial risks and provide transparency to all key business functions.

All these imperatives come together: winning performance requires actionable insight from consistent, transparent, scalable, and fully compliant financial systems and processes.

Finance

SAP Solutions

Finance

Priorities

SAP Solutions

Achieve stellar financial performance.

Enable a comprehensive, real-time view of enterprise performance – both operational and financial – while mitigating risk and managing compliance.

Financial Planning and Analysis

Align resources, model and analyze cost and profitability, improve corporate performance, control spending, and improve planning and forecasting.

Accounting and Financial Close

Accelerate financial close with greater insight, accuracy, and compliance.

Treasury and Financial Risk Management

Know exact cash positions and take action to improve investments. Safeguard operations from financial risks and focus on performance.

Collaborative Finance Operations

Improve low-cost service operations, enable cross-department visibility, and deliver services across diverse, disconnected systems and processes.

Enterprise Risk and Compliance Management

Protect revenue and optimize financial performance with risk and compliance management.

26%

Lower overdue accounts receivables where AR system is fully integrated to the billing system

Source: SAP Performance Benchmarking

Benefits

- Real-time insight into overall and detailed business performance
- Optimized cash and liquidity management
- Reduced bad debts and days sales outstanding
- Shorter time to close and reduced process cost



Information Technology

SAP Solutions

Information Technology

Priorities

SAP Solutions

Business enterprises should forge strategic business partnerships with their IT organizations by aligning goals. And business-oriented IT should maximize efficiency and responsiveness by running IT like a business.



Research shows that lines of business want to ascertain the value of their IT investments, which means that IT organizations no longer decide alone which IT projects to fund.

The challenge is that IT management is often seen as just running the technical landscape. To become more relevant to an enterprise, IT needs to reposition itself to run like a business.

SAP offers an integrated portfolio of solutions to do just that. New technologies like mobile, in-memory, and cloud computing generate value to a business in an unprecedented way.

However, these new technologies also make IT landscapes more complex, requiring more tools to manage them. By leveraging SAP solutions – along with following best practices – CIOs, CEOs, other executives, management, and employees can tap into and help ensure efficiency, continuity, and responsiveness, making IT more strategic to the business.

Information Technology

SAP Solutions

Information Technology

Priorities

SAP Solutions

Evaluate and control risk, enable flexibility and scale, control and optimize costs, and maximize strategic value.

Promote business continuity, drive efficiency, and increase IT responsiveness to business objectives – with IT management solutions designed for any size business.

Application Lifecycle
Management

Use application lifecycle management best practices, methods, and services based on Information Technology Infrastructure Library (ITIL).

IT Infrastructure
Management

Monitor all network assets to integrate infrastructure and application lifecycles.

IT Portfolio and
Project Management

Manage projects and align the portfolio to drive innovation efficiency.

IT Service
Management

Align service-desk operations with service-level agreements (SLAs), resolve SLA incidents fast, and adopt ITIL best practices to meet evolving business goals.

IT Strategy and
Governance

Track IT costs and risks and map risk and compliance activities to business impact.

Benefits

- Better align IT to business strategy
- Shorten IT delivery and business cycles
- Maximize return on IT
- Reduce system upgrade and operation costs
- Lower risk mitigation cost and revenue loss
- Reduce critical business system downtime



Technology and Platform

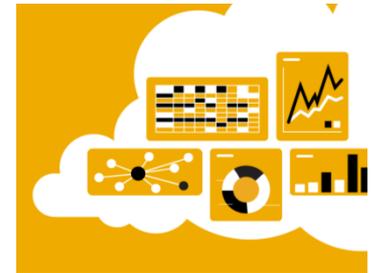
SAP Solutions

Technology and Platform

Priorities

SAP Solutions

Technology solutions can make the difference between surviving and thriving. And businesses know that they need to innovate to drive transformation. Technology and platform solutions from SAP enable quick adoption of cutting-edge technology to run the business better and faster with agility and innovation.



Users expect to run a real-time business with collective insights from real-time analytics for better decision making, prioritization, forecasting and modeling of outcomes, and access to applications from the latest mobile devices. They demand that these capabilities seamlessly integrate with their favorite social platforms, allowing cross-stakeholder collaboration.

At the same time, data volumes are exploding while the window for capitalizing on opportunities is shrinking. Users must be empowered with information from real-time applications available securely on any device. And developers need a platform to innovate faster.

SAP enables the real-time enterprise with an innovative data platform to power a new class of real-time analytics and applications that give businesses a true competitive advantage. Companies can harness the value of Big Data, while improving governance with timely, trusted, and consistent information.

Plus, SAP provides a comprehensive set of cloud solutions, including line-of-business applications as well as social and business network collaboration. The SAP HANA Cloud Platform enables customers to build new apps or extend and customize existing ones with managed and subscription-based services.

Technology and Platform

SAP Solutions

Technology and Platform

Priorities

SAP Solutions

Drive transformation and help your business thrive with technology.

Technology and platform solutions from SAP enable the real-time enterprise by unleashing the power of collective insights, empowering developers to innovate, and unwiring the business.

Big Data

Achieve tangible results on every business priority by accelerating how you acquire, analyze, act on, and apply insights continuously.

Demand Signal Management

Capture, harmonize, and leverage high volumes of highly granular internal and external demand signals in real time.

Real-Time Enterprise

Power a new class of real-time analytics and applications with an innovative data platform to give businesses a true competitive advantage.

Real-Time Analytics

Unleash collective insight through enterprise business intelligence, agile visualizations, and advanced analytics on any device and platform.

Enterprise Mobility

Deliver a platform for mobile development and security to innovate employee and consumer apps for any mobile device.

Enterprise Information Management

Maximize the business value of your data – both structured and unstructured – across your organization.

Application Integration

Integrate application delivery to maximize agility across people, processes, and systems – within and beyond your SAP software landscape.

Cloud Solutions

Extend existing on-premise apps and infrastructure to enable new innovative business processes, gain greater insights, and unlock new business value.

Benefits

- Enable real-time operations
- Lower time to value
- Turn data into an enterprise asset
- Innovate customer engagement



SAP Innovations

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

75%

Of companies believe that cloud computing will amplify other technology “megatrends” (mobile, Big Data, analytics)

Source: SAP Performance Benchmarking

Sophisticated consumers expecting access to information at their fingertips, as well as consistent availability and shopping experiences across touch points and channels, continue to push the consumer products industry to adopt technology at a much faster rate. But there is additional opportunity: those who harness new technologies can interact with consumers directly, even on a by-name basis.



Shoppers and consumers are mobile, so the challenge is multidimensional. How do companies target individuals knowing who they are, where they are, and their personal preferences? That’s a lot of data that needs to be analyzed in real time. And let’s not forget the traditional data sources that continue to grow both in volume and richness of data, such as point-of-sale and market research data. Analytics have to be easy to access, intuitive to use, and available in real time for all users, even if this means from a mobile device while on the go.

And of course consumer products companies need flexibility with services that can scale and adapt quickly. This is where cloud technology can be beneficial, complementing traditional business systems.

For the last 40 years, SAP has always led innovation. There is now a new generation of technology that enables businesspeople to better understand and serve the needs of their consumers and ensure that employees have access to the information they need to run the business better.



SAP Business Suite powered by SAP HANA

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

SAP Business Suite applications powered by SAP HANA enable consumer products companies to be first to market with products consumers want, to maximize brand and promotion investments, and to balance supply to meet demand at optimal cost.



Sustainable Innovation

Instantly analyze consumer data to identify innovation opportunities and deliver innovations to the market faster than the competition. Monitor up-to-the-minute consumer response to product innovations to help ensure market acceptance. Identify market trends in real time to focus consumer-driven innovation investments on highest potential opportunities.

Real-Time Supply Chain

Align cross-functional forecasts for fast response to demand fluctuations. Monitor actual demand in real time to assess inventory and help ensure on-shelf availability. Quickly model varying scenarios to help ensure availability and maximize retail sales.

Brand and Channel Management

Immediately assess top-performing promotions to create sustainable increases in baseline volume. Quickly spot opportunities to increase profitable revenue and volume for both the manufacturer and the retailer. Instantly identify the most effective, profitable promotions to drive brand and category growth.



The SAP HANA Platform

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

Unprecedented availability of consumer and demand data offers significant opportunity for doing business like never before. With SAP HANA, best-run consumer products companies can benefit from Big Data to tap into new and significant sources of competitive advantage.



Sustainable Innovation

Use deep insights into structured and unstructured data to create differentiated offerings for retailers and consumers.

Real-Time Supply Chain

Collect, store, manage, and analyze large volumes of demand data without latency, anticipate market needs, and accurately react to consumer preferences. Cut costs, improve efficiency, and manage risk across the network; minimize forecast errors; and improve on-shelf availability by preventing out-of-stocks and reducing inventory levels.

Brand and Channel Management

Instantly analyze any level of granular data for deep understanding of consumer behavior to drive new revenue-generating programs and campaigns. Manage consumer and shopper marketing programs and campaigns in real time, tightly aligned with promotions to maximize go-to-market spend.

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

80%

[Lower customer churn with mobile-enabled sales teams](#)

Source: SAP Performance Benchmarking

Mobile

Connect, interact, and engage with consumers throughout the path to purchase anytime, anywhere, while simultaneously empowering marketing, sales, and operations teams via convenient real-time visibility to market dynamics.



Real-Time Supply Chain

Enable operations managers to monitor KPIs and status across performance dimensions and have flexible and timely access to deliveries, purchase orders, invoices, and so on. View production schedules and materials for order and fulfillment changes to drive fast and smart response to demand and supply dynamics anywhere, anytime.

Brand and Channel Management

Enhance consumers' ability to learn more about products, including nutrition, ingredients, and usage options, to improve consumer loyalty. Influence consumers' buying behavior by tailoring merchandising, pricing, and offers during their purchase decision. Equip sales and service teams with instant access to order-status information, store-visit preparation checklists to manage contacts, store visits, orders, and audits and maintain a compelling brand experience at the point of sale.

Analytics

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

26%

Higher inventory turns
with warehouse analytics
from SAP

Source: SAP Performance
Benchmarking

Analytics provide up-to-the-minute visibility to key performance indicators across every facet of business operations, enabling real-time monitoring, root cause analysis, risk mitigation, predictive modeling, and optimization.



Sustainable Innovation

Systematic portfolio and category analysis helps identify innovation opportunities and monitor product performance at all stages of the product lifecycle.

Real-Time Supply Chain

Measure the key drivers of supply chain efficiency and effectiveness, and create accountability for scheduled inbound and outbound compliance to help ensure inventory fulfillment.

Brand and Channel Management

Customer- and consumer-specific insights help assess promotion effectiveness and profitability for both manufacturer and retailer and enable monitoring and optimizing of campaigns in real time. Companies can provide marketing and sales teams with real-time visibility to campaign and promotion effectiveness, revenue, volume, and profitability versus plan – both on their own behalf and for retailers – anytime, from any device.

Cloud

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

85%

Believe cloud computing can have a major impact on their organization, through operational improvements . . . process innovation, or competitive differentiation

Source: SAP Performance Benchmarking

The speed and flexibility of cloud computing create new opportunities for best-run CP companies. Cloud applications from SAP and the open SAP HANA Cloud Platform let companies build differentiating solutions at the point of engagement – establishing global business networks or connecting faster with customers and consumers.



Procurement Excellence

Ariba Inc., an SAP company, is the world’s business commerce network, combining industry-leading, cloud-based technology with the world’s largest Web-based trading community. Connect to trading partners anywhere at any time from any application or device to buy, sell, and manage their cash more efficiently and effectively than ever.

Real-Time Supply Chain

Deploy the cloud-based SAP Sales and Operations Planning application for smooth process integration with the business network and global alignment around the most profitable plans.



Brand and Channel Management

Build a nimble and flexible sales organization and manage accounts, enable team collaboration and monitor sales results with flexible and low total cost of ownership (TCO) sales execution. Help ensure price and merchandising compliance with the cloud-based SAP Retail Execution mobile app. Explore digital marketing opportunities such as instant sentiment analysis before and after product launch to maximize the value of the company brand.



Best-Run Customers

Best-Run Customers

Arla Foods

British American Tobacco

Colgate-Palmolive

Conair

Dabur

Mibelle

Why SAP?

10 of the top 10 beverage companies run SAP.

10 of the top 10 durables companies run SAP.

10 of the top 10 food companies run SAP.

10 of the top 10 home and personal care companies run SAP.

99

Of the top 100 CP customers
in the Forbes 500 run SAP



Customer Co-Innovation

Best-Run Customers

Arla Foods

British American Tobacco

Colgate-Palmolive

Conair

Dabur

Mibelle

Why SAP?

Consumer Products Advisory Council member companies provide perspective on the SAP road map, lead co-innovation efforts, help to define the industry thought leadership agenda, and contribute ongoing feedback on enhancements across the value chain, from product innovation to sales and marketing, supply chain planning and execution, and more.

Consumer Products Advisory Council

CIOs and business leaders from top consumer products companies come together to discuss new business innovation and technology requirements, and share best practices on how to become more consumer driven.

Co-Innovation Partners

Co-innovation partners are involved in trade promotion optimization and user-acceptance testing.

Co-innovation partners for sales and operations planning aim to increase demand accuracy with daily forecasting across multiple categories and channels.



Best-Run Customers

Arla Foods

British American Tobacco

Colgate-Palmolive

Conair

Dabur

Mibelle

Why SAP?

Arla is the world's seventh-largest dairy company, measured by turnover.

The company had heterogeneous systems and disparate processes for managing new product development which not only delayed new product releases, but also limited visibility into the overall innovation pipeline.

Key Benefits

- Tight integration with financial management systems for better cost monitoring
- Improved visibility into ongoing projects and programs
- Better coordination of market launches with sales teams
- Created a solid basis for open innovation processes with external partners

35%

Improvement in
time to market



Significant increase
in sales of new
products as a
percentage of
total revenue



More effective
assessment and
prioritization of new
product initiatives



Best-Run Customers

Arla Foods

British American Tobacco

Colgate-Palmolive

Conair

Dabur

Mibelle

Why SAP?

In business for over a century, British American Tobacco plc is today the second largest quoted tobacco group by global market share with its 250 brands sold in more than 180 countries around the globe. The group's 50 cigarette factories are spread over 41 countries. British American Tobacco has an approximate use of 400,000 tons of leaf every year, 80% of which comes from farmers and suppliers in emerging markets. For all the stakeholders in this industry, the threat of illicit tobacco trade is an ever-present and growing concern.

Key Benefits

- Increasing ability to closely monitor flow of genuine company-produced products within the supply chain
- Improving readiness to comply with impending international tobacco control laws for tracking and tracing
- Helping minimize the impact of illicit trade on the company brand

90MM

Records captured
per month



Compliant with
WHO FCTC
protocol

“With our Track and Trace solution, we’re well prepared for compliance and, at the same time, for safeguarding our brand that we work so hard to protect.”

David Atkins, IT Project Delivery Manager, British American Tobacco plc





Best-Run Customers

Arla Foods

British American Tobacco

Colgate-Palmolive

Conair

Dabur

Mibelle

Why SAP?

The Colgate-Palmolive Company sells oral care, personal care, home care, and pet nutrition products in over 200 countries and territories.

Colgate uses SAP software to standardize processes for global supply chain management; align consumer, professional, and retail programs; improve visibility; and respond quickly to demand dynamics, as well as to tie replenishment and orders to downstream demand rather than high-level forecasts.

Key Benefits

- Streamlined vendor-managed inventory
- Improved the granularity and timeliness of customer data
- Reduced manual orders
- Increased products in stock for promotions via effective forecasting and planning
- Accelerated lead time for customer collaboration

10

Day VMI planning cycle, down from 5 days



Increased customer order fill rate

99%

Improved forecast accuracy

“Colgate and SAP have worked closely together for many years in a strategic partnership that aligns with our global IT strategy.”

Jim Newkirk, Director of Global Supply Chain Information Technology, Colgate-Palmolive Company





Best-Run Customers

Arla Foods

British American Tobacco

Colgate-Palmolive

Conair

Dabur

Mibelle

Why SAP?

Conair Corporation develops, manufactures, and markets health and beauty products and kitchen and other electronic appliances. The company sources the majority of its products from contract manufacturers in the Far East. By implementing the SAP Supply Network Collaboration application, Conair automated work order collaboration, gained better supply chain visibility, and reduced operating costs through increased efficiency.

Financial and Strategic Benefits

- Increased productivity and eliminated need for dual data entry by automating work order collaboration
- Gained better visibility into and improved accuracy of supply chain information
- Integrated quality control processes to centralize information and streamline shipping logistics



Lowered inventory levels



Reduced operating costs



Reduced number of expedited shipments

“SAP is a key enabler of our corporate strategy. SAP Supply Network Collaboration ensures we are tightly integrated with our manufacturing partners to maintain service, control costs, and uphold lean IT practices.”

Jon Harding, CIO, Conair Corporation





Best-Run Customers

Arla Foods

British American Tobacco

Colgate-Palmolive

Conair

Dabur

Mibelle

Why SAP?

Dabur India Limited is the fourth largest manufacturer of fast moving consumer goods in India. The company uses the SAP Advanced Planning and Optimization component and SAP Supply Network Collaboration application to forecast and plan for the needs of dealers and other parts of its supply chain more accurately. The result is fewer lost sales, more on-time deliveries, and lower sourcing costs.

Financial and Strategic Benefits

- Significant improvement in statistical forecast accuracy
- Demand forecasting for all SKU stock levels
- Reduced sourcing costs due to IT-driven adherence to sourcing rules for multiple countries
- Optimized revenue from prioritizing better-selling SKUs in production and dispatch
- Greater agility due to increased availability of weekly SKU forecasts
- Production forecasting that takes various constraints into account

-40%
Lost sales

-53%
Forecast errors

+73%
Rolling forecast
adherence



Best-Run Customers

Arla Foods

British American Tobacco

Colgate-Palmolive

Conair

Dabur

Mibelle

Why SAP?

Mibelle AG Cosmetics develops, produces, and markets contemporary, affordable cosmetic and hygiene products. To bring its customers and suppliers closer together and create more value for all parties, the firm implemented SAP Advanced Planning and Optimization (SAP APO) – a component of the SAP Supply Chain Management application – and committed to a series of new processes. Considerable savings have resulted, paving the way for similar measures in other areas.

Financial and Strategic Benefits

- Improved planning and warehouse transparency and precision
- Streamlined processes in purchasing planning
- New partners in Switzerland and abroad
- Impending closure of an external packing material warehouse
- Complexity reduced despite 30% increase in number of end products

-30%

Inventory days of supply

>90%

Forecast accuracy, improved from 38%

98%

Service levels, improved from 75%

“With SAP APO, we’ve been able to set the stage for a networked mind-set both within and outside of our company to the benefit of everyone involved – all while conserving our natural resources.”

Peter Härdi, Director of Supply Chain Management and Executive Board Member, Mibelle AG Cosmetics



Why SAP?

Best-Run Customers

Arla Foods

British American Tobacco

Colgate-Palmolive

Conair

Dabur

Mibelle

Why SAP?

SAP for Consumer Products solutions enable the consumer-driven enterprise by providing fast response to market dynamics, real-time visibility to customer and consumer demand, always-on access from anywhere, and low-cost yet highly scalable, flexible deployment options, all while leveraging the latest technology innovations.

Tightly Integrated, Comprehensive Business Solutions

SAP offers the most comprehensive portfolio of solutions for the consumer products industry, enabling companies to focus their key business processes and activities in their extended network on the consumer.

Leveraging Key Breakthrough Innovations

The SAP solution portfolio is based on the industry's most innovative technology foundation, including SAP HANA, mobile solutions, analytics, and cloud solutions to enable business process optimization and efficiency at the lowest possible cost.

40 Years of Delivering Value to Consumer Products Companies

The world's leading consumer products companies, across every major segment of the industry throughout the world, continue to rely on SAP solutions to enable every aspect of their business to be consumer driven.



Why SAP?

Best-Run Customers

Arla Foods

British American Tobacco

Colgate-Palmolive

Conair

Dabur

Mibelle

Why SAP?

The best-run consumer products organizations rely on SAP:

Our customers produce 70% of the world's beauty and fragrance products.

Our customers produce 85% of the world's pet food.

Our customers produce more than 50% of the world's brand-name jeans.

Our customers produce 64% of the world's ice cream.

Our customers produce more than 65% of the coffee and tea we drink each day.

Our customers produce more than 70% of the world's chocolate.

Our customers produce more than 86% of the world's athletic footwear.

Our customers produce more than 72% of the world's beer.

Our customers produce more than 60% of the world's toys and games.

Our customers produce more than 12 million tons of the world's cheese.



Find Out More About How Your Organization Can Become Best-Run

Benchmark Your Performance

Position your organization for dominance in this new economy with the business performance benchmarking program from SAP – available free to SAP customers and select prospects. The SAP benchmarking program has helped more than 3,000 organizations assess their strengths, uncover areas for improvement, and identify best practices and IT strategies that generate clear, tangible value – not someday, but today.

Visit valuemanagement.sap.com >>

Go Live in Weeks

Here's the fastest way to run your business better: our rapid-deployment solutions. In one package, you get everything you need to be up and running quickly – including preconfigured software and implementation services – in just weeks. With a defined scope and predictable costs, there are no surprises.

Visit sap.com/solutions/rds >>

Join Your Community of Practices

Every day, SAP Community Network (SCN) changes the way that thousands of SAP users work. It lets members help one another solve problems, learn, and invent new ways to get things done – faster. Find out how to connect with people, content, and resources.

Visit scn.sap.com >>



Go for a test drive, visit us online at
www54.sap.com/industries/consumer.html

Also visit us on our community pages to find out more:

www.facebook.com/SAPConsumerProducts

www.twitter.com/SAP_CP

www.linkedin.com/groups?gid=4168249&trk=hb_side_g

<http://scn.sap.com/community/consumer-products>



© 2014 SAP AG or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP AG or an SAP affiliate company.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG (or an SAP affiliate company) in Germany and other countries.

Please see <http://global12.sap.com/corporate-en/legal/copyright/index.epx> for additional trademark information and notices.

Some software products marketed by SAP AG and its distributors contain proprietary software components of other software vendors.

National product specifications may vary.

These materials are provided by SAP AG or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP AG or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP AG or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP AG or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP AG's or its affiliated companies' strategy and possible future developments, products, and/or platform directions and functionality are all subject to change and may be changed by SAP AG or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.

