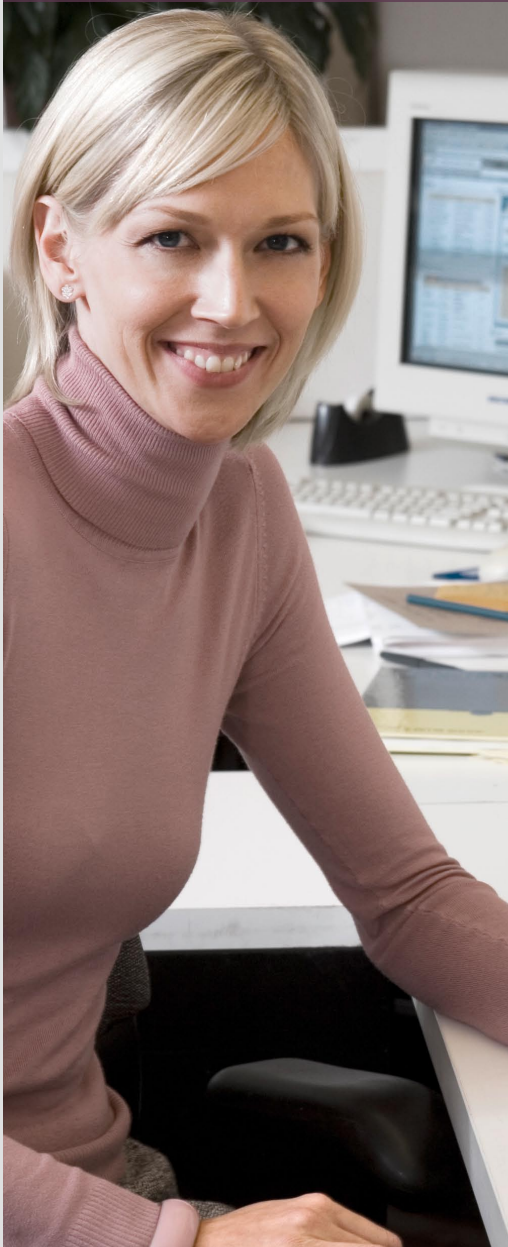


# POWER YOUR PROCUREMENT EVOLUTION WITH SAP® SRM

## REDUCE PROCUREMENT COSTS AND COLLABORATE WITH SUPPLIERS

Pressured to reduce supply costs while maintaining high-quality output, companies are seeking greater efficiencies and savings from their procurement operations. The SAP® Supplier Relationship Management (SAP SRM) application helps organizations like yours manage costs and drive efficiency and savings.



Many businesses are seeking higher profits from bottom-line cost savings delivered by sourcing and procurement functions. By viewing procurement operations as profit centers, forward-looking companies are strengthening supplier relationships and making procurement a more strategic partner in the organization. Procurement teams employ spend reporting tools, sourcing and contract compliance automation, and standardized procurement operations. A strong, center-led team drives consistency and high-quality supplier relationship management across the globe.

The SAP® Supplier Relationship Management (SAP SRM) application delivers comprehensive procurement functionality that automates, simplifies, and accelerates procure-to-pay processes for goods and services. With SAP SRM, you can reduce procurement costs, build collaborative supplier relationships, better manage supply bases, and improve your top line with innovative offerings and a faster time to market.

Part of the SAP Business Suite family of business applications, SAP SRM delivers an integrated solution for automating goods and services procurement processes and extending the value delivered by SAP Business Suite. SAP SRM enables an efficient procurement organization with a flexible user interface, user role definition, and business rules automation. The application delivers clear insight into spend and supplier data. Future functionality releases are delivered in easy-to-consume “enhancement

packs” that deliver greatly reduced total cost of ownership for adopting new product innovations.

### Accessibility and Extensibility

SAP SRM enables dynamic, role-based access with its personalized interface. You can create shopping cart-based requisitions, purchase orders, requests for quotations, and work lists and perform personalized searches to access critical information. Enterprise-class technology in SAP Business Suite allows large, global customers to adapt the solution to meet their unique business requirements.

### Improve Enterprise Processes and Visibility

With SAP SRM, users throughout your enterprise have role-based access to the procurement information and processes they need regarding suppliers, contracts, and policy-compliant goods and services. You can assign activities to internal employees or external business partners. The user-friendly interface improves cross-enterprise visibility, facilitates procurement activities, and reduces costly training. The intuitive interface can be personalized for specific job and task demands, increasing efficiency and effectiveness and improving the overall user experience. As part of SAP Business Suite, SAP SRM provides a single, consolidated view of the procure-to-pay process including purchasing data from the SAP ERP application, which can be viewed as a single display via a personalized dashboard.

## Sustainable Results

With SAP SRM, you can move beyond spend reduction to gain competitive advantage. The application drives procurement excellence, increases profitability, and helps transform sourcing and procurement practices – all of which translates into a measurable return on investment. SAP SRM enables more-effective processes in the following key areas:

- Operational procurement
  - Self-service procurement
  - Plan-driven procurement
  - Services procurement
- Catalog management
- Centralized sourcing
- Centralized contracts
- Supplier collaboration
- Supplier evaluation
- Operational reporting

### Operational Procurement

With the automation and spend-policy enforcement functions provided by SAP SRM, your sourcing and procurement organization can increase its efficiency and effectiveness – and its contribution to the value chain. The application helps drive the operational procurement process with centralized decision-making functionality for strategy and purchasing policy. SAP SRM facilitates centralized and automated process execution across the enterprise, with tools for self-service, plan-driven, and services procurement activities.

### Self-Service Procurement

User-friendly, catalog-based requisitioning functionality lets users purchase goods and services for categories such as maintenance, repair, and operations

(MRO); office supplies; and IT goods. The application supports automated policy and contract compliance through catalog-driven pricing, contract logic, and the approval workflow for shopping carts.

### Plan-Driven Procurement

By leveraging SAP SRM for contract compliance, plant maintenance, production, and quality, planners can purchase direct materials and MRO goods at the locations where demand is generated and with the correct pricing and terms. SAP SRM also increases efficiency and cost savings for direct material-related spot bids and supplier selection needs.

### Services Procurement

Managing spend for large, complex services categories such as maintenance and construction presents challenges in defining the nature, duration, and price of the service engagement. SAP SRM helps you manage resources and monitor costs for time- and deliverable-based service categories including requisition, sourcing, contracting, ordering, confirmation, and invoicing processes.

With sourcing, contract management, and services fulfillment-tracking functionality, the application enables you to improve services procurement activities and capture cost savings. SAP SRM helps improve efficiency and simplify compliance in service purchases with complete service requirement definition functionality. Reduce offline processes with “trackable” electronic supplier collaboration on services transactions. You can define and price services and approve supplier bids, service delivery, and invoices.

### Catalog Management

Catalog-based requisitioning helps avoid maverick buying by end users and enforce compliance for contracted suppliers and preferred goods and services across the enterprise. The robust user interface and powerful search engine allows users to easily search and find goods and services. Users can search by keywords, filter search results intuitively by suppliers or categories, and

**SAP SRM extends the value of SAP Business Suite with integrated processes and reduces cost with harmonized roles, workflow, and user interface.**

use rich parametric data for detailed specifications. Images and side-by-side comparisons help visually identify the right items and add them quickly to the shopping cart. Robust catalog management tools reduce the cost for managing the data and allow catalog administrators to import, update, approve, maintain, and activate catalogs. Data modeling and mapping functions help ensure that your catalog content is optimized for the end-user search experience.

### Centralized Sourcing

SAP SRM helps you reduce costs and cycle times and improve the transparency of the operational sourcing process. Purchasers can use the sourcing cockpit, a centralized workbench for

operational sourcing activity, to bundle orders and initiate competitive request-for-quote bids and auctions with multiple suppliers to drive savings. You can compare and award bids electronically to make sourcing faster and more efficient. The solution enables you to identify and realize significant cost savings, with supplier competition driving better prices.

#### Centralized Contracts

Because SAP SRM enables access to all contracts in a secure, centralized repository, procurement can monitor, identify, and reduce maverick buying. When integrated with SAP ERP, SAP SRM can serve as a centralized repository for all operational procurement contracts. With centralized contracts, procurement departments can use contracts as a "source of supply" across SAP SRM and one or more integrated back-end systems, track contract usage, and drive compliance to negotiated terms, thereby delivering realized savings.

SAP SRM assesses requirements and identifies the optimal contract to fill a specified need, taking into consideration such factors as price, delivery time, and location. The application can account for different types of discounts, such as value discounts, quantity-based stepladder discounts, group discounts, or rebates based on aggregated released values.

#### Supplier Collaboration

SAP SRM extends the benefits of process efficiency, cost savings, and transparency into the procurement process with the key external stakeholders for procurement, namely suppliers. With SAP SRM, you can link suppliers to

Users throughout your enterprise have access to all the procurement information and processes they need such as suppliers, contracts, and policy-compliant goods and services.

your procurement processes more effectively. You can collaborate with suppliers throughout the negotiation, contracting, and supplier management life cycle and make integration with suppliers of all sizes economical and easier to manage. Self-services enable suppliers to manage their own profile and catalog data and access and respond to transactional data such as purchase-order receipts, send confirmations, advance ship notices, and invoices. Additionally, suppliers can electronically collaborate with procurement and business users during sourcing, bid confirmation, and acceptance.

#### Supplier Evaluation

SAP SRM enables you to better manage suppliers, improving quality, enhancing collaboration, and reducing supplier risk. Users can ease clerical and administrative burdens with numerous supplier evaluation methods, such as supplier "scorecarding," event-triggered surveys, ad hoc surveys, and quantitative questionnaires. Flexible reporting and response monitoring enables you to improve operations, reducing costs and improving efficiency.

#### Operational Reporting

SAP SRM provides you with visibility into sourcing and procurement transactions with prepackaged reports and queries. You can easily capture, consolidate, and present procurement data from across the enterprise.

### A Whole New Approach to Procurement

With SAP SRM, you can transform your procurement and supplier management processes and achieve the following:

- Increase savings by reducing process costs and purchase prices for goods and services
- Accelerate and automate procurement process compliance across the enterprise
- Maximize contract savings realization
- Deepen and enrich supplier relationships
- Unify disconnected, disparate systems and data sources with a flexible platform
- Evaluate suppliers and improve both the procurement process and data visibility

#### Find Out More

To learn how SAP SRM can help your company strengthen its sourcing and procurement processes and improve its competitive standing, contact your SAP representative or visit us online at [www.sap.com/srm](http://www.sap.com/srm).

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## Summary

The SAP® Supplier Relationship Management application can help reduce cost while maintaining high-quality products and a reliable supply base by improving supplier communications, streamlining operations, and enhancing cost management.

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## Business Challenges

- Generate sustainable savings by streamlining procure-to-pay processes
- Eliminate risk of procurement noncompliance
- Achieve greater visibility into supplier relationships and performance
- Standardize and centralize procurement processes

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## Supported Business Processes and Software Functions

- **Operational procurement** – Accelerate processes and shorten the order cycle; foster standardization for self-service, plan-driven, and services procurement
- **Catalog management** – Avoid maverick buying, improve compliance, and enable users with easy-to-use search and shop functionality
- **Centralized sourcing** – Reduce costs and cycle times with bidding, auctions, and supplier collaboration
- **Centralized contracts** – Extract maximum value from contracts through better compliance and execution
- **Services procurement** – Manage resources, monitor costs, and improve the procure-to-pay process and supplier collaboration
- **Supplier collaboration** – Link suppliers to your procurement processes, collaborate throughout the life cycle, and enable integration with suppliers of all sizes
- **Supplier evaluation** – Better manage suppliers and improve the quality of your supply base with scorecards and Web-based surveys
- **Operational reporting** – Capture, consolidate, and present data from across the enterprise

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## Business Benefits

- **Reduce process costs and accelerate cycle times** by automating procurement processes
- **Deepen and enrich supplier relationships** by facilitating electronic transactions and collaboration
- **Act strategically** by utilizing data visibility across suppliers and the procure-to-pay cycle
- **Reduce total cost of ownership** by unifying systems and data sources with a flexible platform that is integrated with the SAP Business Suite applications

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## For More Information

Call your SAP representative, or visit us online at [www.sap.com/srm](http://www.sap.com/srm).

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