

SAP Business ByDesign

## **DRIVING BUSINESS EXCELLENCE AND INNOVATION**

ADAPTABLE BUSINESS SOLUTIONS TO  
MAKE YOUR COMPANY MORE AGILE



THE BEST-RUN BUSINESSES RUN SAP™





# CONTENT

- 5 Five Reasons Why You Need Adaptable Business Processes**
  - 5 #1: Change Is Constant
  - 5 #2: Competition Can Come from Anywhere
  - 5 #3: With Growth Comes Compliance and Governance
  - 5 #4: Customers Are Unpredictable
  - 5 #5: Scalability: The Difference Between Success and Failure
- 6 Making Change Easy and Affordable**
- 7 Planning for Change**
  - 7 Seek Innovation in Your Business
  - 7 Evaluate the Impact of Change on Your Business
- 8 Execute with Confidence
- 8 Repeat
- 9 Making Change Predictable**
- 10 For More Information**



Redefine markets with new products and services. Adapt an existing portfolio to provide customers with new value. When you continually innovate outside of your comfort zone, you leave your competitors behind. You build your business for profitable growth while they simply continue to deliver the same products to the same customers – a recipe for market stagnation and slim profits.

But without the proper operations in place to run your business, innovation comes at a high cost. The lack of timely, accurate company-wide information can make it difficult to respond to market opportunities, let alone identify areas ripe for change. Adding a business process to accommodate a new service or product can be disruptive, often requiring tedious integration, training, and additional hardware. Spending valuable resources customizing rigid applications to fit your changing processes can slow innovation to a crawl.

With today's on-demand business solutions, midsize companies can immediately take advantage of full-featured, time-tested business processes to quickly and economically adapt to meet future needs. Business solutions that were once the domain of large enterprises, with proportionally large IT departments, are now within your reach, ready to support your midsize company through growth and change. Now is the time to set the stage for innovation with an adaptable business solution.

# FIVE REASONS WHY YOU NEED ADAPTABLE BUSINESS PROCESSES

To accommodate new customer expectations, market conditions, or competitive challenges, you need adaptable processes that support an agile business model. Taking advantage of opportunities as they arise – or making a sudden 90-degree course correction – requires business applications that can readily support changes to both your processes and organizational structure. This adaptable information infrastructure is critical to achieving the consistent profitability and growth of a best-run business. The five main reasons why you need adaptable business processes are described below.

## #1: Change Is Constant

To meet growth goals, respond to economic shifts, or weather an unforeseen market shock, your business operations need to be flexible and scalable. This requires setting up your business with the intention of changing it. With a flexible infrastructure in place to handle change and continuously produce meaningful, decision-ready information, you can act swiftly to align resources and investments with the best opportunities. It will also help you better prioritize both short- and long-term goals and maintain the highest operational efficiency throughout your organization.

## #2: Competition Can Come from Anywhere

Differentiating your offerings and carving out a competitive advantage is easier when you can rapidly introduce new products and services. Whether a sup-

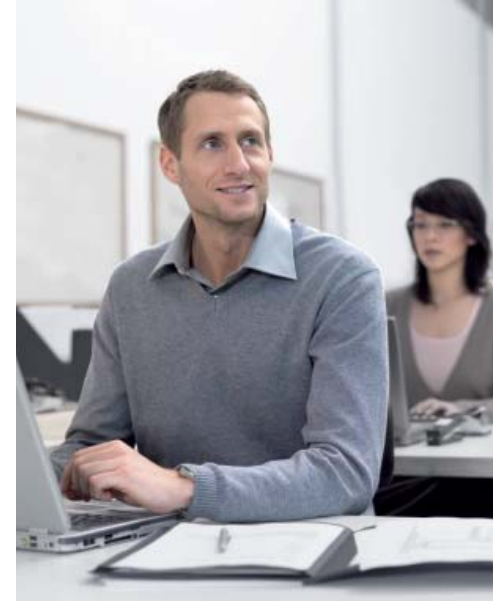
plier starts offering better prices or a competitor launches a new product, flexible processes enable you to respond quickly and efficiently to both opportunities and challenges. With current information on which to base decisions, you can ensure that the processes for sales, manufacturing, and customer service are aligned to deliver the differentiated products and services your customers really want.

## #3: With Growth Comes Compliance and Governance

If you are entering international markets, you need to comply with local laws and standards as well as accommodate mundane details such as different formats for telephone numbers and postal codes. In addition, your larger customers will expect ISO certification of your processes. When you adopt a business solution built for international business and ISO compliance, you pave the way for a smooth entry into growth markets.

## #4: Customers Are Unpredictable

Keeping your customers happy means you must rapidly meet their ever-changing requirements. If your customers change material and product specifications or upgrade their quality standards, you'll need to adjust your manufacturing processes. Or, your customers may suddenly request flexible ship dates, requiring your finished inventory management policies to be equally flexible. With the right structure in place, you can adapt business pro-



cesses to meet your customers' unique, frequently changing product or service specifications. With closed-loop customer collaboration supporting the "voice of the customer" throughout the design cycle, you can better accommodate customers' changing requirements – whether that involves new technologies, products, or methods of doing business.

## #5: Scalability: The Difference Between Success and Failure

Once you have your core financial and HR business processes under control, you'll likely want to extend core business processes within and across your supply chain network. Whether it's to drive down costs or take advantage of a whole new route to market, you need to quickly extend processes to suppliers, partners, and often the customer.

# MAKING CHANGE EASY AND AFFORDABLE



Having an information infrastructure that drives operational excellence for your core processes gives you a distinct advantage over less-prepared competitors – and puts you on a level playing field with larger enterprises. Taking immediate advantage of proven business practices learned over the years by global enterprises gives you a competitive advantage in new markets or industries. It also helps eliminate common growth pains, from erratic cost controls and poor-quality processes to fragmented information.

Once you have an information foundation, it's critical that you have the ability to easily and affordably change it. When adding functionality or adapting existing processes to meet new market requirements, you want to avoid any disruptions to your business. A change to customer billing cycles should not affect delivery times. In addition, you should be able to make process changes efficiently, without causing additional work for IT, HR, and finance. Employees should be immediately productive with the added functionality. To minimize retraining, all new processes and interfaces should have a similar look and feel to those in your existing solution.

The SAP® Business ByDesign™ solution, designed specifically for midsize companies that want to grow profitably, meets all of the above requirements. The on-demand business solution enables a perpetual cycle of adaptability and innovation and you can easily reconfigure it as market, customer, and supplier needs change. You can get the same functionality that supports large enterprises in an easy-to-consume and more cost-effective format. Take a look at how you can explore, evaluate, and experience SAP Business ByDesign to plan for a cycle of change.

# PLANNING FOR CHANGE

With SAP Business ByDesign, midsize companies gain the complete and adaptable business solution they need to put ideas into action – driving operational excellence in the process. The solution provides a foundation that reduces the cost of change, now and in the future. Unlike any other on-demand business software, SAP Business ByDesign delivers:

- Transparency into and control over your entire business
- The ability to adapt business processes quickly and cost-effectively
- Easy-to-add functionality and industry processes that drive business excellence
- Comprehensive built-in IT services and support

Fostering a culture of adaptability so you can grow profitably is a cyclical process. By continuously examining your current business processes, setting goals for growth, and modifying your plan of action, you can avoid stagnation and stay on the leading edge. To do so, you need a completely integrated solution like SAP Business ByDesign that enables you to:

- Expect **innovation** – take stock of your company’s needs and priorities, maintaining a tight focus on the initiatives that drive change in your organization; expect to find constant areas for improvement and innovation

- Evaluate impact – design the changes you need across organizational silos and weigh the impact of the changes on business processes
- Execute with confidence – put your changes into effect, experience them in action, and modify them as needed in a cost-effective way

## Seek Innovation in Your Business

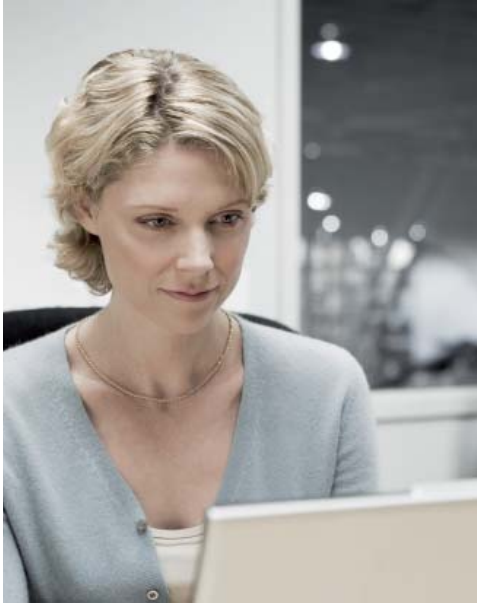
Every company sets a unique agenda for achieving market differentiation and outpacing competitors, but industry leaders focus on initiatives that make dramatic improvements in their business. Through more than three decades of working with midsize companies, SAP has found that successful companies make it a priority to take stock of their needs, set realistic priorities, and execute them quickly and efficiently.

As you explore the initiatives that can drive profitable growth, consider the potential impact on your business operations. Because most initiatives require you to adapt the way you do business, it’s critical that your company has the ability to institute change rapidly. A culture of adaptability does not drive change once but rather embraces a cyclical process of change and innovation. This means supporting today’s initiatives while setting up an adaptable infrastructure that enables you to change your operations in the future – again and again. Some examples of the kinds of business changes you can implement follow.



## Evaluate the Impact of Change on Your Business

After identifying key initiatives in the exploratory stage, weigh the impact the process changes will have on your business. SAP Business ByDesign helps you evaluate business changes quickly and efficiently in several ways. Here are some examples.



First, you can try out SAP Business ByDesign before you subscribe. Simply select a preconfigured reference solution that is appropriate for your industry and the primary country in which you operate. You can further personalize this trial solution by experimenting with how it can support an initiative. For example, you might be opening an office in Germany, acquiring a company in China, enhancing the efficiency of your manufacturing operations in the United States, or setting up a new line of business. With a personalized trial, you can preview how easy it is to add a new product line, alter your corporate structure, or turn on functionality that supports the languages, business processes, and regulations applicable in new geographies.

After you subscribe to the solution and go live, you may need to support a new business initiative or respond to unforeseen market events. SAP Business ByDesign provides a test environment – similar to the personalized trial solution – in which you can evaluate changes to your business processes and organizational structure before implementing them. Because you can first test the changes you need to make to drive your business initiatives, SAP Business ByDesign eliminates surprises and provides a high degree of predictability. And the high degree of adaptability dramatically reduces the cost and time required to configure your software to support business changes, making it affordable for companies with lean IT budgets.

#### Execute with Confidence

In this stage, you execute your adaptation of the SAP Business ByDesign solution with confidence, knowing it's right for you. You can repeat this stage at any time – whenever you need to make changes to support your changing business initiatives.

There is a onetime transition when moving from your personalized trial to your live SAP Business ByDesign solution. SAP Business ByDesign organizes your go-live activities into a logical sequence and guides you to the appropriate screens, working through a list of necessary activities. Once you are ready to go live, you can run a check to ensure that you have completed all the

necessary steps. Then, literally with the click of a virtual button, you go live to experience everything you set up in the personalized trial solution, from corporate organization and master data to business operations and processes.

#### Repeat

At some point of course, you will want to make changes to align your operations and processes with new initiatives – such as expanding into new markets. With SAP Business ByDesign, you are ready to handle events you never expected. For example, unanticipated market conditions may require that you cut costs by shifting operations from Europe to Asia. Just adapt SAP Business ByDesign in a test environment and then go live when you are ready to implement the changes.

Because the solution is so easy to adapt, you can make changes as fast as you need them. Unlike other software, which requires customization by IT professionals and consultants, SAP Business ByDesign simply asks you questions about your new business needs and then does the rest. This added flexibility and speed can give you an advantage over competitors who must rely on expensive consultants to modify or completely replace disparate systems to respond to new opportunities. SAP Business ByDesign offers no risk of disrupting your business operations and no surprises when you go live.

# MAKING CHANGE PREDICTABLE



Many ingredients contribute to a company's success. Strong leadership, disciplined execution, dedication to excellence, and opportunistic market conditions all play their part. But no company can truly achieve profitable growth if it does not quickly identify and capitalize on innovation. Doing so requires a culture of adaptability.

Whether your initiatives call for growing rapidly through innovation or streamlining operations to respond more quickly to market demands, SAP can provide you with the adaptability and speed you need to set your plans in motion. SAP Business ByDesign can help you enable adaptability and innovation in your business processes, operations, and organizational structure. That makes SAP Business ByDesign the perfect solution for a company like yours – one that wants to grow through innovation.

# FOR MORE INFORMATION

To learn more about how SAP Business ByDesign enhances your business agility, visit us on the Web at [www.sap.com/solutions/sme/businessbydesign](http://www.sap.com/solutions/sme/businessbydesign).



## Business Agility as Growth Enabler

Companies can take a number of different steps to ensure they are being as flexible as they need to be to continue to grow successfully and meet internal needs, customer requirements, and changing government obligations.

1. Establish a continuing review of processes, avoiding onetime quick fixes. This can best be provided through a senior management committee that supports a “continuing revolution” of challenge and refinement of business practices.
2. Identify organizational constants that need to be maintained, separate from tactical information needs that are evolving. Investment in developing and delivering core information internally can be an important starting point for developing and refining the collection and delivery of other information in your company.
3. Understand who in the organization needs accurate and timely customer information and ensure that the right information is available. In an increasingly competitive environment, effective access to information can distinguish you from competitors. Make sure the right level of information is being provided given the changing needs of customers and those who work with them.
4. Establish internal and external benchmarking of company and competitor performance. Flexibility is one area of performance to be examined. How nimble are your competitors? How quickly can they move into new markets or develop new products? What are the areas in which your firm needs the greatest improvement?
5. Listen, learn, and refine – make sure you have ways to leverage customer feedback. Real competitive distinction can be earned by listening effectively to your customers. Breakthrough ideas in product or market positioning can come from anywhere, but the most natural source is from those who use your products and services on a regular basis.

Excerpted from IDC white paper sponsored by SAP: *Business Agility as Growth Enabler: How Can Midsize Firms Manage Change in an Increasingly Demanding World?*, document #208377, Raymond Boggs, August 2007.



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