Moving along with SAP Transportation Management functionality

Cam Patters and Bill King
Agenda

- SAP Transportation and Logistics Roadmap Overview
- SAP TM & Demo
- Customer Successes
- Recap and Your Turn
The Transportation and Logistics Market
A Priority Investment Area for SAP & Our Customers

Transportation and Logistics (T&L) represents an area of major focus for...

...the global economy
- Global transportation spend
- Consumer prices & company profitability
- Global CO\textsubscript{2} emissions

...our customers
- Global supply networks
- Customer service
- Operational efficiency and cost reduction

...SAP
- T&L market size and growth
- Core solution extension
- Strategic investment
Transportation and Logistics Challenges
Top Executive Issues for LSP

How can I manage my logistics network in a holistic fashion that is both beneficial for my customers and my profitability?

How can I provide operational excellence to my customers without sacrificing my bottom line?

How can I leverage my transportation network as LSP and make informed decisions about best use of purchased services from my carrier partners?

How do I ensure high customer service levels and responsiveness to unexpected supply chain events?

How do I ensure I am compliant with all the varying regulations and compliance policies?

How do I implement IT solutions quickly on a global scale that address my concerns but also cater to various local laws and regulations?
SAP Transportation and Logistics
Our Mission and Strategy

**Mission**

The **MARKET LEADER** in Supply Chain Execution
The **THOUGHT LEADER** in Supply Chain Convergence

**Best-in-Class Solution**

- Best-in class functionality
- Complete, comprehensive solution

**Integrated and Connected Processes**

- Intra- and inter-enterprise solution
- End-to-end process integration
- Out-of-the-box connectivity

**Verticalized Offering**

- Industry-specific functionality
- Multi-industry offering

**Verticalized Offering**

- Verticalized Offering

**SUPPLY CHAIN EXECUTION LEADERSHIP**

- Integrated and Connected Processes

**Real Experience. Real Advantage.**
The SAP Transportation Management 8.0
Development Focus

Customer Co-Innovation

Deep Process Integration
Order-to-Cash
Procure-to-Pay
Customs and Compliance Mgmt.
Dangerous Goods Mgmt.

Best-in-Class Functionality

SAP Transportation Management

Flexibility, Simplicity, and Performance

Collaboration

Decision Support

Real Experience. Real Advantage.
Transportation and Logistics Investment Areas

High Customer Value with a Complete, Best-in-Class, Multi-Industry Offering

**Customer Value**
- Increased Profitability
- T&L cost reduction
- Asset and labor optimization
- Higher Customer Service
- Optimal logistics planning
- On-time delivery
- Improved Sustainability and Regulatory Compliance
- Transportation optimization
- Green logistics

**SAP Investment Focus**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TARGET MARKET</th>
<th>DEVELOPMENT FOCUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Shippers</td>
<td>Transportation and Warehousing</td>
</tr>
<tr>
<td>2012</td>
<td>Freight Forwarders</td>
<td>User Experience, Mobile, Analytics, HANA</td>
</tr>
<tr>
<td>2013</td>
<td>Contract Logistics Rail Carriers</td>
<td>Connectivity, Event Management, Integration, Sustainability</td>
</tr>
<tr>
<td>2014</td>
<td>Logistics Service Prov. Ocean/Air Carriers</td>
<td>TCO/TCI (incl. RDS)</td>
</tr>
<tr>
<td>2015</td>
<td>Oil and Gas Truck Carriers</td>
<td></td>
</tr>
</tbody>
</table>
# SAP Transportation and Logistics Roadmap

## Market and Application Focus 2011-2015

<table>
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<th>Year</th>
<th>Target Market</th>
<th>Development Focus</th>
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<tr>
<td>2011</td>
<td>Shippers</td>
<td>Core TM processes for shippers, EWM returns and claims management</td>
</tr>
<tr>
<td>2012</td>
<td>Freight Forwarders</td>
<td>Supply chain execution platform, Core TM processes for freight forwarders, Advanced costing, settlement and charge management, Profitability costing and cost distribution, Door Appointment Scheduling</td>
</tr>
<tr>
<td>2013</td>
<td>Contract Logistics Rail Carriers</td>
<td>Order-to-cash for rail, TM enhancements for retail and automotive, Parcel Management, Carrier Portal, Strategic vendor sourcing</td>
</tr>
<tr>
<td>2014</td>
<td>Logistics Service Prov. Ocean/Air Carriers</td>
<td>TM enhancements for ocean and air carriers, Transportation Demand Forecasting, Fleet, asset, and container mgmt., Hub handling, Warehouse control (standalone)</td>
</tr>
<tr>
<td>2015</td>
<td>Oil and Gas Truck Carriers</td>
<td>TM enhancements for oil and gas, SCE platform for midmarket, EWM multi-client framework for LSP, Advanced warehouse optimization</td>
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**Plan Only Subject to Change**

**Development Topics:**
- User Experience, Mobile, Analytics, HANA
- Connectivity, Event Management, Integration, Sustainability
- TCO/TCI (incl. RDS)
SAP Rapid Deployment Solutions

... Packaging Now Becomes Part of the SAP DNA ...

**SAP RAPID DEPLOYMENT SOLUTION**

Complete solution, ready-to-run

Fixed scope, fixed cost, 100% transparent

For new customers, but also fits with existing landscape, ready to expand in modular steps

Fast time to value

Low software: Services ratio

Flexible pricing and deployment
Architecture Outlook
Enabling Operational Excellence and Interoperability

On Device
- SAP Unwired Platform

Analytics
- HANA

Supply Chain Execution Suite
- Event Management
- Transportation Mgmt.
- Extended Warehouse Mgmt.
- SCM Basis
- Business Suite Foundation
- SAP NetWeaver®

Business Suite
- ERP
- APO
- GTS
- CRM

Web Services
- Optimizer
- HANA

B2B Communication
- Third-Party
- Existing Products
- Innovations

GIS
- Graphical Information Systems

Real Experience. Real Advantage.
Agenda

SAP Transportation and Logistics Roadmap

Overview SAP TM

Demo

Customer Successes

Recap and Your Turn
Transportation Management 8.0 Processes and Scenarios
Solution Manager Content Delivered with SAP TM 8.0

Benefits
Efficient, end-to-end processes, and scenarios
Reduced implementation time, effort, and cost

- SAP TM 8.0 Processes
  - Managing Transportation Requirements
  - Managing Forwarding Orders
  - Managing Freight and Bookings
  - Planning Freight and Selecting Carriers
  - Tendering Freight
  - Executing and Monitoring Freight
  - Settling Freight Orders
  - Settling Forwarding Orders

- SAP TM 8.0 Scenarios
  - Domestic Inbound Transportation
  - International Inbound Logistics
  - Outsourced Transportation
  - Domestic Outbound Transportation
  - International Outbound Transportation

Comprehensive Documentation
Processes, scenarios, configuration, customizing, and implementation

- SAP TM 8.0 Scenario Configuration Guides
- SAP TM 8.0 Master Guide
- SAP TM 8.0 Online Documentation
Overview SAP Transportation Management 8.0
Solution Coverage

SAP Transportation Management

Order Management
- Transportation Planner
  - SAP ERP integration: Order-to-Cash, Procure-to-Pay
  - Freight Orders
  - Forwarding Orders
  - Freight Bookings

Freight Planning and Tendering
- Specialist (i.e., Tendering)
  - Manual and Automatic Planning and Dispatching
  - Resource and Carrier Selection
  - Order Tendering
  - Ocean Booking

Freight Execution and Monitoring
- Transportation Dispatcher
  - Logistics Execution
  - Transportation Status
  - Visibility and Monitoring

Freight Settlement
- Transportation Charge Clerk
  - Freight Agreement Management
  - Charge and Tariff Mgmt.
  - SAP ERP integration: Forwarding and Freight Order Settlement

Analytics and Reporting
Event Management
Import/Export, Dangerous Goods and Compliance
Document and Output Management
Integration and Connectivity
## Transportation Planning Details

Transportation Optimization Planning – Own/Dedicated Subcontractor Fleet

### Example Process: Transportation Planning for Land Transport

<table>
<thead>
<tr>
<th>Order Entry (Demand Creation)</th>
<th>Freight Unit (FU) Creation – a Logistical Unit (shipment)</th>
<th>Transport Planning (Costs, Schedules)</th>
<th>Freight Order Creation (B/L, Waybill)</th>
<th>Tendering (optional if not for fixed routes)</th>
<th>Delivery Proposal Creation</th>
</tr>
</thead>
</table>

### Example UI: Transportation Planning Cockpit

#### Freight Units
- Building strategies
- Freight consolidation/split
- Maximum transportation quantities
- Compatibility

#### Vehicle Resources/Schedules
- Variants depending on main Mode of Transport for:
  - Truck, Rail, Ocean, Air
  - Truckload
  - Less Than Truck Load

#### Map Integration
- Graphical routing

#### Link for Subcontracting
- Carrier selection options
- Cost, priority, lane
- Business share

#### Freight Orders
- Planning constraints
- Requested delivery date/times
- Driver operating hours
- Time windows
- Trip and un/loading durations
- Transport schedules
- Vehicle availability and capacities
- Incompatibilities
- Handling resources
- Costs (load, penalty)
- ...

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Real Experience. Real Advantage.
SAP TM Transportation Cockpit
Highly Flexible Role and User-Specific User Interface

Power User (Transportation Manager) layout with rich UI content and functionality

Simplified Transportation Clerk layout with simplified 2 frame layout
Real Experience. Real Advantage.

Transportation Analytics
Comprehensive, Flexible Reporting Capabilities

Transportation Dashboard

Embedded Contextual Analytics

Role and User-Specific Worklists

Ad hoc Reporting on Mobile Devices
Demo

TransportationMgmt_20110107.edf
- Deep Process Integration
- Capacity Procurement
- Network Planning
- Forwarding Order Management
- Auto-Rating and Auto-Costing
SAP Transportation Management 8.1
Process Overview

Shippers
(Ota-Ku, Gifu, Japan)

Freight Forwarders Gateway (CFS)
(Los Angeles, USA)

Port-of-Origin
(Nagoya, Tokyo)

LineHaul / Feeder

Freight Forwarders Gateway (CFS)
(Yokohama, Japan)

Station of Origin

Port-of-Loading
(Yokohama Japan)

Freight Forwarders Gateway (CFS)
(San Diego, Phoenix)

Station of Destination

Consignees
(Sedona, Tusc on, USA)

Deliveries

Picks up

LineHaul / Feeder

Real Experience. Real Advantage.
Agenda

- SAP Transportation and Logistics Roadmap
- Overview SAP TM 8.0 and Demo
- Overview SAP TM 8.1
- Customer Successes
- Recap and Your Turn
Selected SAP TM Projects
SAP Transportation Management 6.0, 7.0, and 8.0

**Consumer Products**
- **Company:** Consumer packaging for beverage, personal care, healthcare, food
- **Implementation:** SAP TM 6.0
- **Goal:** Complete automation of the tendering process (subcontracting)
- **Implementation Scope:** Transportation optimization - freight unit building, truck planning, carrier selection
  - Sales order processing in SAP ERP
  - Transportation planning in SAP TM
  - Logistics execution in SAP LES (ERP-Logistic Execution System)

**Chemicals**
- **Company:** Chemicals company specializing in silicone-based materials
- **Implementation:** SAP TM 7.0
  - ca. 50 sites with 300 shipping points
- **Goal:** Efficient, accurate transportation settlement and invoicing.
- **Implementation Scope:** Transportation charge management, with extensive charge calculation, invoice creation and verification
  - Shipment creation in SAP ERP
  - Charge calculation with carrier verification and freight settlement in TM
  - Automated invoicing in SAP ERP

**Consumer Products**
- **Company:** World leading company for food and beverages, health and performance nutrition
- **Implementation:** SAP TM 8.0
- **Goal:** A common transportation mgmt. system to eliminate legacy TM systems.
- **Implementation Scope:** Full TM implementation across freight order mgmt., transportation planning and carrier selection, tendering, subcontracting and freight settlement
**Artoni TM 8.0 Project Overview**

**Transportation and Logistics**
- Transportation - domestic, European and worldwide (road, rail, air, and ocean) freight
- Logistics services - warehousing, handling, kitting, packaging, ...

**Implementation location**
Reggio Emilia, Italy

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**SAP TM Ramp-Up Project Details**

**Go live**
July 4, 2011

**Coverage**
- 2,000 orders per day
- 10 customers

**Implementation scope**
- Migration TM 7.0 > TM 8.0
- Charge management and forwarding settlement

**Goals**
- Increased performance and less custom code
- Less Annual Maintenance Service activities

**Future roll-out plans**
- Complete customer coverage (10,000 customers)
- SAP CRM integration for charge calculation

**Consultants**
Alemea
ERP Solutions:
http://www.erp-solutions.it
Agenda

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Recap and Your Turn
## Customer Benefits for LSP

**SAP TM 8.1**

| Reduced Costs | Powerful performance monitoring and decision support  
|               | System options to plan and optimize network utilization  
|               | Efficient customer and carrier freight agreement management for auto-pricing of order revenue or cost |
| Operational Efficiency | High customer service and responsiveness  
|                       | Customizable transportation planning and exec. Processes  
|                       | Real time visibility and collaboration with partners to improve fulfillment lead times and customer service |
| Sustainability and Regulatory Compliance | Optimized load, route and mode scheduling based on pre-defined network, with priority routing business rules  
|                                             | Integrated customs and compliance management |
| Low TCO/High ROI | Comprehensive, flexible, scalable, extensible system  
|                  | Standard integration to ERP, GTS and interfaces to 3rd party  
|                  | Full documentation for faster time-to-value |
Why SAP? Benefit Drivers.

- SAP offers robust functional capabilities in our TMS solution. However, in order to compare fairly, existing SAP customers should also consider these additional benefits to the equation:
  - Sap does provide typical TMS Benefit Drivers
  - SAP has Holistic Processes*  
    around Order to Cash, Procure to Pay, Transportation Management and Supply Chain Execution
  - **Expand capabilities** beyond Transportation*
    in such areas as Global Trade, Event Management, EWM and Inventory Collaboration, VM I, SM I, Analytics, HANA, etc.
  - **Avoid the “pitfalls” associated with extensive integration of a third party***
    such as costs, risk, lost visibility, master data integrity and process delay
Additional Resources

www.sap.com/transportation

New: SCE External Community
Community for customers and partners. Note: This community requires registration.
Registration Site:
https://cw.sdn.sap.com/cw/community/sce
SCE External Community:
https://cw.sdn.sap.com/cw/community/sce/external

www.service.sap.com/solutionpackages
www.sap.com/rds
7 Key Points to Take Home

› Transportation and Logistics is a major investment area for SAP

› Strong industry focus ensures delivery of best-in-class solutions with industry-specific capabilities

› The SAP Transportation and Logistics development roadmap provides a solid path for supply chain execution network coverage and convergence

› Usability, TCO and packaged services are major T&L focus areas to leverage the full value potential of our solutions

› SAP is working in close collaboration with customers throughout the entire development life cycle

› SAP Transportation and Logistics follows a lean development model for faster, quality solution delivery

› Can bring Value to you and your organization!
Your Turn!

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