Transportation Management
Lessons Learned & Success Stories

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Agenda

• Lessons Learned
  • Quick Win Scenarios
  • How you can prepare for a successful TM implementation
  • Different challenges with TM 9.0
  • How long does it take to implement TM?
  • Do’s & Don’ts
  • Ramp-Up Team
  • Project Resources

• Success Stories
SAP Transportation Management

Lessons Learned
Build and Manage a strong Project Plan!

Project Management

Be Proactive
Comprehensive Testing, Iterative – Set for Success

With real and representative data
Strong Partnership

- Partner Expertise
- Evaluate, Assess, Invest
- Consider Quality Reviews
Ramping up?

- Limit enhancements, phase in enhancements
- Involve Ramp-up Coach (Mandatory)
- Build a success Story, and then run!
Stay Current

- Apply all support packs
- Take advantage of peers testing and fixes provided
Quick Win Scenarios with TM9?

- Tendering
- Multi-stop truckload
- Multi-Pick and Multi-Drop (LTL-TL-LTL)
- Ocean shipment with booking orders
- Truckload orders
- All of the above with customer freight and supplier freight invoice functions
Invest in Yourself for Success!

- Invest in Team Training
- Knowledge Transfer
How can you prepare for a successful TM implementation

- Project team training is critical
- PI resource is a must (25% to 50% depending on scope)
- Developer resource with Web-dynpro development experience and BOPF (business object process framework) knowledge is absolutely necessary
- Strong project management
- TM trained consultants (with at least 1 from SAP)
Different Challenges with TM 9.0

- New technology
  - New user interface using NWBC
  - New development framework using Business Object Processing Framework
- New terminologies
  - Freight unit
  - Tours
  - Freight Order
How long does it take to implement TM?

• Implementation can vary from 2 months to 1+ years

• Implementation timeframe can be influenced by how strong the project management is in controlling:
  • Project scope
  • Business expectations
  • Keeping up to date with support packs
  • Early identification of risk areas
    • When key knowledgeable resources are not available or the project
    • When there is a lack of emphasis on custom development effort required to enhance TM

• If in Ramp-up, close connection with the extended ramp-up team
Implementation Timeline – High Level (5 month project)

• After 2 weeks
  • Installed TM
  • Tested connectivity to PI, Optimizer or Event Management
  • Project team training is underway

• After 4 weeks
  • Configured and prototyped baseline scenarios
  • Identified major gaps

• After 8 weeks
  • Some developments are complete
    • Inbound/outbound proxy enhancements
    • PI Enhancements
  • Testing of key scenarios are underway
Implementation Timeline – High Level (5 month project) - continued

- After 12 weeks
  - Closing in on development (outputs, data conversions, etc.)
  - Testing security
- After 16 weeks
  - Integration testing and user training is underway
- After 20 weeks
  - Production dress rehearsals
  - Prepare for Go-Live
- After 21 weeks
  - Go Live
Do’s and Don’ts

- **Do** install SP (support packs) whenever they become available
- **Do** the due-diligence of having your ramp-up support team review your design on a regular basis
- **Do** contact your ramp-up support whenever you have TM Issues
- **Don’t** underestimate your custom development effort
- **Don’t** underestimate the learning curve

If partners engaged:
- **Do** ensure project resources trained on the new product are assigned
- **Do** ensure they understand ramp up process if supporting a ramp up project
- **Do** follow comprehensive test plans and proper testing execution
- **Do** thoroughly document all enhancements
- **Do** make a decision on which product version to implement after reviewing project scope for the best fit
The TM Ramp-Up Team

- TM Ramp-Up support organization is:
  - Lead by the TM Development team in Walldorf. The SAP TM team consists of:
    - Customer on Watch Team Lead
    - Development Angels (Development lead for the solution)
    - Ramp-Up coach (Assigned to your project)
    - Solution Management team
    - SAP consultant assigned to the project

- Design review of the blue-print documents
- Risk Assessment of project
- Weekly review of the TM project progress
- Prompt OSS message resolution
- Influence and visibility into future designs.
Typical Resource needs (1/3)

- TM needs additional skills/resources at various phases in project
- Typical requirements and activities of resources:
  - TM Functional resource
    - Acts as RU Coach on TM ramp-up project
    - New functionality/configuration
    - Landscape options
    - Solution deployment options (there are many based on company requirements)
  - CIF knowledge/maintenance
    - Master-data transfers, needed at various phases of projects
    - RFC monitoring
  - Basis support (install and maintenance)
  - PI install and maintenance
    - Initial configuration and set-up, restart/troubleshoot
    - (MONI transactions)
Typical Resource Needs (2/3)

- NetWeaver Business Client
  - Functional
  - Technical (error handling)
- Event Management: initial set-up and extension
- Email tendering/SAP connect knowledge and maintenance
- Interfacing to 3rd party systems
  - ALK/Rand McNally for distance determination, mapping, GEO coding
  - SMC3 (or similar) for Freight rates
- EDI-XML messaging with TM
  - Differences if any from traditional EDI
- Reporting/BI: Business Warehouse
  - Standard queries in TM
  - Need to develop further
Typical Resource Needs (3/3)

- Output, PPF set up for Adobe printouts
- Integration with other components
  - OTC/SD order scheduling requirements
  - WM/picking process
  - MM invoice verification/freight cost settlement → ECC service entry
  - FI Integration in Freight audit and Payment processes
- TM Development resources
  - Needed for new process controllers
  - Needed for any other enhancements
    - Example: Change behavior of when to send Tenders to the carriers
TM Architecture
Overview of TM 9.0 Technology Stack

SAP Transportation Management 9.0

<table>
<thead>
<tr>
<th>System</th>
<th>Version</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Management</td>
<td>TM 9.0</td>
</tr>
<tr>
<td>Supply Chain Mgmt. Basis</td>
<td>SCMB 7.02</td>
</tr>
<tr>
<td>Business Suite</td>
<td>BS_FND 7.31</td>
</tr>
<tr>
<td>SAP NetWeaver</td>
<td>NW 7.31</td>
</tr>
</tbody>
</table>
TM Architecture

- SAP ERP
  - SAP ERP 6.0 incl. EHP6*, EHP5*, or EHP4*

- SAP Event Management
  - SAP Event Management 7.0 incl. EHP1*

- Business Information Warehouse Content
  - SAP Business Information Warehouse Content 7.0 incl. EHP6

- SAP Transportation Management 9.0

- SAP SCM Basis 7.02

- SAP Business Suite Foundation 7.31

- SAP Process Integration
  - PI Content for SAP TM 9.0

- Adobe Document Server
  - ADS (Latest Version)

- SCM Optimizer Server
  - SAP SCM Optimizer 9.0

* Required product versions for various scenarios
SAP Transportation Management

Success Stories
SAP Transportation Management in Automotive
Freight calculation and settlement

Transportation & Logistics

German car producer with global presence and with factories all over the world.

Business Challenges/Drivers:
- Transportation charge calculation intransparent
- Settlement of costs inaccurate
- High, manual effort of invoice verification, change to credit management
- Old, hard to maintain legacy system
- Unification for all processes

Project Scope:
- Complete planning, purchasing, controlling and settlement process
- Implementation step by step from a process point of view
- Vehicles first, then material and spare parts planned

Key characteristics
- Only a view ‘users’ in the system but high batch processing
- Several interfaces due to current system architecture
- Intensive use of BOPF (Business Objects Process Framework)

Key Highlights:
- Live on SAP TM 8.1
- Implementation for material and spare parts in 2012 based on SAP TM 9.0

Installations:
- TM 8.1

Future roll-out plans
- Roll out to further company products

Implementation location
Munich, Germany

Future roll-out plans
- Roll out to further company products
Consumer Package Goods

Guenther is a leading foodservice manufacturer of country gravy, frozen biscuits, dumplings, pre-made biscuits and bakery items to both corporate chain accounts and independent foodservice distributors.

Headquarters: San Antonio, TX USA
Products and services: Flour & Mixes
Revenue:
Employees:
Web site: www.chg.com

Implementation location
Prosperity, SC & San Antonio, TX USA

Implementation Partner: SAP Consulting

Business Challenges/Drivers:
• Replacing legacy ERP System to handle future company growth
• Migrate from manual, database driven process to best in class, system-driven process
• TM to be seamlessly integrated with ERP

Project Scope:
• Domestic Outbound Transportation
  • TL, LTL, Parcel, Pool
• Domestic Inbound Transportation
  • TL, LTL

Key figures:
• 750 Freight Orders/Month

Key Highlights:
• Implement TM 8.0

Benefits realized:
• Advanced Load Optimization – improve load density, reduce cost, improve service
• Electronic load tendering to carriers with real time acceptance of loads
• Improved supply chain visibility both inbound and outbound
• Exception Management /Drive Better Decision Making
• Carrier Scorecards/Real Time Carrier Visibility = greater carrier accountability

Installations:
• ECC 6.0 EHP4, BI, BOBJ
• TM 8.0 SP03

Future roll-out plans
• Event Management & Analytics
Cargill: Improving Visibility and Bargaining Power with SAP® Transportation Management

**Company**
Cargill Incorporated

**Headquarters**
Minneapolis, MN

**Industry**
Consumer products

**Products and Services**
International producer and marketer of food, agricultural, financial, and industrial products and services

**Employees**
131,000 employees in 66 countries

**Transportation Spending**
US$4.5 billion annually, including US$500 million in truck spending

**Web Site**
www.cargill.com

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**Objectives**
- Leverage consolidation opportunities across business units
- Provide clear visibility into freight spend
- Harmonize carrier experiences across the enterprise
- Strategically consolidate, manage, and reduce over US$1 billion in yearly transportation spend

**Why SAP**
- Tight integration, from sales orders through freight payment and allocation, of the SAP® Transportation Management application (SAP TM) with existing SAP solutions
- Ability to support multiple shipping modes, such as less than truckload (LTL), truckload (TL), and rail
- Powerful optimization capabilities
- Very little customization required

**Benefits**
- Aligned rate structure across 72 business units
- Centralized rate data and management of freight exceptions
- Integrated both ordering and financial processes
- Improved performance and speed of transportation management
- Enhanced data access, reporting, and analytics

“We wanted a system that would improve visibility across the organization and allow us to leverage relationships to negotiate rates, volume, and contracts. SAP Transportation Management is helping Cargill optimize opportunities across all of the business units.”

SriRaj Kantamneni, Tartan Operations Lead, Cargill Incorporated

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**Greater**
Economies of scale and efficiency for the 72 business units using SAP TM

**Better**
Visibility and control over more than US$1 billion in yearly transportation spend

**Lower**
Costs with improved negotiation capabilities and operational efficiency
Chinese Electric Power Company Runs better with SAP® Transportation Management

**Company:** Major Power Company in China

**HQ:** Chengdu, China

**Industry:** Electric Utilities

**Products and Services:** Electric Power generation

**Employees**
1,000

**Revenue or Budget**
CNY 596.37m

**Objectives**
- Integration between TM9.0 and proprietary GIS/GPS
- Forwarding Order Management
- Manual Planning and showing planning route in the Map
- Standard EM functionality

**The resolution/Why SAP**
- SAP TM has a clear road map in next 5 years and rich functionalities
- TM9.0 3rd party map integration capability
- SAP ERP customer base

**Benefits**
- Monitoring important/high value goods during the whole transportation process in real time with GPS and EM on the Map
- Ensure the transported goods can be delivered on time
- Integrated with ECC to minimize manual effort and mistake

**First TM 9.0 Customer**
Customer went live in only 2 months.

**First TM Customer in China**
First live TM customer of several TM projects running in China

**First of 3 Subsidiaries to go live**
Two more subsidiaries plan to implement TM in the near future.
Your Turn!

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