SAP® Strategic Sourcing Suite: A Solution for Process Manufacturers

For businesses in the process manufacturing industry, time to market and direct materials costs are critically important not only to increasing revenue and profits but also to improving product quality, consumer safety, and sustainability. By integrating your sourcing processes for direct materials and services, you can support these priorities by enabling collaboration across internal recipe and product development and sourcing teams, external manufacturers, and suppliers of raw materials and ingredients.

As shown in the figure below, SAP® Strategic Sourcing Suite helps process manufacturers like you accelerate the sourcing process and optimize direct spend costs. It supports collaboration across recipes, ingredients, and product quality with external manufacturers and raw material and ingredient suppliers. In addition, you gain integrated functions that help optimize ongoing direct spend reductions, continuous cost-out programs, and renegotiations. And finally, it helps you design for manufacturability and costing – quickly, accurately, and efficiently.
About SAP® Ariba® Solutions

SAP® Ariba® solutions support the marketplace for modern business, creating exchanges between millions of buyers and suppliers across the source-to-pay process. Our solutions enable companies to simplify collaboration with their trading partners, make smarter business decisions, and extend their collaborative business processes with an open technology platform. More than two million companies use SAP Ariba solutions to connect and collaborate around nearly US$1 trillion in commerce on an annual basis. To learn more about SAP Ariba solutions and the transformation they are driving, visit www.ariba.com.

OPTIMIZING DIRECT SPEND COSTS AND SPEEDING UP THE SOURCING PROCESS

With SAP Strategic Sourcing Suite, process manufacturers can:
- Utilize electronic, template-based RFIs, RFPs, RFQs, auctions, and project management tools with integrated workflows, document management, and approvals to obtain bids and award suppliers
- Rely on dynamic, real-time event views, integrated reporting, and what-if scenarios for decision support
- Share and collaborate with suppliers on recipes, bills of materials, and product specifications and characteristics
- Include product- and quality-related attributes in sourcing events automatically and transfer the result of this collaboration into contract documents
- Access assigned materials quickly using a materials dashboard
- Gain insights into material price history and trends, sourcing activities, and sources of supply
- Calculate total landed costs, including logistics costs and import duties and taxes, to accurately compare supplier prices with different International Commercial Terms (Incoterms)
- Understand cost structures and identify potential savings by configuring cost breakdowns using complex costing information collected from suppliers and external manufacturers
- Transfer sourcing event or contract negotiation outcomes to procurement systems that generate follow-on documents containing advanced pricing conditions (such as purchase information records and schedule agreements) through integration with the SAP ERP application and material master data

A CLOSED-LOOP, DIGITALLY TRANSFORMED SOURCING SOLUTION FOR EVERY NEED

SAP Strategic Sourcing Suite supports your source-to-contract and supplier management processes for direct materials; maintenance, repair, and operations materials; and indirect materials. It also supports a closed-loop, digital, source-to-contract process for your sourcing needs.

Contract Management Capabilities

Using the contract management functions of this suite, misplaced and mismanaged paper contracts are a thing of the past – enabling you to reduce the associated risks and lost savings. You can:
- Manage procurement and sales contracts, IP licenses, internal agreements, and more
- Automate and accelerate the contract lifecycle with contract authoring, review, and approval functionality
- Collaborate with internal stakeholders and trading partners
- Integrate article master, supplier master, and contract data to and from sourcing, ERP, and other back-end systems

Supplier Lifecycle and Performance Management Capabilities

Support the supplier management lifecycle using a single, Web-based platform for merchandise vendors and suppliers to register and collaborate with you. You are able to:
- Register, qualify, and segment suppliers based on category, location, and business unit
- Integrate qualified and preferred suppliers smoothly into the source-to-contract process
- Access a 360-degree view into supplier information
- Monitor and manage supplier performance with a centralized information portal
- Utilize automated, standard alerts and reports to assess compliance and manage supply risk

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