



**IMPLEMENTING CONFIGURABLE SUBCONTRACTING USING VARIANT
CONFIGURATION**

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Session ID #82421

About the Speaker

Alfonso Martinez

- Engineering Manager for Sonnys Enterprises
- Bachelors of Science in Mechanical Engineering (Minor in Electrical Engineering
- Master of Science in Computer Science
- Been with Sonnys for 13 years
- 7 years working with SAP, 20 years working with ERP systems
- Eventually want to pursue a career as a stand comedian

Key Outcomes/Objectives

1. Leverage the use on Variant Configuration across different business areas (in this particular example supply chain)
2. Create awareness on how powerful Variant Configuration is.

Agenda

- About Sonny's Enterprises
- Customer needs
- Review Sub-contracted Process: Powder Coating
- Operations Requirements
- Review sub-contracting and Variant Configuration Concepts
- Review Implemented Solution
- Conclusion
- Questions

Sonny's One Wash

 <p>Sonny's OneWash Solution</p> <p>Sonny's Consulting</p>  <p>INVEST WITH CONFIDENCE</p> <p>Expert guidance to help you go from breaking ground to ground-breaking performance.</p>	 <p>Sonny's OneWash Solution</p> <p>Sonny's College</p>  <p>MASTER YOUR TRADE</p> <p>Comprehensive hands-on training to plan, manage, maintain, and grow your business.</p>	 <p>Sonny's OneWash Solution</p> <p>Sonny's Equipment</p>  <p>WASH MORE CARS</p> <p>Trusted leadership from the world's largest manufacturer of conveyORIZED car wash equipment.</p>	 <p>Sonny's OneWash Solution</p> <p>Sonny's Vacuums</p>  <p>SET IT AND FORGET IT</p> <p>Stainless-steel professional grade durability and swap program to maximize uptime.</p>
 <p>Sonny's OneWash Solution</p> <p>Sonny's Controls</p>  <p>DRIVE BUSINESS FORWARD</p> <p>The Complete real-time car wash management solution to deliver efficiency and profitability across your locations.</p>	 <p>Sonny's OneWash Solution</p> <p>Sonny's Marketing</p>  <p>WIN EVERY CUSTOMER</p> <p>To capture, upsell, and retain your unfair share of customers both onsite & online.</p>	 <p>Sonny's OneWash Solution</p> <p>Sonny's Chemistry</p>  <p>MAKE CARS SHINE</p> <p>The most convenient and accurate way to deliver a clean, dry and shiny car.</p>	 <p>Sonny's OneWash Solution</p> <p>Sonny's Parts & Supplies</p>  <p>KEEP ON WASHING</p> <p>12,000 parts in-stock for immediate delivery to support your business with inventory for 14 OEMs.</p>

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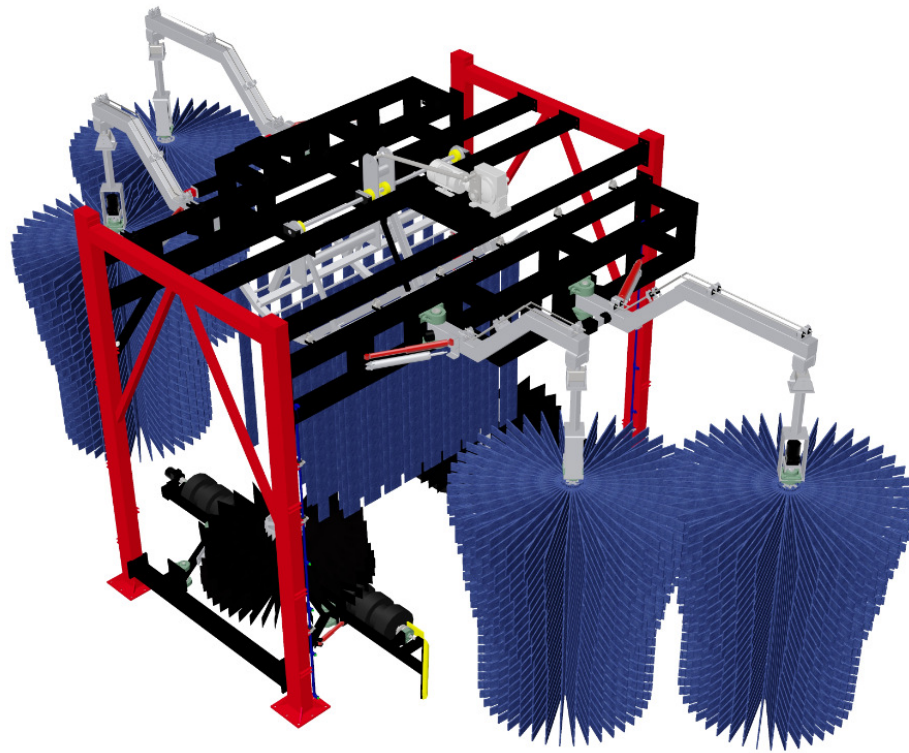
Sonnys Enterprises

SONNY'S The CarWash Factory is the largest manufacturer of conveyORIZED car wash equipment in the world. Headquartered in Tamarac Florida, the company has been washing cars since 1949 and prides itself on competing globally with a product that is designed, built, and backed in the USA. With over 400 employees in 20 states, Sonny's eight lines of business – consulting, college, equipment, vacuums, controls, marketing, chemistry, and parts combine to create OneWash, the industry's first and only complete car wash management suite designed to promote the growth of car wash businesses everywhere

Customer Needs

- In today's market, a powerful and effective tool used extensively in marketing a business or service is “branding”.
- Branding is all about enhancing your business image.
- A brand strategy process begins by visually integrating your brand at every customer touch point, and color is at the core of it.
- We offer to our customers the option to powder their equipment in any color.

Powder Coated Tunnel Equipment



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Review Sub-contracted Process: Powder Coating

- Powder coating is a high quality finishing process. It is based on polymer resin systems, combined with curatives, pigments, leveling agents and other modifiers.
- A process called electrostatic spray deposition is typically used. We outsource powder coating to (3) local vendors for fast turn around and process expertise.

Operations Requirements

- We manufacture all the items that are powder coated.
- Sub-contracting needed to be defined at the material master level.
 - Generate a pick ticket with the unfinished manufactured item
 - Ease to track inventory at the vendor location.

Review sub-contracting at the MM level

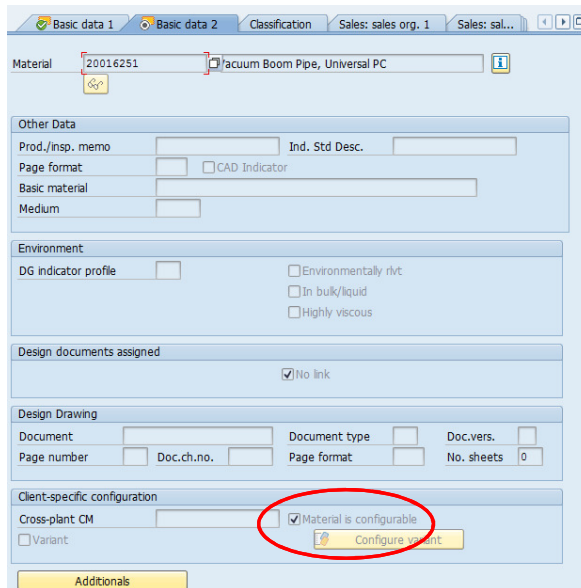
- In a typical subcontracting process, a manufacturing company provides raw material (say material A) to a subcontracting vendor.
- The vendor processes these materials to turn them into an end product (say material B).
- Material A constitutes the Bill of Material (BOM) of material B are then delivered to the subcontracting vendor.
- **Challenge: Creating different part numbers for color specific parts**

Review Variant Configuration

- Variant configuration enables the manufacturing of complex products that also have many variants.
- The customer or a salesperson can also determine features of a product, collect and document specifications for the product and ensure that the product can be produced with those specifications while production costs are automatically calculated
- The product configurator also improves information exchange between sales, engineering, and production

Review Solution Implemented (Step 1)

- Create configurable semi-finished material numbers



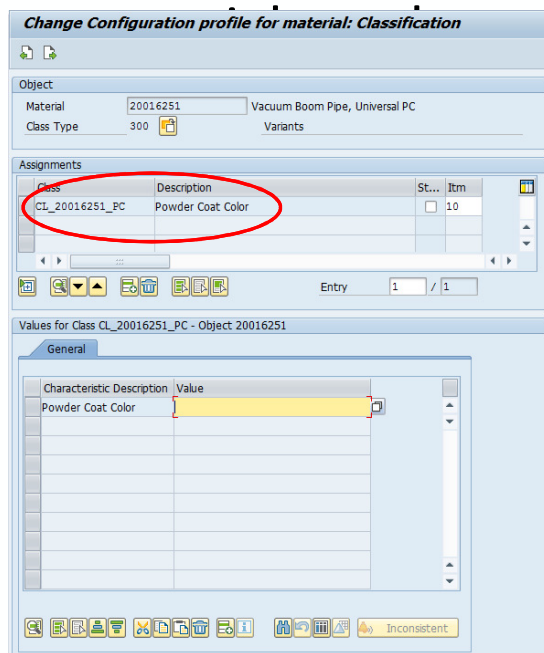
The screenshot shows the SAP Basic Data 2 tab for material 20016251. The material name is 'Vacuum Boom Pipe, Universal PC'. The 'Client-specific configuration' section at the bottom has the 'Material is configurable' checkbox checked, which is circled in red. Other sections include 'Other Data', 'Environment', 'Design documents assigned', and 'Design Drawing'.

Basic data 2 tab

Check “Material is configurable”

Review Solution Implemented (Step 2)

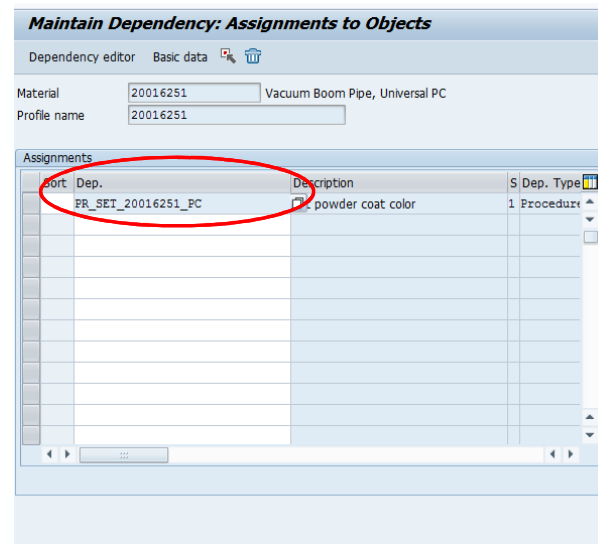
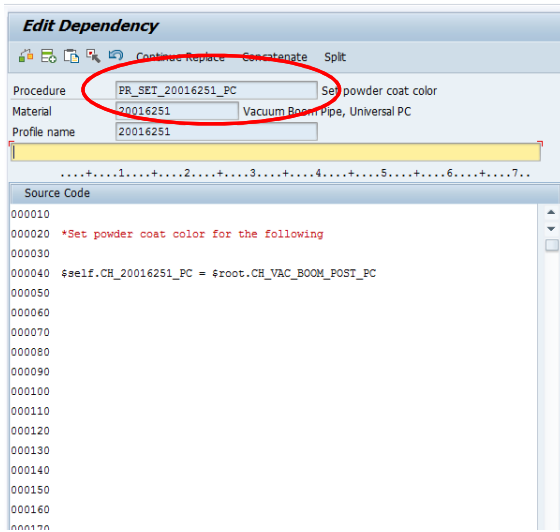
- Assign a configuration profile to the configurable semi-finished



Define a class (naming convention)

Review Solution Implemented (Step 3)

- Define procedures to inherit color characteristic values from the KMAT Sales User Interface down to the manufactured items (up to 6 levels deep)



Review Solution Implemented (Step 4)

- Set Procurement Type to F (External Procurement)
- Set Special Procurement to 30 (Subcontracting)

The screenshot shows the SAP MRP 2 display for material 20016251 (Semifinished Product). The material is identified as 'Vacuum Boom Pipe, Universal PC' and is associated with plant 1000 (Sonny's Enterprises Inc.). The 'Procurement' section is highlighted, showing the following settings:

Field	Value
Procurement type	F
Special procurement	30
Batch entry	<input type="checkbox"/>
Prod. stor. location	1000
Default supply area	
Storage loc. for EP	1000
Stock det. grp	0001
Quota arr. usage	<input type="checkbox"/>
Backflush	1
JIT delivery sched.	<input type="checkbox"/>
Co-product	<input type="checkbox"/>
Bulk Material	<input type="checkbox"/>

The 'Scheduling' section shows:

Field	Value
In-house production	5 days
GR Processing Time	0 days
SchedMargin key	000
Planned Deliv. Time	14 days
Planning calendar	<input type="checkbox"/>

The 'Net requirements calculation' section shows:

Field	Value
Safety Stock	0
Min safety stock	0
Safety time ind.	<input type="checkbox"/>
S Time period profile	<input type="checkbox"/>
Service level (%)	0.0
Coverage profile	<input type="checkbox"/>
Safety time/act.cov.	0 days

Conclusion

- The power of Variant Configuration as a tool to address logistics/ operational challenges.
- Understanding how Variant Configuration Integrates to different areas, such as: classification, material master, purchasing, production orders, MPR.

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Presentation Materials

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<http://info.asug.com/2019-ac-slides>

Q&A

For questions after this session, contact us at amartinez@sonnysdirect.com

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