# SAP SME Solutions:

**Two-Tier Strategy & "Special Projects" Toolkit for Large Enterprises**

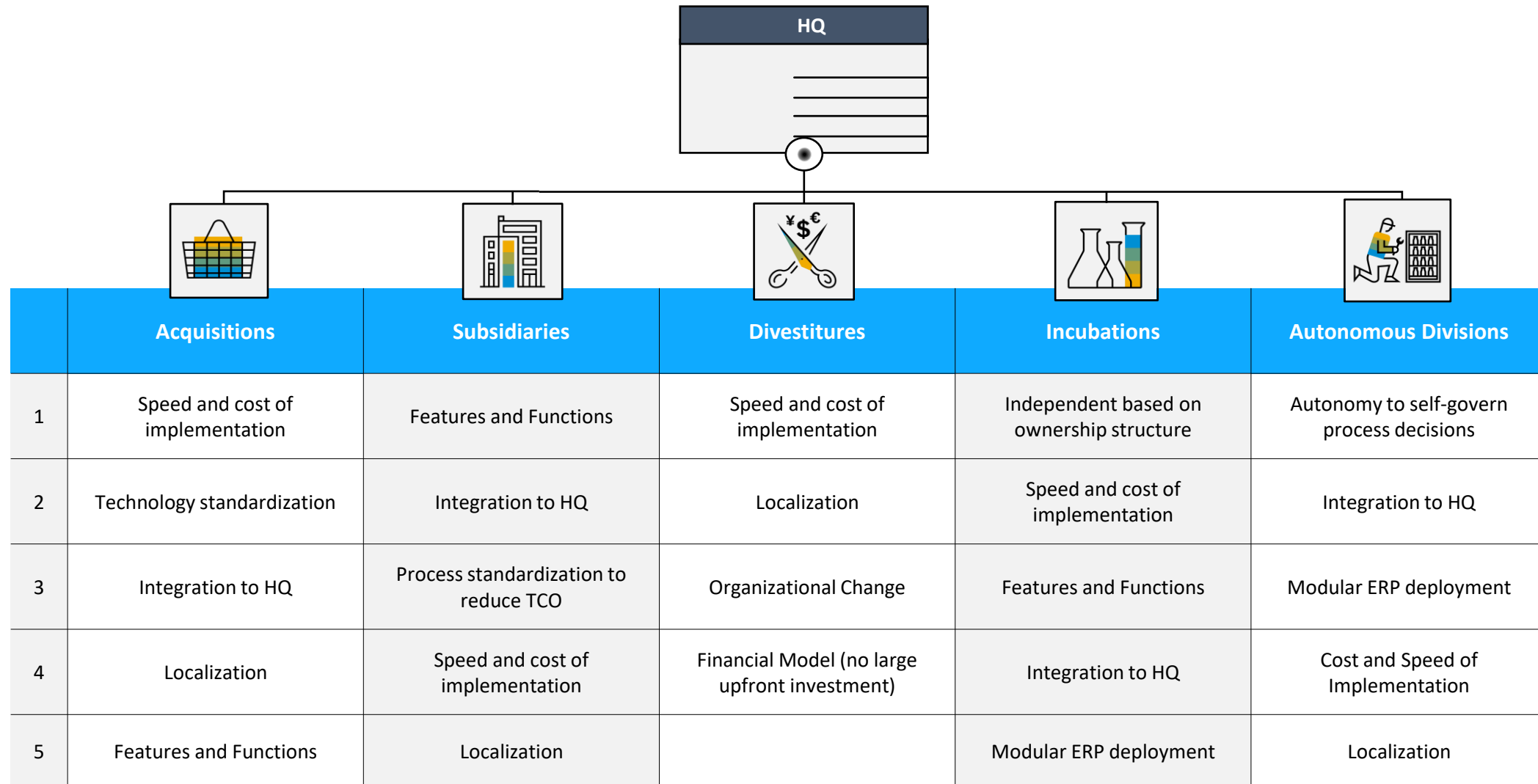Steve Rafac
General Manager, Midwest Region
Vision33

# Why Do you need a Two-Tier ERP Strategy?

| | Acquisitions | Subsidiaries | Divestitures | Incubations | Autonomous Divisions |
|---|---|---|---|---|---|
| 1 | Speed and cost of implementation | Features and Functions | Speed and cost of implementation | Independent based on ownership structure | Autonomy to self-govern process decisions |
| 2 | Technology standardization | Integration to HQ | Localization | Speed and cost of implementation | Integration to HQ |
| 3 | Integration to HQ | Process standardization to reduce TCO | Organizational Change | Features and Functions | Modular ERP deployment |
| 4 | Localization | Speed and cost of implementation | Financial Model (no large upfront investment) | Integration to HQ | Cost and Speed of Implementation |
| 5 | Features and Functions | Localization | | Modular ERP deployment | Localization |

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# Business Drivers for an integrated Two-Tier strategy

**89%** of organizations believe they need to integrate subsidiary ERP systems into the core ERP system

## Corporate Office Integration Needs with Subsidiaries

| | |
|---|---|
| Improve financial data and reporting | 37% |
| Improve their financial controls | 37% |
| Improve the customer experience across the organization | 40% |
| Greater financial controls, compliance and governance at their subsidiaries | 42% |

## Subsidiaries' Integration Needs With Corporate

| | |
|---|---|
| Improve operational data and reports | 38% |
| Improve risk management | 40% |
| Reduce restructuring costs | 42% |
| Simplify our IT environments | 51% |

*Source: The Intelligent Enterprise Benefits from Two-Tier ERP, An IDC InfoBrief, 2020*

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# Business Challenge:

## IT Department Challenges
- Project Backlog
- Upgrades, Integrations, Innovations
- Budget & Resource Constraints

## "Special" Projects
- Rollouts
- Subsidiary Rollups and Integrations
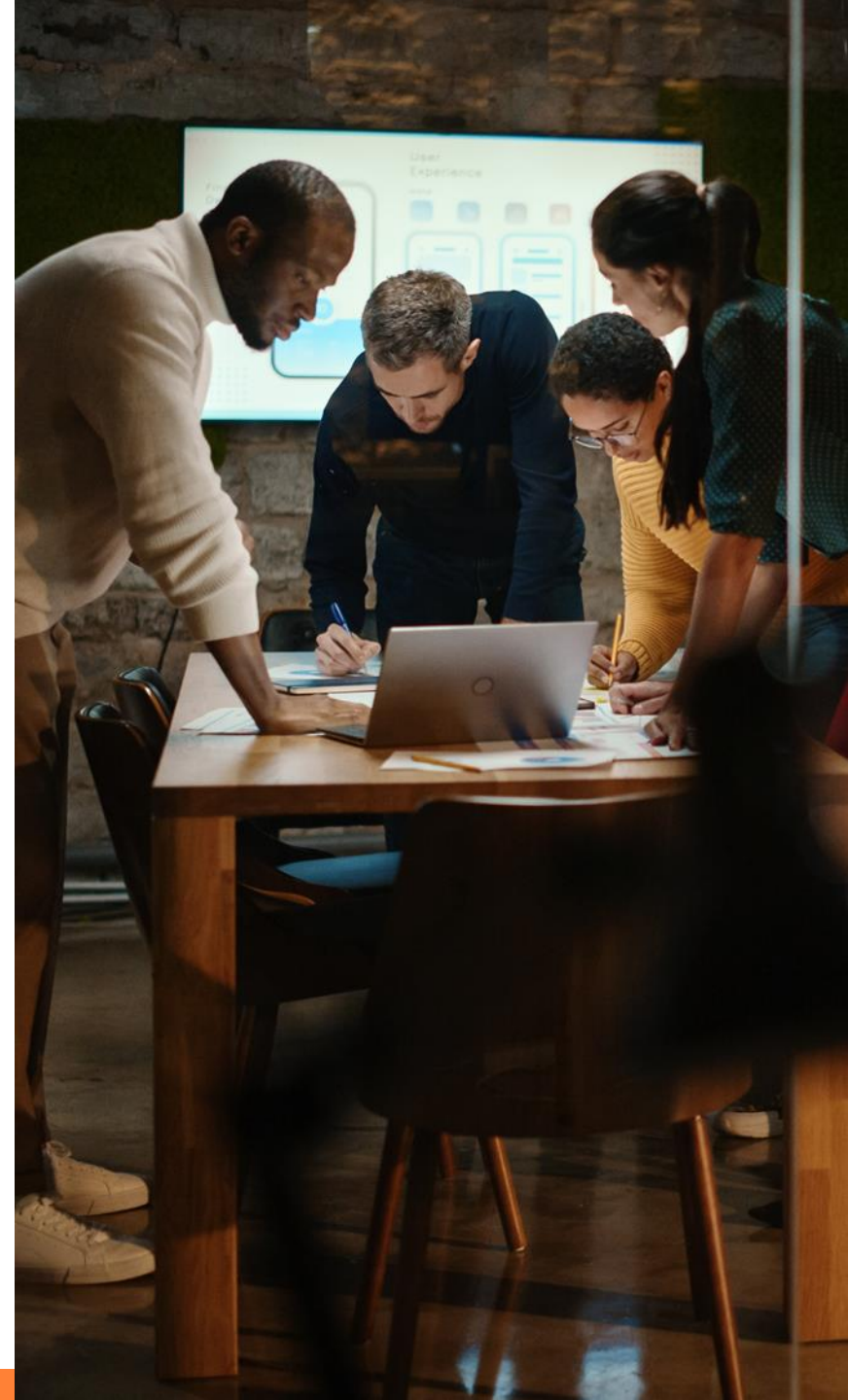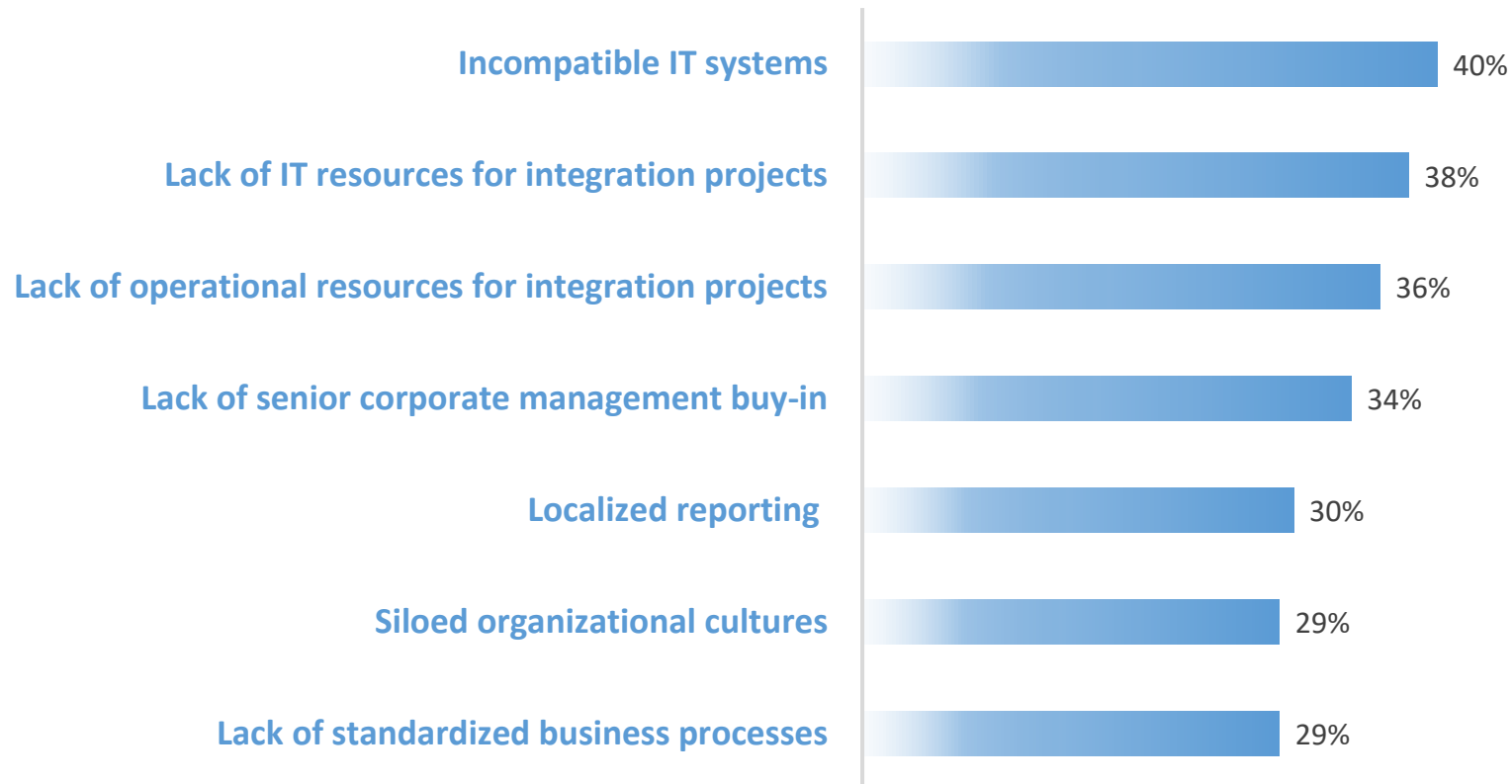- Acquisitions
- Joint Ventures
- Start-ups

## The Solution?

SAP ERP that serves Small & Medium Enterprises:

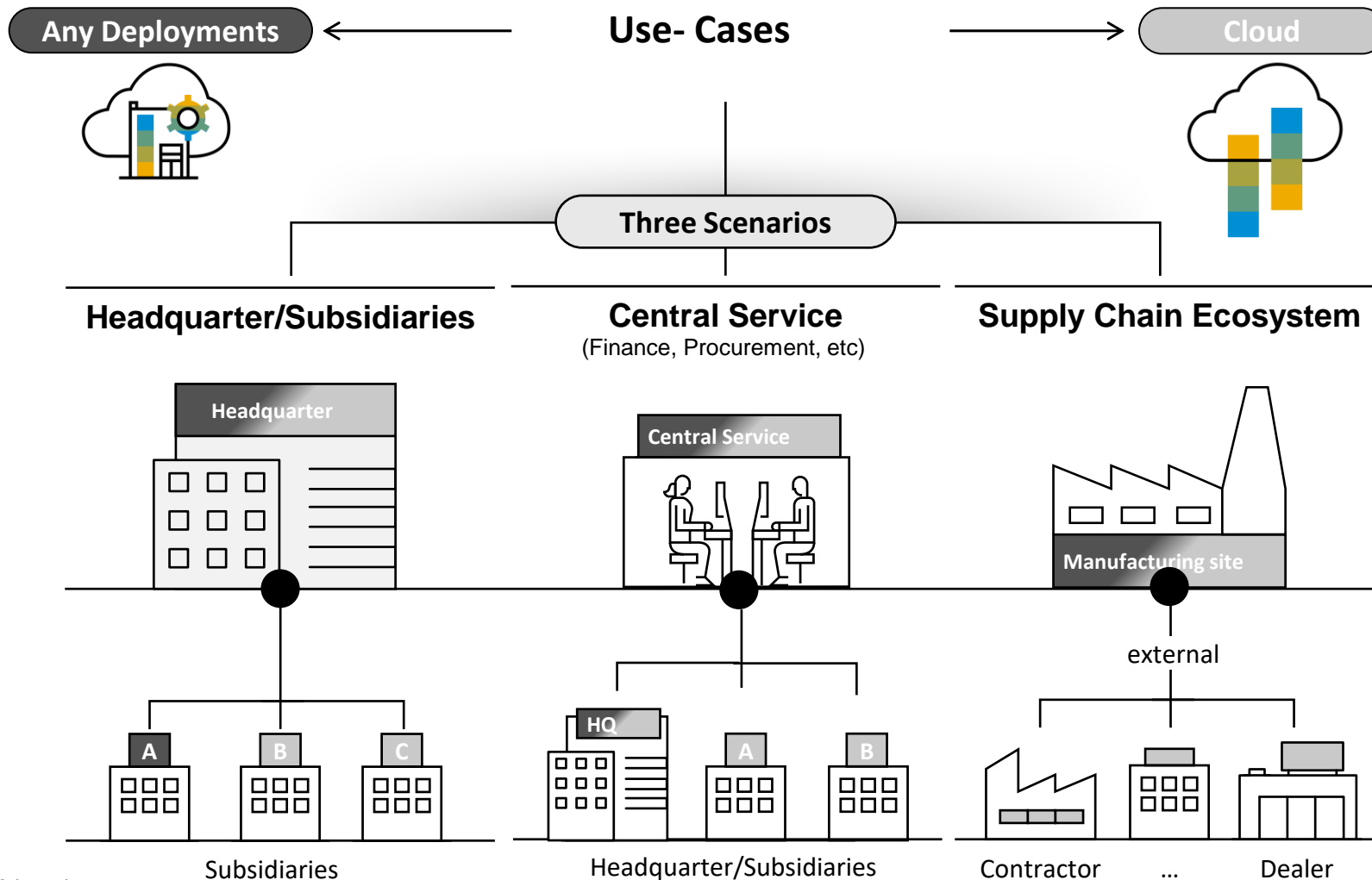- Distribution, Manufacturing & Services

# IT Challenges
## Integrating Two-Tier Deployments

| Challenge | Percentage |
|---|---|
| Incompatible IT systems | 40% |
| Lack of IT resources for integration projects | 38% |
| Lack of operational resources for integration projects | 36% |
| Lack of senior corporate management buy-in | 34% |
| Localized reporting | 30% |
| Siloed organizational cultures | 29% |
| Lack of standardized business processes | 29% |

*Source: The Intelligent Enterprise Benefits from Two-Tier ERP, An IDC InfoBrief, 2020*

# Large Enterprise & SAP SME Solutions

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# Two-Tier ERP Use Cases
## Single-vendor solution for multiple use-cases



**Any Deployments** ← **Use- Cases** → **Cloud**

**Three Scenarios**

**Headquarter/Subsidiaries**

**Central Service**
(Finance, Procurement, etc)

**Supply Chain Ecosystem**

Headquarter

Central Service

Manufacturing site

A  B  C

HQ  A  B

external

Subsidiaries

Headquarter/Subsidiaries

Contractor  ...  Dealer

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# Benefits of Two-Tier ERP with SAP S/4HANA Cloud

Single-vendor solution for multiple tiers to reduce cost and complexity
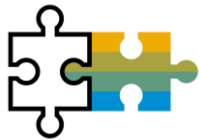
**Achieve Integration**

- **Purpose built integrations** for **end-to-end scenarios** supporting intercompany processes
- **One Domain Model** to synchronize master/ transaction data
- **Same/similar interfaces** when integrating to 3rd party solutions (APIs etc.)
- No need for Digital Access license between SAP applications

**Standardize Technology**

- **Simplified data aggregation** in reporting tools e.g. Financial Consolidation
- **Reuse IP** in Business Technology Platform across deployments
- **Standardize** on **Reporting tools** and concepts

**Accelerate Implementation**

- **Rapid implementation** based on SAP Best Practices and SAP Activate methodology
- **Built-in Localization** to run at global scale and be in local compliance
- **Shared modern cloud extensibility concepts** (In-App, Developer and Side-by-side)
- **Build global template** with shared data and process models
- **Harmonized end-user security** across SAP applications

**Harmonize Support**

- **Standard core process, Terminologies** and **Unified User Experience** across solutions
- **True Cloud qualities**: Self-service provisioning, regular maintenance and updates
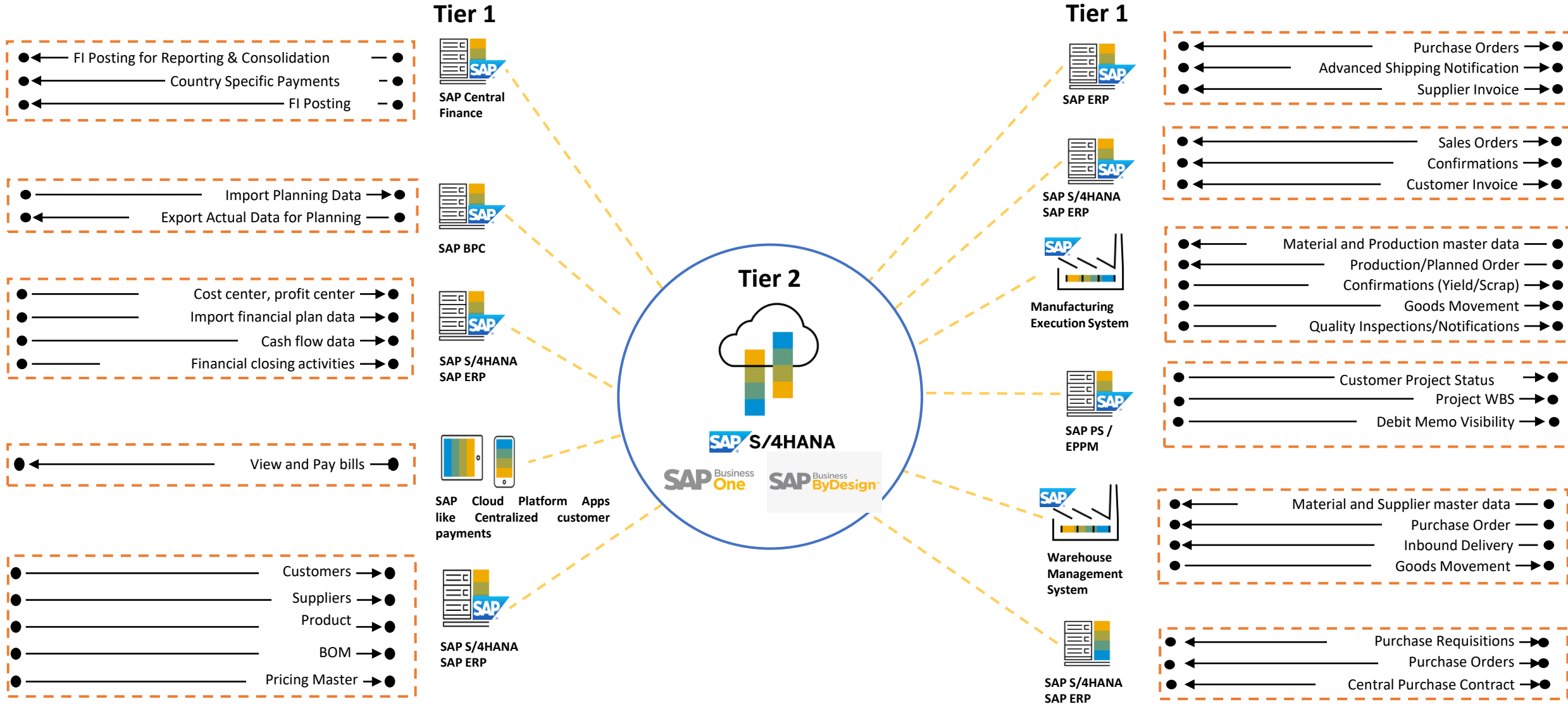
## Business Benefits

- Reduced overhead costs
- Standardize processes across HQ and subsidiaries
- Rapid implementation based on SAP Best Practices and SAP Activate methodology
- Faster multi-currency, multi-country business consolidation
- Streamlined supply chain with integrated Hub-Spoke manufacturing and distribution strategy
- Ability to leverage the latest technology to optimize and automate business processes

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# Two-Tier Integration with SAP SME Solutions
## Pre-delivered integrations to simplify implementations and reduce integration costs

**Tier 1**

**Tier 1**

FI Posting for Reporting & Consolidation
Country Specific Payments
FI Posting

**SAP Central Finance**

Purchase Orders
Advanced Shipping Notification
Supplier Invoice

**SAP ERP**

Import Planning Data
Export Actual Data for Planning

**SAP BPC**

Sales Orders
Confirmations
Customer Invoice

**SAP S/4HANA SAP ERP**

Cost center, profit center
Import financial plan data
Cash flow data
Financial closing activities

**SAP S/4HANA SAP ERP**

Material and Production master data
Production/Planned Order
Confirmations (Yield/Scrap)
Goods Movement
Quality Inspections/Notifications

**Manufacturing Execution System**

**Tier 2**

View and Pay bills

**SAP Cloud Platform Apps like Centralized customer payments**

Customer Project Status
Project WBS
Debit Memo Visibility

**SAP PS / EPPM**

**SAP** **S/4HANA**

**SAP Business One**     **SAP Business ByDesign**

Material and Supplier master data
Purchase Order
Inbound Delivery
Goods Movement

**Warehouse Management System**

Customers
Suppliers
Product
BOM
Pricing Master

**SAP S/4HANA SAP ERP**

Purchase Requisitions
Purchase Orders
Central Purchase Contract

**SAP S/4HANA SAP ERP**

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# Large Enterprise Customers utilizing SAP SME solutions

# SAP Solution Positioning for Small and Midsize Enterprises

The SME ERP solution that uses in-memory technology and offers "freedom of choice" deployment.

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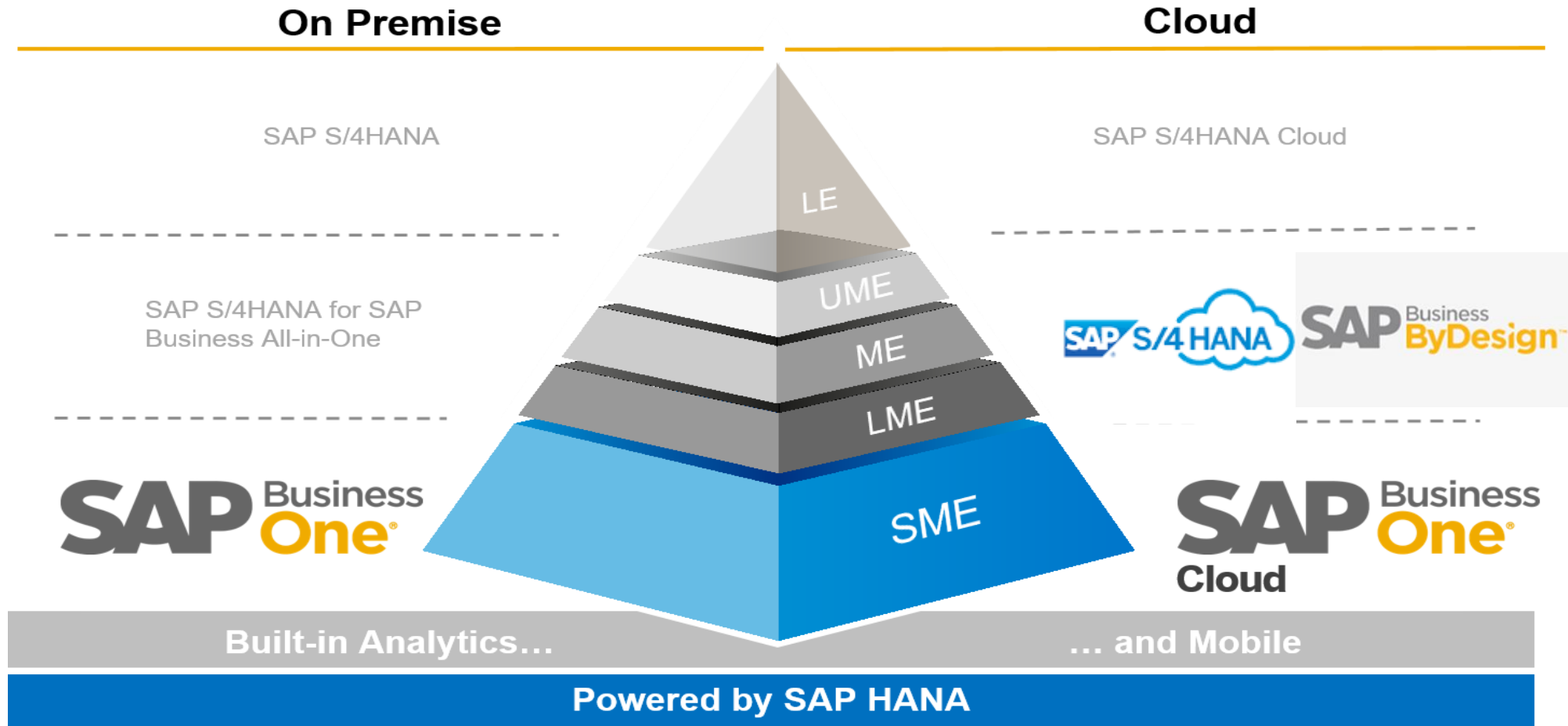
# SAP SME Solutions used in more than 170 Countries

## Master the challenge of globalization in your business.

### ■ Current localizations (50)

| | | | |
|---|---|---|---|
| Argentina | Finland | Mexico | Slovakia |
| Australia | France | Netherlands | South Africa |
| Austria | Germany | New Zealand | South Korea |
| Belgium | Greece | Norway | Spain |
| Brazil | Guatemala | **Oman** | Sweden |
| Canada | Hong Kong | Panama | Switzerland |
| Chile | Hungary | Poland | Turkey |
| China | India | Portugal | Ukraine |
| Costa Rica | Ireland | Puerto Rico | **United Arab Emirates** |
| Cyprus | Israel | **Qatar** | |
| Czech Republic | Italy | Russia | United Kingdom |
| Denmark | Japan | **Saudi Arabia** | United States |
| **Egypt** | **Lebanon** | Singapore | |
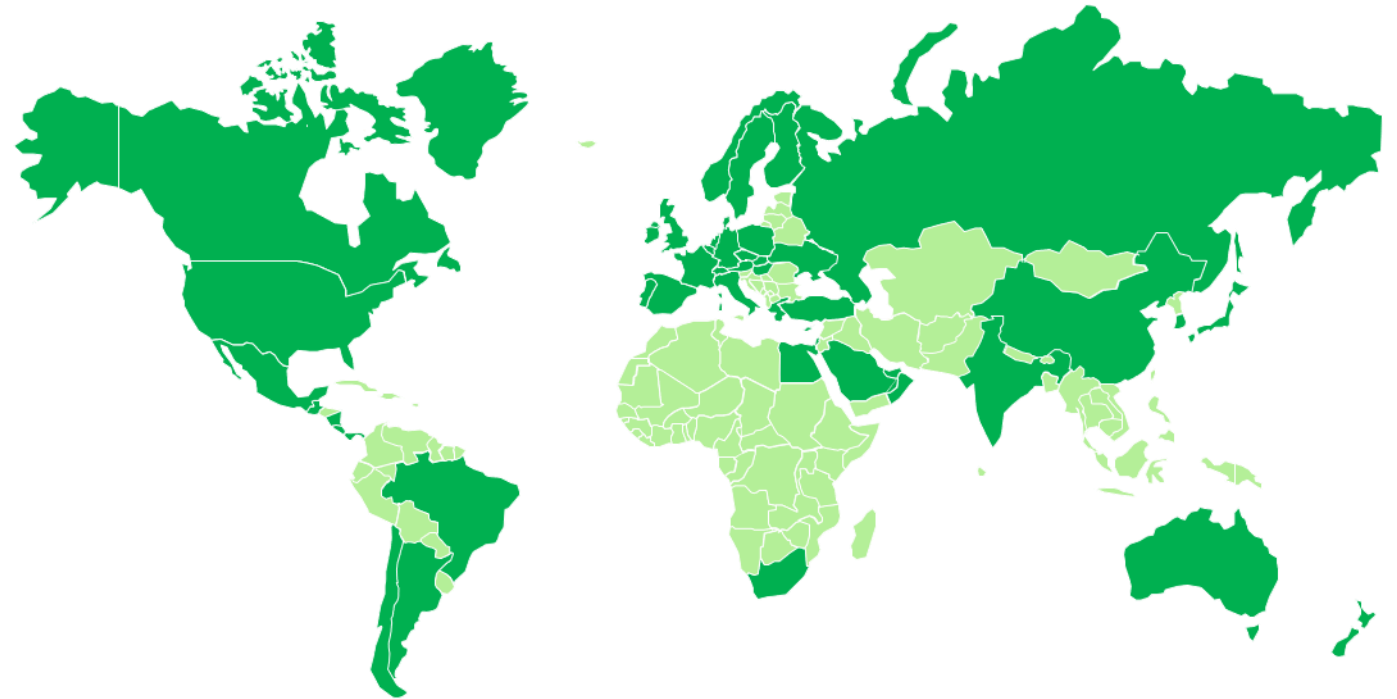
### ■ Countries making use of localizations

Customers in more than 170 countries use localization of other countries, own customization, or partner solution

### Current system languages (28)*:

Arabic, Chinese (simplified/traditional), Czech, Danish, Dutch, English (UK/U.S.), Finnish, French, German, Greek, Hebrew, Hungarian, Italian, Japanese, Korean, Norwegian, Polish, Portuguese (Brazil), Portuguese, Russian, Slovak, Spanish (Latin America), Spanish, Swedish, Turkish, and Ukrainian

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# Industry-Specific Solutions

Extend to meet your specific business and industry challenges. Software solution partners have the industry expertise and customer focus to offer industry-specific and horizontal solution.

**Industry Solution**

- Automotive
- Consumer Products
- Engineering
- Food & Beverage
- Healthcare
- High-tech
- Industrial Machinery/Components
- Retail
- Wholesale Distribution

**Go beyond generic business needs by extending:**

- Accounting
- Enhanced CRM
- Payment Processing
- Productivity
- Mobility
- Reporting
- Service

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# Vision33
## SAP Gold Partner for SAP SME Solutions

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# Vision33 Quick Facts

- SAP SME partner since 2004
- Largest team of SAP SME consultants
- Over 2,400 successful implementations worldwide
- Regional Approach for North America and Europe
- Proven implementation methodology
- Service over 1,400 customers
- 450+ employees

# Vision33 Services

Vision33 provides the right balance of software, world-class consulting and support services to help our customers better manage their organization.

**Business Process Implementation**

Find business efficiencies and attain goals.

**Custom Development**

Seamlessly integrate with software for any industry.

**SAP Solutions**

Run simple with SAP Business One, By Design & 

S4/Hana Cloud Public

**Customer Support**

24/7 support with Vision33 TOTAL Care.

**Global Reach**

Deploy globally with one of the largest team of SAP SME consultants.

**Hosting**

Global SAP SME partner with AWS SAP Competency.

**Training**

Leverage SAP SME with professional training.

**Influence**

Vision33 is an SAP Partner Council Member.

# Awards & Recognition

- Continual listing in **Inc. Magazine's Inc. 500|5000** list of fastest-growing private companies in America

- **CRN's Fast Growth 150**: an annual ranking of the fastest-growing business and technology integrators, solution providers, resellers, and IT consultants in North America

- **VAR 100 list** by Accounting Today that recognizes the top-tier accounting and ERP software resellers in America

- Bob Scott's **Top 100 VARs**

- Multiple Partner of the Year awards from **SAP** for performance and customer satisfaction

# Vision33 Case Study – Under Armour

**Company Profile**

Growing Organization with need for Speed
to Market

Scope – Expand Global Presence:
- Central America
- South America
- Mexico
- China
- Australia

Industry:
- Apparel & Textile Products

# Challenges

- Expand Internationally Quickly
  - Establish new South American Office
    - Support New Business – Soccer Team
    - World Cup
    - Olympics
  - Establish Distribution Centers in other parts of the world

- **24+ Months of existing IT Backlog**



# Results

- **All Project Timelines Maintained**– New office established in 6 months
  - Greatly Reduced Implementation Costs

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# Vision33 Case Study – Hard Goods Manufacturer in Midwest Region

**Company Profile – (Active Project)**

A Leader in Metal Connections / Couplings

Scope – Replace Global Distributor System
- 80+ Global Distributors
- 2 Legacy Systems
- Integrations to Corporate

Industry:
- Industrial Connectors

# Challenges

- Need a Global Business System for future Growth
  - Strategic Initiatives slowed by Legacy Systems
  - Corporate Office runs ECC
  - Replace 2 Legacy Systems in over 30 countries with 1 Solution
    - 80 Independently Owned entities
  - Integrated Platform

# Results – In Progress

- Year 1 – Chose SAP Business One (Competitors: Microsoft & Epicor)
- Year 2 – Developed **Global Template** & built Integrations
- Year 3 thru 5 – Global Rollout
  - 80 Live Sites Today
  - **On-Time and On-Budget**

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# Questions?

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# Thank you.

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