

Thesis

Design and Implementation of GCP in a make to order environment based upon SAP ERP 4.7

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by

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Abstract

We have seen the globalization trends in our era and this trend is going further continuously. It leads to various effects - such as cost, market, technologies - which drive companies to enter international market. Furthermore, many global groups are trying to extend their supply chain in their industrial lines to maintain high competence with high quality, low cost or unique technique.

For these international groups, product costing and profitability is always an important issue in the main processes such as manufactory, sales and procurement. Nevertheless, in global scope, product costing becomes a challenge. Most groups have implemented various methods to monitor the value chain and analysis the cost and profit. Moreover, most of them are convinced by the benefit of centralize the information for whole supply chain.

For example, lower cost can be reached by centralized purchasing or harmonize the data in supply chain. With the support of modern ERP system, the information we can access is getting more and more concrete and synchronized with the performance of the group in real time. This enables corporate controlling to do better information collecting, monitoring and planning. SAP ERP has been very successful implemented in many global companies. Business activities are reflected in SAP ERP in real time physically and financially. For single company, SAP ERP is no doubt offering a sophisticated solution. But for group companies with a long supply chain, there are many limitations from SAP ERP to do group costing. Recognizing this gap, IM&C GmbH has been continuously developing a SAP add-on for group costing and profitability calculation which is called GCP Engine. This solution will bring transparency of cost and profit in a group wide scope. And the value flows in group companies become visible. Moreover, in circumstance with the mixture of 'make to stock' and 'make to order', the situation gets even more complexity. When there are different valuations for same material at same time, it requires us to drill down further to calculate precisely the cost and profit of each sales order.

This thesis will describe how the value flows physically and financially in global supply chain in plan and actual, and how GCP Engine works to calculate cost and profit in circumstance of 'make to stock' and 'make to order'.