



Profitability Management in Global Value Chains



SAPPHIRE US Presentation Headlines and Quotes

- Hasso Plattner
Business Beyond Boundaries
- John Schwarz
Transform the way the world works by connecting people, information & business
- Leo Apotheker
Linking the Business to it's Network
- Henning Kagermann
Business Networks are relevant for everyone

GCP cost-component split



Manufacturing costs structure

Revenues structure

LOCAL



Local currency

HISTORIC



Historic currency
(hard currency)

GLOBAL



Group currency

GCP Consumption Scenario Czestochowa

QTY	HISTORIC					Σ	GLOBAL					Σ	REVENUE		
-----	----------	--	--	--	--	---	--------	--	--	--	--	---	---------	--	--

Beginning Balance of Coated Fabric [zero]

Intercompany Purchase from Vigo

+	1	0	20	0	0	0	20	1	11,5	2	1	0,5	1	3	20
---	---	---	----	---	---	---	----	---	------	---	---	-----	---	---	----

Precosting Balance

=	1	0	20	0	0	0	20	1	11,5	2	1	0,5	1	3	20
---	---	---	----	---	---	---	----	---	------	---	---	-----	---	---	----

Consumption of Coated Fabric

-	1	0	20	0	0	0	20	1	11,5	2	1	0,5	1	3	20
---	---	---	----	---	---	---	----	---	------	---	---	-----	---	---	----

Ending Balance of Coated Fabric [zero]

Beginning Balance of Bag [zero]

Production of Bag

+	1	2	0	7	1	0	10	2	0	7	1	0	0	0	10
		0	20	0	0	0	20	1	11,5	2	1	0,5	1	3	20
		0	3	0	0	0	3	0	3	0	0	0	0	0	3
		0	1	0	0	0	1	0	1	0	0	0	0	0	1

Coated Fabric

Precosting Balance

=	1	2	24	7	1	0	34	3	15,5	9	2	0,5	1	3	34
---	---	---	----	---	---	---	----	---	------	---	---	-----	---	---	----

Intercompany Transfer to Alfdorf

-	1	2	24	7	1	0	34	3	15,5	9	2	0,5	1	3	34	41	0	1
---	---	---	----	---	---	---	----	---	------	---	---	-----	---	---	----	----	---	---

Ending Balance of Bag [zero]



GCP Transfer Scenario Czestochowa to Alfdorf

QTY	HISTORIC	Σ	GLOBAL		Σ	REVENUE
-----	----------	---	--------	--	---	---------

Beginning Balance of Bag Czestochowa [zero]

Production of Bag

+	1	2	0	7	1	0	10	2	0	7	1	0	0	0	10
		0	20	0	0	0	20	1	11,5	2	1	0,5	1	3	20
		0	3	0	0	0	3	0	3	0	0	0	0	0	3
		0	1	0	0	0	1	0	1	0	0	0	0	0	1

Precosting Balance

=	1	2	24	7	1	0	34	3	15,5	9	2	0,5	1	3	34
---	---	---	----	---	---	---	----	---	------	---	---	-----	---	---	----

Intercompany Transfer to Alfdorf

-	1	2	24	7	1	0	34	3	15,5	9	2	0,5	1	3	34	41	0	1
---	---	---	----	---	---	---	----	---	------	---	---	-----	---	---	----	----	---	---

Ending Balance of Bag [zero]

Beginning Balance of Bag Alfdorf [zero]

Intercompany Purchase from Czestochowa

+	1	0	41	0	0	0	41	3	15,5	9	2	0,5	2	9	41
---	---	---	----	---	---	---	----	---	------	---	---	-----	---	---	----

Precosting Balance

=	1	0	41	0	0	0	41	3	15,5	9	2	0,5	2	9	41
---	---	---	----	---	---	---	----	---	------	---	---	-----	---	---	----

Consumption of Bag

-	1	0	41	0	0	0	41	3	15,5	9	2	0,5	2	9	41
---	---	---	----	---	---	---	----	---	------	---	---	-----	---	---	----

Ending Balance of Bag [zero]





GCP UI for Cost Result Display

Drill Down of all 3 Hierarchie - Levels

GCP - Display Financial Items : Totals over all vectors

SI Partner Former Per Corr Mini Legend

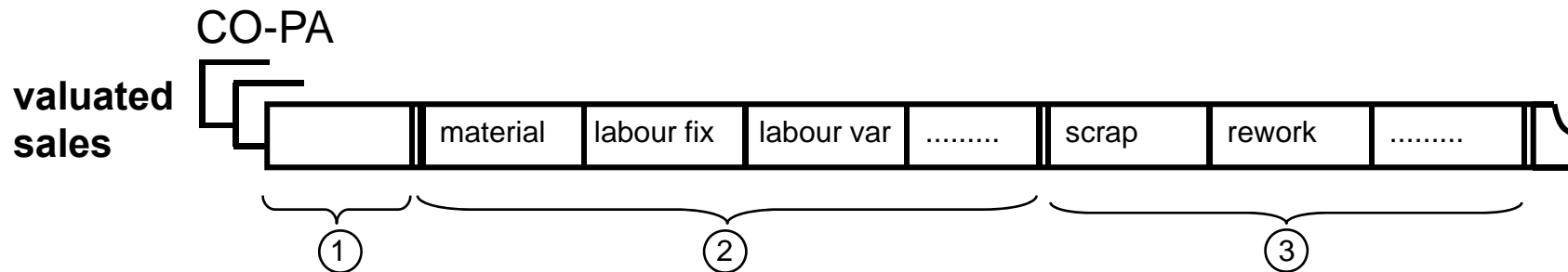
PlanVersion... IPM
 Acc.Period... 012.2007
 Organization... 118A
 Product... 30355699B
 ValuationType...

1 2 3

Hierarchy	Detailkey	OrdNo	Man.corr.	GCP Qty	SQty	Unit	GC	GTC_S_FC	GVPLICRev	LC	LTC_S_FC	HC	HTC_S_FC
[-] Beginning Balance							EUR			EUR		EUR	
[+] Production				100,000	100,000	EA	EUR	3.644,12	545,79	EUR	4.189,91	EUR	4.189,91
[-] Production				100,000	100,000	EA	EUR	519,47		EUR	519,47	EUR	519,47
P/01/50025238		E 000100552906		100,000	100,000	EA	EUR	519,47		EUR	519,47	EUR	519,47
[-] Production Material costs							EUR	3.124,65	545,79	EUR	3.670,44	EUR	3.670,44
P/01/50025238 M/118A/00064373A/		E 000100552906			6,900	M	EUR	0,43		EUR	0,43	EUR	0,43
P/01/50025238 M/118A/30326741A/		E 000100552906			100,000	EA	EUR	2,57		EUR	2,57	EUR	2,57
P/01/50025238 M/118A/30328386B/		E 000100552906			200,000	EA	EUR	4,28		EUR	4,28	EUR	4,28
P/01/50025238 M/118A/30341976B/		E 000100552906			100,000	EA	EUR	5,84		EUR	5,84	EUR	5,84
P/01/50025238 M/118A/30360299A/		E 000100552906			100,000	EA	EUR	310,30		EUR	310,30	EUR	310,30
P/01/50025238 M/118A/30360300A/		E 000100552906			100,000	EA	EUR	172,07		EUR	172,07	EUR	172,07
P/01/50025238 M/118A/30360301D/		E 000100552906			100,000	EA	EUR	124,86		EUR	124,86	EUR	124,86
P/01/50025238 M/118A/30360302B/		E 000100552906			100,000	EA	EUR	19,94		EUR	19,94	EUR	19,94
P/01/50025238 M/118A/30360304C/		E 000100552906			100,000	EA	EUR	3,10		EUR	3,10	EUR	3,10
P/01/50025238 M/118A/30360307A/		E 000100552906			100,000	EA	EUR	2,90		EUR	2,90	EUR	2,90
P/01/50025238 M/118A/30360308A/		E 000100552906			100,000	EA	EUR	21,15		EUR	21,15	EUR	21,15
P/01/50025238 M/118A/30379673C/		E 000100552906			100,000	EA	EUR	934,63	33,63	EUR	901,00	EUR	901,00
P/01/50025238 M/118A/77002934/		E 000100552906			100,000	EA	EUR	1.522,58	579,42	EUR	2.102,00	EUR	2.102,00
[=] Precosting Balance				100,000	100,000	EA	EUR	3.644,12	545,79	EUR	4.189,91	EUR	4.189,91
[-] Misc. Inventory Adjustments				100,000	100,000	EA	EUR	3.644,12	545,79	EUR	4.189,91	EUR	4.189,91
[=] Ending Balance				100,000	100,000	EA	EUR	3.644,12	545,79	EUR	4.189,91	EUR	4.189,91

Group currency

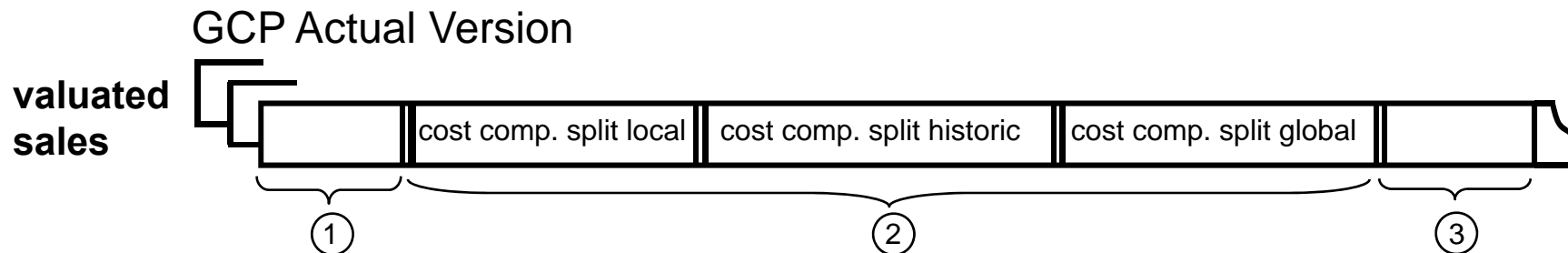
Local Profit Analysis at TRW



- ① fields defining Operating Concern
- ② cost component split from CO-PC according to valuation type 10 in SAP
- ③ variance fields

Variance Fields:

- no split in fix/var
- single-level only, not useful for multi-level analysis
- all materials with standard price -> no variance influence from lower levels
- used for process optimization locally only

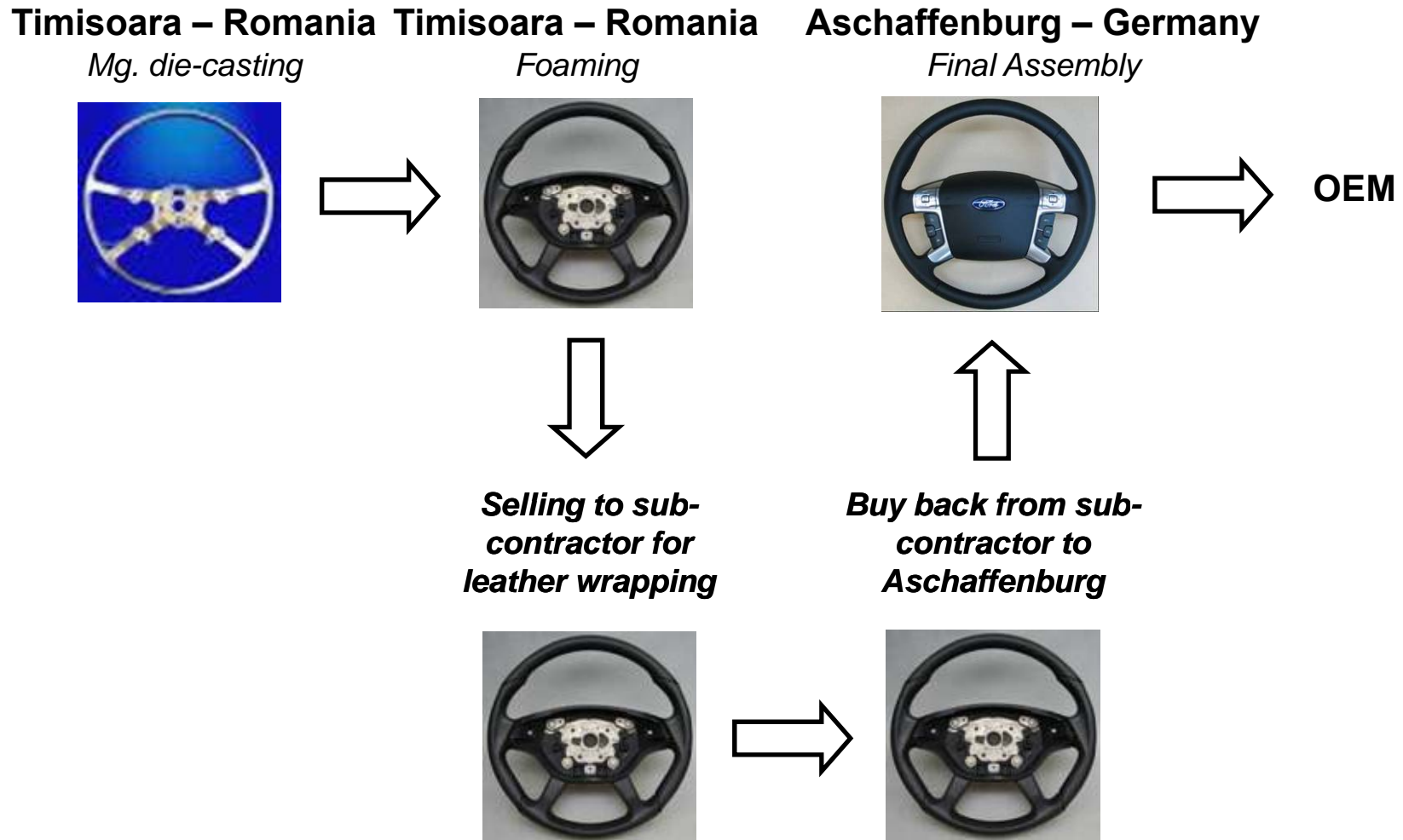


- ① fields defining Costing Item
- ② cost component split defined in GCP according to valuation type 10, 30,31 in SAP
- ③ variance fields multi-level may be kept statistically

Actual Version Fields:

- same accuracy in actual as in plan
- useful for powerful analysis of multi-level variances
- used for product portfolio analysis
- used for decision support on cost optimization projects

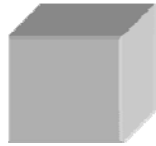
Value Chain Sample Steering Wheels



Legend



Costing Item to be triggered



Costing Item existing



existing physical movement
(triggering transaction in SAP)



existing financial movement
(triggering transaction in SAP)

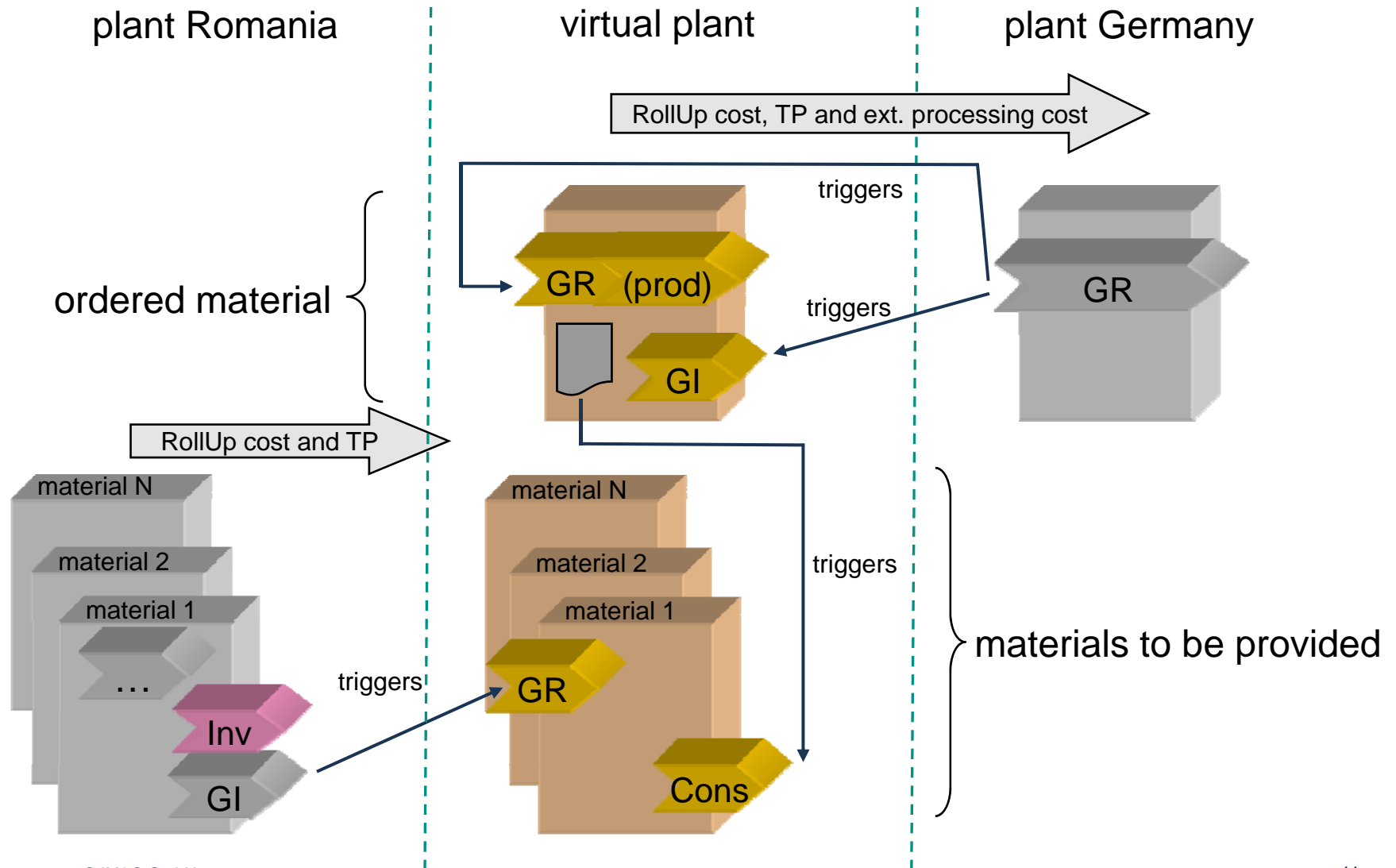


transaction to be created
(to be triggered in GCP)



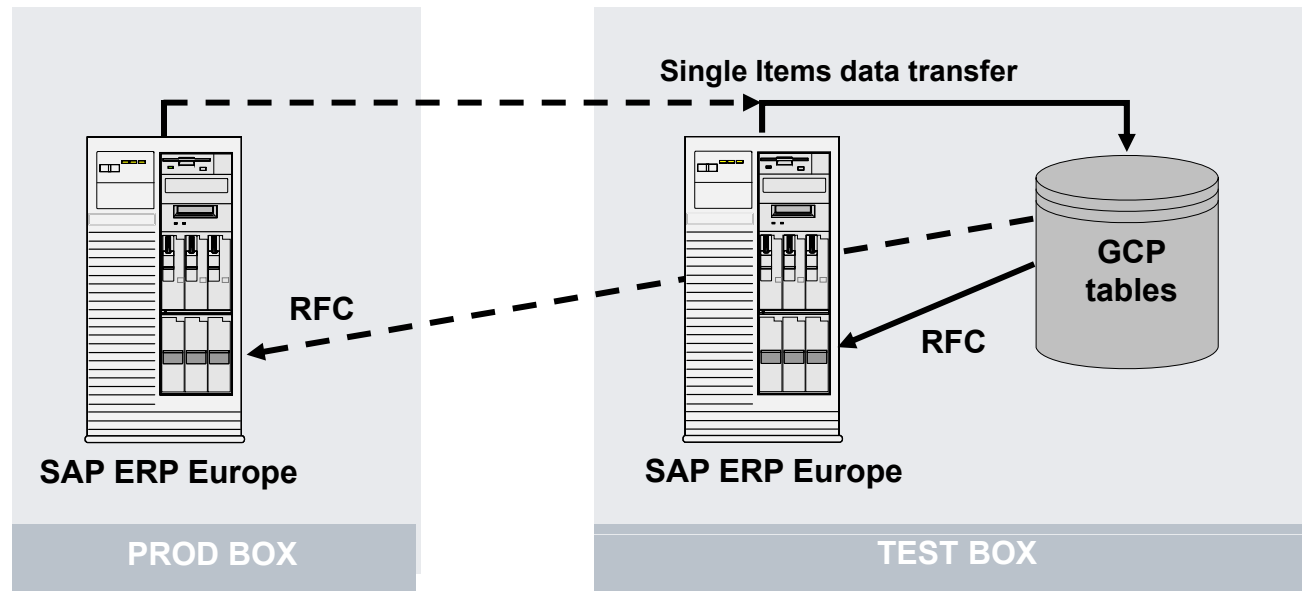
bill of material

BuyBack: Delivery Note with Invoice and GR at the Receiver



GCP Integration at OSS Europe today

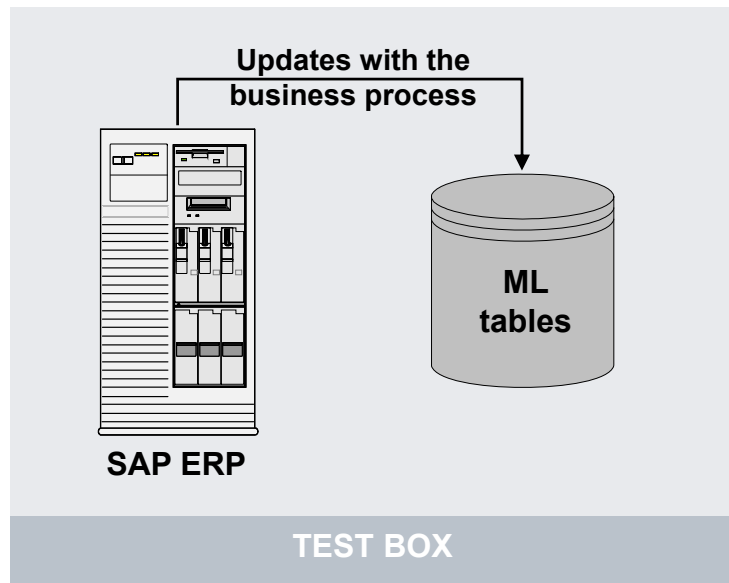
Pull Technology



- periodic extractions
- periodic costings
- periodic processes may be repeated
- periodic processes may call data from a number of source systems

ML Integration within SAP

Push Technology



- online updates
- periodic runs based on updated ML tables
- ML processes cannot be repeated for given documents
- ML processes cannot be based on other systems documents



GCP-Reporting with SAP JNet Framework

- Modified APO / PPM diagram to visualize a global supply chain
- Easy navigation to different costing items
- Display important information directly in the graph
- Additional master data information
- Own Customizing
- Dynamic zoom into further levels of the supply chain
- Zoom weight for details in nodes

- Vision: graphic support for manual corrections / simulations

Screenshot JNET framework in GCP-Engine



Display Financial Items : TOTALS

SI Partner Former Per Corr Mini Legend Supply Chain

Selection

Zoom 100 %

1010
100-400
999

58.00 ST

1020
100-400
998

Plant Switzerland / Electronic /

90.00 ST 90.00 ST 160.00 ST 280.00 ST 90.00 ST 90.00

1020
100-430
997

1020
100-432
997

1020
100-433
997

1020
100-434
997

PlanVersion... MWE
Acc.Period... 003.2006
Organization... 1020
Product... 100-400 Electronic
ValuationType...

Hierarchy	TType	OrdNo	Man.corr.	GCP Qty	SQty	Unit	GC
▷ + Beginning Balance	1000						EUR
▷ + Goods in transit BB	1200						EUR
▷ + Production and Subcontracting	3000			90	90	PC	EUR
▷ + Production	3010			90	90	PC	EUR
▷ + Production	3200			90	90	PC	EUR
▷ + Production Settlement	3210						EUR
▷ + Production Material cost	3410						EUR
▷ + Production Material cost	3415						EUR
▷ = Precosting Balance	6000			90	90	PC	EUR
▷ - Shipment ext.	7110			10	10	PC	EUR
▷ - Sales ext.	7200						EUR
▷ - Shipment IC confirmed	8100			58	58	PC	EUR
▷ - Goods in transit EB	8900			2	2	PC	EUR
▷ = Ending Balance	9000			20	20	PC	EUR



Downloads English version

- Company presentation
http://www.im-c.net/fileadmin/imc/daten/IM_C_EN.pdf
- Presentation GCP Engine for Corporate Controlling
http://www.im-c.net/fileadmin/imc/daten/Supply_Value_Chain_EN.pdf
- GCP-Flyer
http://www.im-c.net/fileadmin/imc/daten/IMC_GCP_Flyer_EN_Pages.pdf
- Article published in the German newspaper “Controlling” (translated version)
http://www.im-c.net/fileadmin/imc/daten/artikel_original_EN.pdf



Downloads German version

- Unternehmenspräsentation
http://www.im-c.net/fileadmin/imc/daten/IM_C_DE.pdf
- Präsentation GCP Engine für Corporate Controlling
http://www.im-c.net/fileadmin/imc/daten/Supply_Value_Chain_DE.pdf
- GCP-Flyer
http://www.im-c.net/fileadmin/imc/daten/IMC_GCP_Flyer_DE_Einzelseiten.pdf
- Artikel, veröffentlicht in der Zeitschrift "Controlling"
http://www.im-c.net/fileadmin/imc/daten/artikel_original_DE.pdf
- Vom globalen Supply Chain Management zu Konzernergebnissen
(Präsentation bei der SCM World in Stuttgart)
http://www.im-c.net/fileadmin/imc/daten/Vom_globalen_SCM_zu_Konzernergebnissen_IM_C.pdf