Optimization Objectives

- Analyzing business processes currently supported by the System with a proven Supply Chain Methodology
- Understanding SAP Functionality Gaps in supporting business processes
- Determine the operating level of the Purchase to Pay business process
- Develop recommendations for functional gap mitigation/resolution
- Re-engineer business processes with Best Practices moving organization to next sustainable level
- Optimizing SAP System functionality with configuration changes and enhancements
- Develop recommendations on project implementation, including staffing requirements and cost
BPM/SCOR Overview

Objectives

• Understand the SCOR framework
• Describe how it will be used in the client’s operations
Supply Chain Operations Reference (SCOR) Model
Structured around Five Distinct Management Processes

Plan

Supplier
Source
Make
Deliver
Return

Organization
Source
Make
Deliver
Return

Customer
Source
Make
Deliver
Return

Customer's Customer
Source
Make
Deliver
Return

SCOR Model
Building Block Approach
Processes
Best Practice
Metrics
Technology

Internal or External
Internal or External

Supplier
Organization
Customer
Customer's Customer
BPM/SCOR Overview
What is a Reference Model?

- Process reference models integrate the well-known concepts of business process reengineering, benchmarking, and process measurement into a cross-functional framework.
BPM/SCOR Overview
SCOR 6.0 - Processes

Plan
- P1 Plan Supply Chain
  - P2 Plan Source
  - P3 Plan Make
  - P4 Plan Deliver
  - P5 Plan Returns

Source
- S1 Source Stocked Products
- S2 Source MTO Products
- S3 Source ETO Products

Make
- M1 Make-to-Stock
- M2 Make-to-Order
- M3 Engineer-to-Order

Deliver
- D1 Deliver Stocked Products
- D2 Deliver MTO Products
- D3 Deliver ETO Products
- D4 Deliver Retail Products

Return Source
- SR1 Return Defective Product
- SR2 Return MRO Product
- SR3 Return Excess Product

Return Deliver
- DR1 Return Defective Product
- DR2 Return MRO Product
- DR3 Return Excess Product

Enable
BPM/SCOR Overview
SCOR 6.0 - Processes

Plan
Processes that balance aggregate demand and supply to develop a course of action which best meets sourcing, production and delivery requirements.

Source
Processes that procure goods and services to meet planned or actual demand.

Make
Processes that transform product to a finished state to meet planned or actual demand.

Deliver
Processes that provide finished goods and services to meet planned or actual demand, typically including order management, transportation management, and distribution management.

Return
Processes that handle the return of materials to suppliers and receipt of goods from customers, including defective products, MRO products and excess products.

Enable
Processes that prepare, maintain or manage information or relationships on which planning and execution processes rely.
### Enable Process: Manage Integrated Supply Chain Inventory

#### Enable Process Definition

The process of establishing total supply chain inventory strategy and planning the total inventory limits or levels (including Raw Material, Work In Process, Finished and Purchased Finished Goods, and Service models, ownership, product mix, and stocking locations, both in and out of the warehouse).

<table>
<thead>
<tr>
<th>Performance Attributes</th>
<th>Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>None Identified</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>None Identified</td>
</tr>
<tr>
<td>Flexibility</td>
<td>None Identified</td>
</tr>
<tr>
<td>Cost</td>
<td>Total Supply Chain Costs</td>
</tr>
<tr>
<td>Assets</td>
<td>None Identified</td>
</tr>
</tbody>
</table>

#### Best Practices

- Capability to run multiple “simulated” full-stream supply/demand balancing against long-term capacity plans and scenarios.
- Supply Chain modeling capabilities, i.e., Advanced Planning Systems.

#### Inputs

<table>
<thead>
<tr>
<th>Plan</th>
<th>Source</th>
<th>Make</th>
<th>Deliver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Routings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity Constraints</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning Decision Policies</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Outputs

<table>
<thead>
<tr>
<th>Plan</th>
<th>Source</th>
<th>Make</th>
<th>Deliver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Strategy P1.3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
BPM/SCOR Overview
SCOR 6.0 - Processes

- Process Model provides a toolset for rapidly modeling and understanding the supply chain
- Metrics provide a toolset for evaluating the supply chain and rapidly identifying high value opportunities
- Best practices and features provide a candidate list of improvement options
- The SCOR Model is the only model of its type that links these elements and provides a means for assessment of the supply chain outside of the individual organization
- Council members have demonstrated dramatic implementation successes in virtually every industry in every region of the world.
- The pace and number of SCOR implementations is accelerating and more and more organizations are adopting SCOR as the framework for their supply chain improvements.
BPM/SCOR Overview

Applications of SCOR

- Software Selection & Implementation
  - Business Requirements
- Cost Reduction – Productivity Improvement
  - Direct
  - Indirect
- Application optimization
  - Upgrade
  - Utilization
- Implement Operational Strategy
- Network Analysis – Material Flow Design
- Acquisition
  - Due Diligence
  - Integration

- SKU Rationalization
- Delivery Performance Improvement
  - OTIF – Perfect Order
  - Synchronize Lead-time with customer requirements
- Supply Chain Six Sigma and Lean Enterprise
  - Common definition of Supply Chain – improved Organizational Understanding
  - More Effective Project – Candidate Selection
- Leading Practice Design
  - Sales and Operations Planning
  - Vendor Managed Inventory
  - RFID Deployment
  - CPFR

Source: Peter Bolstorff and The Supply Chain Council
BPM/SCOR Overview
SCOR Boundaries

• SCOR Spans:
  – All supplier / customer interactions
    • Order entry through paid invoice
  – All physical material transactions
    • From your supplier’s supplier to your customer’s customer, including equipment, supplies, spare parts, bulk product, software, etc.
  – All market interactions
    • From the understanding of aggregate demand to the fulfillment of each order
  – Returns

Source: Peter Bolstorff and The Supply Chain Council
BPM/SCOR Overview
SCOR Boundaries

• SCOR does not include:
  – Sales administration processes
  – Technology development processes
  – Product and process design and development processes
  – Some post-delivery technical support processes

• SCOR assumes but does not explicitly address:
  – Training
  – Quality
  – Information Technology (IT) administration (non-SCM)

Source: Peter Bolstorff and The Supply Chain Council
# BPM/SCOR Overview

## SCOR Levels of Detail

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
<th>Schematic</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Top Level (Process Types)</td>
<td><img src="image" alt="Top Level Schematic" /></td>
<td>Level 1 defines the scope and content for the Supply Chain Operations Reference model. Here basis of competition performance targets are set.</td>
</tr>
<tr>
<td>2</td>
<td>Configuration Level (Process Categories)</td>
<td><img src="image" alt="Configuration Level Schematic" /></td>
<td>A company’s supply chain can be “configured-to-order” at Level 2 from approximately 30 core “process categories.” Companies implement their operations strategy through their unique supply chain configuration.</td>
</tr>
</tbody>
</table>
| 3     | Process Element Level (Decompose Processes) | ![Process Element Level Schematic](image) | Level 3 defines a company’s ability to compete successfully in its chosen markets and consists of:  
- Process element definitions  
- Process element information inputs and outputs  
- Process performance metrics  
- Best practices, where applicable  
- System capabilities required to support best practices  
Companies “fine tune” their Operations Strategy at Level 3 |
| 4     | Implementation Level (Decompose Process Elements) | ![Implementation Level Schematic](image) | Companies implement specific supply chain management practices at this level. Level 4 defines practices to achieve competitive advantage and to adapt to changing business conditions. |
## BPM/SCOR Overview
### SCOR Process Types

<table>
<thead>
<tr>
<th>SCOR Process Type</th>
<th>Characteristics</th>
</tr>
</thead>
</table>
| **Planning**      | A process that aligns expected resources to meet expected demand requirements. Planning processes:  
• Balance aggregated demand and supply  
• Consider consistent planning horizon  
• (Generally) occur at regular, periodic intervals  
• Can contribute to supply-chain response time  
• Also integrate components of the model (S,M,D,R) and organizations (suppliers/customers) |
| **Execution**     | A process triggered by planned or actual demand that changes the state of material goods. Execution processes:  
• Generally involve -  
  1. Scheduling/sequencing  
  2. Transforming product, and/or  
  3. Moving product to the next process  
• Can contribute to the order fulfillment cycle time |
| **Enable**        | A process that prepares, maintains, or manages information or relationships on which planning and execution processes rely |
### BPM/SCOR Overview

#### SCOR Quick Reference Charts

<table>
<thead>
<tr>
<th>PLAN</th>
<th>ENABLING</th>
<th>ENABLE</th>
<th>ENABLE</th>
<th>ENABLE</th>
<th>ENABLE</th>
</tr>
</thead>
</table>

**Plan**

**Source**

**Make**

**Deliver**

**Return**

* SC = Supply Chain

**SCOR 6.0, © Supply Chain Council**

**Exusia - The Home of Innovation**
### BPM/SCOR Overview

**SCOR Quick Reference Charts**

#### SOURCE

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>MAKE</th>
<th>DELIVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>S1: Source Stocked Product</td>
<td>M1: Make-to-Stock</td>
<td>D1: Deliver Stocked Product</td>
</tr>
<tr>
<td>S2: Source Make-to-Order Product</td>
<td>M2: Make-to-Order</td>
<td>D2: Deliver Make-to-Order Product</td>
</tr>
<tr>
<td>S3: Source Engineer-to-Order Product</td>
<td>M3: Engineer-to-Order</td>
<td>D3: Deliver Engineer-to-Order Product</td>
</tr>
</tbody>
</table>

#### RETURN (SOURCE)

<table>
<thead>
<tr>
<th>RETURN (SOURCE)</th>
<th>DEF Return Source Stocked Product</th>
<th>DEF Return Source Make-to-Order Product</th>
<th>DEF Return Source Engineer-to-Order Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>S8.15</td>
<td>S8.2</td>
<td>S8.35</td>
<td></td>
</tr>
<tr>
<td>Verify Defective Product</td>
<td>Identify MRO Product Condition</td>
<td>Approve Request</td>
<td></td>
</tr>
<tr>
<td>S8.6</td>
<td>S8.2</td>
<td>S8.35</td>
<td></td>
</tr>
<tr>
<td>Disposition Defective Product</td>
<td>Disposition MRO Product</td>
<td>Receive Excess Product Return</td>
<td></td>
</tr>
<tr>
<td>S8.7</td>
<td>S8.37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorize Replacement or Credit</td>
<td>Request Replacement</td>
<td>Verify Excess Product</td>
<td></td>
</tr>
<tr>
<td>S8.8</td>
<td>S8.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schedule MRO Shipment</td>
<td>Recover &amp; Disposition Excess Product</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S8.25</td>
<td>S8.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return MRO Product</td>
<td>Authorize Replacement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### RETURN (DELIVER)

<table>
<thead>
<tr>
<th>RETURN (DELIVER)</th>
<th>DEF Return Defective Product</th>
<th>DEF Return MRO Product</th>
<th>DEF Return Excess Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>D8.13</td>
<td>D8.21</td>
<td>D8.33</td>
<td></td>
</tr>
<tr>
<td>Authorize Return</td>
<td>Return MRO Product</td>
<td>Identify Excess Inventory</td>
<td></td>
</tr>
<tr>
<td>D8.2</td>
<td>D8.21</td>
<td>D8.33</td>
<td></td>
</tr>
<tr>
<td>Request Return Replacement</td>
<td>Schedule MRO Product Return</td>
<td>Request Return Replacement or Credit</td>
<td></td>
</tr>
<tr>
<td>D8.13</td>
<td>D8.21</td>
<td>D8.33</td>
<td></td>
</tr>
<tr>
<td>Schedule Product Return</td>
<td>Receive MRO Product (includes Return)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D8.14</td>
<td>D8.24</td>
<td>D8.34</td>
<td></td>
</tr>
<tr>
<td>Receive Defective Product</td>
<td>Transfer MRO Product</td>
<td>Receive Excess Product</td>
<td></td>
</tr>
</tbody>
</table>

---

**SCOR 6.0, © Supply Chain Council**

**Exusia: The Home of Innovation**
BPM/SCOR Overview
Reading the 6.0 Graphics. Plan

- (Customer) Customer Requirements
- (P1.1) Identify, Prioritize, and Aggregate Supply-Chain Requirements
- (P1.2) Identify, Assess, and Aggregate Supply-Chain Resources
- (P1.3) Balance Supply-Chain Resources with Supply-Chain Requirements
- (P1.4) Establish and Communicate Supply-Chain Plans
- (EP.1) Planning Decision Policies
- (EP.2) Supply Chain Performance Improvement Plan
- (EP.3) Planning Data
- (EP.4) Inventory Strategy
- (EP.5, EP.6) Projected Internal and External Production Capacity
- (EP.5, EP.6) Revised Capital Plan
- (EP.6) Outsource Plan
- (EP.8) Regulatory Requirements
- (Customer) Inventory

- (EP.9) Revised Aggregate Forecast and Projections, Revised Business Assumptions
- (EP.10) Order Backlog, Shipments
- (EP.3) Planning Data
- (Customer) Inventory

(Supply-Chain Council)
BPM/SCOR Overview
Reading the 6.0 Graphics. Source

- (P2.4) Sourcing Plans
- (ES.2) Source Execution Data
- (ES.6) Logistics Selection
- (M1.1, M2.1, M3.2) Production Schedule
- (M1.2, M2.2, M3.3, D1.3) Replenishment Signals
- (DR2.4) Return Inventory Transfer Data

**S1.1** Schedule Product Deliveries
- Procurement Signal (Supplier)
- Sourced Product on Order (P2.2), (ES.9)
- Scheduled Receipts (M1.1, M2.1, M3.2, D1.8, D4.2)

**S1.2** Receive Product
- Receipt Verification (ES.1, ES.2, ES.6, ES.8)

**S1.3** Verify Product
- Receipt Verification (ES.1, ES.2)

**S1.4** Transfer Product
- Inventory Availability (P2.2, ES.4, M1.2, M2.2, M3.3, D1.8, D4.2)
- Daily Replenishment Requirements (D4.1)
- Loaded Cart (D4.4)

**S1.5** Authorize Supplier payment
- (ES.9) Payment Terms

- (Supplier) Sourced Products
- (DR2.4) MRO Products
BPM/SCOR Overview
Reading the 6.0 Graphics. Make

- (P3.4) Production Plan
- (S1.1, S2.1, S3.3) Scheduled Receipts
- (M1.2, M1.3, M1.4, M1.5, M1.6) Information Feedback
- (EM.5) Equipment and Facilities Schedules and Plans

M1.1
Schedule Production Activities
- Production Schedule (P3.2, S1.1, S2.1, S3.3, D1.3, D1.8, D4.2)

M1.2
Issue Product
- Inventory Availability (P3.2)
- Information Feedback (M1.1)
- Replenishment Signal (S1.1, S2.1, S3.3)
- Product Location Information (EM.6)

M1.3
Produce and Test
- Information Feedback (M1.1)

M1.4
Package
- Information Feedback (M1.1)

M1.5
Stage Product
- Information Feedback (M1.1)

M1.6
Release Product to Deliver
- Information Feedback (M1.1)
- Finished Product Release (D1.8, D4.2)
BPM/SCOR Overview

Reading the 6.0 Graphics. Return

Source Return

• Asset Recovery Resource
• Product Specifications Quality Test

SR1.7
Authorize Replacement or Credit

SR1.6
Disposition Defective Product

SR1.5
Verify Defective Product

SR1.4
Disposition Record

SR1.3
Receive Defective Product

SR1.2
Schedule Product Return

SR1.1
Authorize Return

Deliver Return

• Defective Product Shipment
• Ship To Data
• Return Policy

DR1.4
Receipt Transaction

DR1.3
Return Shipment

DR1.2
Request Return Replacement or Credit

DR1.1
Authorize Replacement or Credit

• Warranty Claim
• Return Policy
• Product Recall Notice
• Fault Isolation
Project Approach
Objectives

• Understand how we will approach this project
  • Timeline
  • Activities
  • Deliverables
BPM/SCOR Approach
Timeline

Setup
- Refine Organizational and Functional Scope (SCOR L1 & L2)
- Schedule Interviews
- Define Project Logistics

Assess
- Confirm SCOR L2 process elements and identify “AS IS” L3 tasks
- Identify SCOR “AS IS” L4 activities, identifying JDE functionality used
- Identify SCOR L4 activities that can be supported by SAP functionality

Analyze
- Identification and documentation of SAP functionality gaps
- Infrastructure assessment
- Develop implementation alternatives & validate
- Develop high level project plan (timing, resources)

Present Findings
- Present Findings, & Implementation Strategy
- Next Steps
Each level of a business process model contributes to the overall representation of the process.
BPM/SCOR Approach
Define Scope: Level 1

Define scope with SCOR based on specific operations/business group in scope

### Key Activities

<table>
<thead>
<tr>
<th>Identify Business Scope</th>
<th>Level 1 Scope</th>
<th>Level 2 Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Group Products Distribution Channels Locations</td>
<td>Utilize SCOR to identify Level 1 scoping</td>
<td>Utilize SCOR to identify Level 2 scoping</td>
</tr>
</tbody>
</table>

### Key Objective:

Use SCOR and business scope to define which level 1 processes are in scope. Defines the basis for level 2 scope

DELIVERABLE:
Level 1 Scope by Product/Supply Chain Variation within Specific Business

<table>
<thead>
<tr>
<th>Business/Product</th>
<th>P</th>
<th>S</th>
<th>M</th>
<th>D</th>
<th>RD</th>
<th>RS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product A</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Product B</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
BPM/SCOR Approach
Define Scope: Level 2

Define scope with SCOR based on specific operations/business group in scope

<table>
<thead>
<tr>
<th>Key Activities</th>
<th>Identify Business Scope</th>
<th>Level 1 Scope</th>
<th>Level 2 Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Group</td>
<td>Identify</td>
<td>Source</td>
<td>Make</td>
</tr>
<tr>
<td>Products</td>
<td>Utilize SCOR to identify Level 1 scoping</td>
<td>S1 Stocked Product</td>
<td>M1 Make-to-Stock</td>
</tr>
<tr>
<td>Distribution</td>
<td>Utilize SCOR to identify Level 2 scoping</td>
<td>S2 Make-to-Order Product</td>
<td>M2 Make-to-Order</td>
</tr>
<tr>
<td>Channels</td>
<td></td>
<td>S3 Make-to-Order Product</td>
<td>M3 Engineer-to-Order</td>
</tr>
<tr>
<td>Locations</td>
<td></td>
<td>D1 Deliver Stocked Product</td>
<td>D2 Deliver Make-to-Order</td>
</tr>
<tr>
<td></td>
<td></td>
<td>D3 Deliver Engineer-to-Order Product</td>
<td>D4 Deliver Retail Product</td>
</tr>
</tbody>
</table>

Key Objective:

Use SCOR, business scope and Level 1 scope to define which level 2s are relevant to business/product.

DEELIVERABLE:
Level 2 Scope by Business/Product Group

<table>
<thead>
<tr>
<th>Business/Product</th>
<th>Source</th>
<th>Make</th>
<th>Deliver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product A</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Product B</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
BPM/SCOR Approach

Document Business Processes

Document “as is” processes with SCOR

### Key Activities

<table>
<thead>
<tr>
<th>Document Processes</th>
<th>Decompose &amp; Map to Legacy Application</th>
<th>Map processes to New Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Level 3 processes using SCOR model</td>
<td>Decompose &amp; Document Level 4 Processes, identifying steps/tasks supported by JDEdwards functionality</td>
<td>Map process steps/tasks to SAP functionality, identify gaps &amp; alternatives</td>
</tr>
</tbody>
</table>

#### Key Objective:

Translate today’s business process structure into SCOR. Puts processes into a standard language across businesses.

---

**Supply Chain Process**

- **Plan**
  - Source
  - Make
  - Deliver

**Process Elements**

- **S1 Sourced Stocked Product**
  - Inputs
    - Process Flows
    - Inputs and Outputs
    - Source of Inputs
    - Output Destination
  - Process Elements
    - S1.1 Schedule Product Deliveries
    - S1.2 Receive Product
    - S1.3 Verify Product
    - S1.4 Transfer Product
    - S1.5 Authorize Supplier Payment
  - Outputs
    - Procurement Signal (Supplier)
    - Scheduled Product Order (PS2, SE2, SE4)
    - Scheduled Reorders (SE1, ME2, SE2, DI1)
    - Material in Order

Inputs, outputs, and basic logic flow of process elements are captured.
BPM/SCOR Approach
Document Business Processes

Decompose processes and identify steps supported by the SAP system

<table>
<thead>
<tr>
<th>Key Activities</th>
<th>Decompose &amp; Map to Legacy Application</th>
<th>Map processes to New Application</th>
<th>Decompose &amp; Document Level 4 Processes, identifying steps/tasks supported by JDEdwards and SAP functionality</th>
<th>Map process steps/tasks to SAP functionality, identify gaps &amp; alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Processes</td>
<td>Document Processes</td>
<td>Decompose &amp; Map to Legacy Application</td>
<td>Map processes to New Application</td>
<td>Decompose &amp; Document Level 4 Processes, identifying steps/tasks supported by JDEdwards and SAP functionality</td>
</tr>
<tr>
<td>Document Level 3 processes using SCOR model</td>
<td>Decompose in Level 3 Processes</td>
<td>Decompose in Level 4 Processes</td>
<td>Identifying steps/tasks supported by JDEdwards and SAP functionality</td>
<td>Map process steps/tasks to SAP functionality, identify gaps &amp; alternatives</td>
</tr>
<tr>
<td>Key Objective:</td>
<td>Document Level 4 processes, identifying steps/activities currently supported by legacy application (SAP)</td>
<td>Document Level 4 processes, identifying steps/activities currently supported by legacy application (SAP)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Supply Chain Process

Level 4 From scratch

![Supply Chain Process Diagram]

Level 3

Level 4

S1 Source Stocked Product

S1.1 Schedule Product Deliveries

S1.2 Receive Product

S1.3 Verify Product

S1.4 Transfer Product

S1.5 Authorize Supplier Payment

Level 4 Example - Authorize Supplier Payment

Inputs:
- Payment Term

Invoices:
- Key Commodity Supplier: Purchase Orders
- OEM/CEM Receipt Notices

Outputs:
- Payment
- Payment on Receipt
- Rebatas/PPA Administration
BPM/SCOR Approach
Document Business Processes

Decompose processes and identify steps supported by CPC SAP System

Key Activities

<table>
<thead>
<tr>
<th>Document Processes</th>
<th>Decompose &amp; Map to Legacy Application</th>
<th>Map processes to New Application</th>
</tr>
</thead>
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<tr>
<td>Document Level 3 processes using SCOR model</td>
<td>Decompose &amp; Document Level 4 Processes, identifying steps/tasks supported by JDEdwards and SAP functionality</td>
<td>Map process steps/tasks to SAP functionality, identify gaps &amp; alternatives</td>
</tr>
</tbody>
</table>

Key Objective:
Document Level 4 processes, identifying steps/activities currently supported by legacy application (SAP)

Level 4 using SAP or existing flow diagrams
**Key Objective:**
Document Level 4 processes, identifying steps/activities that can be supported by SAP functionality.

Identify Gaps in SAP standard functionality. Identify mitigation alternatives.

---

### Key Activities

<table>
<thead>
<tr>
<th>Document Processes</th>
<th>Decompose &amp; Map to Legacy Application</th>
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---

**BPM/SCOR Approach**
Analyze Business Processes and Identify Gaps

Map business processes to SAP functionality. Identify Gaps
BPM/SCOR Overview
Level 1-4 Framework

Level 1: Plan Supply Chain
- Plan
- Plan
- Plan Source
- Plan Make
- Plan Deliver

Level 3
- Gathers Forecasts
- Input Data
- Statistical Generation
- Requirements
- Forecast
- Analyze, Calculate
- Forecast
- Independent, Dependent Demand

Level 4
- Preliminary Forecast (unconstrained)
- Collaborative Review Forecast (unconstrained)
- Adjust Requirements (unconstrained)

Level 1-4 Framework
S1 Source Stocked Product
S1.1 Schedule Product Deliveries
S1.2 Receive Product
S1.3 Verify Product
S1.4 Transfer Product
S1.5 Authorize Supplier Payment

Inputs
- Payment Terms

Outputs
- Payment

Mapping the Processes. Level 1-3

AS IS Level 4 Maps
D1.2 Receive, Enter, and Validate Order

Customer Order
- Place Order
- Confirm Material Schedule

Operations Order
- Document Order
- Enter Order on System
- Process Order

Supplier Order
- Receive and Validate Transmission
- Transmit Order

RM Suppliers
Company Regional Warehouses
Customers

Supply-Chain Council
# BPM/SCOR Overview

## Enable Elements

<table>
<thead>
<tr>
<th>Enable Element</th>
<th>Plan</th>
<th>Source</th>
<th>Make</th>
<th>Deliver</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Establish and Manage Rules</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2) Assess Performance</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>3) Manage Data</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4) Manage Inventory</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>5) Manage Capital Assets</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>6) Manage Transportation</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>7) Manage Supply Chain Configuration</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>8) Manage Regulatory Compliance</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>9) Process Specific Elements</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

- **Align SC Financials**
- **Supplier Agreements**
BPM/SCOR Overview
Level 1 Performance Metrics

Level 1 Metrics are primary, high level measures that may cross multiple SCOR processes. Level 1 Metrics do not necessarily relate to a SCOR Level 1 process (PLAN, SOURCE, MAKE, DELIVER, RETURN).

<table>
<thead>
<tr>
<th>SCOR Level 1 supply chain Management</th>
<th>Customer-Facing</th>
<th>Internal-Facing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Supply Chain Reliability</td>
<td>Responsiveness</td>
</tr>
<tr>
<td>Delivery performance</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Fill rate</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Perfect order fulfillment</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Order fulfillment lead time</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Supply Chain Response Time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production flexibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total SCM management cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value-added productivity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty cost or returns processing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>cash cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash-to-cash cycle time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory days of supply</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset turns</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
BPM/SCOR Overview

Summary

• SCOR is a process reference model designed for effective communication among supply-chain partners.
  • A standard *language* helps management to focus on management issues
  • As an industry *standard*, SCOR helps management focus across inter-company supply chains
• SCOR is used to *describe*, *measure* and *evaluate* Supply-Chain configurations
  • **Describe**: Standard SCOR process definitions allow virtually any supply-chain to be configured.
  • **Measure**: Standard SCOR metrics enable measurement and benchmarking of supply-chain performance.
  • **Evaluate**: Supply-chain configurations may be evaluated to support continuous improvement and strategic planning.
• SCOR Building Block Approach
  • Metrics: Discussed in section: SCOR Metrics
  • Processes: Discussed in section: As-is Process Modeling
  • Best Practice: Discussed in section: To-be Process Modeling
  • Technology: Discussed in section: To-be Process Modeling
BPM/SCOR Overview
SCOR Project Roadmap

---

**SCOR Level 1**
- **Operations Strategy**
  - Competitive Performance Requirements
  - Performance Metrics
  - Supply Chain Scorecard
  - Scorecard Gap Analysis
  - Project Plan

**SCOR Level 2**
- **Material Flow**
  - AS IS Geographic Map
  - AS IS Thread Diagram
  - Design Specifications
  - TO BE Thread Diagram
  - TO BE Geographic Map

**SCOR Level 3**
- **Information and Work Flow**
  - AS IS Level 2, 3, and 4 Maps
  - Disconnects
  - Design Specifications
  - TO BE Level 2, 3, and 4 Maps

- **Develop, Test, and Roll Out**
  - Organization
  - Technology
  - Process
  - People

---

**Analyze Basis of Competition**
- Configure supply chain
- Align Performance Levels, Practices, and Systems
- Implement supply chain Processes and Systems
BPM/SCOR Overview
Workshop Agenda

**Day** | **Time** | **Description** | **Presenter**
--- | --- | --- | ---
**Monday** | 12:30 – 1:00 | BPM Introduction | Nikki Madsen, John Carreau, Connie Fuentes, Dave Dresner
 | 1:00 – 1:30 | BPM AS-IS Validation | John Carreau
 | | BPM Overview and Project Methodology, SCOR Framework | Connie Fuentes
 | | Metrics, Best Practices, As is Model Objectives | Dave Dresner
 | | Capture Best Practices | Facilitator
 | | Understand as is issues/opportunities | Team
 | | Understand scenarios that test as is models | Facilitator
 | | Capture As Is map to common framework | Team
 | | Model Business Process walk through | Facilitator
 | 1:30 – 2:15 | NA Commercial/DT/Wkstn/Direct/Indirect | Facilitator
 | 2:15 – 3:00 | EMEA Commercial | Brenda Westbrook, Linda Davis
 | 3:00 – 3:15 | Break | Nathaniel Barbier
 | 3:15 – 4:00 | Consumer | John Doolan
 | 4:00 – 4:45 | DP Implementation Case Study | John P Walsh
 | 4:45 – 5:00 | Wrap Up Day 1 | Facilitator

**Tuesday** | 9:00 – 9:30 | BPM Example in EMEA | JP Walsh, John Carreau, Connie Fuentes, Dave Dresner
 | 9:30 – 9:45 | BPM ‘To –Be’ process | Team
 | 9:45 – 11:30 | SCOR Framework Review as is in common framework | Team
 | | Discuss method for inventing to be | Team
 | | Use Common process steps to model to be | Team
 | | Invent process steps where needed | Team
 | | Lunch | Team
 | | Report Outs (2 Rpts, 1 hour each) | Team
 | | Discuss where Best Practice is included | Team
 | | How known issues are dealt with | Team
 | | Test with Scenarios that break the model | Team
 | | Break | Team
 | | Report Outs (cont.) | Team
 | | Model Differences | Team
 | 11:30 – 12:30 | Lunch | Team
 | 12:30 – 2:30 | Break | Team
 | 2:30 – 2:45 | Open Issues in ‘to be’ model development | Team
 | 2:45 – 3:45 | Next Steps in ‘to be’ development | Team
 | 4:30 – 5:00 | Wrap Up Day 2 | Facilitator

**Wednesday** | 9:00 – 9:30 | Recap BPM ‘To –Be’ process issues recorded | John Carreau, Connie Fuentes, Dave Dresner
 | 9:30 – 10:00 | Best Practice Exercise | Team
 | | List HP best practices | Team
 | | List number of SCOR best practices covered | Team
 | | Break | Team
 | 10:00 – 10:15 | To be model refinement | Team
 | 10:15 – 11:30 | Mix teams/attempt to merge to 1 model | Team
 | 11:30 – 12:30 | Lunch | Team
 | 12:30 – 1:30 | Report on adjusted ‘to be’ model | Team
 | 1:30 – 2:45 | Break | Team
 | 2:45 – 3:45 | Open Issues in ‘to be’ model development | Team
 | 3:45 – 4:30 | Next Steps in ‘to be’ development | Team

**AGENDA ATTRIBUTES**
- Time Critical
- SME Empowerment
- Desired Results
BPM/SCOR Overview
Mapping the Processes. Level 1-2

RM Suppliers

Company

Company’s Regional Warehouses

Customers
BPM/SCOR Overview
Mapping the Processes. Level 1-3

RM Suppliers
Level 2
Regional Warehouses
Customers
Summary
Optimization Objectives

• Analyzing business processes currently supported by the SAP System with a proven Supply Chain Methodology
• Understanding SAP Functionality Gaps in supporting business processes
• Determine the operating level of the Purchase to Pay business process
• Develop recommendations for functional gap mitigation/resolution
• Re-engineer business processes with Best Practices moving organization to next sustainable level
• Optimizing SAP System functionality with configuration changes and enhancements
• Develop recommendations on project implementation, including staffing requirements and cost

Contact RCollins@Exusia.com