

How to Reduce Waste and Add Value to Your Supply Chain Processes with Precisely Automate

Summary

This white paper is an overview of two of the main challenges faced by SCM professionals who work with SAP:

- The need to increase employee productivity
- And the need to reduce stock levels

Utilizing the Precisely Automate platform, SCM professionals can overcome these challenges by reducing the waste within their processes to become a high performance organization.

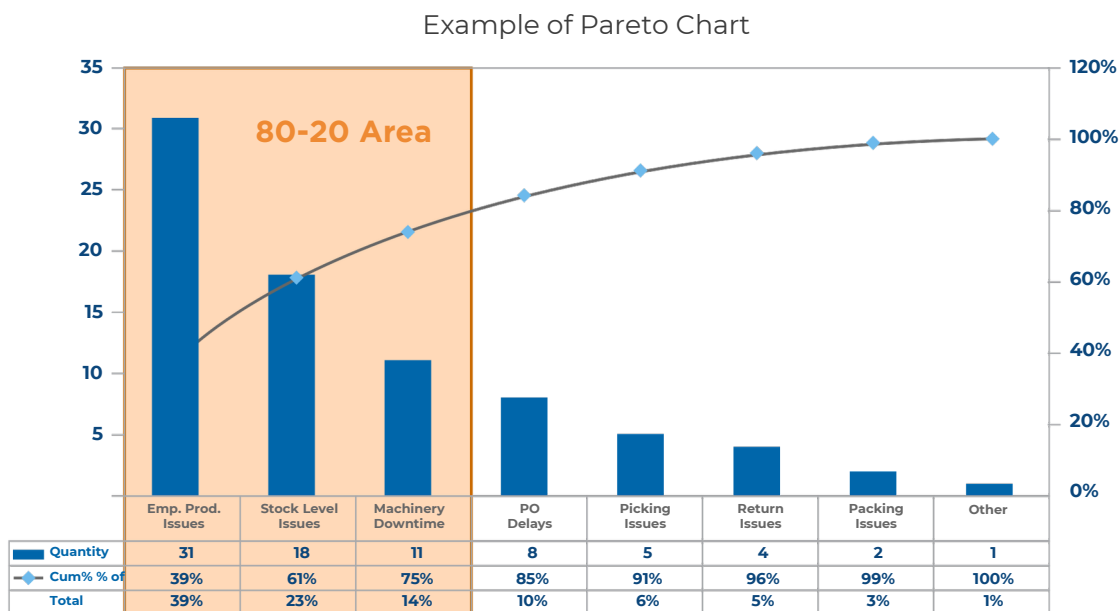
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Value vs. Effort

Prioritizing issues is a critical component in any SCM improvement initiative. If you're using Lean methodology, prioritization should be based on Value vs. Effort, which applies the Pareto rule or 80-20 rule:

“80% of effects come from 20% of the causes”



This example focuses on the two recurrent SCM challenges mentioned above of increasing employee productivity and reducing stock levels. By focusing on improving just these types of issues without wasting effort on other minor issues, users will see huge improvements, as these issues correspond to an accumulated 61% of total issues.

Increasing employee productivity (Orders per worker, deliveries per worker, etc.)

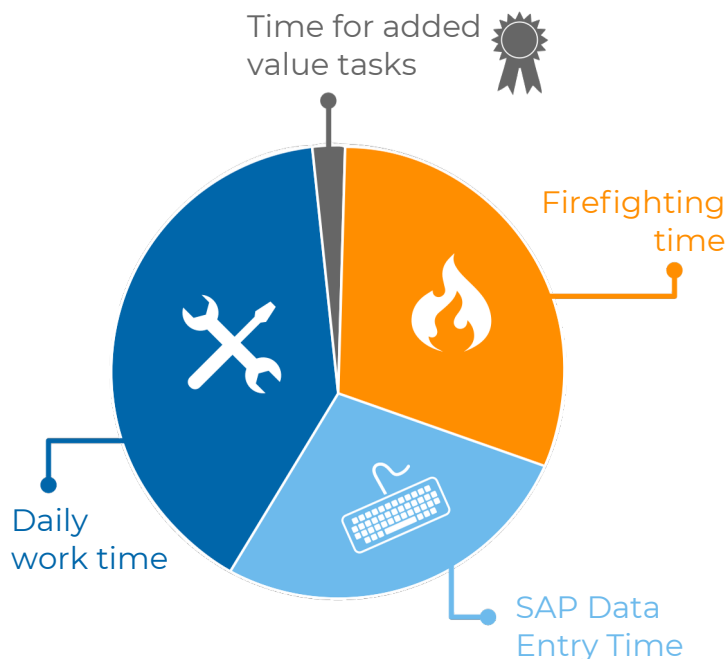
The Issue

ERP systems like SAP are great solutions for any organization or IT backbone architecture. When SAP becomes the main body of record for an organization, it can be problematic because SAP is a living breathing animal that requires an enormous amount of maintenance and effort. High performance supply chain processes require high quality master and transactional data and this translates into hours and hours of feeding data into the ERP “Data Beast.”

Employees have to dedicate mass amounts of time towards data input tasks and chasing and gathering the data that is associated with them, (i.e. not only going through multiple SAP screens to create a new material record or purchase order, but also going through several emails asking peers and colleagues about the data and information required for that specific SAP object). At the end of the day, this leads to a high percentage of the employee's time dedicated to tasks that aren't adding value.

You run your operations based on your ERP data, and the quality of data directly affects the performance of your activities. As human beings, employees tend to make errors either in data input or during data gathering activities. All of these errors lead to unexpected or unscheduled issues that require a firefighting action in order to prevent a bigger impact on operations and customers.

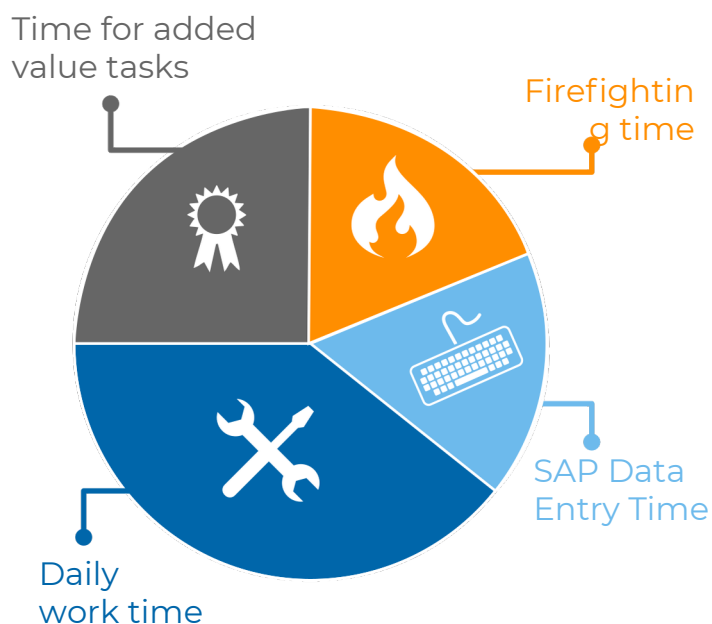
Additional tasks added to daily activities often drain time from one of the most important things skilled employees need to complete: process improvement. Process improvement is affected by both data input and firefighting activities in operations due to errors in ERP data.



Benefits of improving

What if you could start reducing the time dedicated to these tasks by 30% percent, while improving the quality of data gathered and entered in SAP?

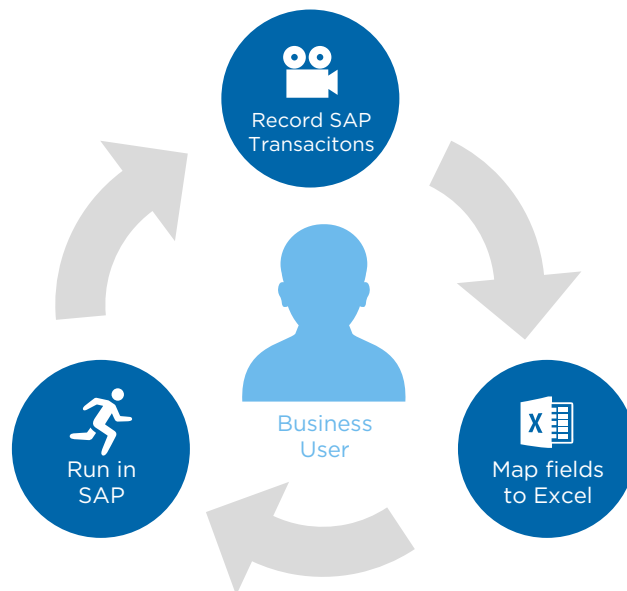
This would also reduce firefighting activities, and allow you to start making a difference. By starting a "virtuous cycle" of improvement, you would have more time to continue improving processes and dedicate time towards added value tasks that were previously delayed due to urgent (but sometimes not important) tasks piling up in your workload.



Solving the issue with Precisely Automate

Thousands of companies have already started on this path utilizing the Precisely Automate platform. In a very short time span, companies have achieved quick wins and generated value with little effort. The Excel to SAP capabilities of Automate Studio allow you to generate solutions for mass SAP data activities and reduce the amount of time dedicated to “feeding the SAP beast.”

While an average 30% of time savings was noted in the example above, Precisely Automate customers are continuing to increase productivity gains every day. Not only are customers improving productivity, but they’re also achieving better quality data, with fewer errors. The ability to validate data before and at the point of entry is drastically reducing the amount of bad data entered into SAP, and the number of future errors and hours dedicated to firefighting is also being reduced, increasing the time that employees can dedicate to added value tasks.



Reducing stock levels

The issue

Stock levels can be debilitating in any company, affecting your profitability in a few painful ways:

1. As a cost, every single unit of stock in a warehouse reflects different costs, such as:
 - Storage costs
 - Manipulation costs
 - Employee costs
 - Cost from broken or outdated units
2. As an investment, every single unit of stock in the warehouse is a company asset that decreases the financial capacity of the company.

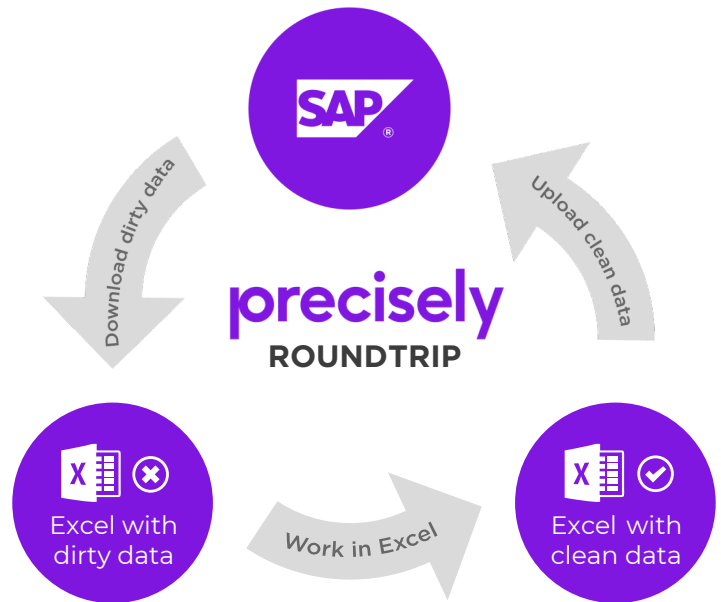
Stock can also be a bottleneck for improvements by having higher levels of stock than required, which builds up inefficiencies in the process. However, inefficiencies can usually only be detected and resolved when processes run without all of these stock buffers.

Benefits of improvement

Reducing stock levels and keeping them to the minimum required quantities can have both direct and indirect benefits:

Direct benefits: Stocks are easier to measure and companies that reduce stock levels reduce the cost associated to maintain that stock. This also reduces their investment in these company assets and improves the financial capacity of the company.

Indirect benefits: Reducing stock levels leads to process improvement, which is harder to measure but becomes clear once stock levels are decreased. Processes that weren't improved in the past can be improved as inefficiencies surface.

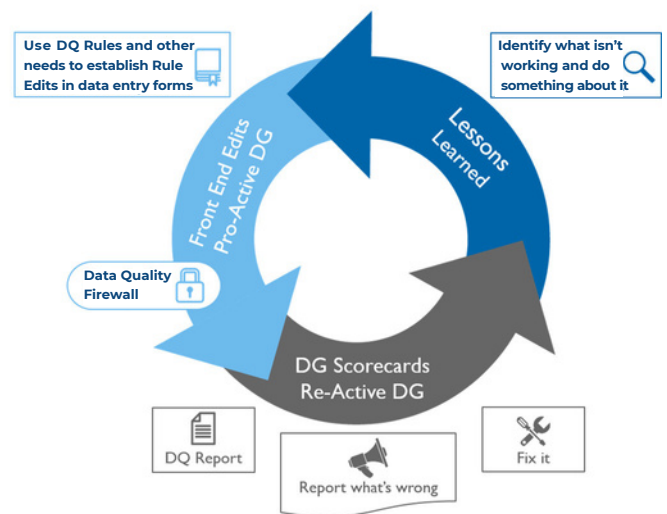


Solving the issue with

Companies from a number of industries around the world are currently using Precisely Automate to reduce stock levels by improving the quality of SAP master data. With Precisely Automate's flexible approach, companies can easily create and maintain material master data and eliminate duplicate entries, remove errors and complete critical missing information. All this can be completed through a simple solution created with the Precisely Automate platform:

- Download all data from SAP into Excel or Access that meets certain criteria
- Work in Excel or Access cleaning the data
- Upload the clean information back to SAP

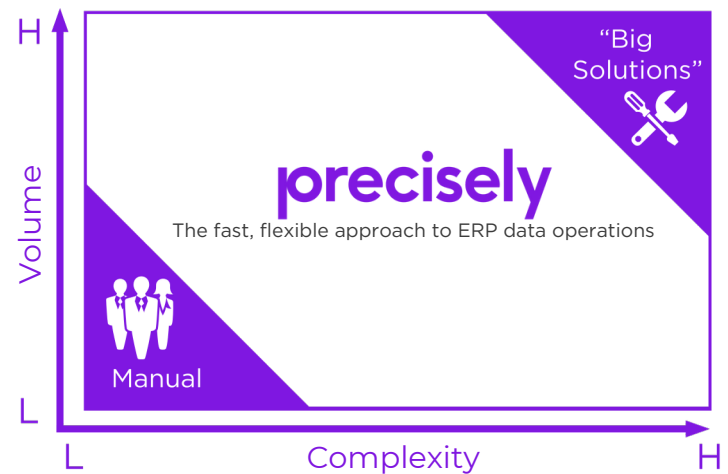
This allows you to get rid of bad data that impacts your process efficiency and correlates to increased stock levels. After this step has been completed, a data firewall should be put in place to prevent any bad data from getting into the system. This data firewall is achieved by structure workflow processes that ensure employees gather and validate all the required data into SAP.



Conclusion

Precisely Automate enables organizations to increase employee productivity and manage inventory more efficiently. The platform provides a streamlined way to handle ERP data, simplifying data collection, validation, and movement.

By working closely with end-users, business and IT teams can quickly develop solutions that integrate with existing systems.



This approach helps supply chain managers:

- Continuously improve SCM ERP processes and overcome ERP limitations
- Enhance the reliability and responsiveness of SCM operations
- Maintain optimal inventory levels—reducing costs, minimizing waste, and increasing supply chain agility
- Use a unified platform to drive ongoing improvements across all ERP-based processes

About Adsotech

As the Nordics' largest Precisely partner, our market success is rooted in decades of invaluable experience. This wealth of knowledge fuels our commitment to delivering advanced SAP solutions and utilizing workflow and automation technology, ensuring the modernization of SAP processes and excellence in Business Process Automation and Data Governance. Learn more at www.adsotech.com

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About Precisely

As a global leader in data integrity, Precisely ensures that your data is accurate, consistent, and contextual. Our portfolio, including the Precisely Data Integrity Suite, helps integrate your data, improve data quality, govern data usage, geocode and analyze location data, and enrich it with complementary datasets for confident business decisions. Over 12,000 organizations in more than 100 countries, including 93 of the Fortune 100, trust Precisely software, data, and strategy services to power AI, automation, and analytics initiatives. Learn more at www.precisely.com.

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www.adsotech.com



info@adsotech.com



Keilaranta 1, 02150 Espoo, Finland