ERP value pathway – Accelerating business performance through technology

Logistics assessment for SAP®
Empowering companies to leverage their SAP investment

Globalization, a changing economy and continually evolving information technology firmly established the supply chain as a board-level priority. Executives are continually looking to create value through a collaborative supply chain, and in a quest to maximize their SAP® investment, companies want to sustain a competitive advantage by driving efficiency, increasing customer satisfaction, and increasing inventory visibility and accuracy, while reducing costs.

EY can help companies achieve significant operational improvements through the EY SAP logistics assessment. EY’s logistics assessment for SAP is the most affordable way to help companies evaluate their current operational pitfalls and inefficiencies. More importantly, it arms companies with the information they need to take control, institute corrective actions and make significant improvements to their supply chain operation.

EY will leverage our proven project methodologies to customize an assessment specific to your unique business requirements. Typical engagements include:

- SAP warehouse management (WM) or extended warehouse management (EWM) optimization assessment
- SAP WM or EWM gap/fit and functional assessment
- SAP WM software solution evaluation – determine the right solution for the different operations within your network
- SAP radio frequency (RF) readiness assessment

Activities EY will perform during the assessment:

- Documenting the current business processes
- Identifying leading practices within your industry
- Identifying alternatives and opportunities for improvement in a company’s supply chain and distribution operations
- Prioritizing these alternatives and opportunities according to their future value and importance to the business
- Looking for various “quick-win” improvement areas such as RF technology deployment
- Helping to serve as the foundation of a business case to assist in justifying a SAP project and reinforcing return on investment (ROI)
- Recommending specific courses of action to the business

After an assessment, your organization may require additional support to commit to your SAP logistics project. EY can support this process through:

- Business case development
- System proof of concepts
EY’s logistic assessment approach

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Objective</th>
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<tr>
<td>1 week</td>
<td>• Assess current environment</td>
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<td>• Document baseline environment specific to warehouse management and business process flow</td>
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<td>1-2 weeks</td>
<td>• Conduct on-site site analysis and review of operations from receiving through to shipping</td>
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<td>• Map “to be” requirements to current solution, leveraging leading practices where practical</td>
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<td>• Develop benchmarks and improvements plans</td>
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<td>1-2 weeks</td>
<td>• Validate data and hypotheses for improvement</td>
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<td></td>
<td>• Gather additional insight into organization, process or governance change to deliver improvements</td>
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<td>• Finalize root cause of business improvement opportunities</td>
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<tr>
<td>1-2 weeks</td>
<td>• Document the impact, benefits and related risk of business improvement recommendations</td>
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<td></td>
<td>• Provide extrapolation of findings to broader client organizations</td>
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<td>• Develop and communicate improvement plan</td>
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EY logistics assessment process for SAP

Review:
• Our on-site reviews of warehouse and IT operations will last about two to three days per facility.
• We will hold discussions with management to address concerns, issues and ideas for improvements.
• Depending on the situation, we may choose to request data and/or may perform some simple analyses (e.g., an independent measure of inventory record accuracy).

Analyze:
• Following the tour and discussions, we will perform analyses as indicated and draft a report.
• Selected findings will be validated with management prior to issuance of the report so that there are no surprises or conflict.
• Following the validation, the report will be finalized.

Recommend:
• Finally, our logistics assessment report will be delivered in printed form and (if desired) as a presentation.

EY’s logistic assessment for SAP delivers a tailored report

For a comprehensive assessment, an interview with operations, management and the IT team is essential.

Typical areas of review include:
• Receiving/putaway
• Internal movements
• Physical inventory
• Outbound picking and packing
• Shipping (i.e., small parcel)
• Yard management

• SAP system configuration
• Labor management
• Cross docking
• Wave management
• Hazmat

EY’s SAP knowledge and experience

EY is an SAP global services partner that is fast becoming recognized as an industry leader in end-to-end supply chain SAP services. With focus on the logistics execution systems (LES) and the supply chain execution (SCE) components of the SAP application suite, coupled with our already established SAP planning and procurement capabilities, EY offers our clients supply chain services that enable organizations to gain operational efficiencies and manage costs related to their supply chain operations. Our SAP and supply chain consultants share a wealth of experience and knowledge when it comes to designing and helping implement world-class SAP logistics and supply chain services, with noted experience in SAP planning and optimization (APO and S&OP cloud solution), LES, warehouse management, extended warehouse management, procurement (including Ariba/SRM) and automatic data collection.
About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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1412-1374033 NY
ED None

EYG no. BT0471

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