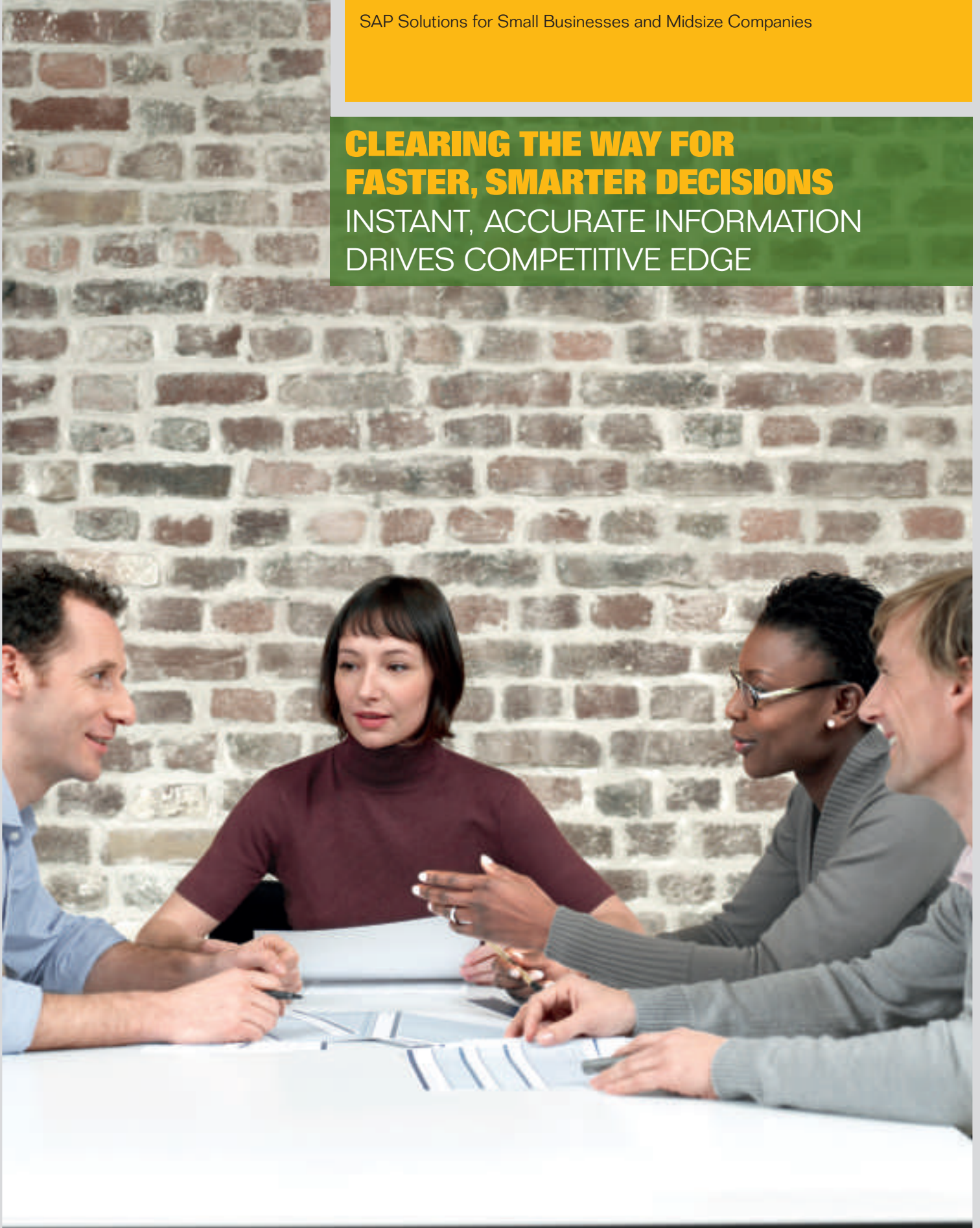


SAP Solutions for Small Businesses and Midsize Companies

**CLEARING THE WAY FOR
FASTER, SMARTER DECISIONS**

INSTANT, ACCURATE INFORMATION
DRIVES COMPETITIVE EDGE



THE BEST-RUN BUSINESSES RUN SAP™



BUSINESS IS ALL ABOUT DECISIONS



Every business leader is well aware of how crucial it can be to make the right decision at the right moment. In today's hypercompetitive markets, small businesses and midsize companies face daily, even hourly, challenges to make the right call fast: If we fulfill this rush order, will we jeopardize that other contract? If we put more workers on this job, will we still make our slim margin? Long-term strategic decisions can be even harder: Which products and services will take us forward? Which customers and markets are truly profitable? Where do we go from here?

To make timely, well-informed decisions, you need just that: time and information. This means having fast access to accurate information from every department in your company, and time away from fighting fires to focus on priorities, problem solving, and market opportunities.

This paper will examine how you can gain reliable, accessible information from efficient, integrated IT systems – and use that information to make faster, smarter decisions. In turn, the right decisions will lead to better operations and a stronger competitive position.

DECISION BY GUESSTIMATION?

ROADBLOCKS TO FAST, INFORMED DECISIONS

In current business environments, there's little margin for error. Companies simply can't afford to bet their future on guesstimation or gut feel in the fast-moving marketplace. Enterprises that make smart and timely decisions based on solid insights and accurate information can distinguish themselves from the competitive pack.

Consider these everyday quandaries and how the right or wrong choices can affect the bottom line:

- It's the holiday season and you are taking another big order. Are you sure that you have the capacity to handle it, or are you simply guesstimating?
- You're bidding on a project from a new prospect. Do you have the facts about costs and assets to ensure that you bid competitively, but not so low that you end up losing money?
- You're considering a substantial capital investment in new machinery to support a business expansion. What information about past and projected performance will help you decide whether to make the investment – and can you access that information?

In each of these cases, an ad hoc gut judgment could lead to an unprofitable bid, a dissatisfied customer, a lost opportunity, or another misstep. The right call, however, could improve the company's competitive position. Clearly, you need to base decisions on facts and analysis, but obstacles common to many small and midsize companies can block the way.

Let's face it. Many businesses today still rely heavily on manual and paper-based processes. When information you need is locked in someone's file cabinet or even in people's heads, it can be hard to make the right decision.

Then there is information clutter – data that's plentiful but hard to access. Chances are your company relies on a jumble of accounting software, spreadsheets, or one-off reports, or on a set of nonintegrated databases that don't share even basic data like customer contacts or product codes. Valuable nuggets such as sales, orders, schedules, and invoices are hidden among these disconnected, inconsistent systems. Without the ability to quickly and easily pull relevant, reliable, and consistent data from disparate sources, by the time you can finally make a decision the business opportunity is long gone.

Plus, there is the matter of time. Just when you finally find a minute to plan your business's next big step, an urgent phone call ends the precious planning session once again. In fact, a recent SAP® study finds that small business owners cite their number one challenge as: "Don't have enough time to make important decisions."



“The majority of best-in-class manufacturers . . . are utilizing technology to both automate the collection of plant floor data and then subsequently display relevant data to the appropriate decision makers in a timely manner.”

Matt Littlefield, Research Analyst,
Manufacturing, *The Business Value
of Plant Floor Visibility*, Aberdeen
Group Inc., February 2007

THE PATH TO DECISIVE ACTION

Decisive action is fueled by information clarity and visibility throughout operations. Many small and midsize companies today are adopting proven best practices to help them make faster and smarter decisions.

First, keep all critical business information in one place by deploying an integrated business management system that spans all business operations. This synthesis lets you see the whole picture and endow all players in the organization with one version of the truth. In addition, automated, integrated processes are faster and more streamlined, eliminating duplicate entries and making data more up-to-date and accessible.

Moreover, make sure that business users are provided with easy and flexible reporting tools, so truly informed decisions don't rely on IT for one-off special reports. Instead of scrambling to piece together outdated information in reactive crisis-management mode, you can make proactive decisions based on visibility into every department, into past performance, and into future projections. Information visibility enables both big-picture strategic thinking and fast-action tactical savvy.

Most important, cultivate buy-in from the people who must fully embrace the technology. While integrated business management systems can counteract human-error pitfalls, they are only as good as the people who will adopt and use them. With limited resources and IT expertise, small and midsize businesses must pay special attention to the human factor. Staff training and easy-to-use technology can avoid the "garbage in/garbage out" syndrome that bedevils so many disconnected manual systems.

"SAP has helped us improve our inventory control and demand-driven manufacturing. Now we bake only what we need. . . . We now have less waste because of better visibility. It's made a significant impact on the bottom line."

Autumn Bayles, CIO, Tasty Baking Company



Business Decision Makers	Best-in-Class	Laggards
Can drill down from summary data to specific transactions	47%	31%
Have real-time visibility into all processes from order to cash	42%	17%

Cindy Jutras, Vice President, ERP Research Director,

The 2007 ERP in the Mid-Market Benchmark Report, Aberdeen Group Inc., September 2007

BETTER DECISIONS LEAD TO GREATER PRODUCTIVITY

Improvements beget improvements: efficient, integrated, streamlined information systems fuel timely, informed decisions – and better decisions make the full range of business processes more efficient and productive. By implementing comprehensive business software, you can drive immediate improvements in operational efficiency and standardization. Stronger decision-making abilities enable businesses to:

- Seize the right opportunities and align resources and investments – Using accurate sales, materials, inventory, and cost data, businesses can focus on the most profitable products, customers, partners, and channels, and manage resources accordingly.
- Boost productivity across the organization – Information visibility helps everybody make the right moves – faster.
- Manage customer needs and service requirements – Balance customers' value with the costs of meeting their demands, so you can focus on the most profitable customers.
- Minimize risks and carry out fast course corrections – By focusing on the right priorities, you put less money and resources at risk on activities with potentially low return on investment.
- Shift focus away from operational snags and onto high-value strategy – When you have higher process efficiency, you can take the time to stop, think, and commit to a well-informed course of action.

Summary

Decisive actions can elevate your business above the competition and help your company grow and stabilize. But decisive leadership requires accurate, timely, and accessible information, along with the right software tools: easy-to-use, flexible reports and analytics.

The SAP portfolio of comprehensive, integrated business solutions, designed specifically for small businesses and midsize companies, delivers the instant and unified business information you need for superior operations and decisive leadership.

SAP® Solutions for Small Businesses and Midsize Companies

When it comes to the widely varying needs of small and midsize businesses, one solution certainly doesn't fit all. SAP offers a portfolio of flexible and affordable business management solutions designed specifically for the fast-changing requirements of small businesses and midsize companies.

By seamlessly integrating sales, customers, financials, and operations, SAP® solutions give you the cross-company visibility you need to base every decision on real-time information. Armed with insight into every aspect of your business, you can easily monitor performance, eliminate

inefficiencies, and, most important, identify profitable opportunities. With a standardized, proven solution platform from SAP at a predictable cost, small and midsize businesses can streamline operations, act on instant and complete information, and accelerate profitable growth.

Trusted by more than 25,000 small and midsize customers around the world, SAP offers the industry experience and range of solutions necessary to help companies stay ahead of the competition and succeed.

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