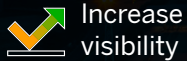# 4 Keys to Better Supply Chain Resiliency with SAP® Business Network

With materials and component shortages, misaligned inventory levels, longer lead times, and rising prices, supply chain disruptions are now the stuff of mainstream media and front-page news. The way forward is through leading-edge supply chain collaboration. To meet demand, organizations need greater visibility across globally distributed operations, better collaboration with trading partners, and insights into risks, all while operating more sustainably.

This is where business networks come into play.

Increase visibility

Streamline collaboration

Minimize risk

Drive sustainability

Learn more

THE BEST RUN **SAP**

Increase visibility

AT A GLANCE

Today's complex, globally extended supply chains require more than guesswork to execute with confidence. Visibility is the key. **With SAP® Business Network, you can share critical information between your company and your trading partners** to help improve alignment and avoid disruption. Now, you can see into your suppliers' inventory, assess their capacity and ability to deliver, and build a responsive, resilient supply chain capable of weathering the change.

At a Glance | Challenges | Solutions | Outcomes | Dig Deeper

Increase visibility

THE CHALLENGES

What Stands in the Way of Supply Chain Visibility?

- **Extended global supply chains:** Greater reliance on external partners (outsourced manufacturers, assemblers, and co-packers), minimizing visibility into operations

- **Inventory blind spots:** Inability to see supplier inventory up and down the supply chain

- **Siloed logistics management:** Challenges with tracking materials in transit, increased costs, and surprise deliveries

- **Inadequate technology:** Point-to-point EDI connections and legacy supplier portals that impede visibility across supply networks

| At a Glance | Challenges | Solutions | Outcomes | Dig Deeper |

Increase visibility

THE SOLUTION

SAP Business Network: Achieve Greater Supply Chain Visibility

- **Agile supply chain collaboration:** Share critical information with suppliers to avoid disruption and help ensure supply.

- **Comprehensive inventory visibility:** See deeper into your inventory and your suppliers' inventory.

- **Global track and trace:** Know where your materials and goods are worldwide.

- **Real-time, consistent, and accurate data:** Align parties to guide decisions and improve planning and forecast accuracy.

| At a Glance | Challenges | Solutions | Outcomes | Dig Deeper |

Increase visibility

THE OUTCOMES

Execute with Confidence

- **Faster insight:** Spend less time combining data silos and more time understanding your trading partner base.

- **Larger, more agile network:** Extend your network beyond your business and see into your partners' ability to deliver.

- **Fewer stock-outs:** Gain real-time visibility into supplier inventory, capacity, and order confirmation to improve supply continuity and on-time delivery.

- **Increased responsiveness:** Develop the agility needed to avoid disruptions when demand fluctuates.

| At a Glance | Challenges | Solutions | Outcomes | Dig Deeper |

2%–4%
Higher on-time deliveries[1]

8%–23%
Shorter order-fulfillment lead times[2]

15%–40%
Lower supply and distribution planning FTE cost[3]

1.–3. SAP performance benchmarking.

Increase visibility

DIG DEEPER

Learn More About How SAP Business Network Helps Improve Supply Chain Visibility

- **Business Transformation Study:** [Air Canada](#)
- **Video:** [SAP Business Network for Supply Chain](#)
- **Article:** [One Supply Chain Disruption That Didn't Happen: The Case for Business Networks](#)

Streamline collaboration
AT A GLANCE

Today's supply chains move quickly, and you can't afford to lose time with manual processes that slow you down. **SAP Business Network helps streamline collaboration, enabling you to free up resources for higher-value activities.**

Now, you can find the right partners to work with, collaborate on product innovation and manufacturing, and better manage complex processes – from logistics to invoices to quality management. The time is now to diversify your supply base and get up to speed with automated processes that improve visibility, speed execution, and minimize errors.

At a Glance | Challenges | Solutions | Outcomes | Dig Deeper

Streamline collaboration

THE CHALLENGES

What Makes Supplier Collaboration More Important Than Ever Before?

- **An expanding supplier base:** Challenges tracking the operations of a diverse array of global supply partners

- **Diminished business agility:** Difficulty sourcing materials from new suppliers to support new business models and innovations

- **Outsourcing:** A lack of visibility into available inventory, shipment schedules, and equipment maintenance at a time when supply chains are increasingly outsourced

- **Hoarding:** Problems securing materials at a time when buyers are hoarding, overordering, or paying more per unit for smaller batches

- **Delivery performance:** Uncertainty about the ability to honor commitments to customers due to low supplier delivery performance and higher costs

At a Glance	Challenges	Solutions	Outcomes	Dig Deeper

Streamline collaboration
THE SOLUTION

SAP Business Network: Digitalize Collaboration and Work with Suppliers Without Obstacles

- **Smooth interactions:** Achieve frictionless role-based collaboration across trading partners and business functions.

- **Multitier collaboration:** Work as a team with your suppliers along the supply chain, including raw materials sourcing, contract manufacturing, logistics, equipment maintenance, and beyond.

- **Efficient automation:** Use automated processes to streamline operations and extend your workflows beyond the four walls of your organization.

- **Supplier satisfaction:** Deliver a user-friendly experience that is simple for your trading partners, with insights and benefits for their businesses.

At a Glance | Challenges | Solutions | Outcomes | Dig Deeper

Streamline collaboration

THE OUTCOMES

Level-Up Supplier Collaboration and Process Automation

- **Improved speed and efficiency:** Collaborate without obstacles, avoid errors that come with manual processes, and execute faster.

- **Lower inventory and carrying costs:** Share forecasts and inventory requirements to eliminate excess buffer stock and improve inventory turns.

- **Greater predictability and quality:** Confirm supplier ability to deliver at the quality levels you require.

- **More strategic resource utilization:** Decrease operating costs and free up FTE capacity for more strategic functions by digitizing time-consuming manual tasks and inquiries.

- **Improved asset ROI:** Reduce the cost of ownership across the lifecycle of your assets with continuous collaboration and monitoring of asset maintenance and performance.

| At a Glance | Challenges | Solutions | Outcomes | Dig Deeper |

4%–12%
Lower days inventory outstanding[4]

92%
Of direct spend "leaders" use a network to collaborate with suppliers[5]

15%–40%
Reduction in expedited logistics operating costs[6]

4. SAP performance benchmarking.
5. "Close Collaboration That Goes Beyond Transactions" SAP, February 16, 2021.
6. SAP performance benchmarking.

Streamline collaboration
DIG DEEPER

Learn More About How SAP Business Network Drives Better Collaboration

- **Whitepaper:** [Direct Materials Collaboration: Lessons Learned from Best-Run Supply Chain Networks](#)

- **Infographic:** [Are Your Trading Partners Worth More Than a Spreadsheet?](#)

- **Business Transformation Study:** [M-Industry](#)

| At a Glance | Challenges | Solutions | Outcomes | Dig Deeper |

Minimize risk

AT A GLANCE

Supply chain complexity increases supply chain risk. **SAP Business Network is designed to help you simplify by tightly coordinating plans and activities** with your supply base to better identify and address risks before they cause problems. Now, you can access data, business rules, and alerts for insights into the suppliers you work with – enabling you to proactively discover areas of risk and help ensure compliance.

At a Glance | Challenges | Solutions | Outcomes | Dig Deeper

Minimize risk
THE CHALLENGES

What Risks Are Holding Back Greater Supply Chain Efficiency?

- **Lack of visibility into supply chain challenges:** Manual processes that hinder the identification of potential shortages, delays, or disruptions

- **Low supplier compliance:** Difficulty measuring compliance with standards in areas such as quality, security, fraud, and counterfeit materials

- **Persistent shortages:** Problems overcoming shortages due to port capacity, raw material scarcity, logistical bottlenecks, climate events, disease, and more

- **Supplier business issues:** Risks arising from supplier cash flow problems, bankruptcy, plant closures, or staffing shortages

At a Glance | Challenges | Solutions | Outcomes | Dig Deeper

Minimize risk
THE SOLUTION

SAP Business Network: Coordination with Suppliers to Identify and Respond to Supply Chain Risks

- **Real-time supplier data:** Reduce errors and inefficiency with real-time supplier profiles and data.

- **Insight into delays and interruptions:** Increase visibility into inventory and capacity for supply planning and predictability.

- **Intelligent alerting:** Address risks before they impact customers by responding rapidly to breakdowns with advance notifications of plant and shipment disruptions.

- **Supply chain resilience:** Gain transparency into material inputs with the ability to trace and access historical information along your supply chain.

At a Glance | Challenges | Solutions | Outcomes | Dig Deeper

Minimize risk

THE OUTCOMES

Drive Supply Chain Resiliency

- **Less risk of revenue loss due to stock-outs:** Gain real-time visibility into supplier inventory, capacity, and order confirmation to manage fluctuating demand.

- **Better supplier compliance:** Discover areas of risk and help ensure compliance with powerful network insights and configurable business rules.

- **Proactive preparation for delays or interruptions:** Reduce the risk of latency or stoppages and lower the cost of asset ownership with visibility into supply, logistics, and asset maintenance and performance.

8%–23%
Lower revenue loss due to stock-outs[7]

62%
Of procurement and supply chain executives have the ability to segment suppliers by risk level and category quickly and easily[8]

25%
Lower maintenance costs through predictive or condition-based work orders[9]

7. SAP performance benchmarking.
8. "Getting Closer to See Further," SAP, February 16, 2021.
9. SAP performance benchmarking.

| At a Glance | Challenges | Solutions | Outcomes | Dig Deeper |

Minimize risk

DIG DEEPER

Learn More About How SAP Business Network Helps You Manage Supply Chain Risk

- **Whitepaper:** [Nine Practical Steps You Can Take to Improve Supply Chain Collaboration Right Now](#)

- **E-Book:** [Competing Successfully in the Networked Economy](#)

- **Business Transformation Study:** [Vorwerk & Co.](#)

At a Glance   Challenges   Solutions   Outcomes   **Dig Deeper**

Drive sustainability

AT A GLANCE

Leading organizations worldwide see a strong correlation between profitability and sustainability – and they're taking action to stay ahead. **SAP Business Network helps you gather the data needed to understand where you stand on sustainability issues.** Collaborate with supply chain partners to achieve your goals. Compare your results with trading partners and those of your peers. Drive innovation by designing products that use sustainable materials or less energy. Speed is essential, and the true risk lies in doing nothing at all.

At a Glance | Challenges | Solutions | Outcomes | Dig Deeper

Drive sustainability
THE CHALLENGES

What Challenges Do You Face on the Road to More Sustainable Operations?

- **Cost of compliance:** Difficulties maintaining profitability due to costs of compliance

- **Pressure from internal and external constituencies:** Changing sustainability demands from customers, employees, partners, and regulators

- **Poor supply chain transparency:** A lack of insight into the multitier value chain to help ensure sustainable practices among your suppliers

- **Data quality issues:** Persistent need for better data to drive sustainability initiatives with confidence and accurately calculate carbon footprint

- **Business process support:** Inability to embed sustainability compliance into existing business processes

| At a Glance | Challenges | Solutions | Outcomes | Dig Deeper |

Drive sustainability

THE SOLUTION

SAP Business Network: Increase the Transparency, Reach, and Effectiveness of Your Sustainability Initiatives

- **Sustainable supplier discovery:** Find suitable suppliers based on sustainability criteria, including recycled materials, compliant labor practices, and carbon footprint.

- **Supplier monitoring:** Track suppliers (and your suppliers' suppliers) for compliance with sustainability guidelines and legislation.

- **Logistics optimization:** Optimize logistics routes and processes to reduce carbon emissions and use more sustainable modes of transport.

- **Data transparency:** Capture the data you need to improve supply chain visibility in support of sustainability initiatives.

At a Glance | Challenges | Solutions | Outcomes | Dig Deeper

Drive sustainability
THE OUTCOMES

Drive Sustainability with Confidence

- **Better environmental execution:** Take the measures needed to reduce your carbon footprint across your supply chain.

- **Greater social responsibility:** Find, select, work with, and monitor an ethical and diverse supply base – and live up to the expectations of customers.

- **Increased customer loyalty:** Give customers what they want with greater transparency into sustainability initiatives.

- **Reduced compliance risk:** Comply with current regulations and anticipate new compliance challenges posed by governments and stakeholders.

36%
Report that impact of suppliers is a high priority for investment[10]

43%
Report that materials use is a high priority for investment[11]

79%
Report being dissatisfied with the quality of the data they collect about environmental sustainability[12]

10.–12. SAP Insights, The Balance Sheet Blind Spot: How Sustainability Affects Competitiveness and Profits.

At a Glance | Challenges | Solutions | Outcomes | Dig Deeper

Drive sustainability

DIG DEEPER

Learn More About How SAP Business Network Helps You Meet Your Sustainability Goals

- **Video: SAP Logistics Business Network Material Traceability**
- **Guide: This is Economics**
- **Business Transformation Study: Vestas**

At a Glance | Challenges | Solutions | Outcomes | Dig Deeper

Follow us

www.sap.com/contactsap

Studio SAP | 79186enUS (22/03)

THE BEST RUN SAP