

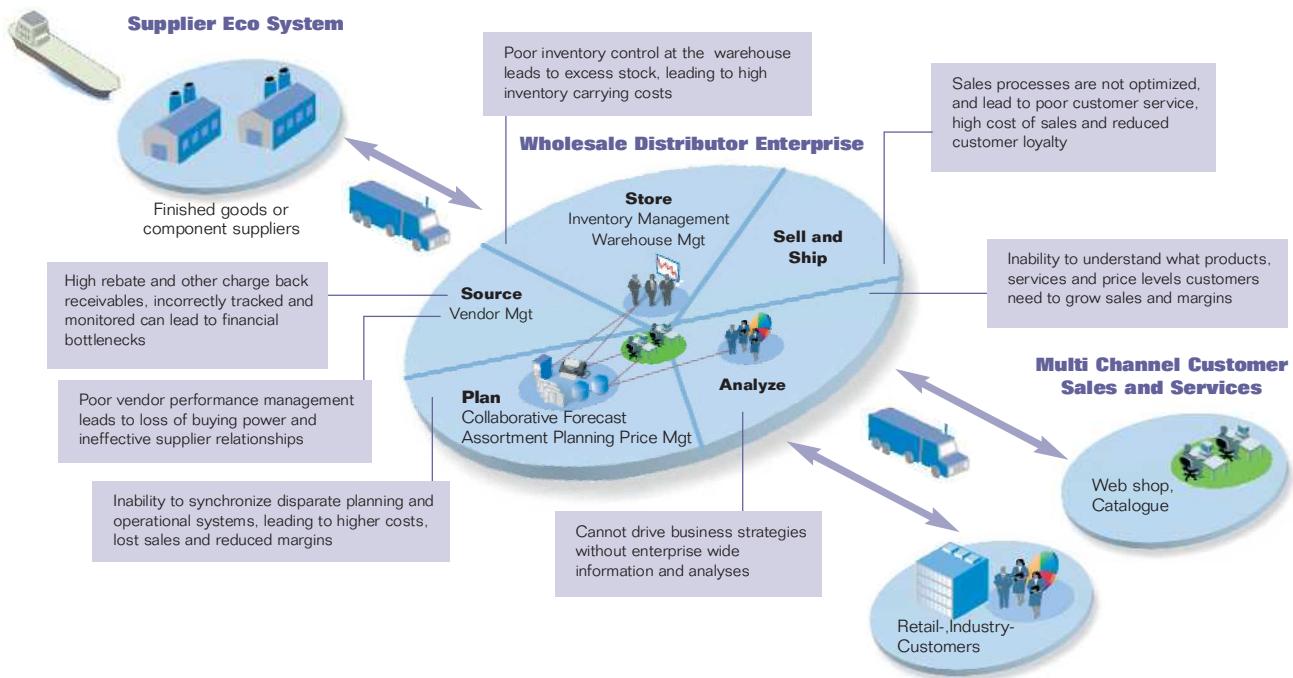


# SAP BUSINESS ALL-IN-ONE SOLUTIONS FOR WHOLESALE

## Managing Growth, Complexity and Profits

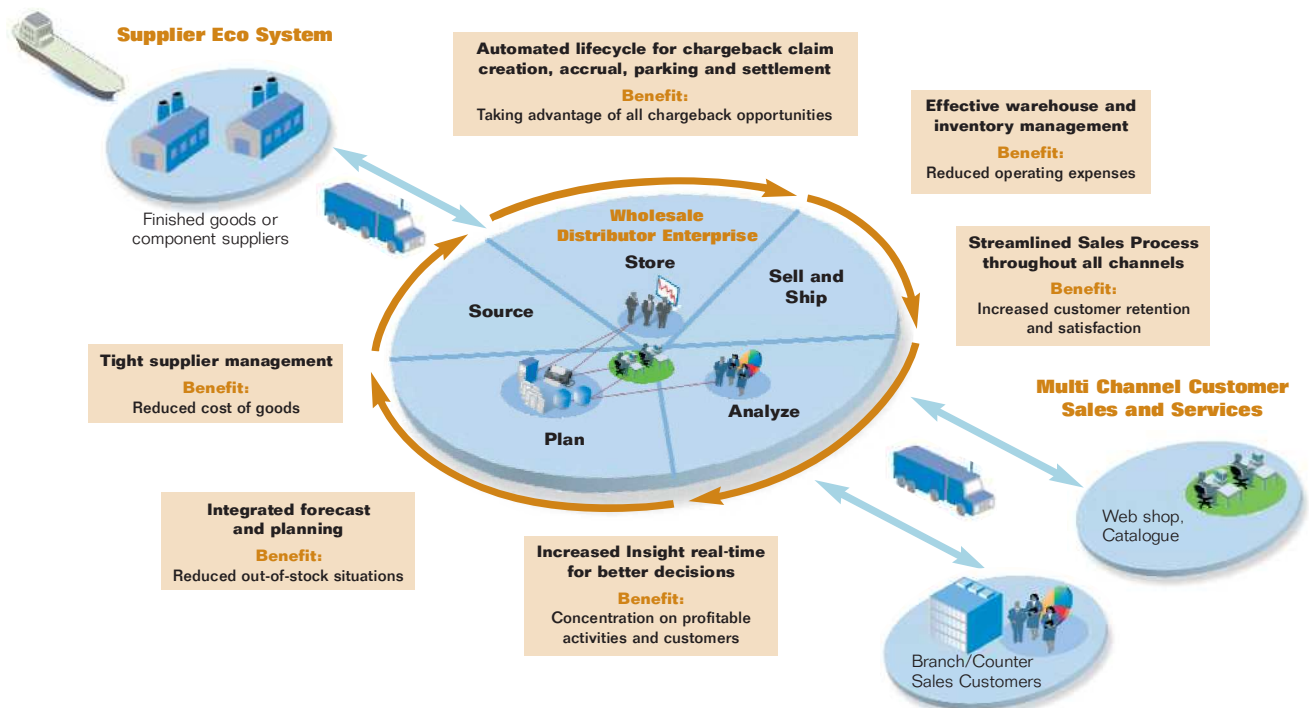
Today's savvy customers expect high-quality service from you, their wholesale distributors. Wholesale Distributors must juggle the seemingly impossible tasks of growing the business and increasing profits while contending with customer expectations and disruptive mergers and acquisitions. Many Distributors are meeting these challenges by attaining operational excellence with solutions from SAP for Wholesale Distribution that enable them to minimize costs, maximize performance and provide profitable growth.

## Top 7 Challenges in Wholesale Distributors Daily Business



**Lack of visibility and integration undermines effectiveness and profitability, leading to higher cost of goods, operating expenses and decreased revenues.**

## Overcome these Challenges with SAP Business All-in-One for Wholesale Distribution



**Automated end-to-end processes beyond the enterprise leading to high operating efficiency, reduced cost of goods and increased profitability.**

## Creating Customer Value for Wholesale Industry Distribution Midsize Enterprise Customers



**SAP Business All-in-One for Wholesale offers best-of-breed wholesale industry-specific processes and value added services for your suppliers and customers**

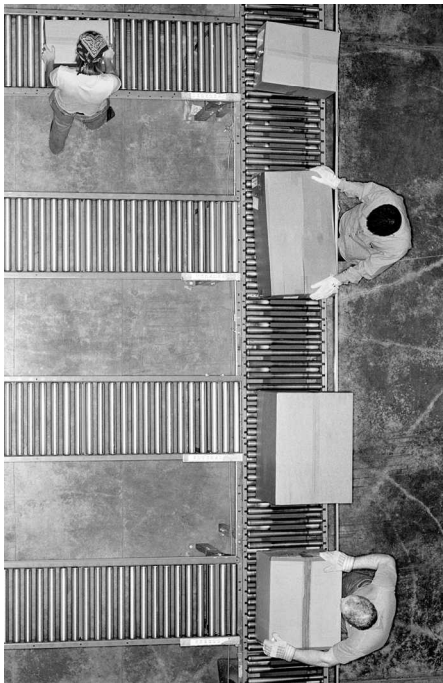
- SAP Business All-in-One for Wholesale Distribution offers completely integrated real-time business processes for optimized operational efficiency.
- SAP Business All-in-One for Wholesale Distribution's unique flexibility requires no modification enabling quick and easy adaptation to changing market needs.
- SAP Business All-in-One for Wholesale Distribution provides an open and scalable platform that supports your future growth.
- SAP Business All-in-One for Wholesale Distribution is a safe investment for your future. SAP stands for over 30 years expertise build in, best practices, innovation, reliability and continuous organic growth.

# Estimated Benefits and Supply Chain Matrix

## Integrated SAP Solution

Tangible Benefits*	% impact
<b>Revenue</b>	
• Improvement in Order Fulfillment rates	5 - 10%
• Reduce out-of stocks	3 - 5%
<b>Operating cost</b>	
• Redeployment and premium freight reduction	3 - 10%
• Reduction in manual process errors	2 - 5%
• Improved warehouse operations and inventory control efficiency	5 - 15%
<b>Working capital</b>	
• Increased inventory turnover	12 - 15%
• Reduced slow moving & obsolete inventory	10 - 20%
• Compressed order-to-settlement cycle times	5 - 10%

\* Benchmarks from Industrial Distribution, and other various industry sources



## Typical Benefits of an Integrated Order-to-Cash Solution

Tangible Benefits	Average*	Best in Class**
On-time delivery (order date)	89.7%	99.1%
On-time delivery (confirmed date)	92.5%	99.3%
Delivery service levels	60.0%	97.2% <span style="background-color: #0070C0; color: white; padding: 2px;">+53%</span>
Order fulfillment lead time [days]	6.2	1.3
Inventory days of supply [days]	79.0	35.8 <span style="background-color: #0070C0; color: white; padding: 2px;">-49%</span>
Cash-to-cash cycle times [days]	97.3	37.3 <span style="background-color: #0070C0; color: white; padding: 2px;">-61%</span>
Warehouse costs [% of turnover]	2.0%	0.6%
Asset turns	2.1	5.8

\* Source: SAP & PRTM Benchmarking Study (2003) – Note: \*40-60%, \*\*80-100% range, OFLT = Order Fulfillment Lead Time

## Case Studies... Hear it from Our Customers

### PACIFICCYCLE

Mr. FJ Matthews, Director of Information Systems  
Revenue: \$295 million  
Employees: 350

#### Fast Implementation

SAP brought a preconfigured client, and we installed the system in 77 days. Used the accelerated SAP methodology and moved rapidly through the blueprint design, realization and go-live phase. SAP brought best business practices and experience in how to install the solution.

### HEADS AND THREADS INTERNATIONAL

Mr. Rob Ludwig, CIO  
Revenue: \$110.4 million  
Employees: 300  
Implementation: < 7 months

#### Low Total Cost of Ownership

The value for us – as a mid-market company that can't afford to have a lot of emphasis on IT – is that the business unit people own the process. They own it because they can dictate how the process should and can standardize around best practices. There is a lot of value in that for small and midsize firms.

### DITAN

Mr. Doug Greenstein, CFO  
Revenue: \$26 million

#### High and Fast Return on Investment

Our ROI on SAP is over 50% each year. We have paid back our investment in SAP, frankly, in 18 month since our original investment.

## Wholesale Distribution Customers Rely on SAP

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WURTH

Try our SAP Business All-in-One Solution Configurator  
[www.sap.com/australia/configurator](http://www.sap.com/australia/configurator)

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