



PACIFIC COAST FEATHER SPREADS ITS WINGS IN CHINA

BUSINESS PROCESS EXPERT FORUM HELPS MEET FINANCIALS CHALLENGE

For its expansion into China, Pacific Coast Feather Company needed expert advice on setting up a chart of accounts to meet Chinese financial reporting regulations. The Business Process Expert community – a community of innovation drawing on the SAP® ecosystem and partners – provided the necessary knowledge.

When the Pacific Coast Feather Company (PCFC) was opening offices in Shanghai and Beijing to establish a new sales channel in China, it found itself in a predicament. The company wasn't sure how to set up its chart of accounts to satisfy Chinese financial reporting regulations. But relying on outside consultants to find answers to questions about using SAP® software to satisfy international business regulations can

be time-intensive and costly. Sometimes you prefer to draw informally on the knowledge and experience of other SAP customers and experts who have faced and handled similar business situations. That's exactly what PCFC did by leveraging the Business Process Expert community – a community of innovation within the SAP ecosystem of customers, partners, and other contributors.

The SAP® Ecosystem Advantage

The SAP® ecosystem enhances the customer experience through co-innovation with a vibrant community of customers, partners, and other contributors who have specific industry requirements. By working together on critical business needs and ideas and sharing technical and business expertise and experiences, the SAP ecosystem helps accelerate innovation for breakthrough results and enhanced return on investment.

Industry-Focused Excellence

Deep industry-specific knowledge – as well as information and expertise around best business practices – results in:

- A comprehensive and consistent approach to enabling business solutions
- Industry-relevant partner solutions and services
- Industry-specific communities and forums within communities

Community-Powered Results

A role- and task-based approach connects a network of valuable resources to meet specific needs. Organizations can participate in communities that:

- Facilitate a trusted environment to quickly get needed information
- Bring together diverse resources and groups to help create the next generation of solutions in concert with SAP

Orchestrated Co-Innovation

An integrated approach draws on the collective wisdom of SAP and its customers and partners. Within the SAP ecosystem, organizations can:

- Harness best practices and expertise to solve business process or technology issues
- Find or develop best practices and ready-to-deploy solutions
- Proactively address integration

Expansion Brings Reporting Challenges

PCFC – based in Seattle – is the leading manufacturer of down pillows, comforters, and feather beds in North America, grossing about US\$300 million in annual sales. For more than 100 years, the family-owned firm has followed uncompromising traditions of craftsmanship that are reflected in the quality and popularity of its bedding products. PCFC’s channels of distribution include retail stores, catalog merchants, warehouse clubs, mass merchants, home shopping networks, and hospitality venues. The company also sells its products online through its own and affiliates’ Web sites.

In 1995 PCFC implemented the SAP Business Suite family of business applications to streamline order processes, improve service, and target new customers. The company uses the SAP applications to run all major aspects of its business, including accounting processes. However, introducing the Chinese sales organization brought a new level of complexity for the company.

“We’ve been an SAP customer since 1995. Just recently, we implemented the SAP Customer Relationship Management application,” says Marielena Withnell, director of business information systems for PCFC. “We used SAP Customer Relationship Management to enable the sales process and an e-commerce Web site in China. That’s when we started to run into issues. We didn’t know how to structure our accounting processes with the SAP solution to satisfy Chinese financial reporting regulations.”

Structuring Accounting Processes

As PCFC was setting up its accounting practices for its Chinese business, Withnell wanted to simplify the process with a single entry in its SAP software. She wasn’t sure if the company needed to use a specific chart of accounts for China, or if it could use its existing chart of accounts based in the United States. “We were reporting and accounting for that business under our current standards,” Withnell observes. “We wanted to know if we could use our own chart of accounts and use a China-specific chart of accounts just for reporting to the Chinese government. If so, we wanted to know how alternative account numbering works and how people are using it.” When using SAP software to manage two different charts of accounts – one global, the other country-specific – a company can link both charts of accounts via an

alternative account number field in the chart of accounts master data. Withnell turned to the Business Process Expert community – an SAP community of innovation – to learn how this SAP functionality might help PCFC resolve its business process issue.

Business Process Expert Online Community Forum Provides Answers

The Business Process Expert community drives process innovation through collaboration, best-practice sharing, and collective learning. Within the community, industry experts, business and application consultants, process developers, enterprise architects, and many others engage in moderated forums, Wikis, and expert blogs to collaborate across company boundaries, share ideas, develop and refine business processes, and leverage the benefits of enterprise service-oriented architecture (enterprise SOA).

In a forum within the community, Withnell found a thread with several responses to a question posed by an SAP customer about setting up a country-specific chart of accounts.

“Researching information at the Business Process Expert community at SAP is quick and easy. The information is at your fingertips. It’s a great place to start.”

Marielena Withnell, Director of Business Information Systems, Pacific Coast Feather Company

One of the responses was very specific. “We found a whole section that dealt directly with the issue I was facing – using a China-specific chart of accounts and complying with the Chinese government’s regulations for financial reporting,” Withnell explains.

With help from its own business process analysts, PCFC set up the chart of accounts detailed in the forum and tested it on a development system. “We set it up using the alternative account numbers specified for China,” Withnell adds. “Afterwards, we looked at the reports with our VP of accounting, and it worked. We went forward with that configuration in our live system.”

“By researching our issue in the Business Process Expert community, we saved a lot of money in consulting fees and time in our search for information.”

Marielena Withnell, Director of Business Information Systems, Pacific Coast Feather Company

Using Expert Community Saves Time and Money

Previously, PCFC would have had to rely on remote consulting to address this business challenge or wait to connect with other SAP customers and users at a conference. Had no conferences taken place while PCFC needed help, Withnell would have had to find other SAP customers, determine the correct contact person, and make contact directly. However, by tapping into the know-how and experience of the Business Process Expert community, PCFC was able to research its business challenge quickly, find a likely solution,

and test and implement it. Withnell adds, “By researching our issue in the Business Process Expert community, we saved a lot of money in consulting fees and time in our search for information.”

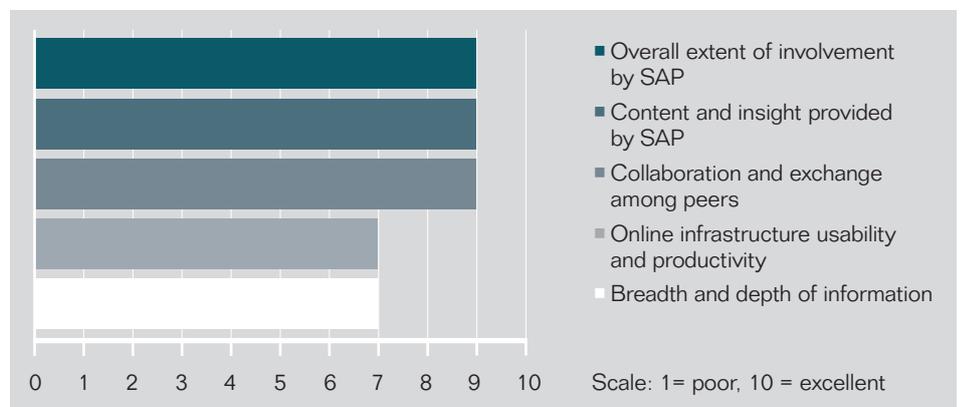
Driving Process Innovation Through Collaboration

Drawing on SAP communities of innovation is not a new concept to PCFC. The company’s developers have long relied on the SAP Developer Network community to research usage problems or gain a better understanding of SAP applications. But for the chart of accounts challenge, Withnell ventured into the Business Process Expert community. She explains, “The Business Process Expert community is for business issues. It can be somewhat hard to decide what approach to take when establishing a new process, especially when it’s in a new geographical area of business. Not knowing much about how SAP accommodates accounting practices and tax regulations in China, we looked to the Business Process

Expert community to see how other global customers were using SAP in that area.”

Withnell gives the Business Process Expert community high marks, charted in the figure below. She likes learning from others’ experiences and will continue to draw on the community to see the direction other users have taken. “You get good information from people who have succeeded and some who have failed,” she adds. “What you see there is reasonable. I can’t say you’ll find 100% of what you’re looking for because things change and companies are configured differently. But it gives you a direction.”

The Business Process Expert community proved to be exactly what PCFC needed at a crucial time to address a critical business challenge. By leveraging the knowledge and experience of other SAP customers, the company was able to quickly and cost-effectively address its accounting issues so it could get back to business – growing its Asia-Pacific operations.



Customer Rating of Business Process Expert Community

Communities of Innovation at SAP

The communities of innovation at SAP create value for our customers as they develop strategy, establish business processes, engineer technologies, deploy solutions – even as they conduct ongoing daily operations. To deliver this value, SAP – through our own or other forums of interest – orchestrates an ecosystem of businesspeople, developers, and IT services professionals who span business strategy, business processes, technology, and operations. The communities of innovation distinguish SAP as the leader in coordinating and harnessing the collective power of our developers, partners, and customers – to usher in a new era of enterprise service-oriented architecture.

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To Join or Visit Online Communities

Business Process Expert Community:
bpx.sap.com

Enterprise Services Community:
esc.sap.com

Industry Standards:
sdn.sap.com/irj/sdn/standards-and-opensource

Industry Value Network:
www.sap.com/ecosystem/communities/ivn

SAP Developer Network:
sdn.sap.com



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