



Enterprise Services  
Partner Summit

San Francisco  
April 18-19, 2006

## Strategic Partnering with SAP Driving compelling customer value

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Turn pricing insights into profits.

THE BEST-RUN BUSINESSES RUN SAP



# Enterprise Services Partner Summit

April 18-19, 2006

San Francisco, California

## Agenda

**Vendavo overview**

**Driving compelling value at Hexion Specialty Chemicals**

**Lessons in successful partnering with SAP**

**Summary**



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## **Vendavo: 100% B2B Price Management Software**

**Delivering compelling value to SAP clients**

**Successful partnering with SAP requires a solid commitment**

**Technology alignment is key**

**Alignment builds credibility and value with SAP customers**

**Commitment and credibility lead to marketplace success**



Turn pricing insights into profits.



# Vendavo: Proven price management software for B2B companies worldwide

## Focus

**100% B2B Price Management software**

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## Experience

**Over 20 clients – over 70 client divisions live or in deployment**  
**Clients live in North America, Europe, Asia and worldwide**

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## Industries

**Applicable across B2B industries**

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## Enterprise-class software

**6<sup>th</sup> generation solution combines rich features with high flexibility**  
**Multiple integrations to SAP systems**  
**Proven scalability, performance, and upgrades**

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## SAP Partnership

**Strong partnership in place**



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# SAP Price and Margin Management by Vendavo™



SAP Certified Integration



## Deal Manager

Empower sales teams to negotiate more profitable contracts and quotes

- Flexible negotiation of prices and terms
- Compliance with corporate guidelines
- Visibility into history and peer groups
- Consistent prices across the business
- Accurate prices; terms loaded into SAP solutions

Deals comply with prices and policies

Deals enhance pricing analysis



## Price Manager

Provide pricing and guidance across the organization

- Flexible, detailed price lists and policies
- Policies managed by business users
- Mass price-updates performed automatically
- Consistency, compliance, and accuracy ensured
- Master data from SAP and price updates to SAP solutions



## Profit Analyzer

Deliver real-time pricing insights to decision makers

- Flexible, business user-driven analysis
- Win-loss and compliance tracking
- On-the-fly visibility into the business
- Consistent and accurate “one view”
- Billing docs sourced from SAP NetWeaver Business Intelligence or SAP solutions

Prices, policies, and analysis inform decisions

Analysis drives and measures effectiveness of prices and policies



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## Significant improvements identified and captured through business rules, process leakage reduction, and improving pricing communication in \$1B line of business

### Challenges

#### Complex pricing processes

- Calculation and upload of index driven contracts
- Price approval workflow and escalation
- Gaps between Invoiced and Contract price in volatile markets
- Lack of centralized, electronic price books
- Credit/debit memos and exceptions resulting from pricing errors

#### Inconsistent transactional margins

- Limited visibility and review of low margin opportunities
- Strategies not achievable without mechanisms to enforce and monitor business activity
- Negotiations with visibility to true costs (terms, freight, services)
- Limited decision support and “what if” analysis during negotiations

### Results

- Reduced price administration significantly
- Reduce leakage resulting from noncompliant terms, extended terms and late payments
- Escalate communications of transactions falling outside of predefined parameters
- Visibility and “what if” analysis during negotiations
- Reduced administration and standardized approval process
- Analysis of pricing ‘lag’ when compared to cost increases
- Targeting projects to address lower margin and process leakage opportunities

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Building a successful partnership with SAP  
takes time and real commitment

**Understand SAP offerings and how to complement it**

**Target and execute against visible SAP customers**

**Invest in making your solution “Powered by NetWeaver”**

**Understand how your offering fits in the ESA framework**

**Actively participate in SAP marketing activities**

**Leverage your ISV Partner program relationship manager**

# Why adopt SAP NetWeaver?

## Be responsive to SAP customer needs

### Customers are looking for...

#### Lower risk

- “Burned” in the past by promises of “standards”

#### Lower total cost of ownership

- Reduce integration and application server costs
- Reduce costs of ongoing maintenance – one environment
- Leverage existing SAP applications and infrastructure

#### Alignment with SAP’s technology direction

- Critical for clients that have already adopted SAP NetWeaver
- Don’t under-estimate importance for those moving there over time

## What the SAP partnership can do for you...

### Help you in sales cycles

- Show commitment to the SAP customer base
- Lower your customers' TCO
- Increase the value of your solution for your customers

### Provide more visibility to your solution

- Highlight customer wins
- Raise awareness within SAP
- Accessibility of SAP customers at SAPPHIRE

## What SAP can't do for you...

- Automatically bring you more business
- Overcome a weak value proposition
- Magically build a network of connections at SAP

# Enterprise Services Partner Summit

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**Summary**

**Partnering with SAP drives real customer value**

**Bring consistent customer success to the table**

**Successful partnering requires time and commitment**

**Align your technology roadmap with ESA**

**Real investment pays off in commercial success**

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