INDUSTRY STANDARDS DRIVE BUSINESS NETWORK TRANSFORMATION

Industry standards bodies such as GS1 and RosettaNet have made great strides in establishing globally accepted standards to create a common language for business-partner collaboration – even down to the most detailed data elements. These standards are essential for companies to transform their business networks to support business processes that span these networks using disparate applications. SAP is closely aligned with these standards organizations and, along with our partners, has adopted these standards throughout our solution offerings.

In business today, companies need to be able to adapt their own business processes, as well as the processes that span the business network, without disruption. This business network transformation requires not only a flexible IT landscape that integrates disparate applications, but also use of industry standards, even down to the most detailed data elements, thus allowing partners to collaborate with agility. Successful trading-partner collaboration is the basis for increasing efficiency and responsiveness in day-to-day business. If all partners speak the same language when communicating with each other, that drives more benefit across the entire value chain. With the definition of globally accepted industry standards by industry bodies and their user communities, the necessary prerequisite for a common language has been established.

For solution providers, it is now important that these industry standards are supported in integrated applications across groups of related business processes. For example, what is the benefit of synchronized master data if it can't be used according to industry standards in follow-up processes such as order-to-cash or procure-to-pay? Without employing these standards throughout all applications, synchronized master data might be optimized only in isolated areas rather than throughout the entire business process chain.

SAP's tight alignment with industry standards bodies such as GS1 and RosettaNet ensures an open exchange of thoughts and ideas and helps all parties achieve the best possible benefit – always the goal for an interconnected ecosystem.

SAP and its partners have adopted industry standards comprehensively within their solution offerings. SAP wants to ensure that the different solutions fit together and that these integration aspects are taken into account. Solutions for several different industries are available for the following standards areas: GS1 number ranges, global data synchronization (GDS), upstream collaboration, downstream collaboration, bar coding, EPC/RFID, and track and traceability.

What's New with the Current Offering of the SAP® Enhancement Package for SAP ERP

To ensure the proper use of standards, the software must serve as the correct foundation with regard to data structures. This is done within the SAP® ERP application. Data stored in the application with the correct semantics, and integrated with our GDS functionality, can be exchanged with the respective partners. All these steps are prerequisites for collaborating with your business partners on a daily basis. That is, once data is exchanged, your partners have the same understanding regarding the data, which can now be used in all kinds of transactional processes.

With the SAP enhancement package for SAP ERP 6.0, SAP provides new functionality that supports trading-partner collaboration within the order-to-cash and procure-to-pay processes. This functionality is seamlessly integrated with SAP offerings in the areas of GDS and enterprise resource planning (ERP) master data. Now SAP offers new GS1 compliance checks and GS1 object data mapping as follows, thereby completing the picture:
- ERP master data
- ERP transactional data (order-to-cash and procure-to-pay)

Objective of the New GS1 Compliance Functionalities

The objective of the new functionalities is to make use of the GS1 codes and standards Global Trade Item Number (GTIN) and Global Location Number (GLN) to support collaboration, especially in the consumer packaged goods and retail industries. In addition, the new functionalities support upstream processes and standards, which are established by the global upstream supply initiative (GUSI). The focus lies in support of order-to-cash and procure-to-pay processes – via electronic data interchange (EDI) and manually – for manufacturers as well as for their suppliers. In this way, all parties can achieve a higher data quality, as well as mapping of externally communicated numbers (GTIN or GLN) into internal numbers (such as SAP material number, SAP customer number) and vice versa.

The New Functionalities in Detail

New Functionalities in the Area of ERP Master Data

New functionalities in the area of ERP master data include the following:
- **Features relevant to GTIN**

  GTIN consistency check – To ensure that the GTIN attributes match when a GTIN is assigned to different SAP materials, a consistency check takes place during the maintenance of material master records. If a GTIN is reassigned from one material to another, the system checks whether the maintained attributes of the two materials match (for example, the weight, length, width, and height of the product).

  GTIN consistency report – In case there are already inconsistencies in the database, a consistency report can be executed to change the attributes of certain materials. In this way, you can change the attributes of all the materials in the database with the same GTIN variant combination in a single step, thereby ensuring consistent attribute data for this variant combination.

Besides the GTIN, it is also possible to maintain and search for GTIN variants. Different variant types can also be used to distinguish among trade items.

For compliance with GUSI standards within the upstream area, you can now maintain supplier-owned GTINs and use them within the procure-to-pay process.

- **Features relevant to GLN**
  The GLN uniquely identifies different business objects. These objects can be business partners (customers or vendors), physical locations (shipping points or plants), as well as organizational units (purchasing and sales organizations). Even though the objects are used in business processes, they can be identified only by means of a specific object key and not by a GLN. To enable them to be identified by a GLN, the relevant object must be assigned a GLN, which is now possible for the above-mentioned SAP objects.

New Functionalities in the Area of Transactional Data – Downstream and Upstream Collaboration
These functionalities simplify the order-to-cash process, enabling the system – for an incoming EDI-order message with GTIN information, for instance – to perform a code conversion and determine the appropriate SAP material number for the specified GTIN. At the same time, this conversion process takes into account various customer and sales data. This is particularly beneficial if a GTIN is assigned to several SAP materials, which is often the case due to logistical needs.

Besides the GTIN mapping, GLN mapping is also provided for incoming and outgoing EDI messages. The new mapping service for GTINs and GLNs can be used for the following EDI messages (among others):
- Order
- Dispatch advice
- Invoice

Benefits of the New Functionalities
These new functionalities speed up the time-to-market process. Improved consistency of the material master decreases the probability of incorrect deliveries and invoices in daily processes, thereby reducing error rates.

A key strategic benefit is that communication can be improved through standardized item definition across all processes. This affects not just external processes with business partners but internal processes as well, since different business units and IT systems can also participate in the standardized communication – a perfect example of business network transformation.

How to Get the New Functionalities
You can activate these new functionalities by installing the SAP enhancement package for SAP ERP 6.0. To find out more, please contact your SAP representative or visit http://help.sap.com and search for "GS1 Compliance."

www.sap.com/contactsap

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