

# Optimized Supplier Spend Reporting with SAP NetWeaver MDM and SAP BusinessObjects Data Services



## Applies to:

For data extraction, cleansing, and consolidating:

- SAP BusinessObjects Data Services XI 3.1
- SAP NetWeaver Master Data Management 7.1

For subsequent reporting:

- SAP NetWeaver Business Warehouse 7.0
- Xcelsius 2008 (optional)

## Introduction

In today's challenging economic times, companies continue to look for ways to improve how they control and optimize the money they spend. Unfortunately, many companies lack sufficient, accurate, and timely insight into supplier spend due to fragmented supplier and material data hosted in data silos across systems. To help our customers address this challenge, SAP delivers a dedicated software package for optimized supplier spend reporting.

The article is accompanied by an easy-to-consume demo that gives insight in the individual process steps and the related features. It clearly shows the direct value that you can drive from the software package for Optimized Supplier Spend reporting.

**Note:** Direct link to the [Optimized Supplier Spend](#) demo.

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**Created on:** 09 November 2009

## Author Bio



Markus Ganser is in Solution Management for SAP NetWeaver Master Data Management (MDM). He joined SAP in 1997, starting in Knowledge Management for SAP R/3 Quality Management. In 2000, he took over Product Management responsibilities in the area of Product Life-cycle Management (PLM) with special focus on Asset Life-Cycle Management. In 2002, Markus moved to MDM product management.

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## The Business Challenge

With each LOB in a company operating with different information on a single supplier entity it is difficult to get a single view comprising the best information about the specific supplier. This holds true both for operational and for analytical contexts. Is this supplier related to another similarly named supplier? Which address is the best? Which name is correct? What is the most recent phone number? Is my supplier a subsidiary of another company with which my company does business? How much money do I spend on my individual suppliers?

To ensure that you can analyze your supplier interactions, such as global spend reporting effectively, you need complete, accurate, and synchronized supplier and material data. SAP helps you tackle this challenge with an easy-to-deploy solution for optimized supplier spend (OSS) reporting from which organizations can gain immediate benefit.

To illustrate the problem, this supplier spend dashboard shows a company's top-ten-suppliers before the data has been optimized for supplier spending reporting:

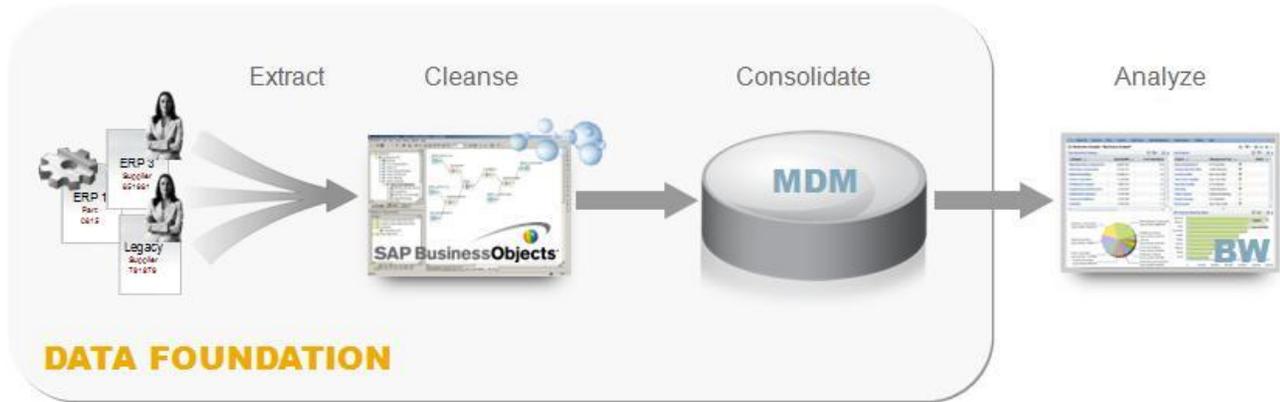


While the visualization is clear, the information is based on data collected from dispersed systems. This means:

- The data has not been cleansed and consolidated beforehand
- The results list shows possibly redundant instances of one and the same supplier (for example *Becker Berlin GmbH* vs. *Baecker Berlin GmbH* or *Panorama St. Inc.* vs. *Panorama Studios Inc.*)
- Due to possible redundancies, the information output cannot be trusted and used as a solid base for strategic decisions (e.g. global sourcing)

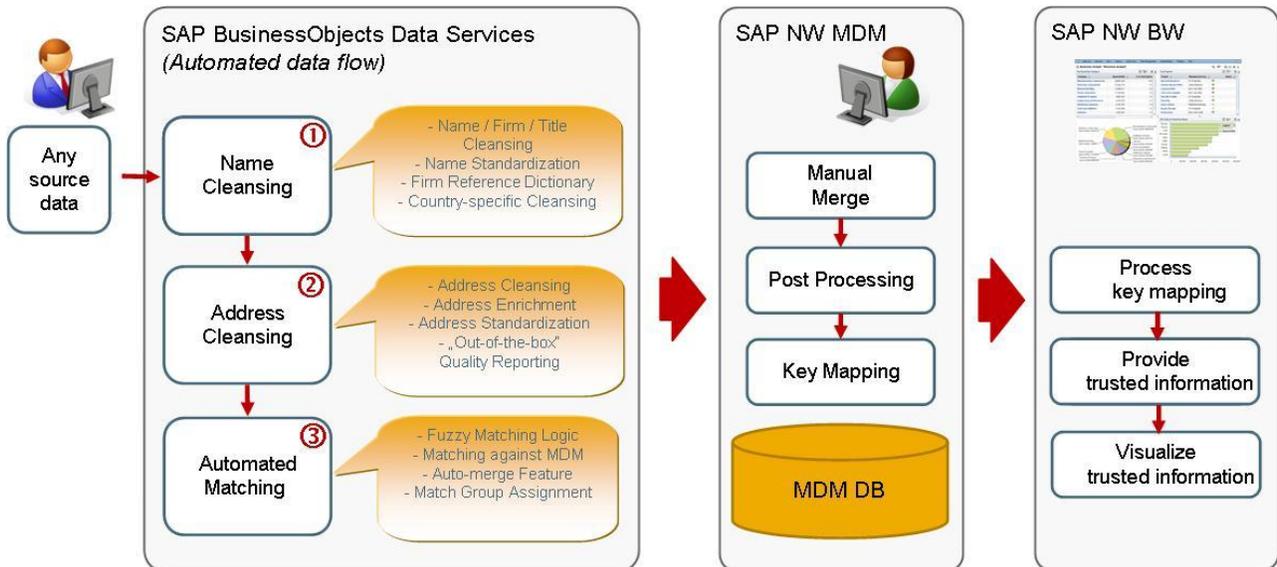
## SAP Package for Optimized Supplier Spend Reporting

SAP delivers an integrated package of software to help you optimize supplier spend reporting. This package provides all required processes and features for cleansing and consolidating the supplier master data from disparate systems, and paves the way for trusted reporting in the business warehouse. The main process flow for optimizing master data to improve supplier spend reporting consists of the following steps:



1. **Extract:** Extract and import data from any data source using the ETL capabilities of SAP BusinessObjects Data Services.
2. **Cleanse:** Normalize and cleanse inbound data using the best-in-class capabilities of SAP BusinessObjects Data Services.
3. **Consolidate:** Consolidate master data by merging identical records into a golden record and centrally managing the master data including the local IDs of identical entities (key mapping information) using SAP NetWeaver MDM.
4. **Analyze:** Analyze data using Xcelsius, which runs against consolidated data stored in the business warehouse using SAP NetWeaver BW.

The following illustration shows you in more detail, how the individual pillars are streamlined for the specific process steps and how they interact.



## Ensuring Data Quality with SAP BusinessObjects Data Services

SAP BusinessObjects Data Services unifies data integration, data quality management, and data profiling in a single product. It provides the following features:

- Enterprise-wide data access
- Automated data flows
- Parsing and standardization
- Address cleansing and enrichment based on international and standardized directories
- Quality reports
- Fuzzy matching to detect similar objects and possible identical records (and sort these into match groups)

## Creating a Single View of Information with SAP NetWeaver Master Data Management

SAP NetWeaver MDM enables IT organizations to consolidate, harmonize and manage supplier and material master data from heterogeneous environments to support operational and analytical use cases. It provides the following features:

- Master data persistency and processing layer
- Streamlined data import
- Interactive merging
- Comprehensive post-processing capabilities, such as
  - High-performance search
  - Validations
  - Image management
  - Workflow-orchestration
  - Flexible data modeling
  - Key mapping administration

## Delivering Trusted Data Using SAP NetWeaver Business Warehouse

Based on the consolidated supplier information (i.e., the key mapping information from SAP NetWeaver MDM), SAP NetWeaver Business Warehouse delivers the trusted analytical data.

It provides the following features:

- Analytical layer and trusted information output
- Direct data import from SAP NetWeaver MDM
- Direct processing of inbound key mapping information
- Output of trusted information

## Visualizing Complete and Accurate Data Using Xcelsius Dashboards

Once you have ensured that supplier and master data is complete and accurate, you can create and tailor intuitive and easy-to-consume dashboards using Xcelsius to meet your business user's needs.

The following screen shows the benefits to supplier spend analysis after data has been optimized:



The dashboard displays reports based on trusted information; for example:

- Identical instances of one and the same supplier have been merged and the spend amount accumulated accordingly
- Redundancies in material information have been detected and eliminated
- Information output is now a trustworthy source for strategic decisions

This consolidated supplier and material information lets you clearly see who your top ten suppliers really are, something which brings you in the driver's seat when it comes to strategic decision making processes such as global sourcing, or concrete purchasing negotiations with your business partners.

## Summary

This easy-to-deploy package delivers direct benefit for organizations struggling with dispersed supplier information.

- Out-of-the-box solution enables fast implementation
- Deployment in an ad-hoc fashion - No change of existing operational processes needed
- Rapid return-on-investment due to immediate transparency on supplier spend
- Being based on multi-domain MDM, cleansing and consolidation is also applicable to material data

**Note:** If you'd like to know more about this software package, feel free to send me an email, or make a comment on my [SDN blog about Optimized Supplier Spend Reporting](#).

## Related Content

[MDM homepage on SDN/BPX](#)

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