The SAP® E-Sourcing on-demand solution is a subscription-based offering that enables rapid time to value. It includes hosting services, training, and user support. It is designed to help you quickly access benefits and maximize savings by automating and stream-lining the strategic "source to contract" process.

AN ON-DEMAND SOLUTION FOR RAPID AND SUSTAINABLE SAVINGS
SOFTWARE, SERVICES, AND EXPERTISE FOR AN E-SOURCING PROGRAM

Under pressure to support constant profitability in the face of global competition, procurement organizations like yours must find ways to reduce costs and generate additional savings from procured goods and services. Most likely, your group struggles to meet savings goals with an overworked staff using time-consuming, manual processes or outdated systems. As a procurement professional, you need a solution that not only helps you to collaborate with key stakeholders, qualify suppliers, help ensure a competitive bidding process, and negotiate contract terms with suppliers, but that also enables you to do it rapidly, with necessary integration, and with the key services required to drive success. With the SAP® E-Sourcing on-demand solution, you are able to take your sourcing initiatives to the next level. This integrated, on-demand solution enables a rapid time to value through ease of configuration, flexibility, and the simplicity of adoption. You can focus on your business imperatives without worrying about the related infrastructure. You are able to realize the savings identified through strategic sourcing by helping to ensure that your users are buying against negotiated contracts.

Helping address these concerns, the SAP E-Sourcing on-demand solution enables you to better manage the entire sourcing process and leverage the services provided by SAP, to help you drive adoption and change throughout the organization. These services include

a rapid customer onboarding process to get you up and running quickly, as well as value-added services that can help you to tailor the solution to your specific needs.

With the SAP E-Sourcing on-demand solution, your strategic sourcing initiatives can get started quickly and easily with an on-demand approach. You can take advantage of essential features that support savings reporting, collaborative project management, online bidding, contract negotiation and ongoing contract management, as well as supplier management. When you're ready, you can add advanced features to your existing operational procurement functionality to fully leverage your existing investments.

Key Tools for Driving Savings

The SAP E-Sourcing on-demand solution supports the strategic "source to contract" process, enabling you to perform the following actions to improve your savings results.

Organize and Collaborate with Project Management
Bring internal stakeholders together using a shared, online project plan. Keep team members up-to-date using status reports and alerts. Track opportunities for savings. Leverage pre-configured business process templates in order to reduce cycle time and help ensure that best practices are repeated throughout your organization.

SAP

Find the Right Suppliers

Help ensure that only qualified suppliers are competing for your business. Using the self-registration process and supplier assessments, you can easily identify which suppliers can meet your business needs and will be sustainable over time. Suppliers can maintain their profile information so that you stay current on their capabilities.

Streamline Requests for Information, Proposals, and Quotations

Conduct simple or complex sourcing activities for direct, indirect, and service categories by automating the creation of requests for information, proposals, and quotations. Automate the scoring process using multilevel weighted scoring and preference setting. Enable key stakeholders to evaluate and score responses from suppliers using collaborative scoring

With SAP E-Sourcing, your strategic sourcing initiatives can get started quickly and easily with an on-demand deployment.

processes. Leverage the multiround capabilities to first qualify suppliers and then carry key data forward into a comprehensive request for proposal or auction.

Robust Reporting

Analyze supplier responses using side-by-side comparisons, pricing, and potential savings reports. Help ensure

that diverse suppliers are being invited to participate in sourcing events. Evaluate award decisions over time to understand what key criteria are being used in awarding business to suppliers.
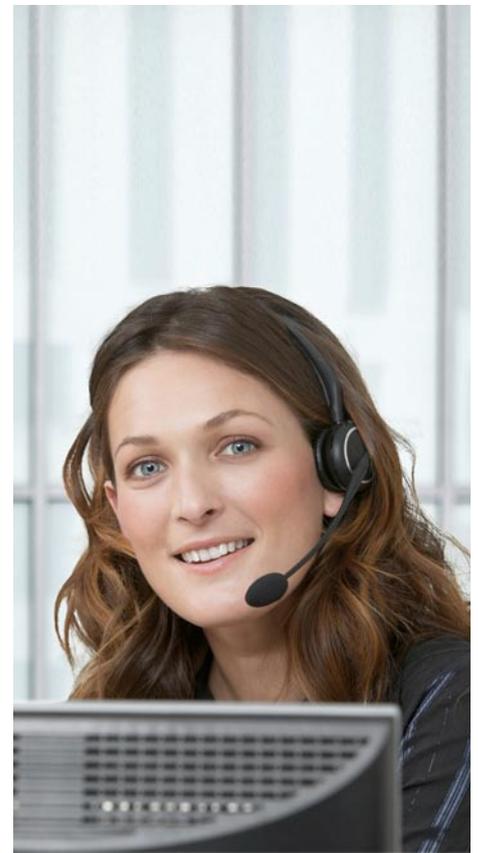
Conduct Effective Auctions

Create competitive bidding environments using reverse, forward, and Dutch auctions. Interact with suppliers in real time, using instant messaging, bidding consoles that automatically refresh, and graphical representations of auction activities. Easily manage bidding and disclosure rules, such as bid and rank visibility, automatic extensions, weighted-bidding cost factors, staggered start and end times for individual items, and reserve prices.

Deliver Contract Negotiation and Administration Processes

Use the contract management features of the SAP E-Sourcing on-demand solution to help ensure compliance with a variety of policies, procedures, and regulations, such as the Sarbanes-Oxley Act. Generate, negotiate, and manage contracts with a single, searchable contract repository. Create a library of standard contract clauses and contract document templates to promote and enforce your organization's legal standards during the contract-generation process. Utilize a predefined workflow-approval process to help ensure that the right people sign off on contract changes. Use alerts to manage the contract renewal cycle.

Manage Supplier Information

Use the supplier management features to create and maintain a central repository of all of your suppliers. Enable sup-

As a Web-based solution, SAP E-Sourcing helps maximize savings by automating and streamlining strategic sourcing.

pliers to self-register and maintain key information about their organizations on an ongoing basis. Leverage these capabilities to help ensure that insurance certifications and diversity status are up-to-date in order to support key initiatives within your organization. Assess your suppliers on a periodic basis to mitigate risk and help ensure sustainability.

Help Ensure Compliance

By leveraging standard integration to your back end, you can help ensure that business users are purchasing against negotiated contracts. This helps you maximize savings opportunities by turning savings that you've identified through the sourcing process into actual savings that are realized at the time of purchase.

SAP Gives You a Jump Start

There is nothing like initial success to generate enthusiasm and drive adoption throughout the organization. You can leverage SAP's experience to help ensure the successful launch of your strategic sourcing program. Our best practices are available to you in numerous ways.

Embedded Best Practices
With the SAP E-Sourcing on-demand solution, you can launch your events using sample templates with embedded sourcing processes. These tools help you repeat best practices, reduce cycle time, and share knowledge among your sourcing professionals. Automated sourcing events and analytical functions help you eliminate cumbersome, time-consuming, and paper-based supplier negotiations and awards.

On-Demand Services
Key services are included as part of the complete solution. These services include the following.

Customer Onboarding
Our customer onboarding includes a rapid process that enables you to begin using the SAP E-Sourcing on-demand solution in a matter of days. The software is provisioned quickly. Predefined templates are used to load key master data. End-user training is simple and concise.

Value-Added Services
You can tailor the solution to meet your specific needs. Optional value-added services can be leveraged to help you go through blueprinting exercises to model your business processes, add specific category templates to the solution, and configure role-based dashboards for your key business users.

E-sourcing activities result in better decisions that optimize the overall value contribution from suppliers.

Ongoing Support and Services
Help desk and functional support are provided to help your users get questions answered quickly. In addition, optional services are also available. These optional services include event day support to assist you in preparing for and running auctions, a supplier help desk to assist your suppliers, and strategic sourcing services to help you define your strategic sourcing methodology and strategy for various categories of expense.

Undisputed ROI, Quick Payback

With low investment, rapid adoption, and supporting expertise from SAP, you have all of the ingredients to generate substantial savings and raise the prominence of your team.

Greater Savings and Value
E-sourcing activities result in better decisions that optimize the overall value contribution from suppliers. Through ready-to-use analysis tools, you can evaluate and compare supplier bids on factors that are most important to your organization. For example, your procurement team can analyze proposals on the basis of price, supplier qualifications, delivery options, and so on. Through the SAP E-Sourcing on-demand solution, you can source from qualified suppliers that deliver the best value to your enterprise.

Powered by SAP NetWeaver®

The SAP E-Sourcing on-demand solution is powered by the SAP NetWeaver® technology platform, which helps IT organizations become more strategic to their business. As the technical foundation for a service-oriented architecture (SOA), SAP NetWeaver helps IT organizations evolve their existing IT infrastructure into a more cost-effective business process platform that improves efficiency, insight, and flexibility. With SAP NetWeaver, IT organizations can improve the operational efficiency of best-in-class business processes. In particular, IT organizations can use SAP NetWeaver to run applications, such as the SAP Business Suite applications and SAP-certified partner solutions, from a single, unified platform. IT organizations can ensure that mission-critical business processes are highly available, reliable, scalable, and secure throughout the lifecycle.

Find Out More

If you would like to know more about the SAP E-Sourcing on-demand solution and learn how it can help your procurement organization improve its results, visit www.sap.com/e-sourcingondemand.

Summary

The SAP® E-Sourcing on-demand solution is a complete, modular, and fully integrated solution designed to drive sustainable cost savings, enable comprehensive contract management, provide superior supplier management, and help ensure rapid time to value. It provides built-in support for best practices, integration across business functions, and real-time visibility across your entire enterprise, so you can proactively manage every aspect of the strategic "source to contract" process.

Business Challenges

- Limited visibility across the enterprise
- Inability to collaborate internally with key stakeholders or externally with business partners
- Lack of process and data integration to enable compliance
- Inability to realize identified savings
- No process standardization or repeatability
- Slow innovation and resulting ROI
- Poor user adoption
- No on-demand availability and no supporting services

Key Features

- **Integrated strategic "source to contract" process** – Manage and govern with key supporting project management features
- **Multiround sourcing processes** – Enable multiple rounds to identify qualified suppliers and negotiate pricing while leveraging collaborative scoring and bid optimization features
- **Reverse and forward auctions** – Create competitive bidding environments with bid console, message board, and graphical monitoring
- **Contract authoring, negotiations, and administration** – Help ensure compliance with policies, procedures, and regulations such as the Sarbanes-Oxley Act
- **Supplier performance and risk management** – Mitigate risk and help ensure the sustainability of the supply base
- **Integrated sourcing and procurement execution** – Integrate sourcing and procurement processes to drive compliance and realize savings

Business Benefits

- **Faster speed to value** resulting from rapid adoption
- **Improved contract compliance** driven by integrated business processes
- **Tangible actual savings** through realization of identified sourcing savings
- **Reduced cycle time** in running sourcing initiatives
- **Less risk and improved sustainability** through better supplier management
- **Increased adoption** due to access to key services

For More Information

Visit us at www.sap.com/e-sourcingondemand.