# Newsletter Vol. 20 - Introduction

Softengine News is dedicated to keeping you up to date with the latest information regarding SAP Business One systems, Softengine solutions and Best Business Practices.

## What's New?

## SAP® Business One ...To Go - The Essence of SAP Business One

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SAP® Business One is an integrated business management application designed from the ground up for small and midsize businesses like yours.

## What Is SAP Business One?

Unlike most other software applications that focus on a specific area of business, such as accounting or customer relationship management (CRM), SAP Business One is an integrated business management application. It offers a complete set of core functions, including financials, customer management, sales, operations, and logistics, which address the business management needs of your entire company.

## More Than a Point Solution

SAP Business One is more than the typical financials software that was born out of accounting and bookkeeping, or a standalone customer relationship management solution. It helps businesses like yours manage the entire process of selling and servicing clients, and once orders are taken, they flow directly into automated fulfillment.

## Comprehensive and Integrated

SAP Business One is not a collection of one-size-fits-all components that have been cobbled together. Instead, SAP Business One is designed and architected specifically for small and midsize businesses to be a unified, integrated software application that supports accounting, manufacturing, warehouse management, and many other key processes.

## An Application for Everyone

The easiest way to understand SAP Business One is to think of all of the people who are involved in a business:

- There are people in sales that gather leads, go on sales calls, and make sales.
- There are people who account for what has been bought and sold, and who make sure the money flows properly in and out of the company to and from suppliers, customers, and employees.
- There are people who take customers orders and fulfill them, either by sending goods or by providing services.
- There are people who manage operations such as inventory control or service delivery.
- There are managers who monitor and manage the entire business.

Now imagine that one application can help all of these people do their jobs, and that all of them work with the same set of information using the same application that can do the following:

- Integrate all parts of your business so everyone operates on the same core business information
- Supply users with interfaces specially designed to support the way they work
- Process data in real time so you never have to wait for nightly or weekly postings, which means that the financial data of your business is always up to date and available
- Issue warnings and trigger corrective actions to take place automatically when certain limits set by managers and other users are exceeded
- Simplify reporting and analysis with easy-to-create reports and data extraction into Microsoft Excel spreadsheets

## Breaking Ground for Small and Midsize Businesses

Although each business is unique, common patterns of activities and challenges appear in almost every business.

## The Challenges Facing Small and Midsize Businesses

Small and midsize businesses focus first on increasing sales and profitability. Getting orders from customers and fulfilling them at a profit is always job one, and software can be a tool to increase efficiency and productivity. But at some point, especially if growth has been rapid, most businesses find that the process of increasing sales is being slowed down because information is not flowing smoothly from one part of the business to the other. This can happen for many different reasons.

## Information Gap

The information gap refers to the lack of timely business information needed to run the business efficiently. For example, if a large order comes in that is time sensitive, the key question is: When can we fulfill this order? In the face of an information gap, the right information must be assembled from a variety of sources, if it has been properly captured in the first place. In the face of a persistent information gap, business decisions are made without sufficient information, resulting in mistakes, rework, or missed opportunities.

## Process Gap

A process gap exists when manual business tasks are not automated, or automation stops in one application and must be manually transferred to another. Process gaps are resolved by duplicate reentry of information from one application into another or by constructing brittle, special-purpose software to do the transfer. Process gaps slow a company down, retard change, and reduce the possibilities for automation. Effective and complete integration in which information flows from one step to the next bridges the process gap, as shown in Figure 1-1.



Figure 1-1: SAP Business One provides comprehensive integration

## Multiple Point Solutions

Companies often acquire multiple point solutions to meet specific needs as business expands; for example, an accounting application to manage general ledgers and invoices, or a warehouse management solution to keep track of inventory. Keeping this combination of applications up to date, integrated, and running smoothly can be a challenge. To get a picture of what is happening in every part of the business takes a lot of work and requires information to be extracted and reconciled across many systems. While such applications may serve for a time, ultimately your business needs a more flexible and integrated solution.

## How SAP Business One Addresses the Challenges

SAP Business One meets the challenges of small and midsize businesses because it is designed to do so, as shown in Figure 1-2.



| Yesterday's dilemma | Business requirements | Today's application |
| --- | --- | --- |
| Multiple, different applications<br>Locked silos of information<br>Outdated data<br>Difficult to change<br>IT dependency<br>High total cost of ownership | Increase control<br>Grow profitably<br>Address customer mandates<br>Improve competitiveness<br>Adapt to change | Provide true, unified picture<br>Access up-to-the-minute information<br>Stay on top of the business<br>Grow with the business<br>Take charge<br>Accelerate time to benefit |

Figure 1-2: SAP Business One meets the challenges of small and midsize businesses

## A Unique Approach

While most business software is focused on automation, few software companies, if any, approach the challenge of creating software in the same way as SAP. Most of the time, a software vendor picks one area, such as accounting or CRM, and builds a product to support the particular processes related to that area. How these processes work with the other fundamental processes of other areas is a question left unanswered. SAP Business One is the answer to that question.

## An Integrated Solution

SAP Business One takes a "single solution" approach to business management and process automation. Sales, CRM, financials, and operations are all supported and automated in SAP Business One. The automation of each process is integrated, as sales orders flow into the accounting software and become requests to manufacture products, which may require materials to be withdrawn from inventory. The historical boundaries between applications do not exist in SAP Business One.

## Streamlined Business Processes

The broad scope of SAP Business One helps you streamline and automate your entire business from end to end, including CRM, accounting, warehouse management, and manufacturing. Furthermore, when an important business event occurs, automatic responses can be executed as needed. This management-by-exception paradigm increases productivity by reducing information overload and inappropriate actions, allowing users to intervene in the automated process as needed.

## Instant Access to Information

Having all business data stored in a single integrated application like SAP Business One means critical business information is simply a few clicks away in a configurable dashboard or through intuitive drill-down reports. Since SAP Business One works primarily in real time, changes are recorded instantly, without delay. You can get the state of the business whenever you need it through a variety of different reporting mechanisms, including Microsoft Office applications, mobile devices and Crystal Reports.

## Customizable and Adaptable

SAP Business One is designed to be easily configured, integrated, and extended. Through its integration with Microsoft Office, SAP Business One unifies business applications and desktop productivity applications. Through SAP's global network of certified solution partners, SAP Business One can be adapted to meet the specific needs of local markets and vertical industries. The adaptability of SAP Business One means that the software grows with your business and can be modified easily to meet your changing business needs.

## Designed Exclusively for Small and Midsize Businesses and Backed by SAP

SAP Business One is a new breed of business management software built from the ground up exclusively for small and midsize businesses like yours. It draws on SAP's more than 30 years of experience in creating business applications that serve the needs of more than 12 million users worldwide.

As the worldwide leader in business management software, SAP is committed to bringing comprehensive business management solutions to meet your current and future business needs. Helping you run your business smoothly is one of the most important jobs of SAP and its global network of certified SAP Business One partners.

## Are You a Best-Run Business?

**Think Your Company Is Too Small For ERP? Think Again!**

### Sample Business Benefits Derived from ERP

| Definition of Maturity Class | Mean Class Performance |
|---|---|
| **Best-in-Class:**<br>**Top 20%**<br>of aggregate performance scorers | • 21% reduction in operating costs<br>• 19% reduction in administrative costs<br>• 17% reduction in inventory*<br>• 16% improvement in schedule compliance*<br>• 17% improvement in complete & on-time delivery |
| **Industry Average:**<br>**Middle 50%**<br>of aggregate performance scorers | • 14% reduction in operating costs<br>• 10% reduction in administrative costs<br>• 11% reduction in inventory*<br>• 14% improvement in schedule compliance*<br>• 14% improvement in complete & on-time delivery |
| **Laggard:**<br>**Bottom 30%**<br>of aggregate performance scorers | • 9% reduction in operating costs<br>• 5% reduction in administrative costs<br>• 11% reduction in inventory*<br>• 13% improvement in schedule compliance*<br>• 7% improvement in complete & on-time delivery |

Source: Aberdeen Group, June 2010
* Manufacturing and distribution companies only

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