



Newsletter Vol. 26 - 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?

Spotlight on Product - Procurement Management with SAP Business One: Optimize Procurement, Integrate Warehouse and Accounting

Procurement management is a core functionality of the SAP Business One application that enables you to automate and standardize your core procurement activities. It provides support for purchasing planning, vendor selection, purchase order management, and vendor invoice payment. And it lets you do all these rapidly, with the necessary integration across business functions in accounting and warehouse management to drive success. With SAP Business One, you gain a detailed view of your vendors and support for an integrated, centralized vendor data repository so you can make more effective purchasing decisions, identify opportunities for cost savings, and better manage supplier relationships.

Automating Procurement Processes

SAP Business One offers best-practice functionality to support your core procurement activities, integrating the entire purchasing process from order creation through inventory updates to invoice payment. Using the master data that is maintained centrally in the system, purchase orders can be created in a few straightforward steps and mailed, faxed, or e-mailed directly to the vendor from within the application. To help ensure that the appropriate levels of goods are in the warehouse for timely order delivery, SAP Business One also allows you to create purchase orders from sales orders. Purchase orders support multiple currencies and item categories, such as raw materials, trading goods, and services. When a purchase order item is entered, predefined price lists and vendor discounts can automatically be selected and applied. Shipping and billing information can be entered into the document, giving your vendor all the necessary data to process your order in a timely manner. Depending on shipping location, taxes are automatically calculated and applied, eliminating the need for manual computations. A special **"landed cost"** feature allows you to manage charges from an international transaction involving customs and other import- and export-related expenditures. Subsequent goods receipts and vendor invoice documents can be created simply by transferring relevant data from purchase orders. Upon receipt of a vendor invoice, SAP Business One allows you to automatically create an accounts payable (AP) invoice by referencing a purchase order or goods receipt.

Handling Returns and Special Charges

Some of the most commonly used returns and special charge or expense processes are supported in SAP Business One. Items or services can be returned to the vendor using the goods return function, and SAP Business One will immediately make the necessary adjustments to your inventory and AP balance with the corresponding vendor. Notes and text fields are available so you can give your vendor detailed information about why items are being returned. SAP Business One also incorporates additional expenses, such as shipping and handling fees, insurance, and service charges, all of which

are important parts of the total purchase expense. To help ensure these charges are reflected in the true cost of the items purchased, SAP Business One allows you to record and associate them with the purchased items. This provides you with a more precise price point when comparing vendors, leading to more accurate profitability data.

Finding the Right Supplier and Getting the Best Price

Detailed purchasing and pricing reports give you a comprehensive overview of your purchasing history, including information about the items you bought, your suppliers, the prices you paid, and transaction dates. This makes it easier to compare suppliers and prices, identify which supplier can meet your business needs, and negotiate to get the best possible price.

Centralizing Information with Master Data Management

Master data management is a cornerstone of process integration in SAP Business One. Item and vendor master records are maintained centrally in the system and integrated in all necessary business transactions. Item master data can be applied to inventory, purchasing, and sales items, as well as fixed assets, and can contain all information necessary for an efficient purchasing process, such as item number, description, purchasing and packaging units of measure, dimensions, weight, prices, and tax types. You can apply price lists and costing models to purchase items and get an up-to-date view of purchase order values and inventory valuations. Similarly, vendor information is stored with all relevant information in the SAP Business One master data records. Payment details are administered with terms and payment methods to allow for accurate, on-time payment of your vendor invoices. SAP Business One also provides a graphical purchase analysis that gives you an overview of vendor activities directly from the master-data screen. The document trail in SAP Business One captures and links every document created during a specific purchasing process for audit and analysis purposes.

Integrating Warehouse and Accounting

Integrating purchasing into other core business processes is a key feature of SAP Business One. Integration happens smoothly, transparently, and in real time. For example, posting a goods receipt for an ordered item automatically updates inventory in warehouse and informs the warehouse manager of the expected delivery date. Upon receipt of a vendor invoice, SAP Business One allows you to automatically create an AP invoice from a purchase order or goods receipt and updates the related vendor and expense accounts. It also populates payment terms and calculates due dates. Because SAP Business One automatically captures information at every step of the transaction, you always know what's on hand in inventory as well as the up-to-the-minute financial state of your business.

Purchase Planning

SAP Business One provides support for purchasing planning so you can set your reorder points properly and avoid unnecessary purchasing and costly inventory. Using the material requirement planning (**MRP**) wizard in SAP Business One, you can forecast and plan your material needs and schedule your purchases accordingly. In just four steps, SAP Business One provides you with detailed information about what items are needed and when. The order recommendation then takes into account lead times to determine the optimal purchase date for a timely delivery of the products you order.

Powerful Reporting for Real-Time Visibility

With the reporting tools in SAP Business One, you can create **dashboards** such as top vendor and order overviews, year-to-date purchases, open orders, deliveries, and payables. Create detailed procurement reports, such as aging and purchasing analyses. Large numbers of templates give you a head start on your purchasing reporting. The report organizer in SAP Business One helps you manage and execute your reports and allows easier distribution to buyers and business partners.

Business Benefits of Procurement Management with SAP Business One

- Streamline your entire procurement process by automating your activities from purchase order creation to vendor invoice payment
- Gain full transparency into purchasing activities, suppliers, and their performance through a single, centralized data repository, reports, and dashboards, enabling more informed buying decisions
- Achieve cost savings due to automation, effective purchasing decisions, improved purchasing planning

Spotlight on: Social Media Marketing

Small businesses: Feed the Social Media “Beast” and you’ll see it pay dividends. *Social Media Guide, John Jantsch*

Not long ago, social media seemed so new and different that it was treated as an appendage of sorts—a kind of marketing that should be tried only by “experts.” While that view still exists to some degree today, it’s become clear to many that social media is no longer marketing’s new thing. It’s now simply part of the way we do marketing today. I believe that the proper way to view social media from a small-business owner’s point of view is as **more of an evolution than a revolution**. Traditional marketing tactics such as advertising, referrals, and public relations are still very important, but social media tactics have now become a part of everyday marketing’s fabric and need to be considered at the strategic level of your marketing decision-making process. So, rather than asking yourself if you should or should not use Facebook or Twitter, the question is: **“How can Facebook and Twitter help you achieve your marketing objectives?”** It’s the same as asking how direct mail or having two more salespeople might fit into the plans. From this integrated viewpoint, social media participation can start to make more sense for each individual marketer’s needs and goals.

Think you can sit the social networking craze out? Consider the following statistics. According to the online competitive intelligence service Compete.com, social media growth continues to skyrocket.

- The top three social networks—Facebook, Twitter, and LinkedIn—collectively received more than 2.5 billion visits in the month of September 2009 alone. Twitter grew by more than 600% in 2009, Facebook grew by 210% and LinkedIn by 85%. There are now 500 million members on Facebook.
- It’s been reported that YouTube is likely to serve more than 75 billion video streams to around 375 million unique visitors during 2009.

If you studied marketing in the textbook world, you likely covered the **4 Ps of marketing**—you simply created a **product**, figured out how to **price** it, got it **placed** in the market, and **promoted** the heck out of it. Today’s approach to marketing, the approach infused with social media, leans much more heavily on the **4 Cs of marketing**. Tons of relevant, education-based, and perhaps user generated **content** that is filtered, aggregated, and delivered in a **context** that makes it useful for people who are starving to make **connections** with people, products, and brands they can build a **community** around. Simply, **Content + Context + Connection + Community = Social Media Marketing**.

The best way to look at social media is to view it as a way to open up new access points. These points can then be leveraged to create content, context, connection, and community. Do that well, and they can also add to lead generation, nurturing, and conversion. And that’s the payoff of social media. But get the order wrong, get the interaction wrong, get the participation wrong—and you may never see much return on the time you invest. **Social media conversations are just that—open, honest, transparent conversations, not sales pitches or shouting festivals.**

For more information about how SAP Business One application enables you to simplify and automate financials management and to **request a copy** of the *Social Media Guide* please contact Barry Lederman: 818.704.7000, blederman@softengineusa.com

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