



Tie Business Benefits to Business Processes to Realize Your Supply Chain Strategy



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1 What is the top supply chain challenge that SAP customers face in 2015?

There are various strategic challenges for companies to overcome to set up a competitive supply chain. In general, they are separated into external and internal challenges. The top external challenges are:

- **Market volume.** As a result of globalization, organizations now operate all over the world, from fully industrialized nations to emerging markets. Companies must set up a supply chain that can efficiently manage a large volume of transactions to meet increasing market demand and support their growth strategies.
- **Customer focus.** Meeting customer needs is the foundation for surviving in the competitive market. Customers have access to unlimited information and can share their opinions via social networks. They now demand faster, more cost-effective, and individualized production and delivery.

These external challenges will drive supply chain reorganization and organizational change internally. Initiating and managing these changes will become the most critical strategic challenge for organizations.

2 How should organizations address that challenge?

Organizations should have a clear business strategy along with knowledge of enabling technologies and an acute awareness of the associated opportunities for managing their supply chain. In addition, companies should know their internal and external business drivers, which affect supply chain and organizational development. To address the challenges, successful companies set up a diverse team of both business and IT members. It is crucial to have all of the decision makers involved in the discussion to trigger a common understanding and overall commitment.

As a next step, and as a foundation for further discussion and investment, we recommend working on quantifiable business benefits that are important to the business and linking them to the strategy and business processes. Once an organization has quantified these benefits and linked them to its strategy and processes, it will be easier to define the scope and deliverables. To get the necessary funding and leadership support, it is crucial to come up with a cost-benefit calculation for a strong business case.

3 How does Novigo help SAP customers improve their supply chain performance?

Through dozens of SAP Transportation Management (SAP TM) implementations in various industries, Novigo has gathered broad knowledge and experience that enable SAP customers to extract more value from their supply chains, in particular from their transportation management organizations.

Our team consists of specialists and former product managers of SAP Supply Chain Management and SAP TM. However, our knowledge doesn't stop there. Since supply chain reorganization does not occur in isolation from other components of an organization, we have seasoned enterprise transformation experts to advise on sustainable change management. We can support and guide SAP customers in understanding the potential that can be derived from SAP TM, quantify the benefits, and present a cost-benefit analysis of a potential investment. For more information, visit www.novigo.com. ■

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