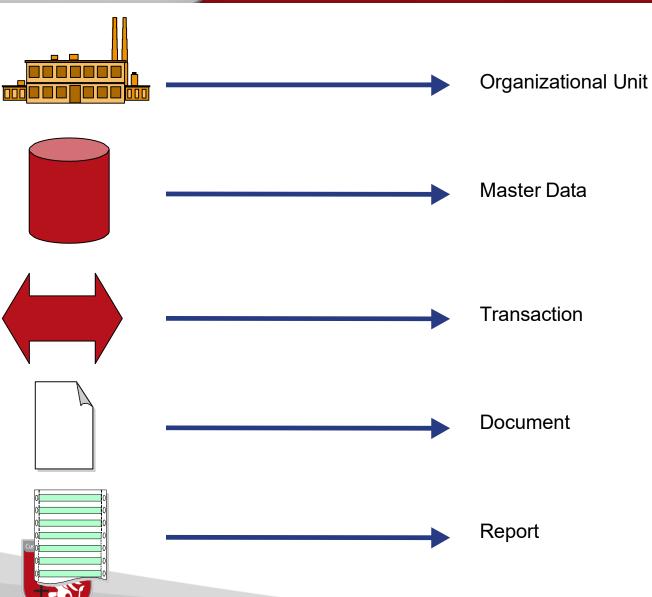


The lecture slides focus on the Systems Development Life Cycle (SDLC), ERP Implementation Life Cycle, and the vital role of change management in successful ERP deployments. Key differences between ERP systems and other software packages are outlined, noting that ERP involves significant investment, is mission-critical, and requires extensive change management strategies throughout its implementation. The traditional ERP life cycle is methodically structured with formal milestones, while the rapid ERP life cycle—inspired by Agile methodologies—allows for more flexibility and faster adaptation through incremental releases and continuous feedback.

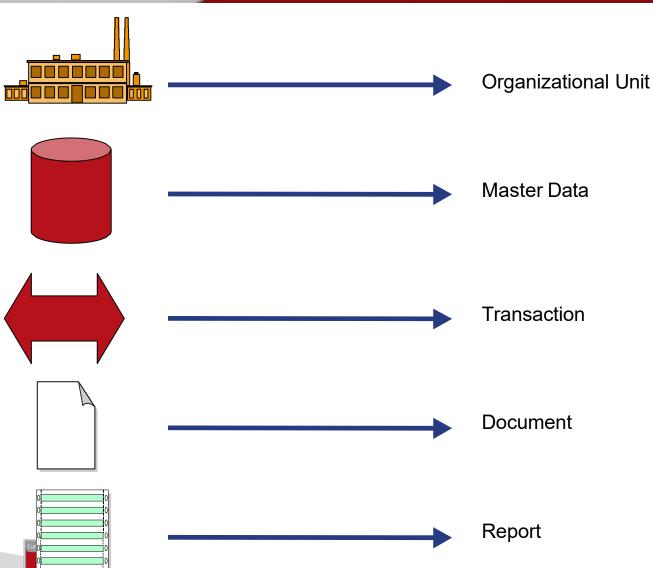






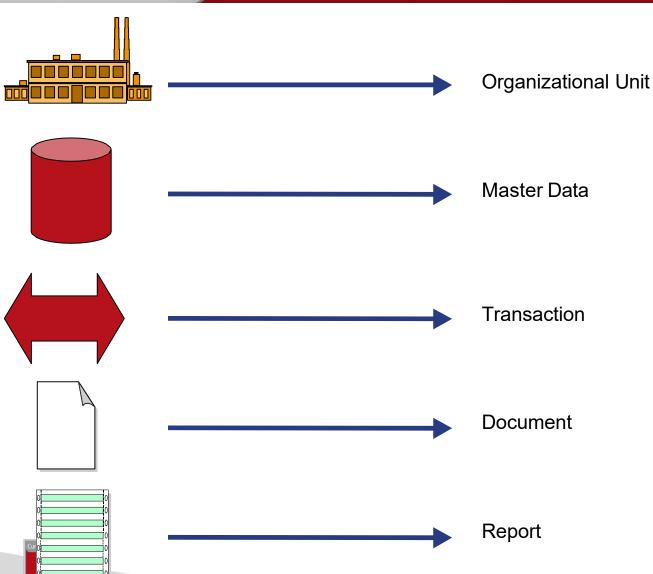
- Organizational Unit: This represents a structured division within a business, such as a department, branch, or a team. For instance, in a retail company, an organizational unit could be the regional office in Sydney which oversees several stores.
- Master Data: These are the central data records that remain consistent across the business and are used by multiple applications. An example would be the product information for a flagship item, like a smartphone model, which includes its price, specifications, and manufacturer details.





- Transaction: A transaction is an individual business event that affects data in the system. For example, a sale transaction occurs each time a product is sold at a store, recording details such as product ID, quantity sold, price, and the time of sale.
- Document: A document in SAP correlates to any record that evidences a transaction, such as a sales order or an invoice. For instance, when the smartphone is sold, an invoice is generated as the document detailing the transaction.

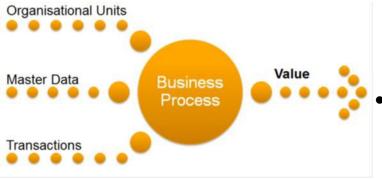




 Report: This is the compilation of data into a structured format for analysis and decision-making.
 Following our example, a sales report might show all the smartphones sold across all stores in
 Australia for a given month, indicating trends, revenue, and other insights.

These elements work together to create an integrated information system where operations are tracked, recorded, and analyzed, ensuring that decision-makers have accurate and up-to-date information.





- Data records that remain in the database for a long period of time are called Master Data. Slow changing data
- Master Data includes customers, vendors, materials, accounts, etc.
- Master Data is created centrally and can be used in all applications.
- Master Data also has an organizational aspect as it is assigned to organizational units.





For a practical example in Australia, consider a hypothetical Australian manufacturing company that decides to implement SAP ERP to streamline its operations. Initially, the company might start with core modules like Financial Accounting and Material Management. As part of the ERP implementation, the company must undergo a significant transformation in its business processes to align with SAP's best practices, requiring a substantial change management effort to train employees and modify existing workflows. This transition, managed through a structured ERP life cycle, involves meticulous planning, testing, and validation before going live. The end result is an integrated system that improves efficiency, reduces redundant data entry, and provides real-time business insights, fundamentally changing how the company operates and makes decisions.

The tutorial is a case study for SAP S/4HANA 1809, focusing on Global Bike Inc. The case study provides a comprehensive understanding of the company's background, strategy, and operations to facilitate hands-on exercises and case studies in SAP ERP. The narrative offers a history of Global Bike, founded on innovation and high-performance products, created by co-founders John Davis and Peter Schwarz who merged their companies to form Global Bike in 2001.





Key aspects covered in the case study include:

- **1. Company History:** Founded by two passionate cyclists, the company evolved from creating custom bikes in a garage to a global manufacturer with a merger that expanded its product lines and distribution channels.
- **2. Organizational Structure:** It details the company's process-centric structure with co-CEOs responsible for different aspects: Peter handles Idea-to-Market and Build-to-Stock, while John oversees Order-to-Cash and Service & Support.
- **3. Product Strategy:** Global Bike is dedicated to serving professional cyclists with high-quality, innovative bicycles. The company invests in product development, focusing on innovation and speed to market, with multiple models designed for specific cycling disciplines.





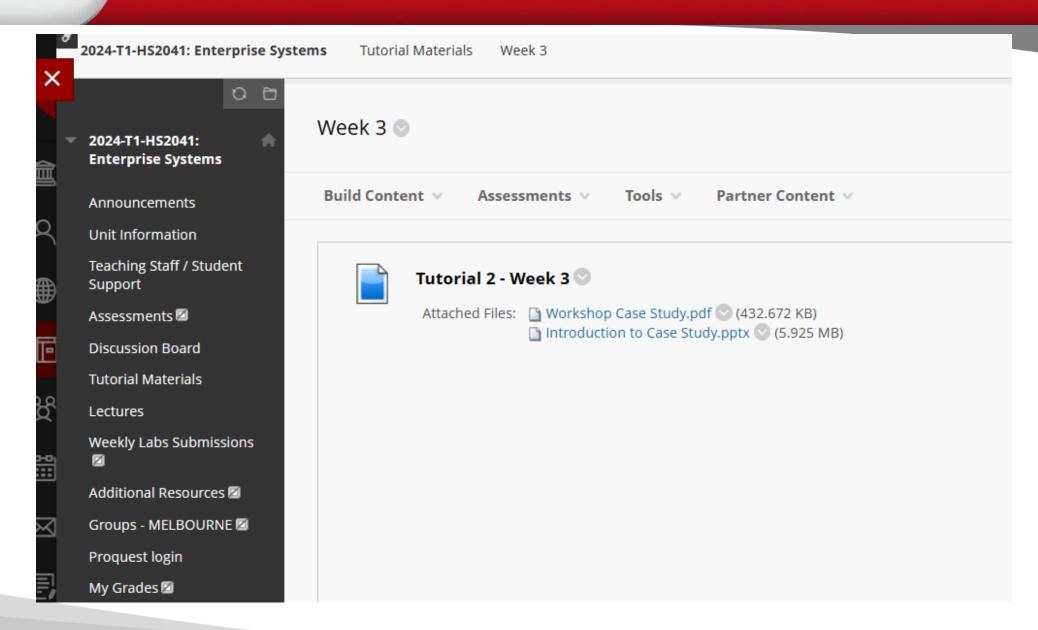
- **4. Manufacturing Strategy:** The company operates production facilities in Dallas and Heidelberg, focusing on assembly while outsourcing complex components like frames and carbon composite wheels. Distribution Network: Bicycles are sold through Independent Bicycle Dealers (IBDs), with a focus on personalized customer service, while internet sales are limited due to technical and tax considerations.
- **5. Partner Network:** Global Bike maintains strong relationships with suppliers, ensuring process continuity and quality product delivery.
- **6. IT Strategy:** The company integrated a shared services model for IT and implemented SAP ERP to centralize functions, aiming to reduce costs and provide consistent operations globally.



Throughout the tutorial week 3 document, these elements are intended to be used to understand the practical application of SAP ERP within a business context. The case study sets the stage for learners to engage with the Global Bike dataset within SAP, allowing them to apply theoretical knowledge to a simulated real-world business.

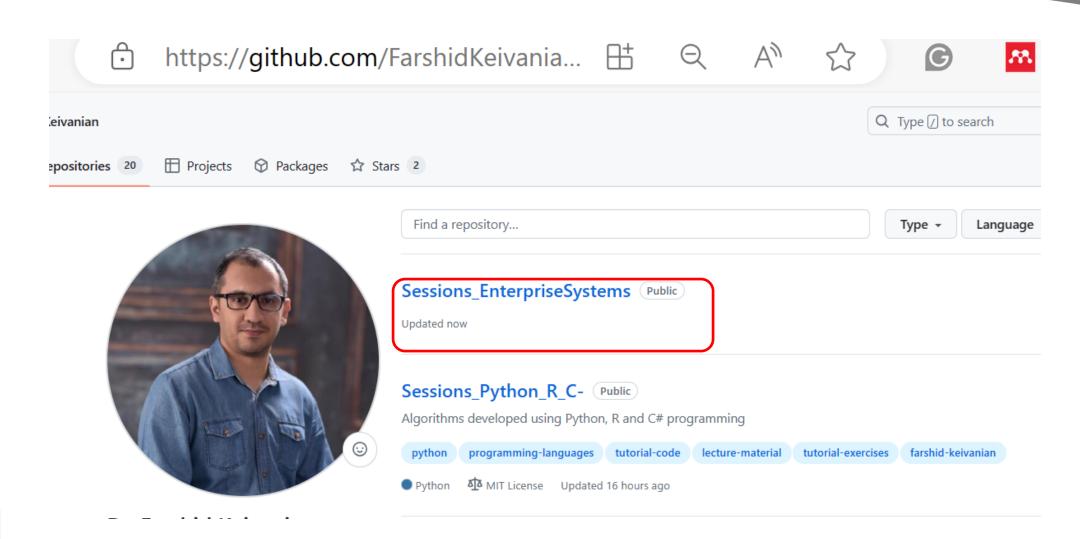
















# **Global Bike Group**

Background and overview of Global Bike strategy and operations.

#### **Product**

SAP S/4HANA 1809 Global Bike

#### Level

Beginner

#### **Focus**

Company Background

#### **Authors**

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#### Version

3.3

#### **Last Update**

May 2019

#### **MOTIVATION**

A general understanding of Global Bike (the enterprise) prior to embarking on hands-on exercises and case studies in the SAP ERP client is critical for success.

This narrative provides a historical background for how Global Bike began and an overview of its operations and strategy. This information will be used extensively throughout the curriculum material.

#### **NOTES**

The Global Bike data set has exclusively been created for SAP UA global curricula.





## 1. Company History

- Task: Get to know the company's history and Present it.
- Activity: Students should read the narrative provided in the case study to learn about the origins and development of Global Bike. Please present it.
- This task is discussed on the next page.

## Company History

Task Get to know the company's history.

bicycles to the world's most demanding riders.

Time 15 min

**Short Description** Read the below narrative to learn about the company's history.

The Global Bike Group has a pragmatic design philosophy that comes from its deep roots in both the off-road trail racing and long-distance road racing sports. Nearly 20 years ago, its founders designed their first bikes out of necessity—they had races to win and the bikes that were available at the time did not perform to their extremely high standards. So, they took matters into their own hands and built legendary bikes that would outlast and outperform the competition. From these humble origins, Global Bike Incorporated was born and continues to deliver innovative high-performance

This heritage of entrepreneurial spirit and quest for design perfection is still the cornerstone of Global Bike's corporate philosophy. Global Bike produces bikes for the most demanding competitors—whether the competition is on pavement or dirt, for money, fame or just bragging rights.

John Davis earned his racing scars in the mountain racing circuit in America, where he won numerous downhill and cross-country championships. Early on, John realized that the mass-produced bicycles available were inadequate in many ways for the type of racing he was doing. So, John stripped four of his old bikes down to the bare metal and rebuilt them into a single "Frankenstein" bike that he rode to win the national championship. Once news of his Frankenstein bike got out, John's friends and even his competitors began asking him to build them a Frankenstein bike too. While recovering from an injury in 1990, John started producing the first series of Frankenstein bikes in his garage—each one custom-built from cannibalized parts from other bikes. As more and more orders came in, John successfully expanded Frankenstein Bikes from his garage operations into a full-blown manufacturing facility in Dallas and began producing custom trail bikes which he sold through a network of specialized bike dealers throughout the country.

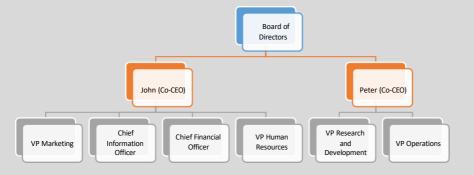
At nearly the same time, halfway around the world in Heidelberg, Germany, *Peter Schwarz* was studying engineering and competing in regional touring races on weekends. In between his races and studies, Peter worked at a bike shop in Heidelberg, fixing student bikes and tuning the touring bikes that he and his friends rode for competitions. As Peter's reputation as a fierce competitor and mechanical wizard grew, he also began to design and build road bikes based on an ultra-light composite frame that he had created for one of his engineering courses. Peter's innovative use of carbon composite materials allowed him to build a frame that was significantly stronger and one tenth the weight of competing frames. As a student, Peter did not have a great deal of financial resources, so he partnered with a local company that manufactured his frame designs as a contract manufacturer. Soon, Peter's frames were being used by racers all over Europe and he started Heidelberg

Notes

Composites to market and design frames which would be fabricated by a contract manufacturer on a larger scale. Heidelberg Composites sold its frames to specialized bike stores throughout Europe and directly to racing teams, eventually becoming the leader in lightweight touring frames in Europe.

Through a twist of fate, Peter and John met each other in 2000 and immediately recognized their mutual passion for performance and complimentary business models. Each had been looking for a partner in another racing field and each had been looking for a partner in a different market. They quickly realized that a merger between their two companies would be extremely synergistic and that the combination of their product lines and regional distribution channels would generate a great deal of efficiencies.

So, in 2001, Heidelberg Composites and Frankenstein Bikes merged to form Global Bike. Today, John and Peter share the responsibilities for managing Global Bike's growing organization as co-CEO's. John is responsible for sales, marketing, service & support, IT, finance and human resources groups and Peter is responsible for research, design, procurement and manufacturing groups from an organizational reporting perspective.



However, Global Bike is a process-centric organization, so John and Peter prefer to think of the processes that they are responsible for, rather than the functional areas of the company that report to them. From this perspective, Peter is responsible for Idea-to-Market and Build-to-Stock and John is responsible for Order-to-Cash and Service & Support, as well as the supporting services for all four key processes. The simple way to look at their responsibilities would be to say that Peter spends money and builds products and John sells products and brings in money.

<u>Figure 1:</u> Organizational Structure

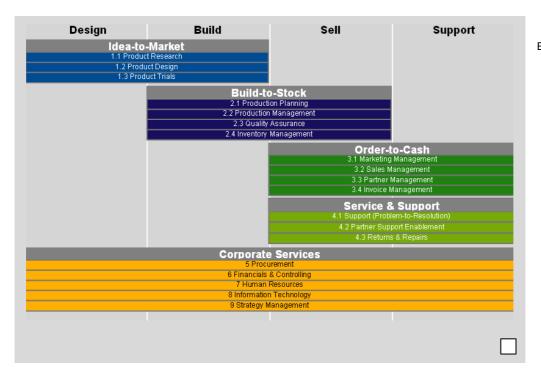


Figure 2: Enterprise Process Map

### 2. Organizational Chart

- Task: Develop an organizational chart for Global Bike's enterprise structure. Please present it.
- Activity: Students should gather information from the narrative to sketch the current structure of Global Bike.
- Details for this task can be found on the next page of the document.

## Corporate Overview

**Task** Develop an organizational chart for Global Bike's enterprise structure.

Time 15 min

**Short Description** Read the below narrative to gather all relevant information for sketching Global Bike's current company structure.

Due to several tax and export issues, Global Bike Groups's headquarters is located in Dallas and Global Bike Inc. is registered as a US company, following US GAAP accounting standards. Global Bike Group operates a subsidiary company, Global Bike Germany GmbH, which is based in Heidelberg and is subject to IFRS accounting standards and German tax regulations.

Notes

Material planning, finance, administration, HR and IT functions are consolidated at the Dallas headquarters. The Dallas facility manufactures products for the US and export markets and its warehouse manages product distribution for the central US and internet retailers. Global Bike Inc. also has warehouses for shipping and export in both San Diego and Miami. San Diego handles West Coast distribution and exports for Asia, while Miami handles East Coast distribution and Latin America exports.

Global Bike Germany GmbH has its headquarters in Heidelberg Germany. The majority of research and development is housed in the Heidelberg offices. Heidelberg is also the main manufacturing facility for Global Bike in Europe. The Heidelberg warehouse handles all shipping for southern Europe. The Hamburg warehouse handles all shipping for the UK, Ireland, Middle East and Africa. Global Bike sells its bikes throughout the world and employs approximately 100 people, 2/3rds of the employees are in the US and the remaining 1/3 in Europe.

Organizational Chart

### 3. Product Strategy

- Task: Get familiar with Global Bike's product strategy.
- Activity: Students are expected to read the detailed description of Global Bike's product offerings, including different bike models and accessories. Please present it.
- Slide/Page: This task is outlined on next page.

## Product Strategy

Task Get familiar with Global Bike's product strategy.

Time 15 min

**Short Description** Read the below narrative about Global Bike's product strategy.

Global Bike is a world class bicycle company serving the professional and "prosumer" cyclists for touring and off-road racing. Global Bike's riders demand the highest level of quality, toughness and performance from their bikes and accessories.

Notes

Product development is the most critical element of Global Bike's past and future growth. Global Bike has invested heavily in this area, focusing on innovation, quality, safety and speed to market. Global Bike has an extensive innovation network to source ideas from riders, dealers and professionals to continuously improve the performance, reliability and quality of its bicycles.

In the touring bike category, Global Bike's handcrafted bicycles have won numerous design awards and are sold in over 10 countries. Global Bike's signature composite frames are world-renowned for their strength, low weight and easy maintenance. Global Bike bikes are consistently ridden in the Tour de France and other major international road races. Global Bike produces two models of their signature road bikes, a deluxe and professional model. The key difference between the two models is the type of wheels used, aluminum for the basic model and carbon composite for the professional model.

Global Bike's off-road are also recognized as incredibly tough and easy to maintain. Global Bike trail bikes are the preferred choice of world champion off-road racers and have become synonymous with performance and strength in one of the most grueling sports in the world. Global Bike produces two types of off-road bike, a men's and women's model. The basic difference between the two models is the smaller size and ergonomic shaping of the women's frame.

DELUXE TOURING BIKE (BLACK)	EN	DXTR1000
DELUXE TOURING BIKE (RED)	EN	DXTR3000
DELUXE TOURING BIKE (SILVER)	EN	DXTR2000
MEN'S OFF ROAD BIKE	EN	ORMN1000
PROFESSIONAL TOURING BIKE (BLACK)	EN	PRTR1000
PROFESSIONAL TOURING BIKE (RED)	EN	PRTR3000
PROFESSIONAL TOURING BIKE (SILVER)	EN	PRTR2000
WOMEN'S OFF ROAD BIKE	EN	ORWN1000

Global Bike also sells an accessories product line comprised of helmets, tshirts and other riding accessories. Global Bike partners with only the highest quality suppliers of accessories which will help enhance riders'

performance and comfort while riding Global Bike bikes.

Figure 3
Global Bike Finished
Products

### CASE STUDY

AIR PUMP PUMP1000 ΕN ELBOW PADS ΕN EPAD1000 FIRST AID KIT FAID1000 ΕN KNEE PADS ΕN KPAD1000 OHMT1000 OFF ROAD HELMET ΕN REPAIR KIT RKIT1000 ΕN ROAD HELMET  ${\sf EN}$ RHMT1000 T-SHIRT ΕN SHRT1000 WATER BOTTLE ΕN BOTL1000 CAGE1000 WATER BOTTLE CAGE EN

Figure 4
Global Bike Trading
Goods

## 4. Manufacturing Strategy

- Task: Get familiar with Global Bike's manufacturing strategy.
- Activity: Read about how Global Bike operates its
   production facilities, outsourcing strategies, and assembly
   processes. Please present it.
- Information for this task is provided on the next page.

### Manufacturing Strategy

Task Get familiar with Global Bike's manufacturing strategy.

Time 10 min

**Short Description** Read the below narrative about Global Bike's manufacturing strategy.

Global Bike operates two production facilities, Dallas and Heidelberg. Each facility has three assembly lines and can produce around 1000 bikes per year. Total production capacity is roughly 6000 bikes per year, but can be increased by 15%-20% by using overtime hours and part-time workers.

Notes

Global Bike has outsourced the production of both off-road and touring frames and the carbon composite wheels to trusted partners who have specialty facilities to fabricate the complex materials used. Global Bike maintains very collaborative research and design relationships with these specialty partners to ensure that innovations in both material and structural capabilities are incorporated into the frames. Global Bike primarily assembles semi-finished goods into finished goods at its production facilities. Finished goods are either stored in the local warehouse or shipped to other regional distribution centers to fulfill customer orders.

BRAKE KIT EN BRKT1000 CARBON COMPOSITE WHEEL EN CCWH1000 EN CHAN1000 CHAIN CIRCULATION FAN FILTER EN FLTR1000 DERAILLEUR GEAR ASSEMBLY EN DGAM1000 EN HXNT1000 HEX NUT 5 MM EN LWSH1000 LOCK WASHER 5 MM MEN'S OFF ROAD FRAME EN OFFR1000 OFF ROAD ALUMINUM WHEEL EN ORWH1000 OFF ROAD HANDLE BAR EN ORHB1000 OFF ROAD SEAT KIT EN OFF ROAD TIRE EN ORSK1000 ORTR1000 OFF ROAD TUBE EN ORTB1000 PEDAL ASSEMBLY PACKAGING EN PCKG1000 EN PEDL1000 SOCKET HEAD BOLT 5X20MM EN BOLT1000
TOURING ALUMINUM WHEEL EN TRWH1000 TOURING FRAME-BLACK EN TRFR1000 EN TRFR3000 TOURING FRAME-RED TOURING FRAME-SILVER EN TRFR2000

Figure 5
Global Bike Raw
Materials
Global Bike SemiFinished Goods

TOURING HANDLE BAF CARBON COMPOSITE WHEEL ASSEMBLY EN CCWA1000
TOURING SEAT KIT OFF ROAD ALUMINUM WHEEL ASSEMBLY EN ORWA1000
TOURING TIRE TOURING ALUMINUM WHEEL ASSEMBLY EN TRWA1000

WARRANTY DOCUMENT EN WDOC1000
WOMEN'S OFF ROAD FRAME EN OFFR2000

### 5. Distribution Network

- Task: Get familiar with Global Bike's distribution network.
- Activity: Understand the distribution channels, including the use of Independent Bicycle Dealers and internet marketing strategies. Please present it.
- This is discussed on the next page.

### Distribution Network

**Task** Get familiar with Global Bike's distribution network.

Time 10 min

**Short Description** Read the below narrative about Global Bike's distribution network.

Given the highly specialized nature of Global Bike's bicycles and the personalized needs of riders, Global Bike sells its bikes exclusively through well-known and respected Independent Bicycle Dealers (IBDs). These dealers employ staff members who are experts in off-road and tour racing to help consumers choose the right Global Bike bike and accessories for their individual needs.

Notes

02210	BOSTON	BEANTO	WN BIKES	5000	US00			
10014	NEW YORK CITY	BIG APPLE BIKES		2000	US00			
19073	PHILADELPHIA	PHILLY BIKES		3000	US00			
20003	WASHINGTON DO	DC BIKES	;	11000	US00			
30319	ATLANTA	PEACHTE	REE BIKES	4000	US00			
48076	DETROIT	04277	LEIPZIG	DRA	HTESE	L	18000	DE00
49504	GRAND RAPIDS	10999	BERLIN	CAF	ITAL BII	KES	16000	DE00
60515	CHICAGO	17389	ANKLAM	OST	SEERA	D	21000	DE00
80207	DENVER	20249	HAMBURG	ALS	TER CY	CLING	14000	DE00
92612	IRVINE	22767	HAMBURG	RED	LIGHT	BIKES	23000	DE00
94304	PALO ALTO	30629	HANNOVER	CRU	JISER BI	KES	17000	DE00
98146	SEATTLE	39126	MAGDEBURG	VEL	ODOM		24000	DE00
		44784	BOCHUM	FAH	RPOTT		19000	DE00
		63263	NEU-ISENBURG	AIRF	PORT B	KES	13000	DE00
		69120	HEIDEL BERG	NEC	KARAD		20000	DE00

Figure
6 Global
Bike
Customers
in
US and Germany

Due to the highly technical nature of its products, Global Bike has embraced the Internet primarily as an information channel, maximizing its potential for educating consumers and partners and marketing its products to a large audience.

STUTTGART

MÜNCHEN

RÄDLELAND

**BAVARIA BIKES** 

70499

81829

Since Global Bike's main sales channel is through specialty resellers and there are complex tax issues associated with selling in multiple states and countries, they have a limited amount of internet sales.

22000 DE00

15000 DE00

### 6. Partner Network

- Task: Get familiar with Global Bike's partner network.
- Activity: Students need to learn about the network of partners that support Global Bike's operations and product delivery. Please present them.
- Details are available on the next page.



Task Get familiar with Global Bike's partner network.

Time 10 min

**Short Description** Read the below narrative about Global Bike's partner network.

Global Bike has established an extensive partner operation to ensure process continuity between Global Bike and its partners to deliver best-in-class products for its customers. Special attention has been paid to nurturing strong relationships with suppliers and Global Bike is generally the largest customer of its main suppliers.

Notes

Figure 7 Global Bike Vendors in US and Germany

ATLANTA	000	OLYMPIC PROTEC	CTIVE GEAF	२ 10	1000	US00			
CARLSBAD	000	REDWOOD KITS		11	2000	US00			
CINCINNATI	000	BOOMTOWN TIRE & WHEEL		10	2000	US00			
EDISON	000	LIGHTBULB ACCE	SSORY KIT	S 10	4000	US00			
GRAND RAPIDS	000	RAPIDS NUTS N B	OLTS	10	8000	US00			
HOUSTON	000	AUGSBURG	000	LOHS	SE SCHI	RAUBE		118000	DE00
IRVING	000	BIELEFELD	000	PYRA	AMID BIF	KING		114000	DE00
LACROSSE	000	BRAUNSCHWEIG	000	BURG	SMEIST	ER ZUE	BEHÖR OHG	113000	DE00
MCLEAN	000	DRESDEN	000	SACH	HSEN S	TAHL A	G	123000	DE00
MIAMI	000	FERFURT	000	ABS	BRAKES	S GMBH	4	115000	DE00
PORTLAND	000	HEILBRONN	000	THIC	K SPOK	Œ		119000	DE00
SCOTTSDALE	000	KARLSRUHE	000	GUM	MI SCHI	JLTZE		117000	DE00
		KÖLN	000	COL	OGNE B	IKE SU	PPLIES	122000	DE00
		MANNHEIM	000	FLAT	TIRE A	ND MO	RE	116000	DE00
		MÜNCHEN	000	RUN	& FUN			124000	DE00
		SANDKRUG	000	SHEL	L GEAF	2		121000	DE00
		WÜRZBURG	000	MAIN	CARBO	N		120000	DE00

### 7. IT Strategy

- Task: Get familiar with Global Bike's IT strategy.
- Activity: Review the narrative on how Global Bike uses information technology, including the implementation of SAP ERP. Please present it.
- This information can be found on the next page.



Task Get familiar with Global Bike's IT strategy.

Time 5 min

**Short Description** Read the below narrative about Global Bike's information technology strategy.

During 2009, Global Bike integrated a shared services model for all IT functions, located in the Dallas office. Along with this move to centralized IT, Global Bike also implemented SAP ERP (version 6.0). Prior to this, divisions were running multiple, independent application environments. All ERP functions are centralized with the primary objectives to reduce costs and deliver best-in-class technology to all divisions globally. This centralized approach offers Global Bike an advanced business platform under a highly controlled environment, which enables consistency of operations and process integrity across the globe.

Notes

