United Tractors – Parts Business

Strategy & BPR Engagement

SAP Business Transformation Services
March 2011

Author .

UJJAL CHAKRABORTY
PRASANTH
PRADEEP JADHAV
JOACHIM DUGGE

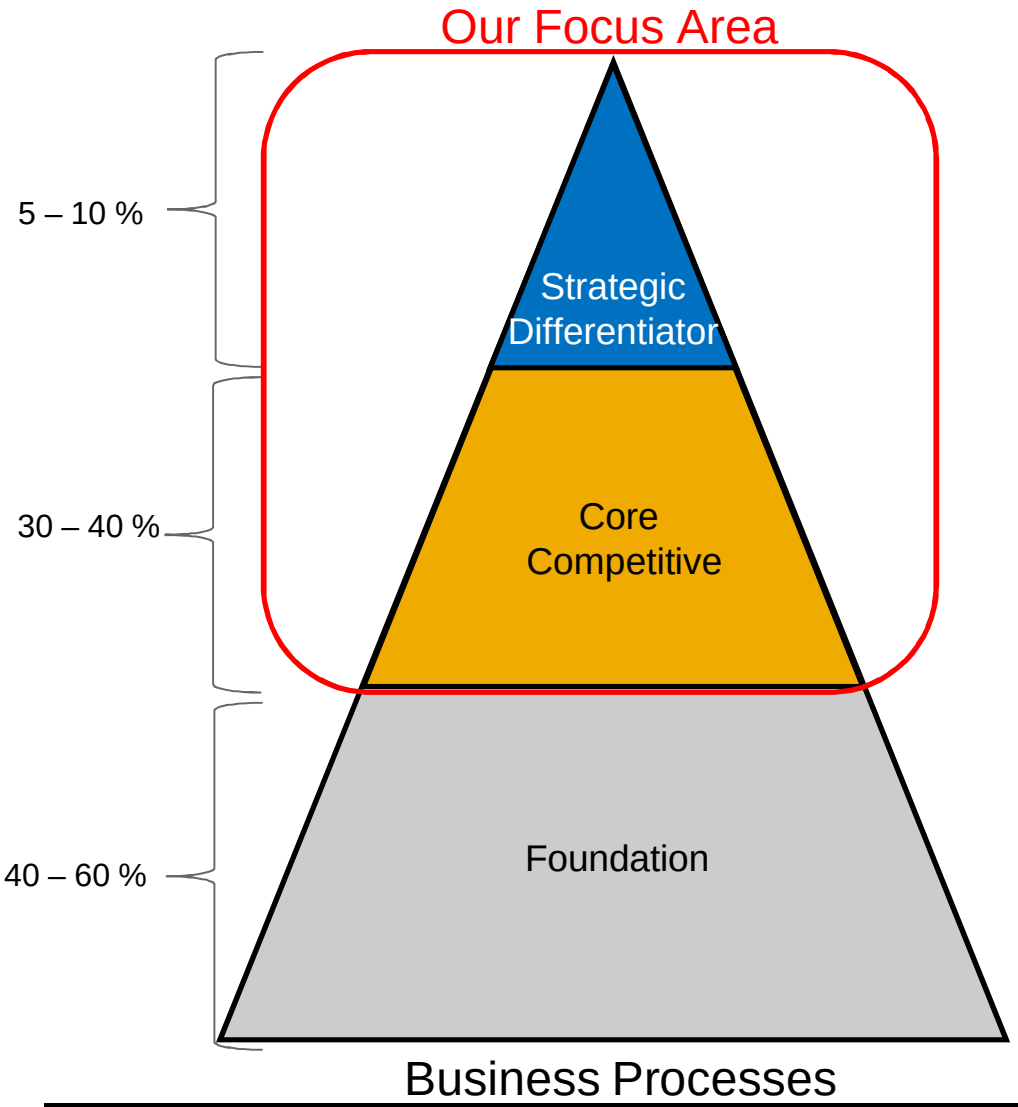
Agenda

1. SAP Value Proposition
   Value Based Transformation, SPM Executive Advisory Council
2. Business Context
   Our understanding of United Tractor's current situation
3. Strategic Levers and Value Realization
   The United Tractors BPR Journey
4. Project Scope, Approach & Methodology
   BPR Project Scoping
5. Appendix
   Additional details

Agenda

1. SAP Value Proposition
   Value Based Transformation, SPM Executive Advisory Council
2. Business Context
   Our understanding of United Tractor's current situation
3. Strategic Levers and Value Realization
   The United Tractors BPR Journey
4. Project Scope, Approach & Methodology
   BPR Project Scoping
5. Appendix
   Additional details

SAP Business Process Design Strategy



Strategic Differentiator:

- United Tractor Winning Strategy/ Game Changer
- Unique Design for UT
- Area to Invest and Innovate (Co-Innovation)

Core Competitive:

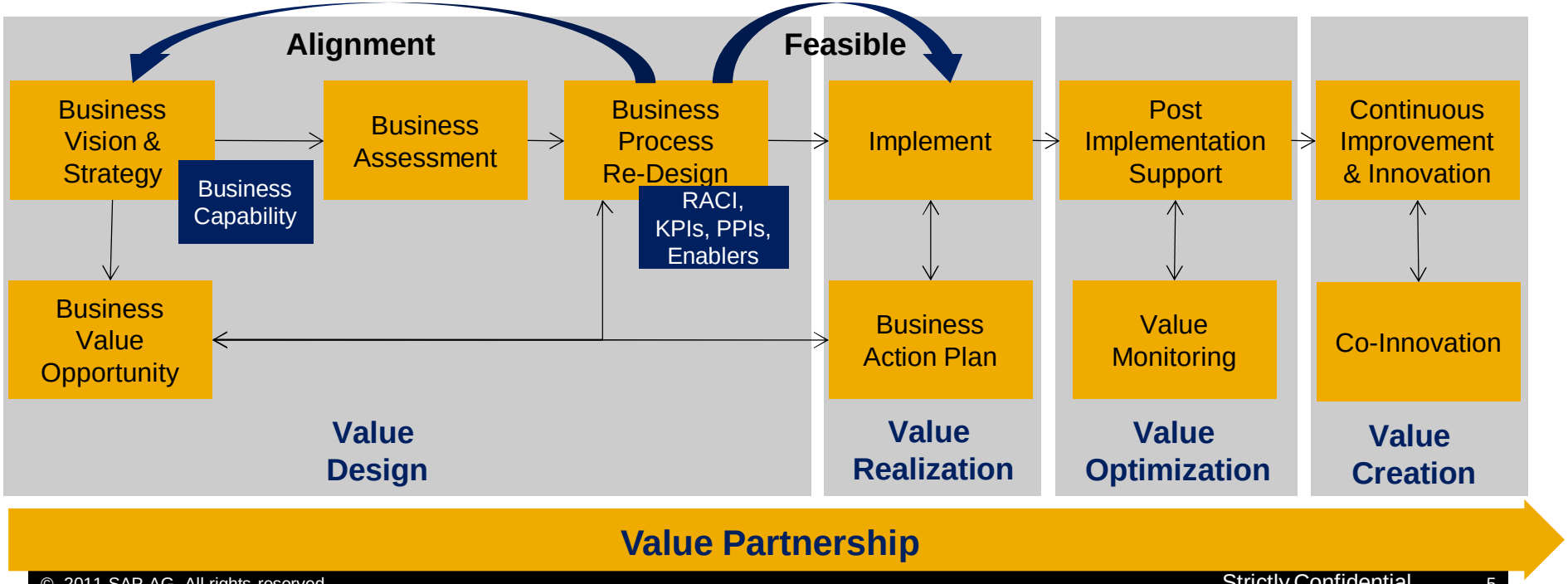
- Core Service to Customers
- Drives towards EFFECTIVENESS
- Increase EFFICIENCY through continuous improvement
- Leverage Industry Best Practice

Foundation Processes:

- Non-Strategic and Non-competitive processes
- Drives towards efficiency
- Leverage common processes (harmonized business process)
- Potential for transaction shared service
- Leverage standard solution for fast implementation
- Lower TCI and TCO

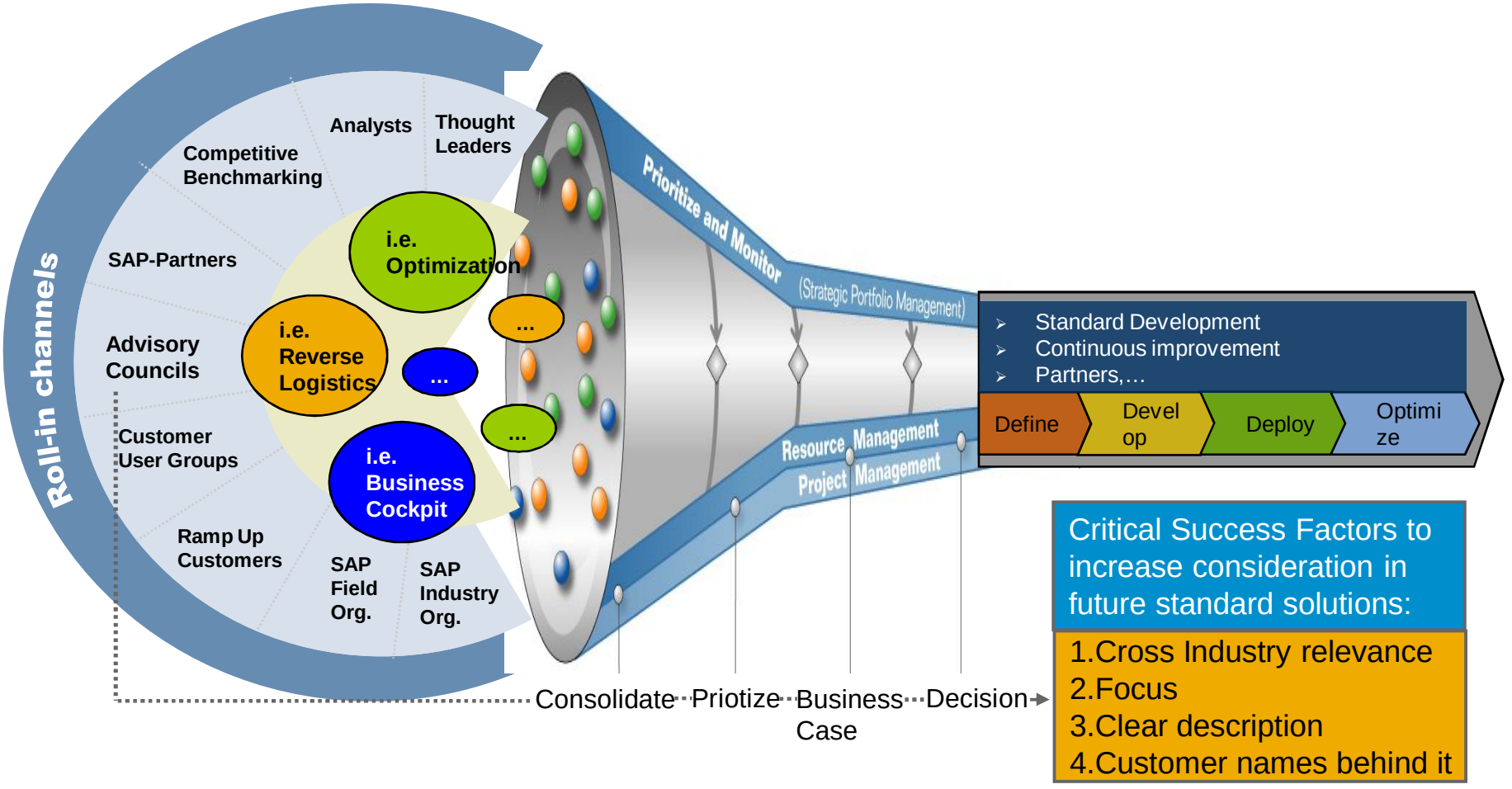
SAP Value Proposition-
Strategic Value Based Transformation

- Alignment between United Tractor's Business Vision and Strategy to Strategic Initiatives
- Business Process Transformation and Re-Design starts and ends with Value
- Complete Value Realization Roadmap:
  - Business Capability and Maturity Roadmap
  - Strategic Initiatives Roadmap
  - Solution Implementation Roadmap
- Business Process Design which are aligned with solution capability and roadmap (ensures feasibility)
- A Continuous Partnership Model



SAP – Generic Portfolio Planning Process

SAP - Solution Management



Critical Success Factors to increase consideration in future standard solutions:

1. Cross Industry relevance
2. Focus
3. Clear description
4. Customer names behind it

Executive Advisory Council (EAC)

Further developments are based on customer requirements

1. Mission

- The EAC is a global organization
- Members are Industry IT and business executives
- The EAC serves as an representative cross industry advisory group
- Gain and share insight for future business strategy and technology requirements
- Guide, influence and prioritize future After-Sales solutions

2. Core objectives

- Gain and share a common understanding on After Sales trends and key management strategies
- Define co-innovation projects in line with client business strategies
- Actively participate in regular meetings (working groups) to guide and influence
- Exchange experience amongst SAP clients and share future SAP developments

Shaping the Future of SPM – the EAC Working Groups

Working Group 1:
Service Parts Management

15 participating companies

Working Group 2:
Remote Service Management

17 participating companies

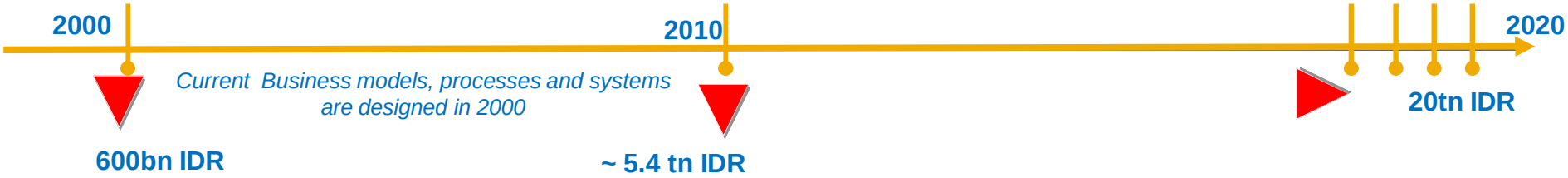
Working Group 3:
Reverse Logistics

12 participating companies

Agenda

1. SAP Value Proposition
   Value Based Transformation, SPM Executive Advisory Council
2. Business Context
   Our understanding of United Tractor's current situation
3. Strategic Levers and Value Realization
   The United Tractors BPR Journey
4. Project Scope, Approach & Methodology
   BPR Project Scoping
5. Appendix
   Additional details

Business Context – United Tractors



Vision

- To redefine Parts Business Processes for effectively supporting parts business growth in 2020 (IDR 20 T), while:
  - Maintaining low working capital growth
  - Maintaining low manpower growth
  - Maintaining low operating cost growth
  - Enabling online transaction & collection with every customer
  - Enabling online and win-win financing solution for every vendor
- To achieve optimum Parts Operating Cycle by streamlining processes:
  - Demand Creation until Customer Sales Order
  - Billing until Collection from customer
- To reduce working Capital (AR+Inventory) Ratio to Sales by 50% from current
- To achieve up to 100% accuracy for Planned Demand
- To gain 100 % visibility of spare parts status

Spare parts will be a strategic advantage in the overall UT business

UT’s Goal Towards Vision 2020

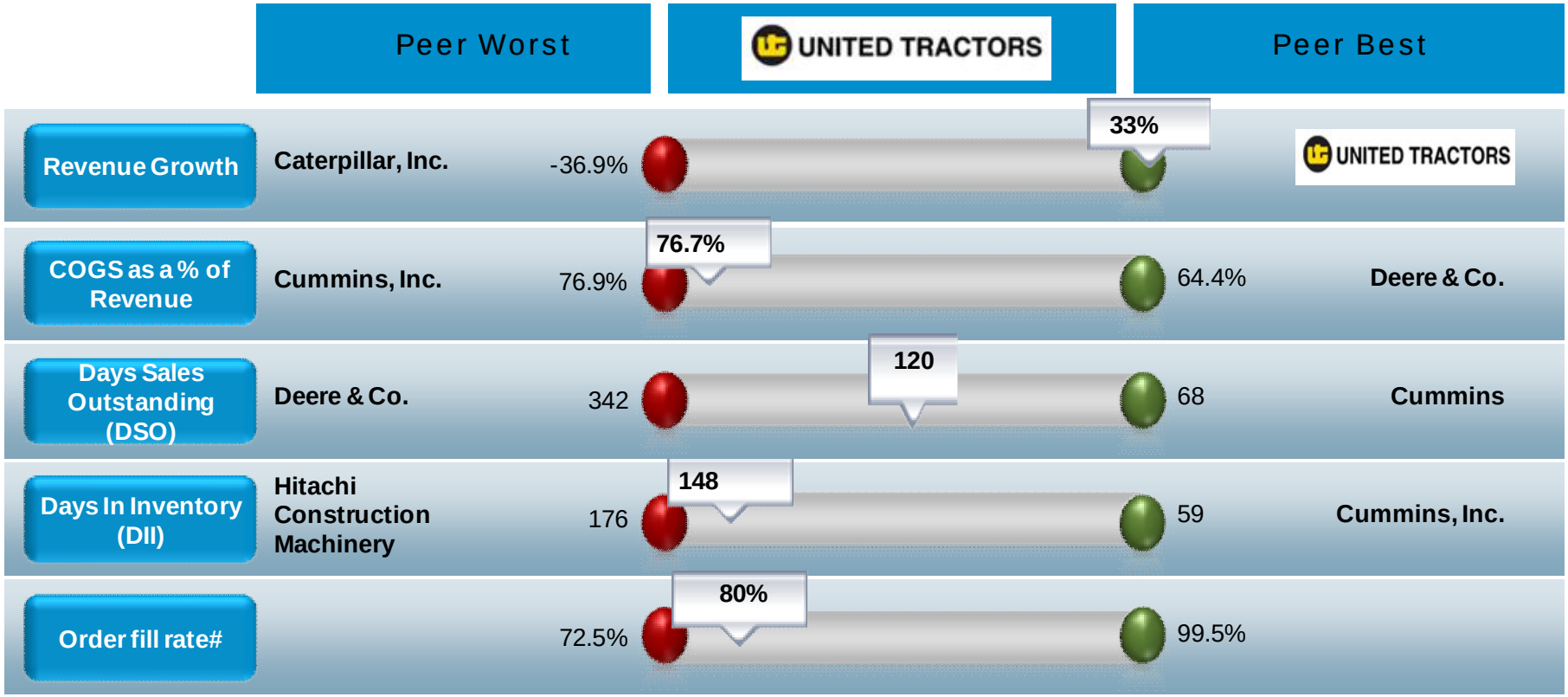
KPI	Current	Target
WC ratio to sales	52%	25%
Inventory Days	120 days	60 days
Planning Accuracy	56%	85%
Supply Lead Time	4 days	2 days
Operating Cycle	215 days	105 days
AR Days	95 days	45 days
Service Level	80%	95%
Operating Cost	2.5%	1.5%

UT wants to achieve the growth in revenue while keeping operational costs in control

Agenda

1. SAP Value Proposition
   Value Based Transformation, SPM Executive Advisory Council
2. Business Context
   Our understanding of United Tractor's current situation
3. Strategic Levers and Value Realization
   The United Tractors BPR Journey
4. Project Scope, Approach & Methodology
   BPR Project Scoping
5. Appendix
   Additional details

Peer Group Comparison for Key Financial Indicators

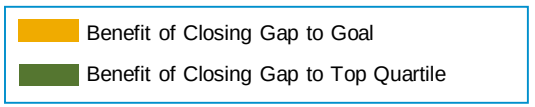


*United tractors figures relate to Parts Business
Peer Set includes – Caterpillar, Komatsu, Cummins, Deere & Co. and Hitachi Construction Machinery
All peers have more than 90% of their revenues from comparable business
#Order fill rate is based on SAP benchmarking database

Benchmarking Results and Value Potential: **Free Up Working Capital between IDR 1.9 Tn – 2.0 Tn**

Performance of Primary KPIs and Potential Benefits (in billions of IDR)

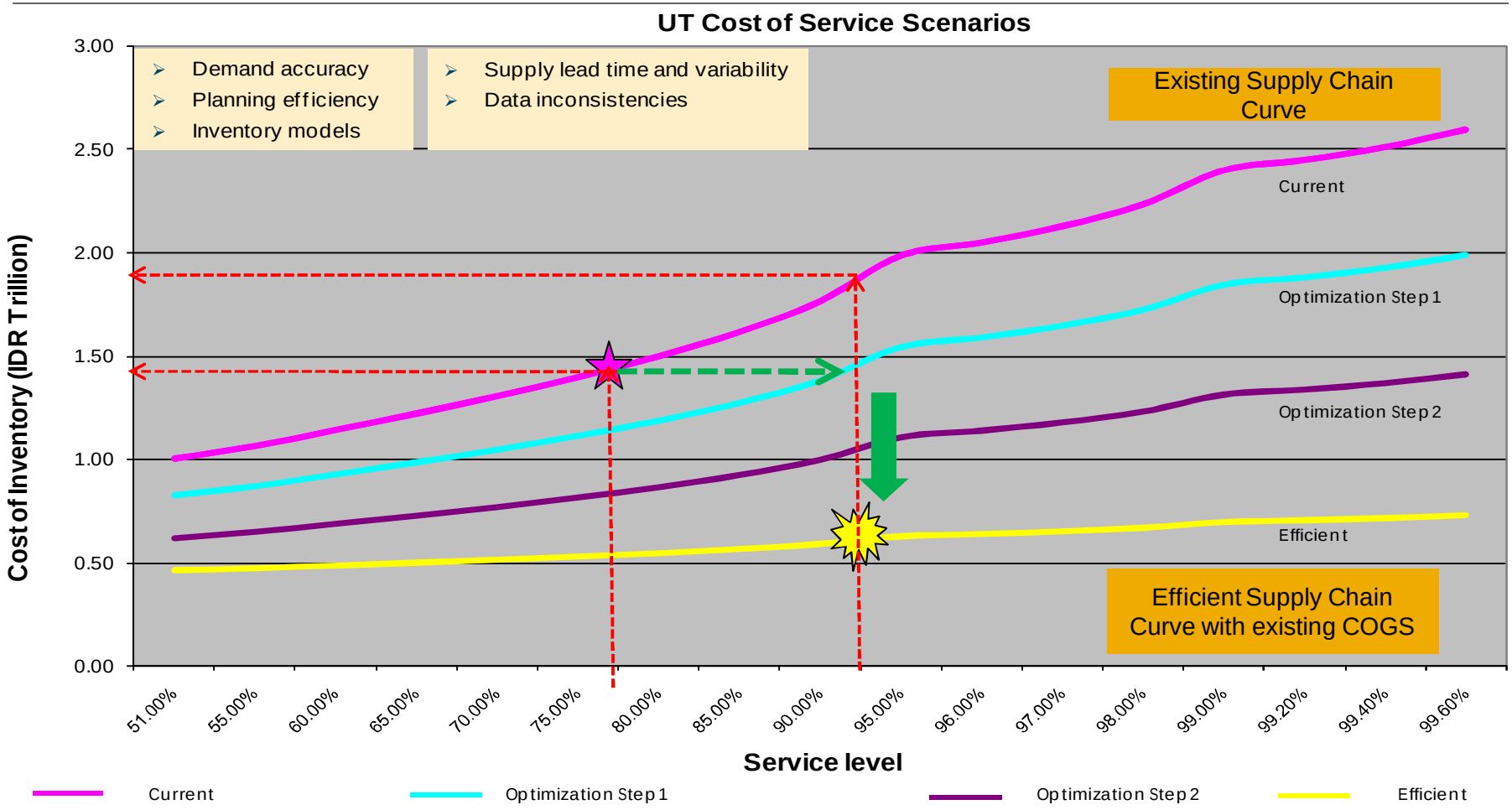
KPI	Benchmark Performance	Potential Benefit (in Rp Billions)
Order Fill Rate (in %)	Bottom 25% / Average / Top 25% 72.5 **80.0** 89.4 99.5	Increased customer satisfaction
Total Inventory – Days Of Supply (in Days)	Bottom 25% / Average / Top 25% 171.2 **148** 103.8 48.5	893 - 1,009
Days Sale Outstanding (in Days)	Bottom 25% / Average / Top 25% **120** 78.5 59.1 43.0	936 - 985



1) Working capital benefits totals may not add up exactly from subtotals displayed on this page as they are calculated based on exact, not rounded numbers
2) All currency in this report is in IDR
3) Peers included in the analysis are in Industrial Machinery And Components - General Industrial Machinery And Equipment, Industrial Machinery and Components - Motion and Fluid Control, Industrial Machinery and Components - Construction and Mining Machinery

How to Shift UT Cost of Service curve

phased supply chain optimization approach

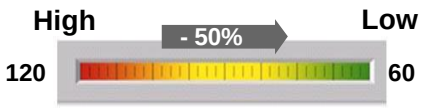


Effective changes to the various levers in supply chain enables moving towards the efficient supply chain curve

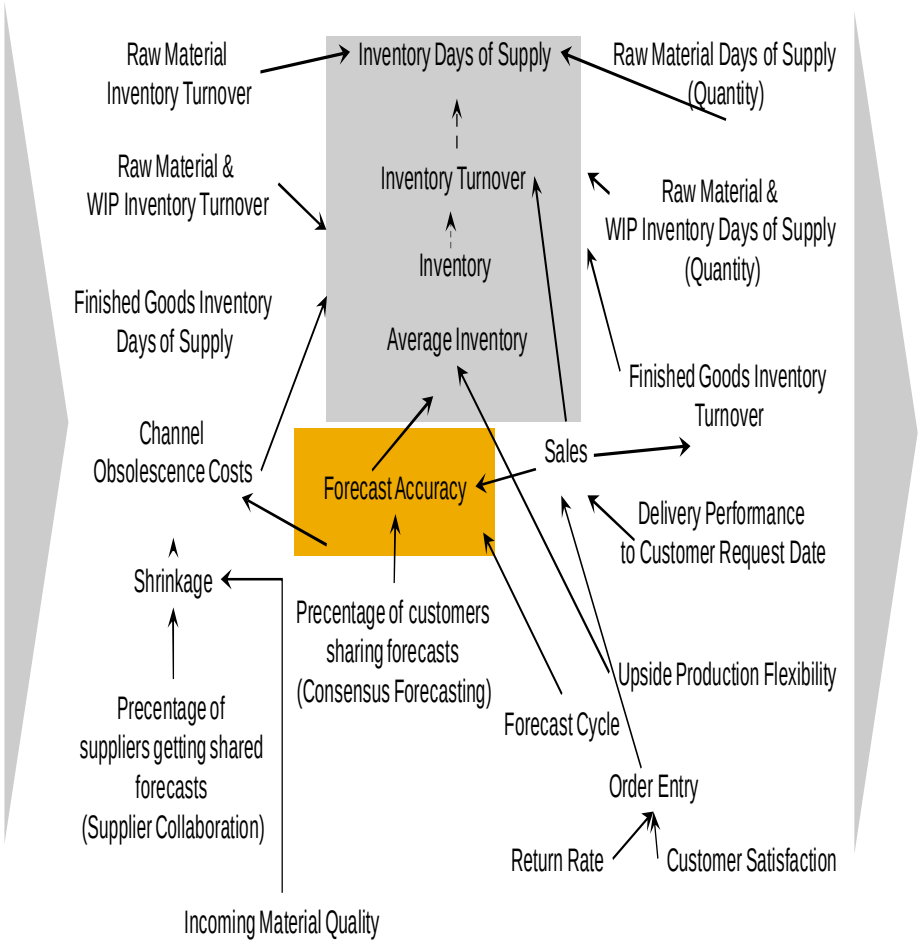
How to Shift UT Cost of Service curve

Assess, Analyze diagnose Value Enablers – To finalize strategies and fine tune processes

Inventory Days



Inventory Value Tree



Value Enablers

- Improve demand Accuracy
- Reduction in Supply Lead time
- Minimize Lead time variability
- Reduction Planning cycle time
- Reduce Cycle Inventory
- Improve Planning Accuracy
- Improve C2C cycle time
- Optimize supply chain network
- Leverage new and alternate distribution channels
- Improve collaboration with Vendors and partners
- Improve Order Fulfillment, Delivery and Shipping

How to Shift UT Cost of Service curve

Assess, Analyze diagnose Value Enablers – To finalize strategies and fine tune processes

Value Enablers	Value Levers	Initial Assessment
■ **Improve Forecast Accuracy**	■ Better **demand modeling**, global demand visibility ■ Faster recognition of **changing demand patterns** ■ **Better forecasting** of fast and slow moving parts ■ **Rule based demand Planning** - Historic, Maintenance schedules, Promo, Causals, MTBR / MTBF, MTTR, ECM and New parts planning ■ **Reduce obsolete stock** due forecasts for end-of-life and newly introduced parts	■ **Data**: Control of what should be forecasted. ■ **Method**: fine tune Statistical forecasting models - using multiple statistical models and model selection (with adaptive best-model-fit proposal handling multiple demand types / segments of parts including seasonal, sporadic and slow moving parts). ■ **Frequency and Accuracy**: Forecasts are dynamic and needs to be updated frequently to deal with short term demand adjustments & imbalances. ■ **Blended/Composite Forecast:** Need Ability to generate Combination of leading indicator forecasting (using BOMs, usage rates , MTBF etc) and statistical forecasting

How to Shift UT Cost of Service curve

Assess, Analyze diagnose Value Enablers – To finalize strategies and fine tune processes

Value Enablers	Value Levers	Initial Assessment
■ **Improve Planning Accuracy** ■ **Reduction Planning cycle time** ■ **Optimize Cycle Inventory & SS**	■ Single view of **Forecast and Planning** ■ correct **inventory plan & optimal distribution of inventory** within the supply chain plan to reach target service levels ■ Reduce global inventory levels & inventory related costs through network planning ■ Free-up of warehouse space through identification of excess stock ■ Reduce obsolescence through efficient use of remanufactured parts and part supersession ■ Increased efficiency through automated decision support (e.g. stocking/ destocking decision)	■ **Data**: Alignment from Budgetary Planning to S&OP to Material & distribution level - Data inconsistencies ■ **Methods:** Lack of Multi-echelon safety stock planning - Capability for calculation of the optimal safety stock by utilizing service level / EOQ, demand and supply variability. ■ **Monitoring / Reporting Frequency** :Lack of control on stock violation – Events to trigger workflow messages directed to responsible personnel with an automated escalation process. ■ **Multi-dimensional inventory classification:** planning and allocation are not based on defined product types/attributes. ■ **Inventory pooling** : lack of consolidation/share of common items at designated BOD locations.

How to Shift UT Cost of Service curve

Assess, Analyze diagnose Value Enablers – To finalize strategies and fine tune processes

Value Enablers	Value Levers	Initial Assessment
■ **Reduction in Supply Lead time** ■ **Minimize Lead time variability** ■ **Improve Planning Accuracy** ■ **Optimize supply chain network**	■ Optimized **deployment execution** based on different deployment strategies ■ Improved r**esponsiveness** ■ **Reduced operational cost** through optimized purchase frequency ■ Higher schedule stability towards supplier ■ Higher automation & f**ocus on exceptional situations** due to efficient approval procedures	■ **Data**: Alignment from demand to Material & distribution level is required - Data inconsistencies ■ **Process**: Need to improve Supply and demand planning integration , based on two way communications and access to a common data model. ■ **Location based planning** needs to be considered ■ **Integration With Deployment Execution:** Required close integration between supply planning and deployment decisions

How to Shift UT Cost of Service curve

Assess, Analyze diagnose Value Enablers – To finalize strategies and fine tune processes

Value Enablers	Value Levers	Initial Assessment
■ **Improve collaboration with Vendors and customers**	■ **Improve supply visibility**, allowing both sides to anticipate supply delays, and increased ■ responsiveness to demand changes ■ **Reduce supply network costs** ■ Increase transparency & quality due to monitoring and analytics (e.g. supplier delivery performance rating) ■ Improve **relations & sourcing decisions** lead to reduced material costs ■ **Better insights** earlier on **performance and demand trends**	■ Change Orders/PO Acknowledgements needs to be controlled and communicated to the supplier electronically ■ System to processes POs automatically (no intervention necessary) and submits them electronically to suppliers (real-time collaboration) ■ **Replenishment Planning**: Vendor Held stocks needs to be tightly integrated into a highly automated daily/ weekly/ monthly set of planning and execution processes. ■ **CPFR Collaborative Planning Forecasting and Replenishment** needs to be explored as 70% of the business is from One customer & from One Vendor

How to Shift UT Cost of Service curve

Assess, Analyze diagnose Value Enablers – To finalize strategies and fine tune processes

Value Enablers	Value Levers	Initial Assessment
■ **Parts Supply Monitoring & Analysis**	■ Reduced operations cost through easy identification of critical parts due to global view on and visibility of planning situation ■ Quick identification of shortage causes (root cause analysis) ■ Provides logistical supplier information for operational and strategic sourcing decisions ■ Elimination of bull-whip effect ■ Better alignment between responsibility and results	■ **Up-to-date:** Monitoring of the supply chain performance based on latest information. ■ **Prioritization**: Exceptions, and alerts categorized and needs to be presented in a prioritized order. ■ Required **ONE** place to quickly assess a situation and drive to a corrective action.

Our Baseline Hypothesis

Process Maturity Evolution

Cross Functional Process Integration

	Optimization Phase 1 – Quick Win	Optimization Phase 2	Optimization Phase 3
Biz Goals	• Visibility and Standard Process Integration	• Promise with Integrity and Enhanced Integration	• Collaboration and Extend Optimization
Planning	• Improve Demand Management • Improve Product Mix Decision and inventory models for segments • Integrate Demand and Supply Planning • Extend visibility across Value Chain Network • One Plan for the entire Supply Chain	• Enable Statistical forecasts • Constraints based supply planning • Co-Product and Cross Plant Planning • Location Based Planning • Consolidated View of One Plan (S&OP) • Automatic exception management/ alerts	• Collaborative Planning Forecasting & Replenishment CPFR • Extend One Plan to align with Financial Targets
Scheduling	• Simplified Location structures • Visibility of schedules (Pump Repairs) • Simplification of logistics scheduling	• Integrated and coordinated constraint based planning and scheduling • Dynamic routing • Align all schedules • Automatic exception management/ alerts	• Automatic re-scheduling to changes • Alerts of scheduling failures
Order Fulfillment	• Simplification and Standardization of Order fulfillment processes • Improve global available to promise through increased end to end visibility	• Sense and Respond to event changes • Automatic exception management/ alerts • Enhanced customer delivery Failure alerts for improving the customer service • 360° view of customer	• Customer Self Service (Web Channel) • Electronic transaction (EDI, etc.) • Use of Telephonic and web channels for order fulfillment • **Mobility capability**
Master Data	• More Complete Product category & BOM • Customer segments • Supplier segments • Improve data integrity & consistencies	• Improve data integrity & consistencies	
Technology			

Typical Customers reengineering Service Parts Planning Processes enable benefits

Increase Revenue

Higher fill rates, fewer stock-outs contribute to:

- Increased service related revenues (8% - 15%)
- Greater market share (10% - 35%)
- More inventory turns (7% - 40%)

Lower Operating Cost

- Reduction in “broken” calls due to no part (7% - 25%)
- Greater warehouse efficiency (10% - 25%)
- Lower inventory carrying costs (10% - 30%)
- Reduced emergency transportation (10% - 20%)
- Improved planner productivity (15% - 25%)
- Reduction in part delivery cost (5% - 10%)

Improve Working Capital

- Smaller inventory investment (5% - 40%)
- Inventory cost as a % of service revenue (as much as 7%)
- Minimized obsolescence and loss (5% - 30%)
- Reduced “in-transit” inventory value (up to 15%)
- Reduction in inventory (10% - 25%)

Other benefits

Quantified:

- Increase in part availability levels / fill rates (5% - 10%)

Qualitative:

- Increased Supplier Delivery Performance
- Improved Quality
- Improved customer satisfaction
- Lower number of claims

Proven customer value

- **Improvement** in warehouse functionalities and productivity
- **Improvement** in fill rates
- **15% to 25% reduction** in inventory
- **20% to 30% reduction** in IT support costs

- **Implement** Common Global Process/System
- **Improve and Sustain Fill of 98%**
- **Reduced Inventory by 10%**
- **Increase** Part Sales and **Improve** Inventory and Order Visibility
- **Eliminate** Unplanned Outages

- **15% Service Inventory** reduction
- **Increased** Service Levels
- **Global ATP** provides view of the entire Distribution Network
- **Supersession** integrated fully within Forecasting, Planning and Execution
- **Integrated Platform** shared by Engineering, Customer Service and Supply Chain

- **Spare parts availability +35% to 40%**
- **Forecasting accuracy in domestic market +40%**
- **Productivity of production planning controllers +80%**

Cat Logistics Achieves Cutting-Edge Service Parts Management Leveraging SAP® Software

QUICK FACTS

Caterpillar Logistics Services Inc.

- Location: Morton, Illinois
- Industry: Transportation and logistics
- Products and services: Logistics services
- Employees: 10,101
- Web site: www.catlogistics.com
- SAP® solutions and services: SAP Service and Asset Management, working with the SAP Service Parts Planning for Automotive package and SAP Supply Network Collaboration, SAP Extended Warehouse Management, and SAP Customer Relationship Management applications

"SAP brought a genuine desire to make sure the software not only met the needs of Cat Logistics but was also a best-in-class solution for the industry as a whole."

Kevin Nelson
Development Manager
Caterpillar Logistics Services Inc.

Challenges and Opportunities

- Provide continued support for increasingly sophisticated global operations
- Eliminate costly legacy systems

Objectives

- Move away from in-house software development
- Provide the functionality and power to manage complex service parts supply chain

Implementation Highlights

- Joined forces with Ford Motor Company to develop new application with SAP
- Successfully implemented extended warehouse management functionality at 2 locations and have plans for the rest of the network

Why SAP

- Long-term stability of SAP as a company, along with its industry knowledge and global perspective
- Planned upgrades and product migration
- Robust technology advances

Benefits

- Improvement in warehouse functionalities and productivity such as pick to clean, pick to fill, and integrated yard management
- Improvement in fill rates
- 15% to 25% reduction in inventory
- 20% to 30% reduction in support costs
- More time for IT staff to spend on customer service and integration

CAT Logistics

RQ 1xxxx (09/12)

BAJAJ AUTO
Simplifying Spare Parts Planning & Distribution

QUICK FACTS

Bajaj Auto Ltd.
Headquarters: Pune, India
Products and Services: Automotive
Revenues: RS 90,49 billion (USD 1,93 billion)
Employees: ~2,500 +
Website: www.bajajauto.com

SAP Solution and Services:
SAP ERP including Spare Parts Planning (SPP), BI and Netweaver

"SPP has helped us to cope with complex spare parts planning and distribution for both domestic and export market and has helped increase sales and reduce stress associated with manual methods"

Rajib Kumar Jena
Senior Manager, Management Information Services
Bajaj Auto Limited

Key Challenges

- Improve material availability
- Improve service level to customers
- Reduce high levels of spares inventory
- Improve ability to handle complex spare parts planning and distribution

Implementation Best Practices

- Used SCOR methodology to define process model
- Applied learning from pilot implementation to subsequent phase
- Tight collaboration among corporate IT, operations and marketing

Financial and Strategic Benefits

- Achieved pay-back on investment
- Higher spare parts sale and market share
- Improved inventory management
- Greater customer satisfaction
- Higher vendor engagement level
- Improved ability to react to changes in demand and throughout the supply chain

Why SAP

- Ability to meet core business needs
- Ability of the solution to handle both distribution and inventory management
- Ease of integration with existing ERP application
- Easily configurable and reliable solution

Low Total Cost of Ownership

- On-time, within-budget implementation
- Simplification of existing IT landscape
- No dedicated maintenance support staff required

Operational Benefits

- Improved material availability by 35-40%.
- Achieved higher service level to exports market by 45-70%.
- Improved productivity of production planning controllers by 80%
- Reduced inventory obsolescence rate
- Improved forecasting accuracy in domestic market by 40%

Agenda

1. SAP Value Proposition
   Value Based Transformation, SPM Executive Advisory Council
2. Business Context
   Our understanding of United Tractor's current situation
3. Strategic Levers and Value Realization
   The United Tractors BPR Journey
4. Project Scope, Approach & Methodology
   BPR Project Scoping
5. Appendix
   Additional details

Project scope

In Scope

Line of business

United Tractors Parts division

Geography

Current geography of business - Indonesia

Business Areas

Advanced Supply Chain Planning

- Strategic supply chain design
- Sales and operations planning
- Demand planning
- Inventory planning
- Warehouse management
- Logistics and transportation management
- Supply Planning and Management
- Order to cash

Financial Management

- AR

Corporate planning

- Annual operating plan – linked to materials requirement planning
-

Scope exclusions

Line of business

United Tractors OEM division

United Tractors Service division

Others

Geography

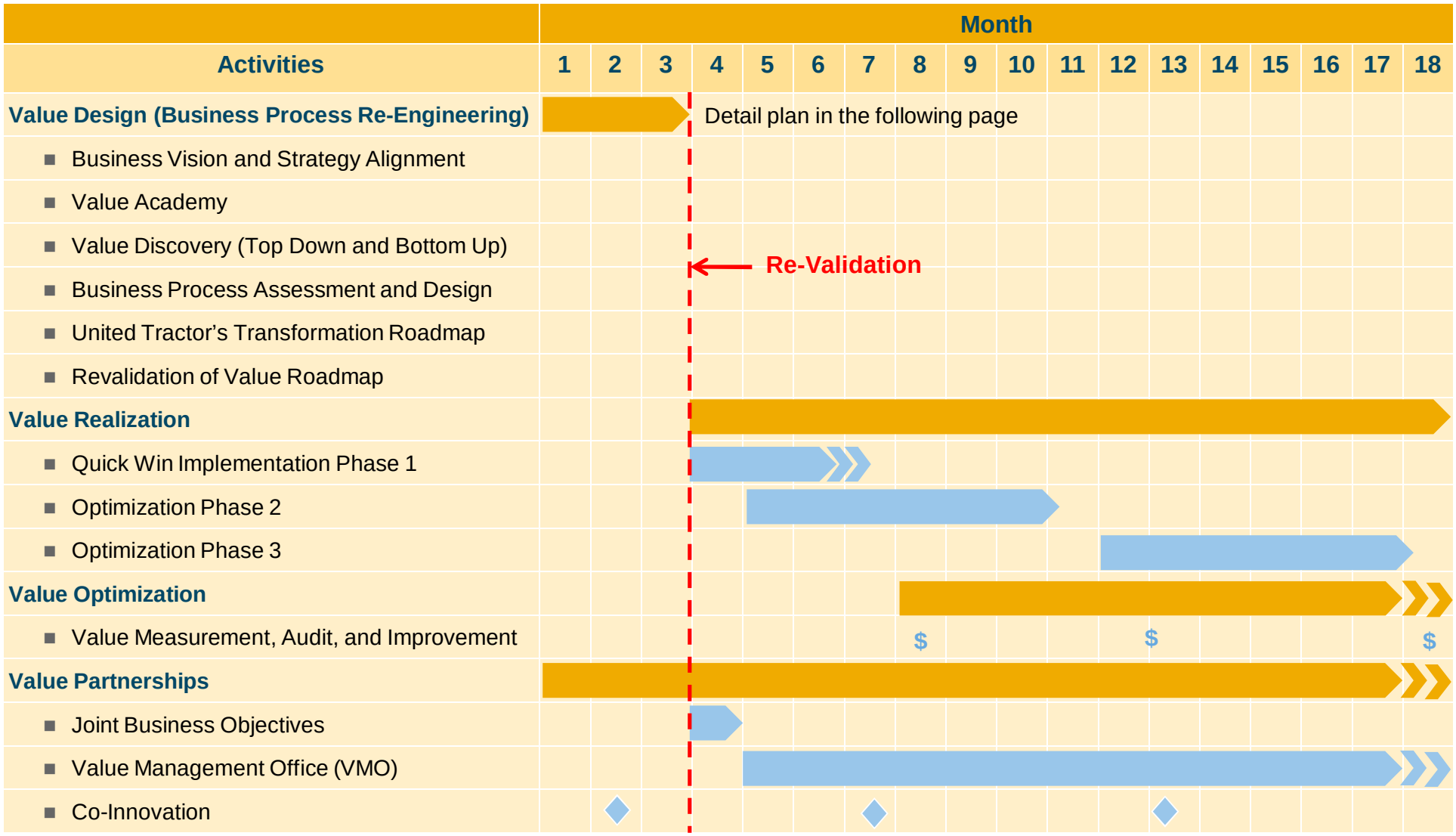
Geography outside Indonesia (or exports business)

Business Areas

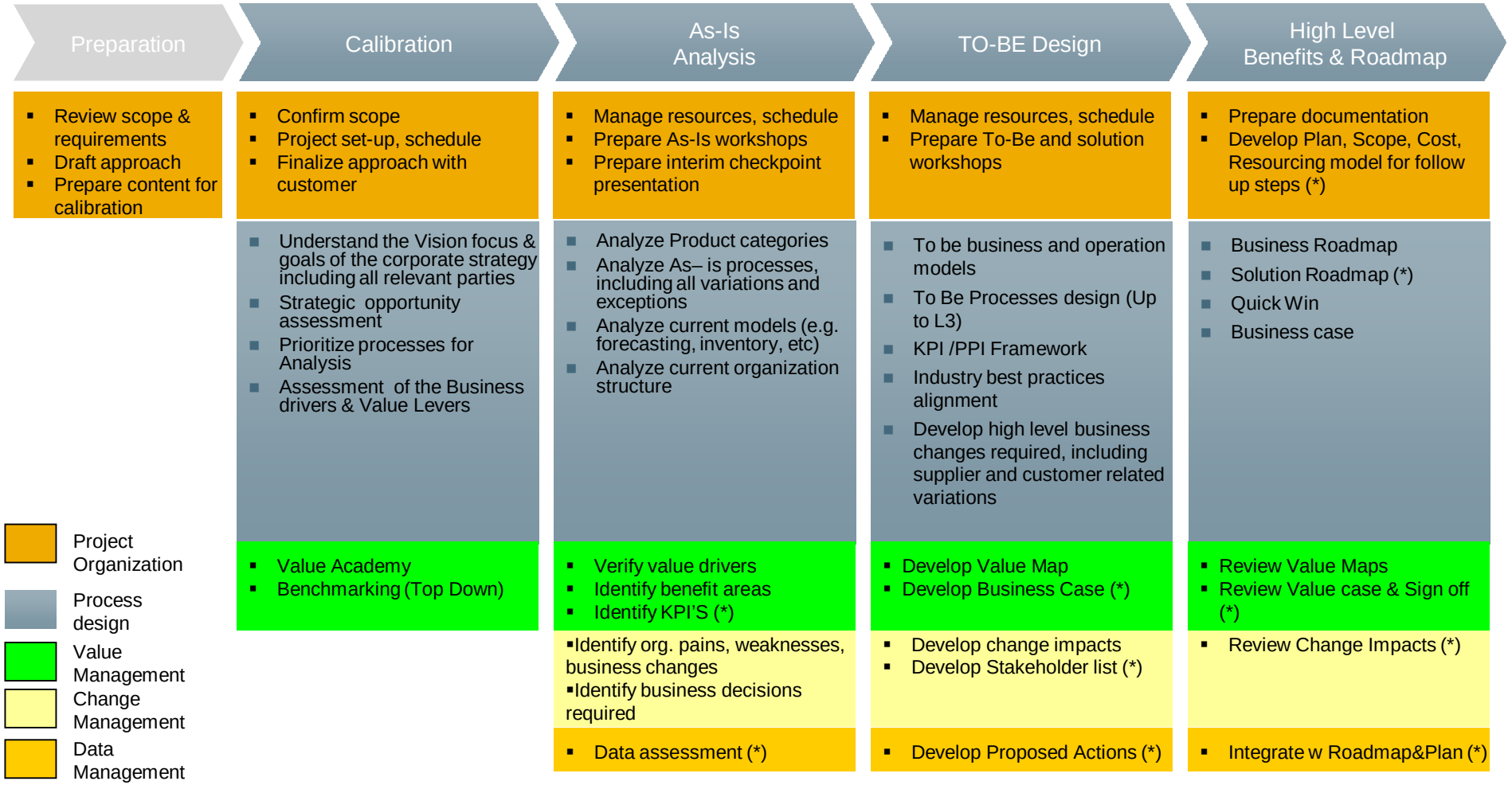
Warranty Management

Financial Management: AP

High Level Proposed Project plan



Value Design (Business Process Re-Engineering)- Detail Approach, Activities, and Deliverables



(*) Optional, depends on scope and targeted follow up scenario

SAP and United Tractors Project Resource Plan

SAP Resources	Proposed UT Resource
Business Transformation Principal (PMO/VMO/ Demand Supply Planning)	1. Project Manager (Pak Asep)
Value Consultant (VMO)	1. Operational Finance Lead 2. Operations Finance Senior Analyst (will eventually be responsible for Value Tracking)
Principal Supply Chain Consultant (Order to Cash)	1. Sales and Marketing Lead 2. Customer Service Lead 3. Finance A/R 4. Finance Controller (Credit Management)
Principal Supply Chain Consultant (Warehousing & Transportation)	1. Warehousing Expert(s) 2. Transportation Experts (s) 3. Demand Planning (Forecasting) Expert(s) 4. Inventory Management Expert(s) 5. Procurement Planning Expert(s) 6. Procurement Execution Expert(s)
Senior Business Consultant Industry Expert	
Senior Business Consultant Industry Expert	
Senior Business Consultant Industry Expert	
OCM Principal Consultant	1. Change Champion 2. Corporate Communication 3. HR Leader (Strategic Talent Assessment) - Part Time
Value Academy Industry Expert Value Academy Industry Expert	All the above resources plus relevant stakeholders and team members
	1. Project Administrative

Executive Advisory Council (EAC)

Further developments are based on customer requirements

1. Mission

- The EAC is a global organization
- Members are Industry IT and business executives
- The EAC serves as an representative cross industry advisory group
- Gain and share insight for future business strategy and technology requirements
- Guide, influence and prioritize future After-Sales solutions

2. Core objectives

- Gain and share a common understanding on After Sales trends and key management strategies
- Define co-innovation projects in line with client business strategies
- Actively participate in regular meetings (working groups) to guide and influence
- Exchange experience amongst SAP clients and share future SAP developments

Shaping the Future of SPM – the EAC Working Groups

Working Group 1:
Service Parts Management

15 participating companies

Working Group 2:
Remote Service Management

17 participating companies

Working Group 3:
Reverse Logistics

12 participating companies

SAP's Commitment to United Tractors

- Alignment of UT's Business Vision and Strategy
- Clear and Fact Based Value Definition and Target
  - Value Discovery (Benchmarking)
  - Value Academy (Building UT's capability in Value Management)
- Value Based Business Process Design
  - Business Capability Roadmap to support UT's Strategy
  - Business Process Design that is supported by Value Realization Action Plan
- End to End Business Transformation Roadmap and Business Case
- Partnership towards Value Realization and Optimization
  - Collaborative approach of Business Re-Design (SAP and UT)
  - Partnership throughout Planning, execution and innovation to support UT's Value Target

Thank You!

Agenda

1. Business Context
   Our understanding of United Tractor's current situation
2. Strategic Levers and Value Realization
   The United Tractors BPR Journey
3. SAP Value proposition
   Value Based Transformation, SPM Executive Advisory Council
4. Project Scope, Approach & Methodology
   BPR Project Scoping
5. Appendix
   Additional details

Ujjal

Business Transformation Principal
SAP Business Transformation Services.
APICS

Ujjal brings over 20 years of experience of business and consulting experience across enterprise applications, information platform, business development, practice lead, program management , business operations , instance consolidation and organizational change management having proven track record in value-based consulting initiatives across multiple industries verticals and corporation in Automotive , Hi-Tech , Utility , Telco , CPG , Apparels , Professional Services , IM&C and Discreet Manufacturing Industry space . In his last assignment as Principal with SAP Solution Excellence , Ujjal lead solution and strategy space for some complex and large projects in India, US & Asia Pacific .

As Strategic Advisor for Unilever Ujjal lead composite integration teams in business solution space of Inventory & Collaboration Hubs, Financial Consolidation, Sales & Distribution , Supply Chain Management, Business Intelligence, Customer Relationship Management for Unilever Fusion and Unity programs..

Prior to that Ujjal architected M&M “Dealer Business Management” solution for their automotive dealers and designed “Secondary Sales Business” solution for leading CPG accounts in India for their Distributor Business Management in domain of Collaborative solutions for Supply Chain Logistics . He was involved in expert Advisory roles for HLL, ABB, ITC, Infosys, Dabur, Tata-Telecom, 3-Com/Palm Inc. & Lead- managed Colgate-Palmolive Instance Consolidation project for Asia-PAC region . He continues to play the trusted-advisory role for some top global accounts and companies in this segment. He also assessed and designed optimal strategies including , Trade Promos , Incentive and Commission Management, Derivatives & Hedge in Commodity Trading , Network , Distribution and supply planning. His recommendations have been widely presented and accepted at C-level executives in many client companies.

Prasanth

Lead Management Consultant
SAP Business Transformation Services.

Years of Experience: Prasanth brings over Seventeen years of experience in strategic planning, supply chain management, business consulting and advisory services with special focus on business transformation.

Areas of Coverage: Prasanth specializes in operations management with focus on value realization through business transformation that is specific to Automotive and Industrial Machinery companies.

Professional Background: Prasanth is lead management consultant at SAP and has been a key member of the business transformation initiatives involving operations, supply chain and IT strategy for the key manufacturing clients of SAP.

Prasanth successfully led engagements with global fortune 100 on strategy, sales and operations planning, global supply chain reengineering and information system & technology planning in USA, & Asia pacific. He developed a framework for business transformation for a global OEM and was instrumental in the institutionalization of this across the organization.

He started his career with the Indian space research program as lead program manager and played a pioneering role in establishing geo stationary launch vehicle program of India, right from strategic planning to realization of space systems for the launch vehicle programs. Prior to Joining SAP, He worked with Tata consultancy services as lead management consultant , Business Transformation, USA

Education: Prasanth holds a Bachelor degree in Mechanical engineering and Master degree in Business Administration (MBA) from Indian Institute of Technology (IIT), Madras, India. He is an APICS certified CPIM professional

Joachim

Joachim Dugge
SAP Business Transformation Services.

Years of Experience: Joachim has ten years of leadership and extensive consulting experience in Supply Chain Management (SCM) for various topics and industry environments including automotive, metals industry, chemicals, consumer goods, paper , automotive and electronics with special focus on business transformation.

Areas of Coverage:
Joachim's experience is concentrated in analysis, modeling and optimization of SCM processes with value realization focus on Supply Chain Planning and Execution. He integrates Best Practice business processes into a synchronized, transparent, optimum supply chain. Joachim has experience in program management, change management , organizational design, training and process design, especially also in the area of Service Parts Planning. Joachim is ready to integrate into foreign cultural environment.

Professional Background:
Operative leadership and team lead for various Supply Chain programs/projects in different Industries, e.g. Automotive, Window production, Chemicals, Metals, Pulp and paper ,Consumer goods, Beverages ,Electronics,

Education:
Joachim earned a Master of Business Administration (Diplomkaufmann, University of Hamburg) and he is PMI PMP certified. He fluently speaks German and English; he has basic knowledge of Spanish and French language.

Pradeep

Pradeep Jadhav
SAP Business Transformation Services.

Experience: Pradeep brings over thirteen years of experience in management consulting, program management and advisory services with focus on supply chain strategy and planning. In his consulting engagements, he has worked with business heads in analyzing business issues and charting out strategies which have been presented and accepted by C-level executives.

Areas of Coverage: Pradeep specializes in all areas of supply chain strategy and planning. He is proficient in using sophisticated decision support systems and advanced quantitative modeling techniques to solve complex supply chain problems. He also specializes in process and workflow design across the supply chain areas.

Professional Background: Pradeep has worked with top clients in USA, Europe, China and India in a variety of industries like Auto, Telecommunications, Consumer durables and Pharmaceuticals. Pradeep has successfully led engagements with clients with complex distribution networks in redesigning their supply chain networks and improving their overall transportation and logistics planning processes.

As a principal business consultant with SAP, he has managed a large and complex systems implementation program, ensuring business value. He has also been involved in assessing customer IT organizations and creating strategies and roadmaps to ensure business and IT alignment.

Education:

Pradeep has earned his bachelor's in engineering from Indian Institute of Technology and his masters in business management from Indian Institute of Management

© 2011 SAP AG. All rights reserved

Performance Indicator Summary - Effectiveness/ Efficiency Balance

Category	Metric	Company	Peer Group P1		Peer Group P2	
			Average	Top 25%	Average	Top 25%
Effectiveness	On-Time Delivery Performance-To-Customer Request Date (by total orders delivered) (in %)	N.A.	94.1	96.6	89.1	97.0
Efficiency	Forecast Accuracy (in %)	62.0	69.7	75.0	77.7	90.0
	Revenue Loss Due To Stock-outs (% of revenue)	2.257	0.884	0.006	0.610	0.100
	Inventory Obsolescence Cost (% of revenue)	0.270	1.180	0.220	0.539	0.100
	Inventory Write-offs (% of revenue)	0.143	0.047	0.014	0.120	0.008
	Total Inventory – Days Of Supply (in days)	148.8	43.7	30.5	78.6	37.7
	Warehouse Management Cost (% of revenue)	0.4	1.3	0.3	1.2	0.4
	Transportation Spend (% of revenue)	2.1	3.0	1.6	2.1	0.9
	Expedited Transportation Spend (% of revenue)	1.8	0.383	0.084	0.134	0.042
	Demurrage/ Penalty/ Fine-Related Charges (% of revenue)	N.A.	*	*	0.027	0.003

Ranking: Below Average | Between Average and Top 25% | Top 25% | Outlier

Note: Color commentary based on the Peer Group P1 benchmarks unless mentioned otherwise
* Indicates lack of data points in the peer group necessary to determine benchmarks