SAP BUSINESS BYDESIGN DELIVERS EXTENSIBILITY

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THE BOTTOM LINE

SAP Business ByDesign delivers flexibility that allows customers to tailor it to their needs, increasing back office productivity 75 percent on average. Although cloud-based, SAP Business ByDesign, SAP's mid-market enterprise resource planning solution, is built with extensibility at the forefront of its value proposition. Nucleus found that users can configure the solution in a myriad of ways that ensure it is fit for purpose, helping customers overcome issues that plague mid-sized enterprises such as data quality, inventory management, and local compliance and reporting.

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OVERVIEW

SAP Business ByDesign is SAP's mid-market enterprise resource planning (ERP) offering delivered as a multi-tenant cloud solution that supports business application areas such as finance and accounting, human resources, project management, supply chain management, customer relationship management, and supplier relationship management. Whether moving from a legacy ERP or rudimentary finance and accounting management tools like QuickBooks or Excel, customers that turn to ByDesign are frequently faced with growing complexity that requires a more robust system.

EXTENSIBILITY AS VALUE

With a service-oriented architecture (SOA), Nucleus found SAP Business ByDesign provides the flexibility to customers, which helps them preserve the capabilities that

differentiate them from their competitors. The software is designed to support organizations with global operations, providing a scalable cloud platform on top of which users can leverage dedicated repositories to store custom code, modified user interfaces, and run analytics. The services layer accesses the user's repositories, regardless of what they contain, giving customers the ability to tailor the system to their exact needs.

In addition to the SOA, ByDesign makes configuring business processes simple for key users, with step-by-step guides. For example, if a company wants to expand to a new geographic region, the administrator adds the region which automatically imports the language, tax rules and regulations, and chart of accounts, allowing the user to add components as needed.

To aid configuration, the system allows users to fit workflows to purpose using the business process library that comes standard with the product. If the library of workflows and business processes logic within ByDesign does not address the customer's need, they have two options as to how to proceed. First, they can bring in their own custom code to the solution that can be accessed via the service layer, preserving legacy competitive differentiators that customers have developed. Second, the SOA of the solution enables customers to build the extensions they need to address the business processes that don't come out-of-the-box. These customer- and partner-built extensions become a competitive differentiator for organizations that they can continue to improve and change as their business needs evolve.

HOW COMPANIES REALIZE VALUE

As with many enterprise resource planning purchases, customers frequently turn to ByDesign when their business experiences a pain point that requires a new management system. Once the customer deploys ByDesign and starts to experience relief from the issues that plagued its prior enterprise resourcing planning solution, which often comes down to a lack of coordination and information siloes, the organization begins to realize what it can do with ByDesign that drives value. Nucleus found that customers realize value with Business ByDesign by having better accuracy and data quality in their bookkeeping, better inventory management, and localizations that make operating a global operation simpler.

DATA ACCURACY AND QUALITY

Customers who previously managed their operations with QuickBooks or Microsoft Excel frequently complained of how cumbersome and error-ridden their record-keeping was. This is especially true for organizations that are spread across multiple

geographies and operate in several currencies. With Business ByDesign, customers are able to centralize and better manage their financials. For example, companies can shrink their time to close from multiple weeks to just days. Nucleus found that back office staff were able to increase productivity 75 percent on average, with customers able avoid replacing staff lost through attrition or reallocate clerical employees.

Data accuracy also impacts manufacturing customers with complex build of materials (BOM) requirements and sophisticated production schedules. Errors frequently lead to scrapped production and excess inventory. Nucleus found that by eliminating these errors as information is moved from the sales order to the production order to the finished goods, ByDesign helps organizations keep operations running smoothly, reducing downtime and preserving profit margins.

INVENTORY MANAGEMENT

With Business ByDesign, companies that previously coped with a disjointed management system by carrying extra stock can reduce the overall production costs and shrink inventory. For operations that handle perishable materials that went to waste due to production bottlenecks or errors in the production order, the savings in inventory cost that is realized can be significant. Nucleus found that companies could save nearly one million dollars on a single stock keeping unit (SKU) that would have otherwise gone to waste or have been scrapped. Companies can translate the savings they realized into expanded sales and operations rather than continue to flounder due to expensive errors. Additionally, companies are able to reduce the cost of goods sold by utilizing inventory better, making them more competitive.

LOCALIZATIONS

Although tailored for mid-sized enterprises, ByDesign is backed by SAP's expertise in global ERP software, which aids organizations operating in multiple markets. From a reporting standpoint, ByDesign has capabilities built-in which allow users to input information into a report, such as an invoice with customer and order details, that is then customized to the local area automatically. This enables companies to pursue business in new locations without hiring expertise in the back office or finding translator. As a result, companies can maintain reporting compliance in local jurisdictions more easily, making expansion into new markets more feasible for a growing enterprise.

CONCLUSION

In analyzing the experience of customers, Nucleus found that organizations that deployed SAP Business ByDesign benefited from improvements in data quality, inventory management, and local reporting requirements. In addition to giving customers flexibility through its service-oriented architecture, ByDesign helps customers differentiate with extensions that preserve competitiveness and efficiency. With over a decade of market experience, Business ByDesign has built expertise in supporting mid-sized enterprises that want to make the jump to the cloud and benefit from the value that it brings (Nucleus Research, *r208 – Cloud now delivers 3.2 times more ROI*, December 2017).

Nucleus found that organizations that suffered from significant operational incoherence were able to mature their product lifecycles and enter new paradigms of streamlined commercialization. ByDesign is designed to support organizations that are both geographically diffuse and operationally complex, leveraging the global presence of SAP and its long history of deep business process understanding. By addressing these hurdles simultaneously, companies using ByDesign can go from scattered conglomerates of loosely connected business units to a more mature, efficient, and unified operation.