

# An Introduction to SAP R/3

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# The Agenda

- What is ERP? Who are the players?
  - The promise of integration.
  - R/3 - State of the art features?
- Implementation - the ASAP approach.
- Windows or what?
- Configuration and Benchmark Processes.
- “Hands on Demonstration”
- ERP Benefits - a Lilly view.

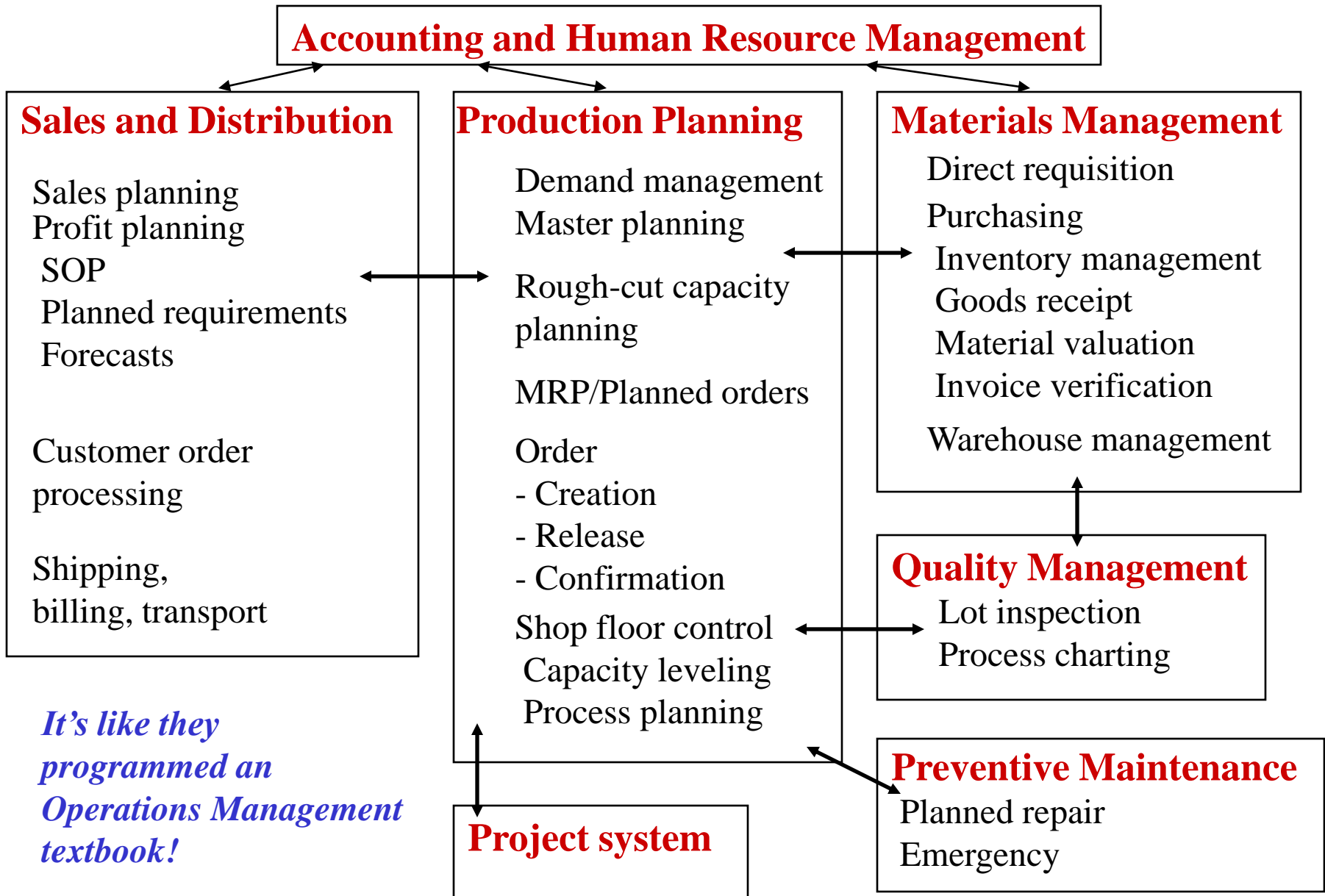
# ERP - What is it?

- *ERP is a generic term used to describe a comprehensive information system designed to integrate all the business processes found in an enterprise.*
- *Efficiency and productivity are improved through the integration of information and the removal of duplicate information and processes.*

# *The Players*

- **SAP R/3** - still must maintain mainframe architecture of large R/2 user population. Strong finance and accounting. By far the largest vendor (approx. 30% market share).
- **Baan** - known for manufacturing, distribution, process modeling modules - web and Internet.
- **PeopleSoft** - known for human resource package.
- **Oracle** - simplest product to install and support. Recently advertising flow manufacturing enhancement.
- **J.D. Edwards** - SCM module (SCOREx) WSJ 11/17/98.
- **Manugistics** - Distribution - truck loading and routing focus.
- **i2 Technologies** - Rhythm product - coordination of flow oriented manufacturing. Comprehensive forecasting module.

# The Promise of Integration - SAP R/3 View of Manufacturing



# **Sales/Distribution and Manufacturing Features**

- **Real-time Available to Promise & scheduling.**
- **Multi-national and multi-site distribution**
- **Integration with financial module**
- **MRP or Kanban logic**
- **Configurable BOM (by order)**
- **Engineering change control (date oriented)**
- **Backflush for raw and in-process stocking locations**
- **Interactive planning function**
- **Operations splitting and overlapping**

**Is this state of the art software? Transaction processing vs intelligent planning systems?**

# Implementation Strategy - Accelerated SAP

- 6-9 month project plan
- Self documenting
- Expert system
- Library of accelerators
- Knowledge base
- All on a CD!

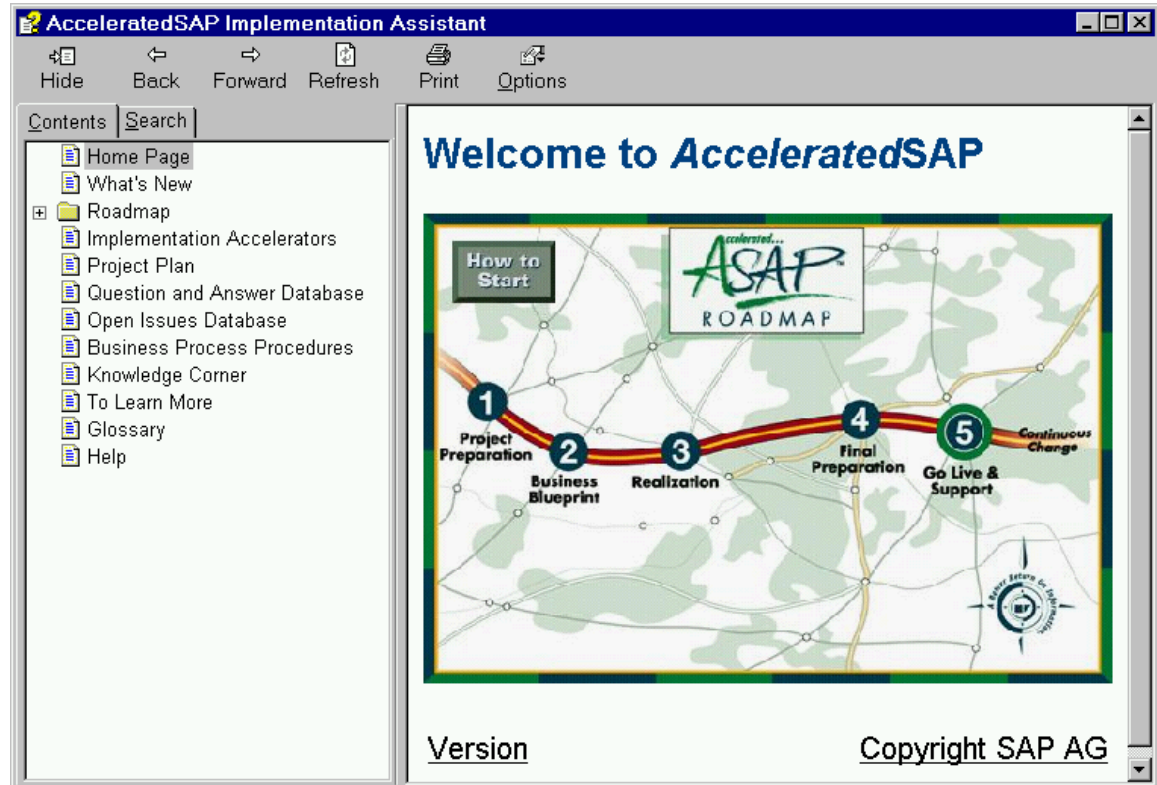


Figure 3: ASAP Opening Screen



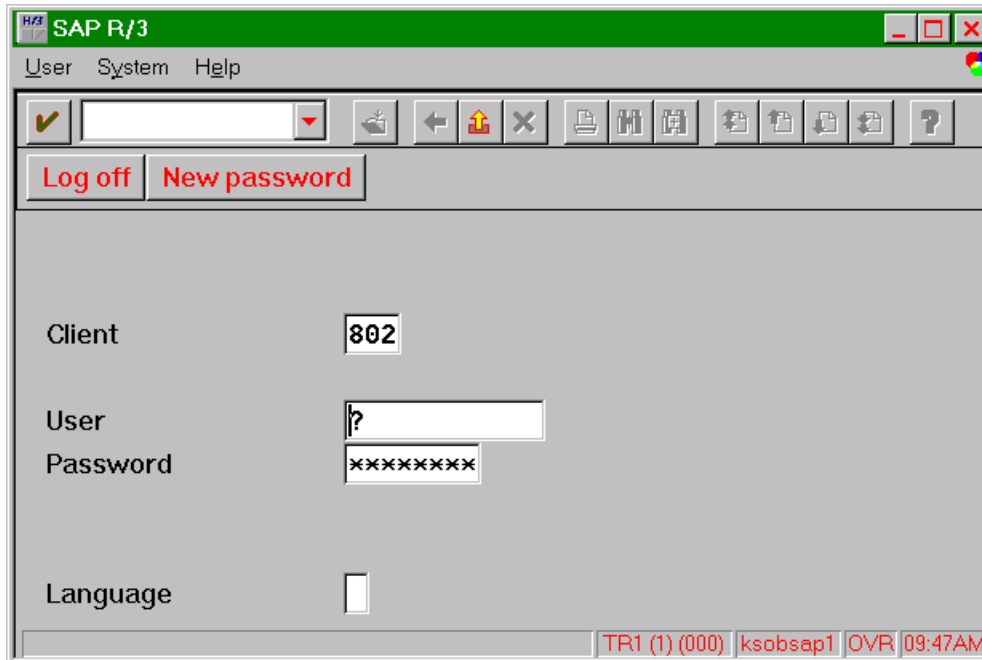


Figure 1: SAP R/3 Opening Screen

Logging on to  
the system

and

The user  
interface.

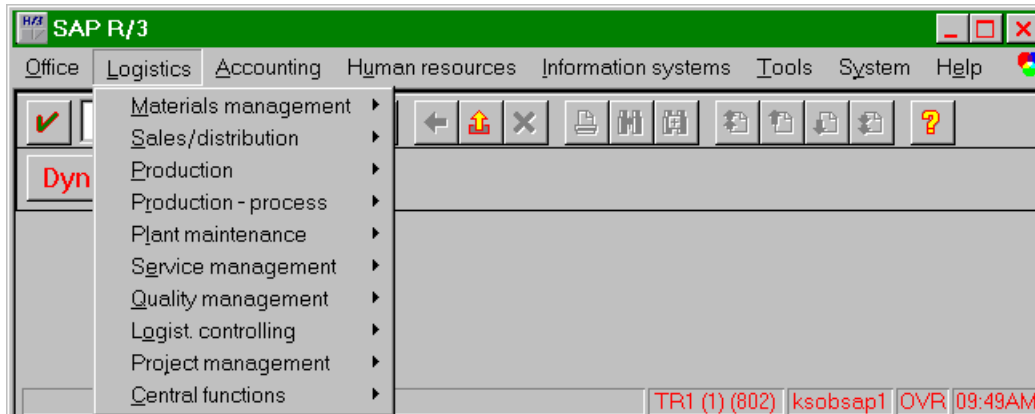
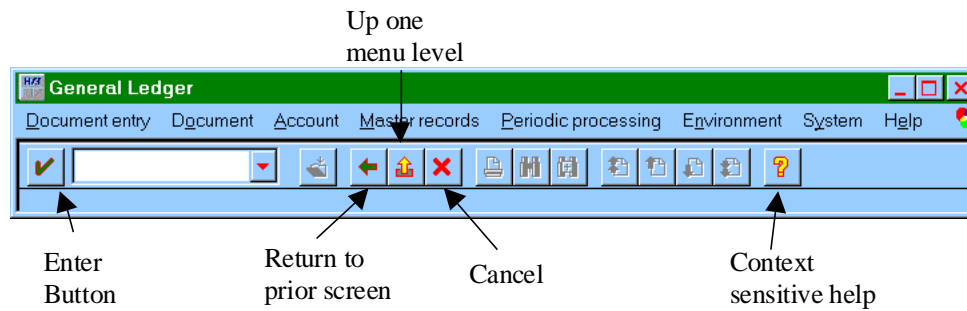


Figure 5: R/3 Main Menu

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# Navigating around the system.



**Figure 6: R/3 Navigation Buttons**

**Looks much like a regular windows application - in reality it is very different.**

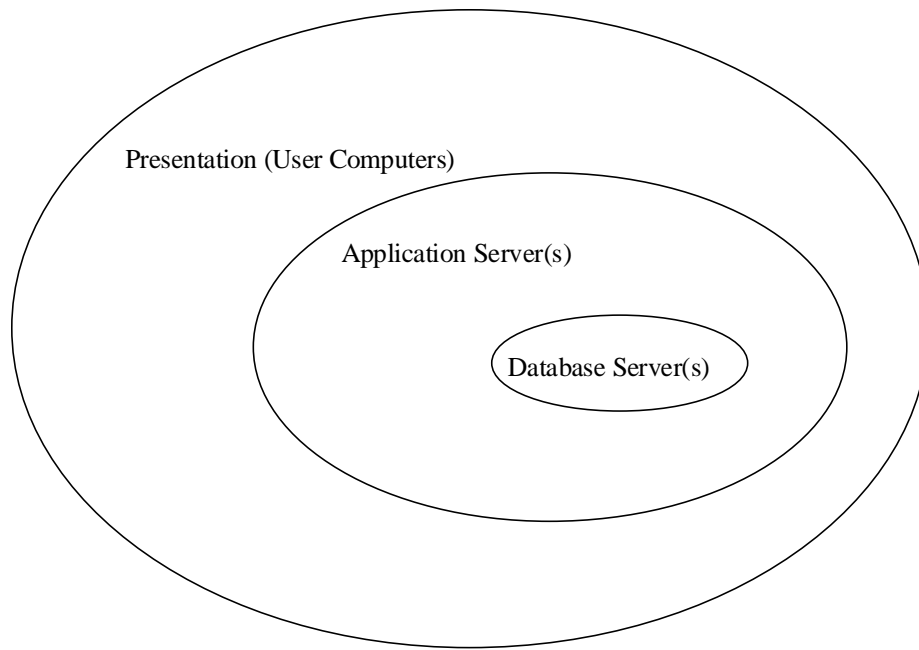


Figure 11: Three-tier hardware architecture.

**Typical installation -**

- 1 database server
- 2 application server
- 1,000 users

**Scalability -**  
**Ability to match the processing requirements to the needs of the organization**

# Computer architecture - distributing and scaling.

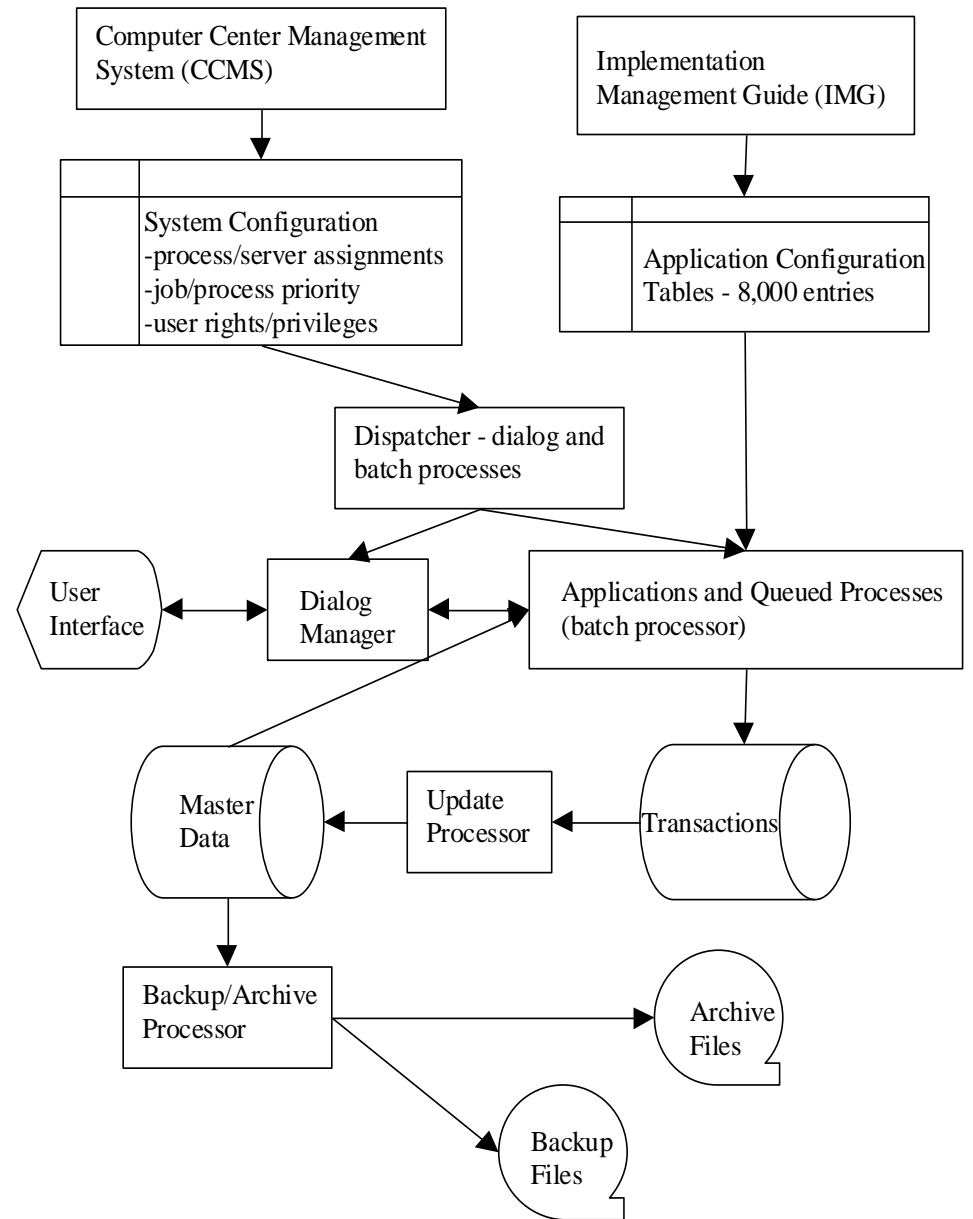


Figure 12: The R/3 Software Architecture

# Configuring R/3

To view this click on  
the following menu  
items:

**Tools > Business  
Engineering >  
Customizing**

**Press *Enter*  
Press *Enterprise IMG***

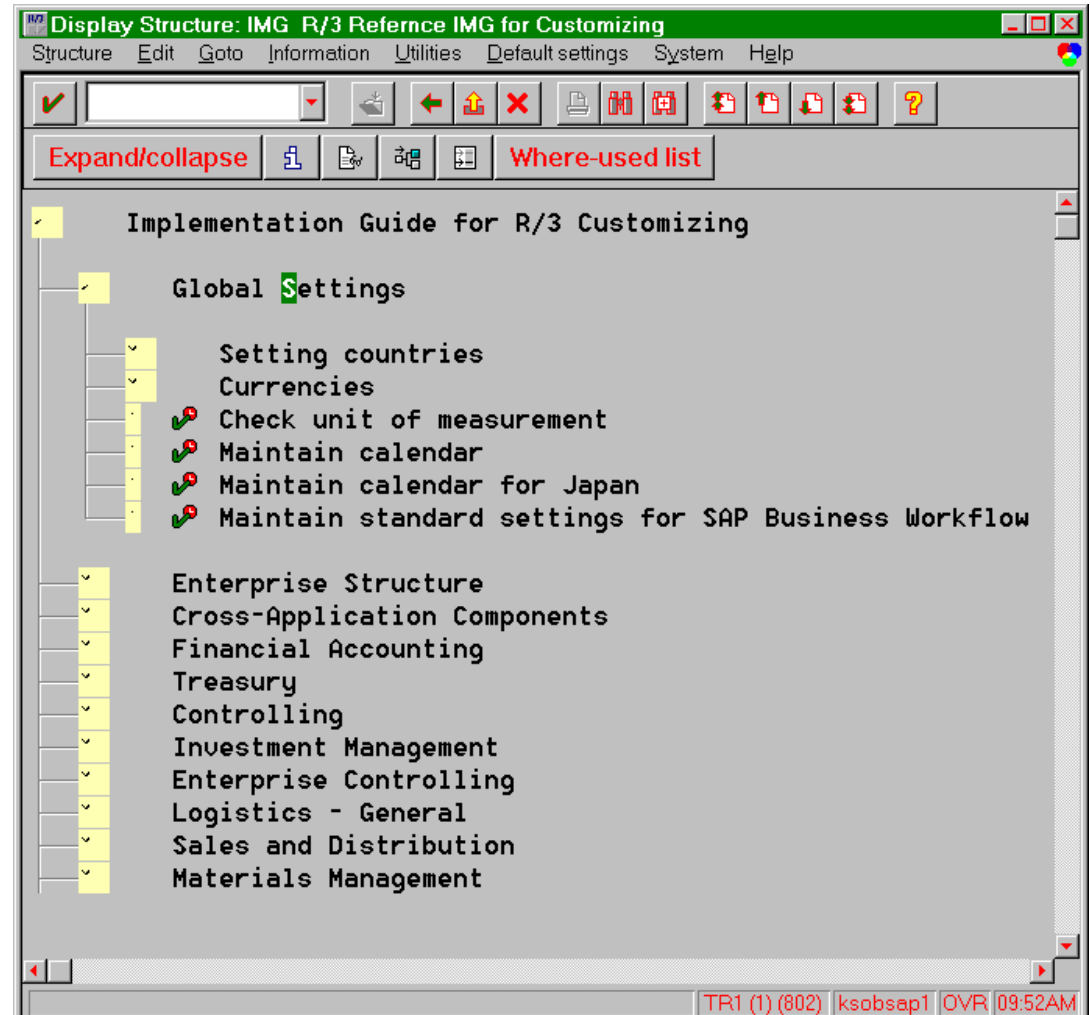
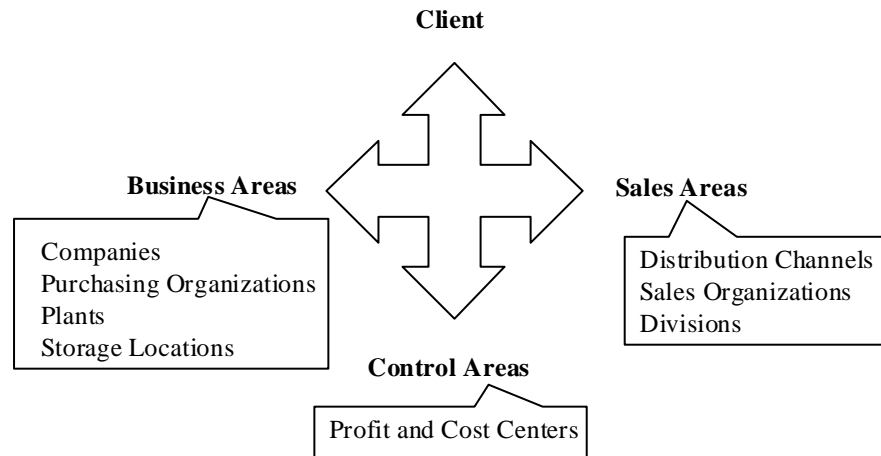


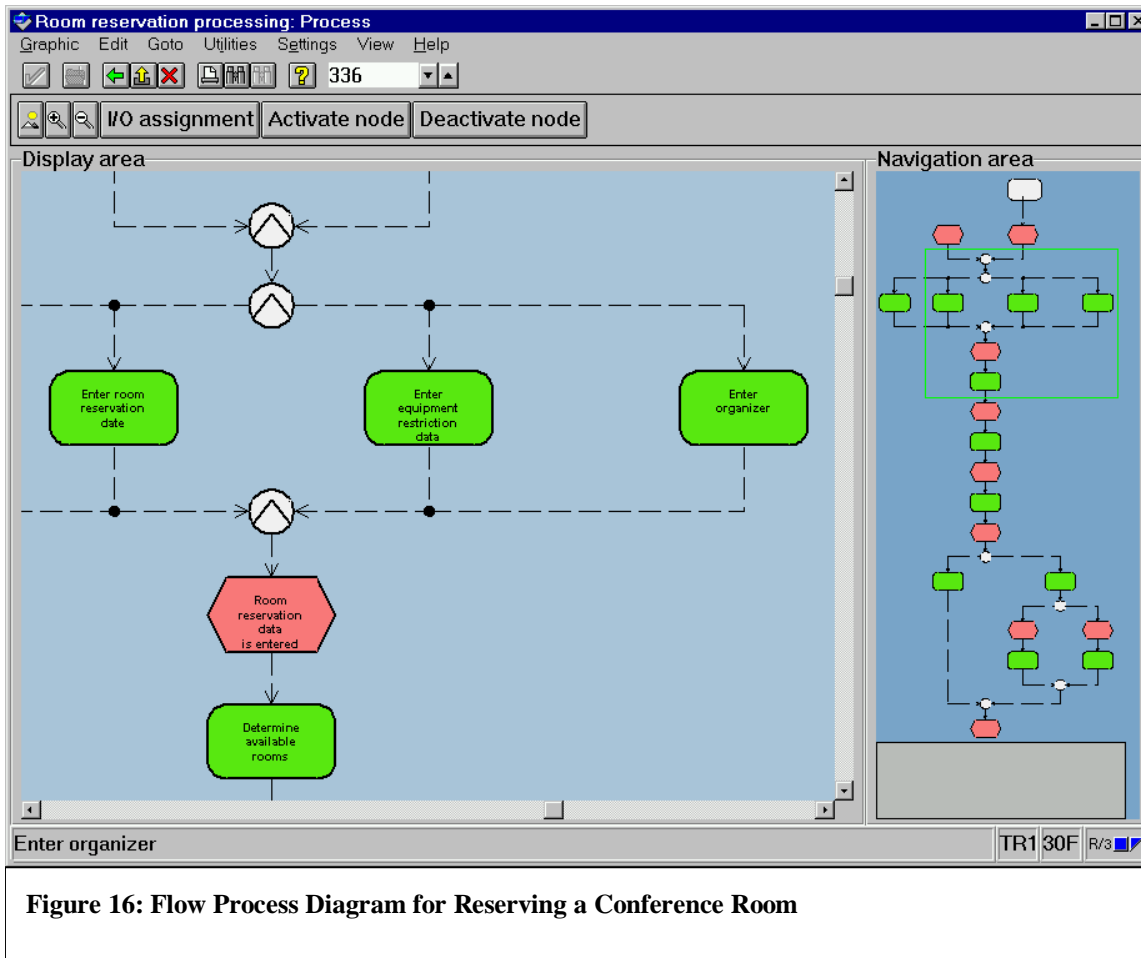
Figure 13: Implementation Management Guide (IMG) Configuration Menu

# How R/3 Defines the Enterprise

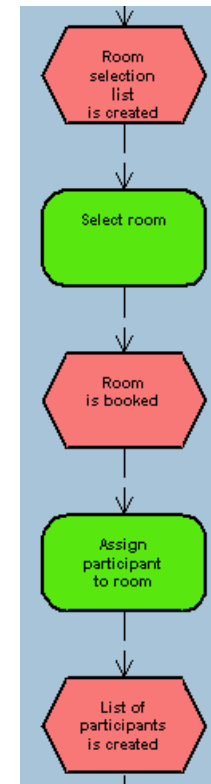


**Figure 15: A Sample of the Organization Elements Used to Organize Information Within R/3**

# Issue - Standard/Benchmark Processes



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Tools > Business Engineering > Business Navigator > Process Flow View

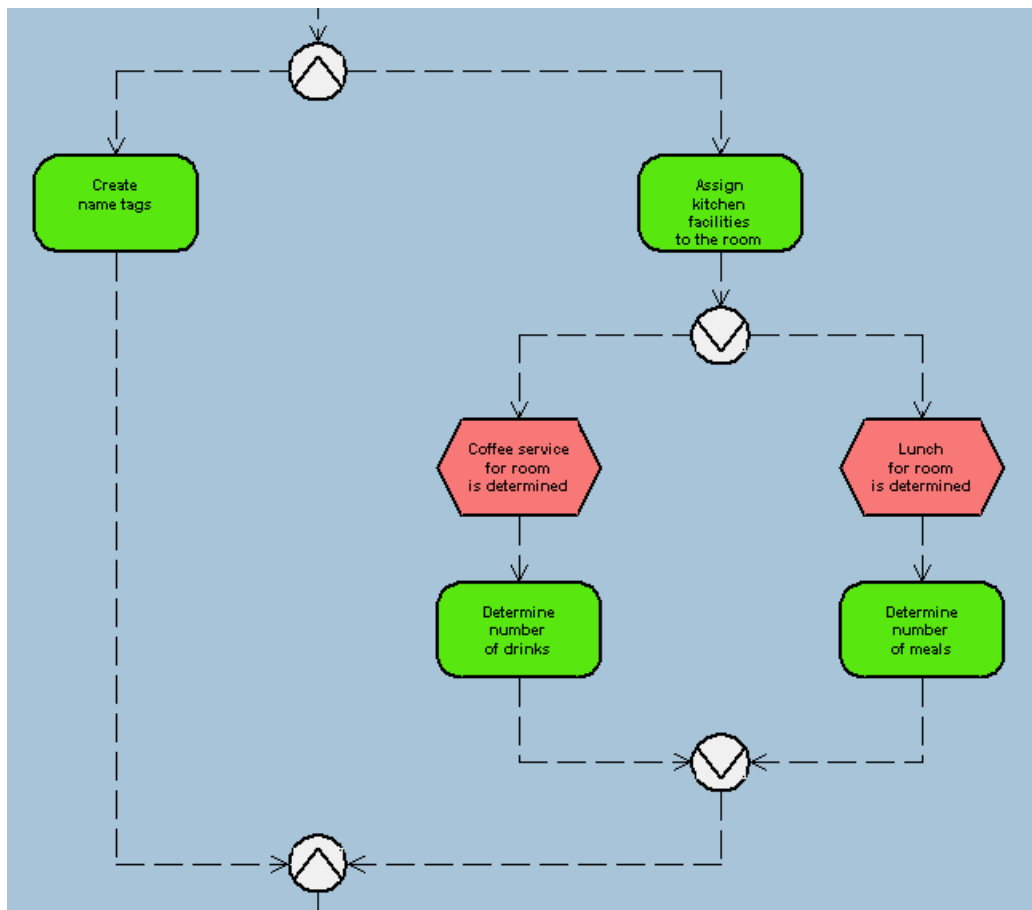
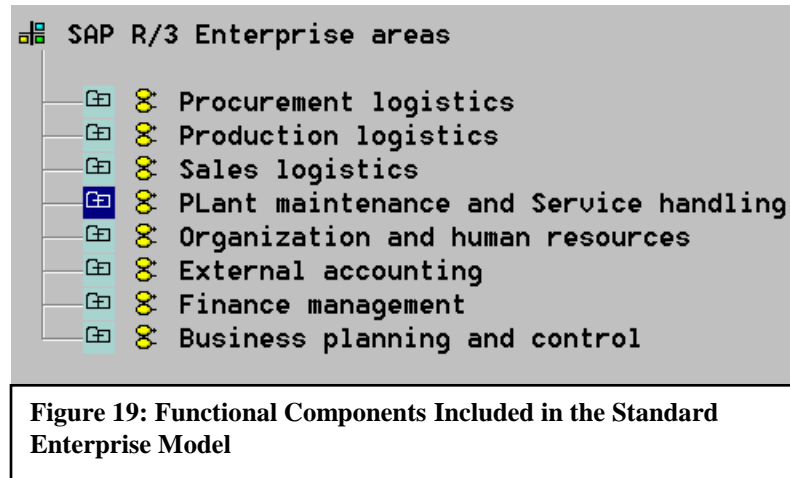


Figure 18: Room Reservation Process Continued

# R/3 Functional Modules



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**Tools > Business Engineering > Business Navigator > Process Flow View**

# ERP Benefits - from a Lilly presentation on their SAP R/3 project.

- **Process Improvements**
  - eliminate redundant transactions and multiple reconciliations.
  - More efficient job rotation process
  - More efficient staff and succession planning
- **Information Technology**
  - Reduced support costs.
  - Reduced infrastructure costs.
- **Strategic Direction**
  - Improved resource allocation
  - More flexible organization.
  - Better future decision making

- **Related initiatives**
  - Better focus, reduced spending

## **Project highlights:**

- **45 global sites**
- **implementation by 2002**
- **single client, servers in Indianapolis**
- **approx. 70 person implementation**