



SAP Product and Process Governance by BDF | SAP PPG

# Producing and offering highly customized products at maximum cost efficiency

Are you wondering whether it is possible to launch highly customized products within the same delivery time and at the same price as standard products?

We make this possible:

With Integrative PLM, you can successfully make your transition from Engineer-to-Order | ETO processes to Configure-to-Order Plus | CTO+ processes in SAP S/4HANA.

- The entire order process can be managed in ONE system – SAP
- Complete integration and synchronization of all data and processes
- Comprehensive overview of all relevant data
- Consistent and automated processes for the entire extended enterprise
- Flexibility and agility in customer order processing







# Changing the process strategy for bringing highly customized products to the market faster and at lower cost

Competitive pressure is increasing and many companies face the challenge of offering highly customized products within the same delivery time and at the same price as standard products. Did you already find a solution to this challenge?

The key lies in the customer-specific order handling: With a fitting process strategy, e.g., CTO or CTO+, and using a standardized digital product model as the basis, you will be able to design and govern seamlessly integrated,

redundancy-free, and highly automated E2E processes for customer-specific order handling.

#### Your advantages

The key factor for significantly increasing your efficiency is switching to CTO or CTO+ processes based on a digital product model. This way, you will achieve the following measurable benefits:



#### Shorter delivery time

Using a CTO or CTO+ process strategy, you can shorten your delivery times and save lots of time.



#### Lower costs

With CTO or CTO+ processes, it is possible to reuse entire modules across orders or product lines and reduce comprehensive ETO scenarios.



#### **Greater responsiveness**

A CTO+ process strategy allows producing individual products based on standardized product solutions that fulfill the customer requirements quickly and with high quality.



#### Reduced complexity

The standardization included in the CTO+ approach increases the reuse of components and leads to greater transparency.



#### **Higher automation**

The digital product model ensures an optimized, integrated information flow and allows a higher level of automation. This results in simplified processes and a data quality in line with the requirements.



# Solution approach

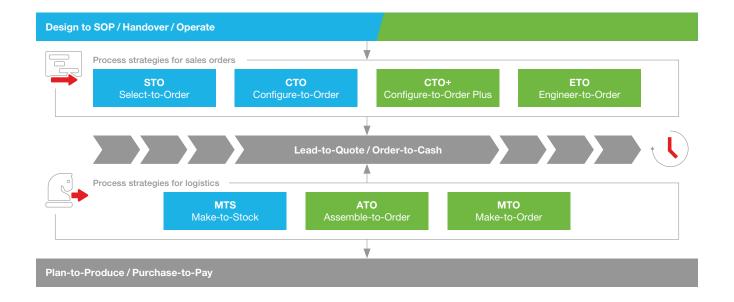
For achieving the expected benefit, it is necessary to embed the new CTO+ process strategy at the company level. From a technological point of view, this is supported by the digital product model.

#### Integrative collaboration based on the defined process strategies

The following illustration shows what the term End-to-End | E2E means in this context from a company's point of view. E2E consists of three layers that must interact perfectly. The following layers serve as an organizational framework:

Provision of productsDesign to SOP/Handover, OperateManagement of sales ordersLead-to-Quote / Order-to-CashFulfillment logisticsPlan-to-Produce / Purchase-to-Pay

This framework is covered by various data models with their typical IT workflows, e.g., STO, CTO, CTO+, and ETO in the context of sales orders, as well as MTS, ATO, and MTO in the context of logistics.



Blue = order-neutral: This data is created in product development and reused without any changes for an unlimited number of sales orders.

**Green = order-dependent:** This data can vary in each sales order down to batch size 1.

In order to reach the desired efficiency goals, it is necessary to use as much data as possible from the **blue categories** and to seamlessly hand it over to the **green categories**. This is described in more detail below.



Defined process strategies provide the processrelated, organizational, and system-side prerequisites for further improvements:

- Leveraging an integrative mindset and behavior
- Breaking up isolated layers
- Creating maximum transparency

Clear and unambiguous process strategies lead to efficient workflows.

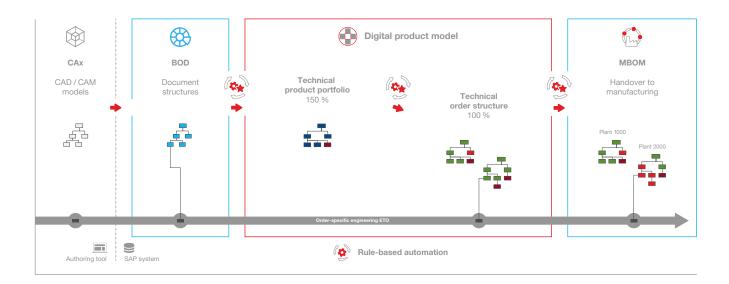
The sales team can rely on a clearly defined product portfolio.

Up-to-date information about changes in the sales order process is always available and transparently traceable.

Company divisions can work in parallel, exchange transparent information, and keep their respective process authority nonetheless.

- Interconnection / separation of engineering and production
- · High process integrity

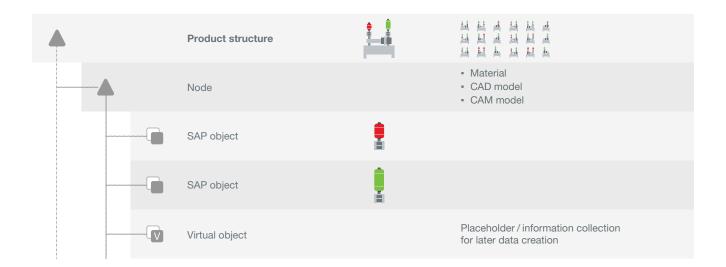
### **Process overview**



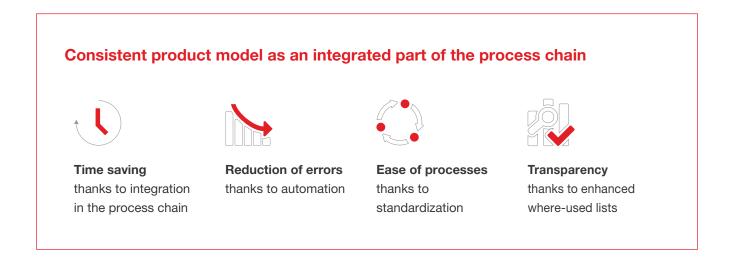
- Structured mapping of the product portfolio including variants
- Derivation of the technical order structure when orders are placed
- Enrichment with necessary ETO elements
- · Derivation of the manufacturing structure
- · Rule-based, automated transfer of structures to additional company divisions, e.g. quality assurance, service
- Deep integration into logistics



# **Digital product model**



- The product model allows capturing and collecting product information without having to create specific master data beforehand.
- This enables an automated and synchronized derivation of data structures from the point of view of various company divisions.
- The final creation of the SAP data objects is done automatically at the latest possible time.
- All product-relevant data is managed in a uniform model throughout the entire product lifecycle.



#### How to head towards a solution quickly and effectively

On your way to a consistent technological solution in SAP S/4HANA using SAP Product and Process Governance by BDF, we accompany you with our support and best-practice approaches. We offer you our model factory to implement your relevant topics as a prototype in a real

system under real conditions. You can learn from the prototype, and improve and verify your concepts. With our model factory, you will benefit from a realistic, end-to-end sample factory based on SAP S/4HANA.



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Digital processes are increasingly determining value creation. We are therefore committed to optimizing and digitizing complex data and processes.

Digitalization does not only allow us to make processes more efficient but also to create new digital business models. Data is the foundation for the success of digitalization in every company. We help you with collecting, structuring, and optimizing your data based on a digital product model.

















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