

Pioneer Foods – ESOA Roadmap

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Pioneer Foods Background

The Challenge....

ESOA Roadmap Journey

Pioneer Foods Background



Pioneer Foods

- Food manufacturing company.
- Activities include the manufacturing, distribution and selling of products.
- Operations are spread across divisions with separate operating business units within the divisions:
 - ◆ Bokomo Foods, Sasko Grain, Sasko Baking, Sasko Strategic Services, SAD, Ceres Beverage Company, Agri, Heinz Foods SA and Bokomo Africa
- More than 10 000 permanent employees.

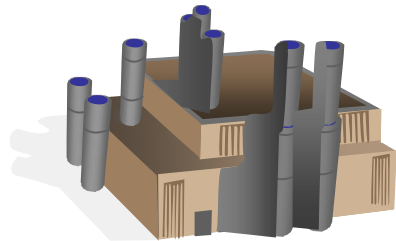


Pioneer Foods Background

SAP

- Involved with SAP since 1997.
- Strategic decision to use SAP as ERP system.
- SAP applications in production
 - ◆ SAP ERP 6.0, Warehouse Management (WM), Exchange Infrastructure (XI), Mobile Infrastructure (MI), Business Intelligence (BI), Portal, SAP GRC Access Control
- SAP applications not in production
 - ◆ MySAP Insurance, Master Data Management (MDM)

Pioneer Foods - IT Statistics



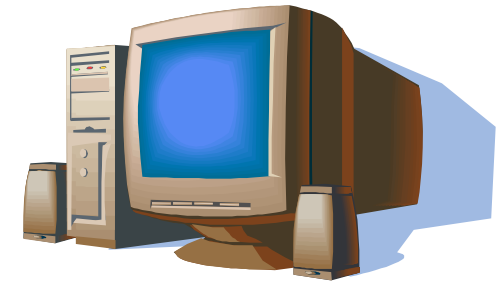
168 Business Units



2 500 SAP Users



Database 9TB



3 300 PC's

Operating System = Windows 2003
Database = Oracle
Hardware = HP

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Pioneer Foods Background

The Challenge....

ESOA Roadmap Journey

The Challenge.....From This



To this



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Pioneer Foods Background

The Challenge....

ESOA Roadmap Journey

ESOA - Stages

Discover

- Understand Pioneer Foods specific key challenges within industry
- Understand the SAP NetWeaver and ESA strategy, and identify opportunities
- Identify key business processes where improvements / innovation could be realised

Evaluate

- Design a customer specific Roadmap, based on challenges, key processes, IT landscape and IT practices

Implement

- Start to implement your Roadmap. This may involve a technology refresh, implementation of SAP or other applications, change management and project management.

Operate

- Once the Roadmap has been implemented as identified during the Evaluation phase, ensure that real value is being derived and that the business is getting all of the benefits it anticipated

ESOA - Process

Consumer-Driven Approach

ESOA Roadmap 5 Years with License Implications

Prioritisation
Criteria
(Positive)
=
Positive "Heat
Map"

Architectural Assessment

Prioritisation
Criteria
(Negative)
=
Final "Heat
Map"

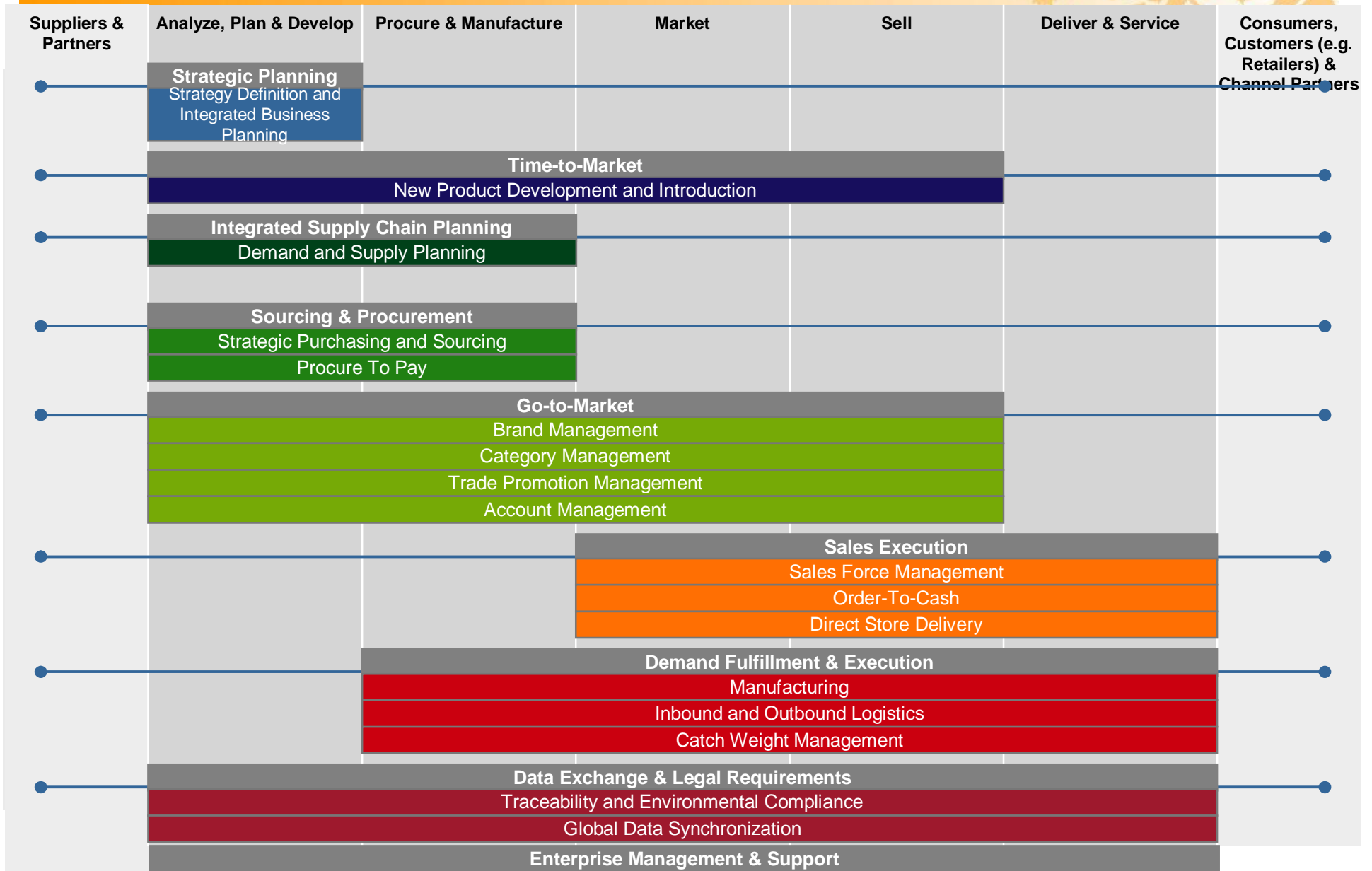
Business Process Scenario Explanation
Value Map

SAP for Consumer Products

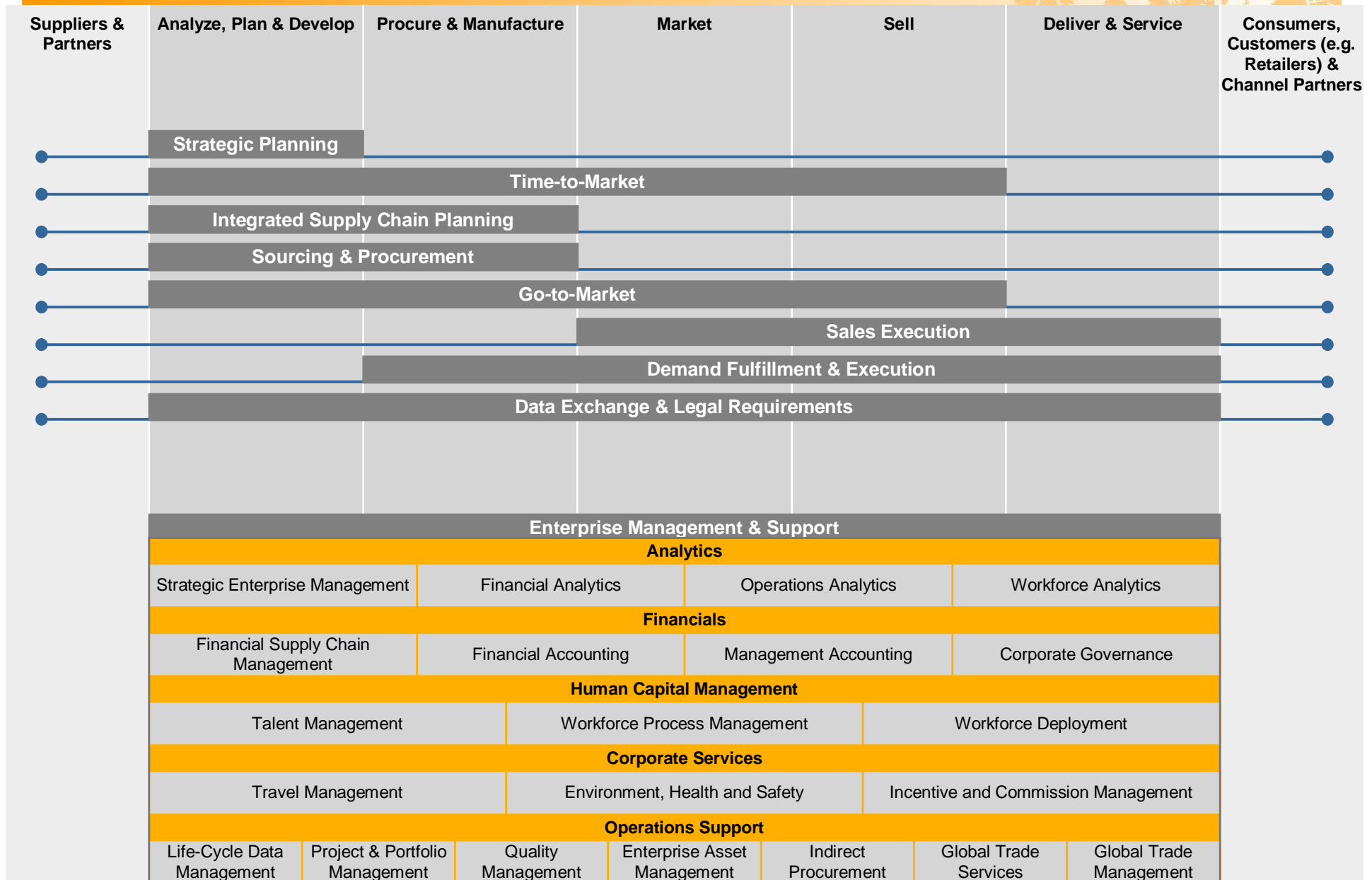
- Business Process Scenarios
 - SAP ERP 6.0
 - SAP NetWeaver



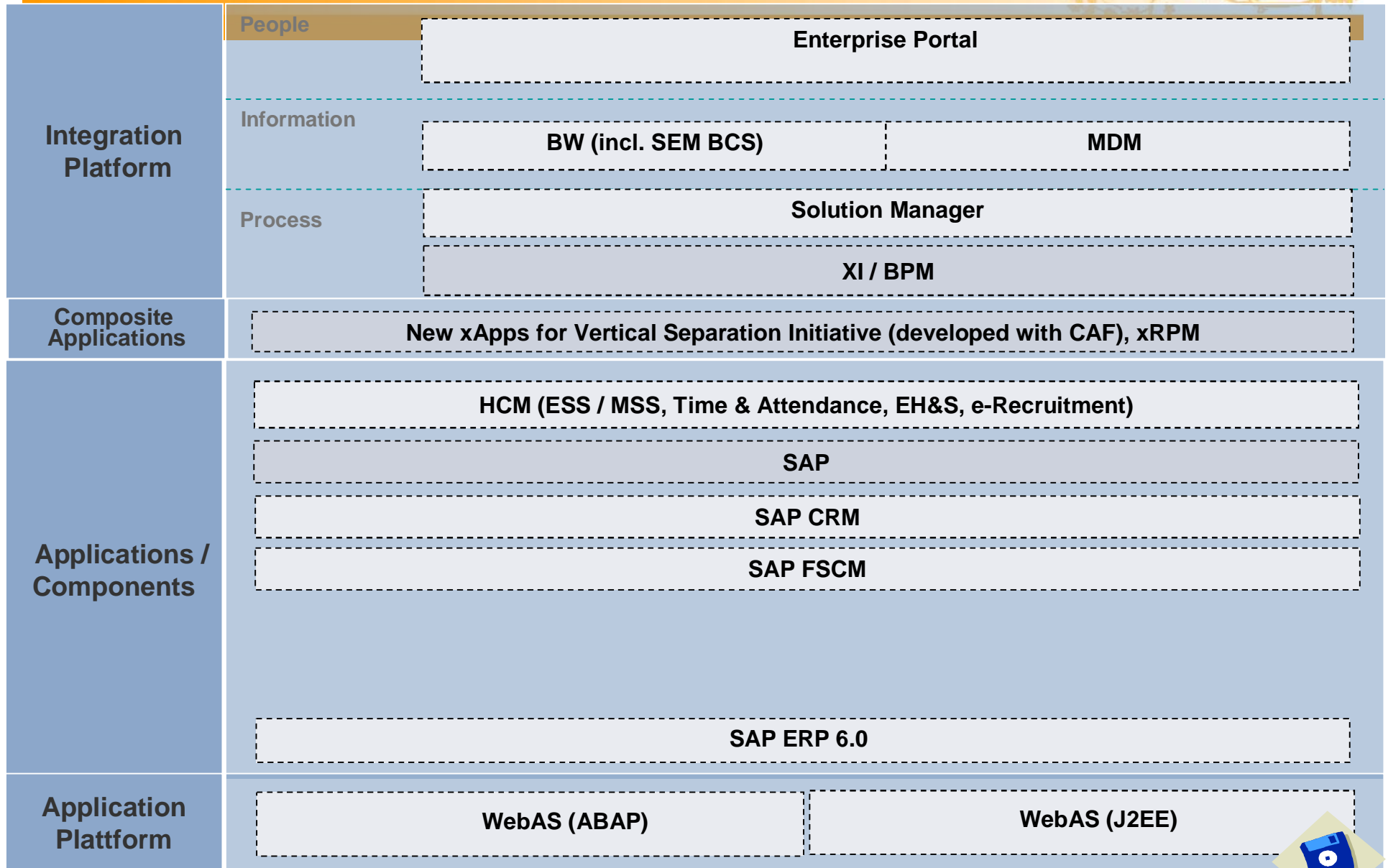
SAP for Consumer Products – Business Process Scenarios



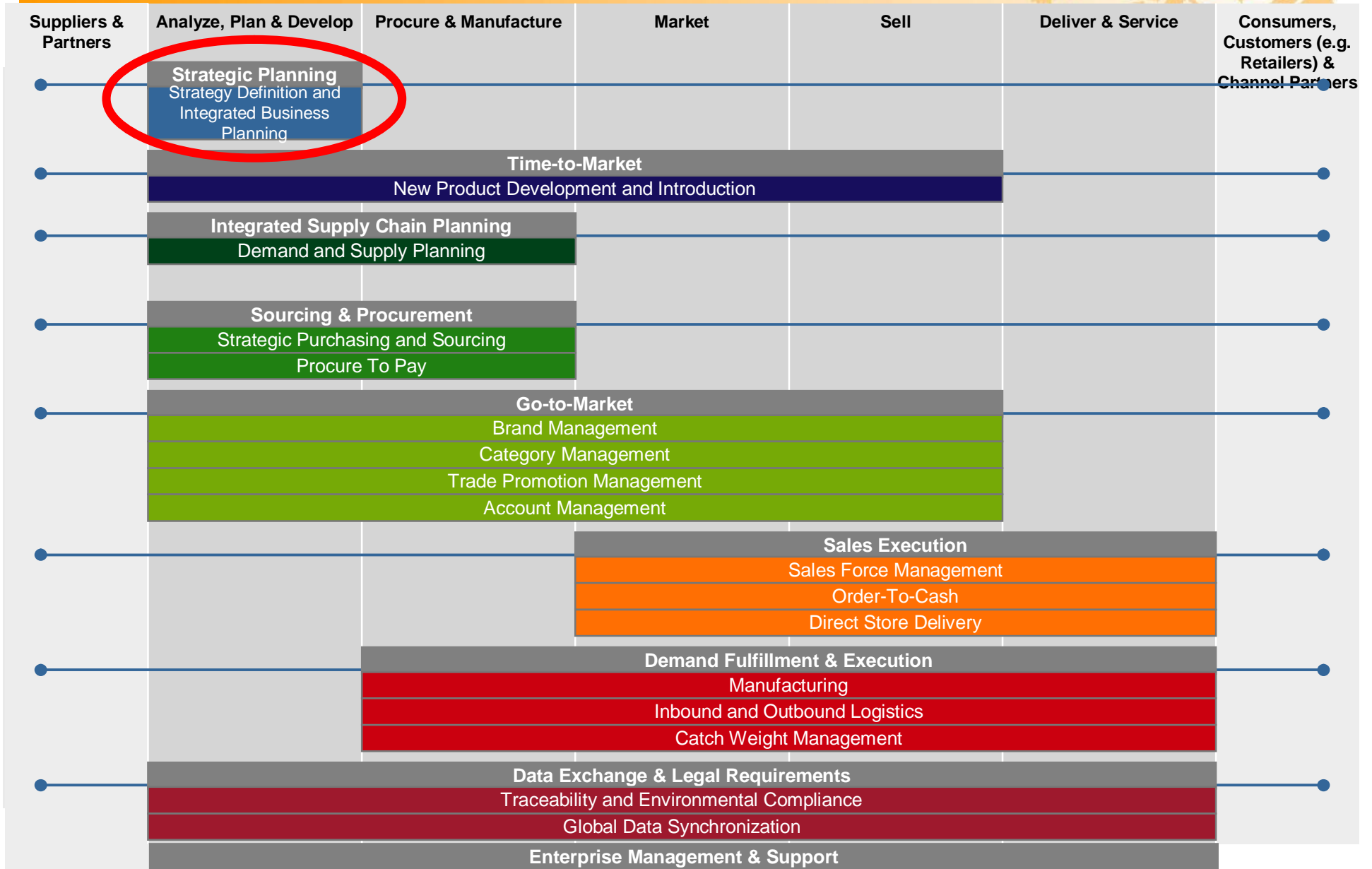
SAP ERP 6.0 – Enterprise Management and Support



SAP NetWeaver Technology Stack



SAP for Consumer Products – Business Process Scenarios



The Business Process Scenario was explained to Business

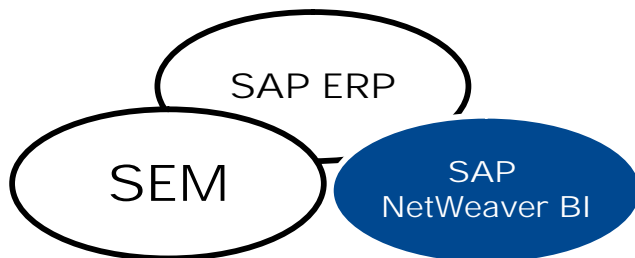
Strategic Planning

Strategy Definition and Integrated Business Planning

Top management sets the strategic targets for brands, sales, operations, and finance. Then, senior management evaluates alternatives and works out more detailed plans how these goals will be achieved: By going into new markets, an extension of the product portfolio to new channels, by improving the existing portfolio in the traditional channels, or by acquisition or selling brands. Once the overall company plan reflects strategy, an integrated business planning process links strategic targets with tactical and operative planning on all hierarchy levels of the enterprise. All downstream plans get specific business targets, in order to ensure the adherence of strategic targets

A value map was constructed linking "Areas of Action" / Business Requirements to the enabling "SAP contribution" areas

Area of Action	Economic Impact	SAP Contribution
<ul style="list-style-type: none"> ■ Automate, integrate and streamline planning process for more integrated executive reporting, fewer manual excel spreadsheets, etc. ■ Planning information is not visible across the organisation ■ Planning functionality is not user friendly ■ Integration of financial planning and forecasting 	<div data-bbox="972 418 1220 634" style="text-align: center;"> </div> <p data-bbox="1073 678 1119 699" style="text-align: center;">KPI</p> <ul style="list-style-type: none"> ■ Reduced DSO ■ Financial Planning Function Efficiency ■ General Accounting Function Efficiency ■ Compliance Function Efficiency 	<ul style="list-style-type: none"> ■ Building on market development and consumer trends companies define their strategies and drivers for growth based on their Vision, Mission and Values to maximize return across the value chain ■ In the planning phase individual business units plan how to support the overall company objectives based on the overall strategic goals.



Prioritisation Criteria - Positive

- **Strategic** – The scenario supports one / more of Pioneer’s strategic drivers
- **Statutory, legal, tax** – The Scenario is important for statutory, legal, tax requirements
- **Business Criticality (Software dependency)** – Would business be affected without this software?
- **Value, benefit** – There is significant shareholder benefit (either topline or bottomline) associated with this SAP scenario

Divisional comparison of business requirement based on the CP scenario categories - Positive "heat-map"

		Corporate	FMCG	Agri	Grain and Baking
1	Strategic Planning	13	9	9	7
2	Time to market	NA	13	10	11
3	Integrated Supply Chain Planning	NA	12	8	11
4	Sourcing and Procurement	NA	10	9	11
5	Go-to-market				
5.1	Brand Management	NA	7	7	7
5.2	Category Management	NA	9	6	7
5.3	Trade Promotion management	NA	9	11	8
5.4	Account management	NA	6	7	10
6	Sales execution	NA	7	10	11
7	Demand fulfillment and execution				
7.1	Manufacturing	NA	11	13	9
7.2	Warehousing and Logistics	NA	12	13	11
7.3	Transportation Operations	NA	10	13	11
9	Enterprise Management and Support				
9.1	Analytics				
9.1	Workforce Analytics	14	9	12	7
9.1	Financial Analytics	12	11	13	12
9.1	Strategic Enterprise Management	14	11	8	10
9.1	Operations Analytics	NA	8	11	12
9.2	Financials				
9.2	Financial Supply Chain Management	11	8	11	10
9.2	Management Accounting	8	11	11	10
9.2	Corporate Governance	14	11	12	10
9.2	Financial Accounting	11	11	11	10
9.3	Human Capital Management				
9.3	Talent Management	14	12	12	9
9.3	Workforce Process Management	12	11	10	13
9.3	Workforce Deployment	NA	NA	NA	0
9.4	Corporate Services				
9.4	Environmental Compliance Management	NA	11	10	11
9.4	Travel Management	NA	3	3	2
9.4	Incentive and Commission Management	NA	7	7	4
9.5	Operations and support				
9.5	Project and Portfolio Management	14	7	8	4
9.5	Quality Management	NA	13	10	10
9.5	Enterprise Asset Management	14	10	10	12
9.5	Life-Cycle Data Management	8	10	10	9

High Medium Low



Prioritisation Criteria – Negative

- **Cost impact** – The scenario is costly either from a licence or implementation effort point of view (or both)
- **Complexity, size, risk** – The scenario has limited precedence in the SAP customer environment and / or is large in scale
- **Architectural impact** – The scenario requires additional servers and / or has other architectural dependencies
- **Change Management** – There is significant user acceptance effort required for the initiative

Divisional comparison of business requirement based on the CP scenario categories - Final "heat-map"

		Corporate	FMCG	Agri	Grain and Baking
1	Strategic Planning	5	1	1	-1
2	Time to market	NA	5	2	3
3	Integrated Supply Chain Planning	NA	2	-2	1
4	Sourcing and Procurement	NA	0	-1	1
5	Go-to-market				
5.1	Brand Management	NA	0	-1	-1
5.2	Category Management	NA	2	-2	-1
5.3	Trade Promotion management	NA	0	2	-1
5.4	Account management	NA	-1	0	3
6	Sales execution	NA	0	3	4
7	Demand fulfillment and execution				
7.1	Manufacturing	NA	4	5	2
7.2	Warehousing and Logistics	NA	5	5	4
7.3	Transportation Operations	NA	2	5	2
9	Enterprise Management and Support				
9.1	Analytics				
9.1	Workforce Analytics	12	7	10	5
9.1	Financial Analytics	10	9	11	10
9.1	Strategic Enterprise Management	6	4	1	3
9.1	Operations Analytics	NA	6	9	10
9.2	Financials				
9.2	Financial Supply Chain Management	5	2	5	4
9.2	Management Accounting	2	5	5	4
9.2	Corporate Governance	6	3	4	2
9.2	Financial Accounting	5	5	5	4
9.3	Human Capital Management				
9.3	Talent Management	7	5	5	2
9.3	Workforce Process Management	2	1	0	3
9.3	Workforce Deployment	NA	NA	NA	NA
9.4	Corporate Services				
9.4	Environmental Compliance Management	NA	3	2	3
9.4	Travel Management	NA	-1	-1	-2
9.4	Incentive and Commission Management	NA	1	1	-2
9.5	Operations and support				
9.5	Project and Portfolio Management	7	0	1	-3
9.5	Quality Management	NA	9	6	6
9.5	Enterprise Asset Management	9	5	5	7
9.5	Life-Cycle Data Management	0	2	2	1

High Medium Low

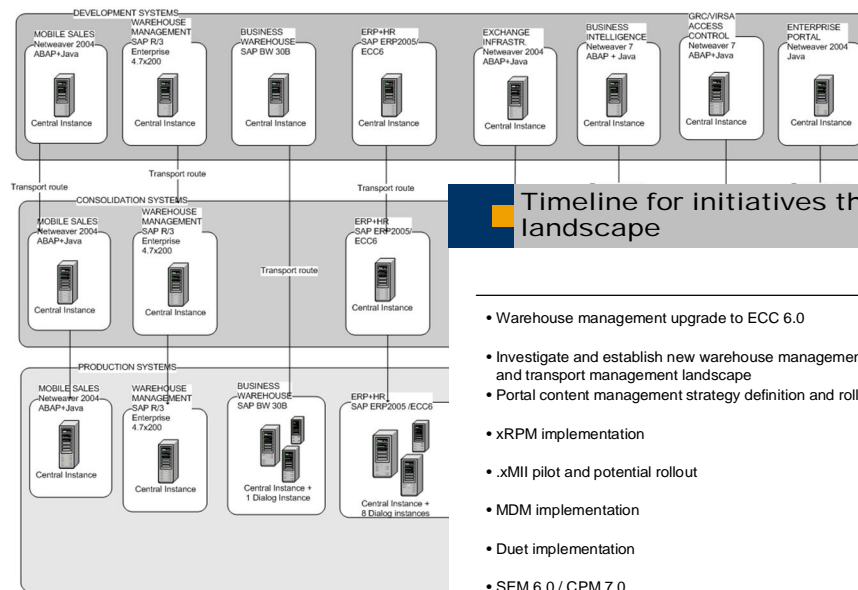


An architectural assessment was conducted to understand dependencies and prerequisites as input to an SAP roadmap

Future landscape

Solution	Component	Timing	Current/typical system landscape	Impact	Notes / dependencies
Mobile sales	MI v2.5	Live	Dev → QA → Prod		Impact of using this in conjunction with the DSD functionality should be investigated. There is the potential to replace this with standard functionality.
Warehouse mgmt.	SAP 4.7 ex 2	Live	Dev		
Business Warehouse	BW 30B	Live	Dev		
ERP	ECC 6.0	Live	Dev		
BI	BI 7.0	Live	Dev		
GRC	Access Control 5.2 (old Versa)	Live	Dev		
Enterprise Portal	EP 6.0	Live	Dev		
Strategic reporting / BSC	SEM 6.0/CPM 7.0	Future	Use BI 7.0		

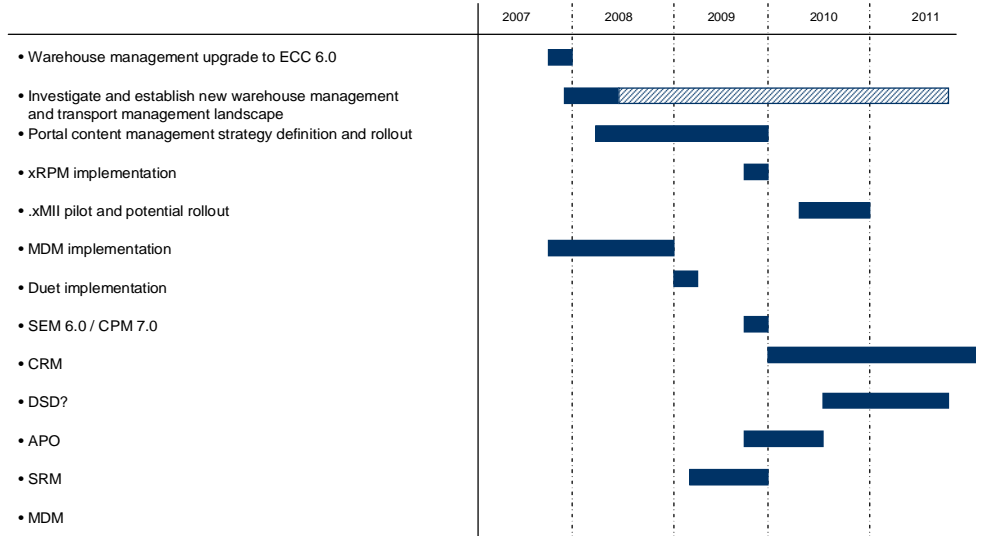
Pioneer Foods - Current Landscape



Source: Pioneer Foods – Sept 2007

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Timeline for initiatives that have a significant impact on the landscape



Timeline start, end and duration indicative only and is dependent on detailed scoping and planning

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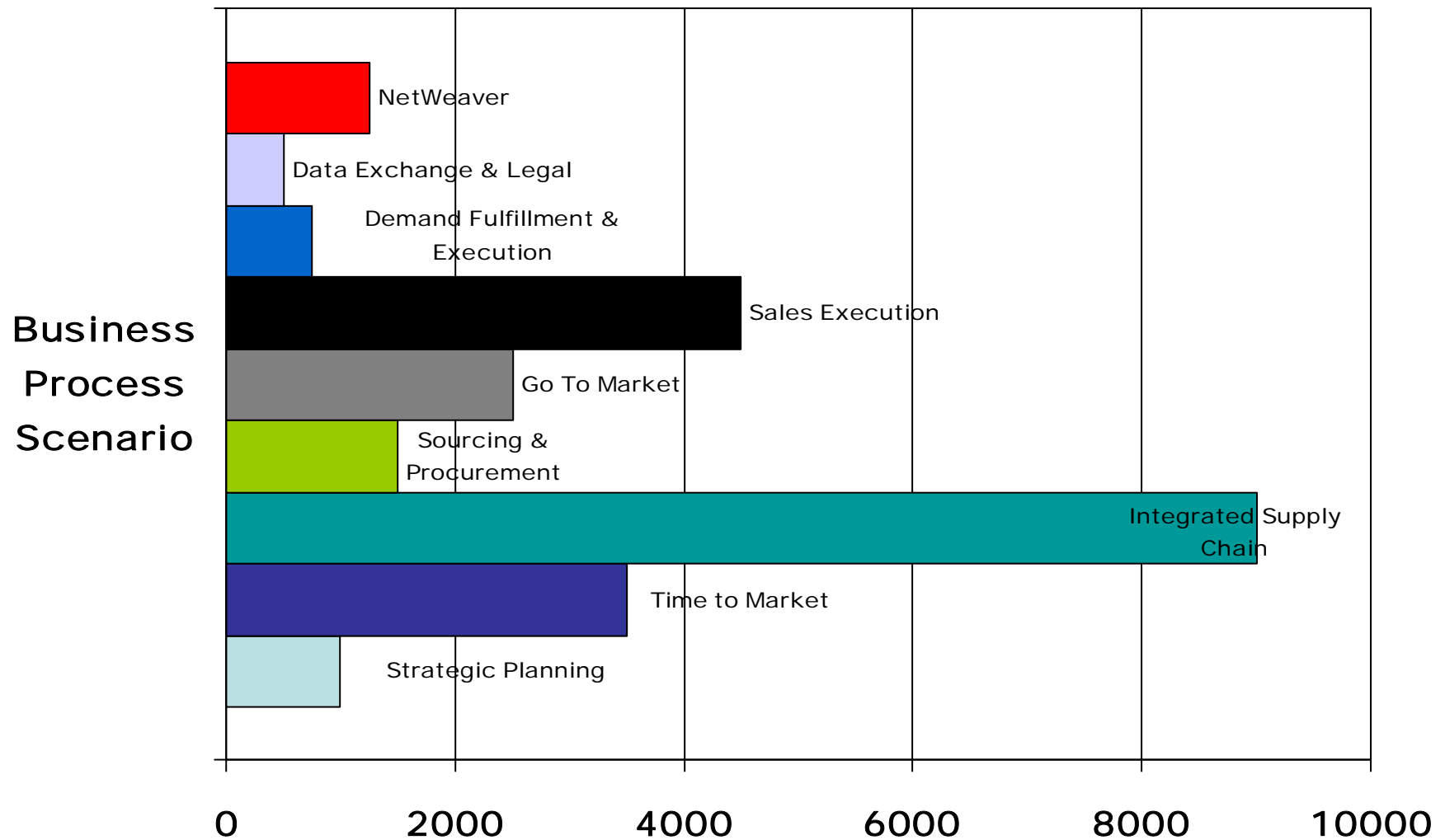
THE BEST-RUN BUSINESSES RUN SAP



A 5 year roadmap including active, approved, and requested projects was generated

CP Link	Status	Dependencies	Project Name	Business Unit	2008 Q1-Q4	2009 Q1-Q4	2010 Q1-Q4	2011 Q1-Q4	2012 Q1-Q4
1	Active	Portal, BI Content	SEM Management Dashboard	Pioneer Foods					
4	Requested	UI Strategy	Project A	SASKO Milling					
5	Requested		Project B	Bokomo Foods					
6	Active	Flex General Ledger	Project C	SAD					
7	Active	Project A,B	Project D	SASKO Baking					
8	Requested	Project D	Project E	Pioneer Foods					
9.2	Requested	Project A	Flex General Ledger	Nulaid					
9.6	Requested		UI Strategy	Pioneer Foods					

Licence Costing per Business Scenario Category was determined



Conclusion

- Discover
- Evaluate
- Identify Potential Barriers to Growth and Value Creation
- Define a Platform for Growth and Value Creation
- All the above information is used to plot it on a 5 year ESOA Roadmap, specific for Pioneer Foods



Thank You