



WBSCM UPDATE

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FEATURE:

STREAMLINING GOVERNMENT BUSINESS PROCESSES THROUGH ENTERPRISE RESOURCE PLANNING (ERP)

This issue highlights how WBSCM will use the Commercial-Off-The-Shelf (COTS) software purchased – SAP's ERP – to help USDA and USAID centralize, standardize, streamline, and manage its daily work (business processes) related to procuring, storing, and delivering food products (commodities), managing money, and controlling costs more easily and efficiently. It describes some of the differences between COTS and "custom-built" systems.

What's Enterprise Resource Planning?

Enterprise Resource Planning (ERP) is the name for integrated commercial software systems that help centralize, integrate, and streamline core sets of common business processes.

Though various government and private sector organizations do different types of business, they share some common processes, such as:

- ❖ Financial management (which includes budgeting and accounting)

- ❖ Purchasing goods (from planning and evaluating what to purchase to ordering, receiving, and paying for these goods)
- ❖ Selling (from bidding to delivering to getting paid)
- ❖ Storing and tracking goods purchased or for sale (through Inventory/lot management)

Because these processes include many standard activities, industry and government have gleaned many "best practices" – recommended ways of doing these processes. Technology companies have built pre-packaged systems that bundle together, standardize, and automate these common processes, and incorporate best practices. That means that agencies can often buy a COTS ERP, rather than "custom-build" systems to do all of these things.

What benefits will SAP's ERP provide for WBSCM?

From a WBSCM agency user's perspective, benefits include:

- ❖ **Built-in Industry and Government Best Practices**
 - Standardizes, streamlines, and integrates business processes – so work is transparent, consistent, and efficient
 - Supports compliance with government procurement and financial management regulations (FAR Clauses, AGAR 76)
 - Uses leading-edge Web-based technologies to provide an

integrated, transparent, and easy-to-access online ERP system

❖ **Integrated and Consistent Data Visibility & Tracking**

- Centralizes collection, storage and management of the information you need, which means no more duplicative or inconsistent data
- Provides an automatic “e-paper trail” of documentation (through “Document Flow”) which also helps with claims and auditing
- Provides integrated, automated and tailorable reporting across the entire supply chain (through SAP’s “Business Intelligence” Reporting capabilities)
- Provides a clear window into order tracking from source to destination (through “Inventory/ Warehouse, Sales Order, and Transportation Management”)

❖ **Funds Management & Tracking**

- Enables quick online access to a single source of reliable, real time data on available funds, funds commitments, and obligations (through “Funds Management”)
- Automates invoice-to-order matching, approvals, and payment releases for commodity, freight, storage, and other services
- Integrates inventory accounting with procurement and fulfillment

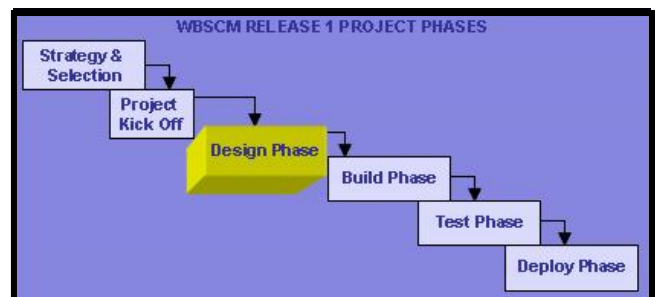
❖ **One Integrated, Easy To Use System**

- Provides a common “view” of the work to be done through a single Web entry point for all agencies (through the “SAP Portal”)
- Supports a common way of managing all suppliers, vendors and recipients
- Automates “workflow” to keep documents and tasks moving forward

From a business partner’s perspective, the related benefits include:

- Common forms, processes, and Web-entry point for suppliers and recipients to work with the USDA
- Provides on-line, real-time status of bids, orders, and deliveries

STATUS CORNER



The WBSCM Team is currently in the Release 1 (R1) Design Phase. WBSCM Team members are conducting R1 integrated design scenarios.



Did You Know...?

...that USDA plans on integrating its Financial Management systems and process with SAP (the FMMI project)

...that USDA purchased 8.1 Million pounds of red tart cherry products to donate to child nutrition and other programs!

... that the 2008 Annual Poultry and Egg Industry Conference was held March 5-6, 2008 in Arlington, VA. WBSCM Team members presented an overview of the project to this group.

...that the American Commodity Distribution Association Conference (ACDA) is April 5-8, 2008 in Kansas City, MO.

...that the 2008 International Food Aid Conference (IFAC) hosted by the USDA and USAID is April 15-16, 2008 at the Westin Crown Center Hotel in Kansas City, MO.

... that the Fruits and Vegetables (FV) Industry Conference is April 21, 2008 in Chicago, IL.

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Continuing the transition from different agencies' lingos to WBSCM "SAP speak", here is the latest sample of the new "WBSCM dictionary". You can access the full WBSCM terminology guide on our program Web site!

WBSCM ERP Terms

- **Delivery Document:** This document forms the basis of all shipping activities. It is used in various business transactions and the status settings in the document provide information on the progress of different steps within shipping processing. Formerly known as a "Notice to Delivery (ND)" for example, to a warehouse.
- **Goods Receipt:** An increase in warehouse stock due to a physical inward movement of goods or materials, either from internal production or the receipt of goods from a vendor. Formerly known as "receipt of an ND into a warehouse", for example, consignee receipt or warehouse receipt.
- **Material Number:** A number that uniquely identifies a material in the SAP system. A material number can be assigned internally (e.g., 100101), or externally (e.g., B00202). Formerly known as "Commodity Code" in PCIMS.
- **Plant:** A plant is a location where stock is stored and valued. Each plant is assigned to one company code. Formerly known as a "warehouse" in PCIMS.

Who else is using standardized ERP processes and tools?

You can find more information such as demos and customer success stories from the SAP Web site at www.sap.com.

NEXT MONTH...

...will feature how the WBSCM Supply Chain Management (SCM) transportation management capabilities will streamline processes across the supply chain.



Ask Us

We'd appreciate your thoughts and feedback! Please email any WBSCM questions or suggestions to the following address:

WBSCM@kcc.usda.gov

You can find more WBSCM information on the [WBSCM Program Web site](#).