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Industry Trends : Why Internal Support May Not Be Enough to Drive Your Supply Chain Improvement Initiative

WAM Systems' COO, John Kamal, highlights some of the key challenges that leave internal personnel struggling to define and execute enterprise-wide improvements

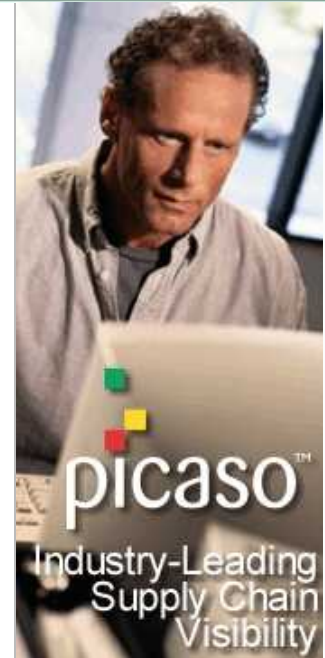


Over the last few years, companies have begun looking harder at their ERP systems, asking for more functionality and support for supply chain planning, visibility, simulation, collaboration. What trends are you seeing in your benchmarking data to support this, and what success are these companies having through their efforts?

"There is a definite trend of companies who are at some point along a timeline of process improvement losing their momentum and failing to move forward because they continue to hold out hope that their ERP solutions are going to provide them with the kind of advanced functionality that they need to transform their businesses. They continue to talk with their ERP vendors, hoping that there will be future releases.

And, this trend is not entirely unexpected. You must remember that there's a lot of pressure—not to mention good business common sense—to minimize the number of suppliers that the IT group works with and try to find single point solutions that solve as many needs as possible.

But many companies—after spending the last 5-10 years waiting for their ERP solution providers to step up to the plate with functionality that's specific to their industry—have become frustrated. A perfect sign of that frustration is the proliferation of legacy tools within their companies, and their continued investments into spreadsheets and add-on tools for their



WAM Systems delivers advanced supply chain planning and visibility solutions designed for companies in the process industry. Our enterprise solution, Picaso™, provides industry-leading functionality and visibility to enable supply chain executives to optimize production, minimize costs and inventory, react to unplanned disruptions and maintain high customer service levels. To help maximize the benefits of our solutions, we also offer industry best-practices benchmarking and consulting services which help companies assess tangible benefits for process and toolset improvement.

UPCOMING EVENTS

ERP systems, trying to bridge that gap.

Lately, there has been a resurgence in the number of companies that now have "thrown in the towel", who can't wait any longer, who have seen competitive companies being successful by radically changing the performance of their supply chain through the implementation of best-in-class tools and best practices. They've given up and now their moving forward.

And IT groups have embraced the idea that best-in-class tools can make sense especially if they are well-established with their interface to ERPs and have certified interfaces and can be integrated well into their existing environments."



Enterprise level supply chain improvement is best achieved with careful planning and execution. How are companies approaching this challenge when new workflows and new tools must be developed to balance the needs of the entire team?

"The process usually starts with a management directive to prepare a clear plan for improvement, to be accompanied by a detailed breakdown of departmental benefits once the improvement initiative is complete. Very often, companies task their senior supply chain leaders with developing improvement roadmaps, and the challenge with that can be that it's not their area of expertise. They don't—as a routine—build improvement initiatives. They manage and plan the management of supply chains. And, although they have many ideas for areas of improvement and intuitively know which areas will provide value, they struggle to quantify the potential investments—and potential benefits—of each of those potential initiatives.

Companies have successfully overcome that challenge by reaching out to supply chain improvement experts, such as WAM Systems, who have years of experience building roadmaps. WAM, as an example, has worked hand-in-hand with hundreds of process industry companies and has therefore seen hundreds of supply chains and hundreds of initiatives. We bring that expertise to bear in helping companies develop roadmaps with clear, tangible benefits."

The Keys to Developing a Successful Roadmap

- Clearly identify business improvement goals that your corporation has established
- Define the shortcomings in your tools and processes that are limiting your organization's ability to meet those goals
- Map your existing processes and their shortcomings
- Compare those existing processes and tools to best-in-class processes and tools
- Identify and quantify the gaps between your company and best-in-class
- Quantify the cost of bridging those gaps
- Quantify the benefits of bridging those gaps



Ask any supply chain executive and the answers to where weaknesses and potential improvements exist throughout the supply chain are often readily at hand. Yet, clearly identifying those areas and presenting hard, tangible benefits that resonate with corporate management requires unique skills and experience. Who typically owns this part of the process, and what level of detail is expected?

"Experienced supply chain leaders do have an extremely strong sense of intuition about where value lies, but struggle to map that intuition into hard benefits cases that can stand up to corporate scrutiny in justifying and building budgets for improvement. The challenge usually falls to a team of supply chain and corporate executives who collectively represent the key divisions standing to benefit from the improvements.

In our experience, WAM has worked with these teams to identify their critical needs. We have developed proprietary tools that can be employed to do diagnostics on existing supply chains, understand where there are performance shortcomings, and quantify the benefits of fixing those

[LogiPharma USA 2007](#)

Philadelphia, PA,
United States
September 17-19

[LogiChem USA 2007](#)

Scottsdale, AZ, United
States
September 24-27

WAM SYSTEMS

North America

Tel +1 800-358-8305
Fax +1 484-530-4854
info@wamsystems.com
www.wamsystems.com

South America

Tel +55-11-3443-7732
Fax +55-11-3443-7474
info@wamsystems.com
www.wamsystems.com

Europe

Tel +49 (0)611-97774-410
Fax +49 (0)611-97774-111
eu@wamsystems.com
www.wamsystems.de

APAC

Tel +55-11-3443-7732
Fax +55-11-3443-7474
info@wamsystems.com
www.wamsystems.com

shortcomings.

To give you an example, WAM recently performed an analysis with a process industry company where we analyzed their existing sales forecasting and demand management processes, identified areas of weakness in their current demand projections, performed advanced statistical analyses on their sales history, and developed more accurate forecasts than those that were being done in the company using their current spreadsheet methods.

And just through that analysis, the company was able to identify \$2.6 million in recurring savings that would come from better demand management practices, and Picaso was implemented in that company where forecasts were improved by 30 percentage points resulting in 25% drop in inventory levels."

To learn more about how companies are building consensus for supply chain improvement, and leveraging external resources to gain momentum, contact WAM Systems at info@wamsystems.com or by calling +1 800-358-8305.

Is Your ERP System Safe from Industry Consolidation?

Continuum of Choice: Keep, Replace or Augment

by Dave Kravitt of Precision Solutions Group, Inc., a WAM Systems Solutions Partner

As the enterprise business software industry continues to consolidate, many companies employing these applications are faced with a dilemma - continue to invest in their existing mission critical systems or migrate to newer, "state-of-the-art" systems. Often legacy applications are working well, addressing current business requirements and providing value, but have been orphaned by their vendor. Frequently the financial justification to replace is uncertain and the risk assessment immeasurable. This article describes a continuum of choices: keep, replace, or augment...



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OXEA Selects Picaso for Forecasting and Demand Management

European operation finds global collaboration, quick installation and low total cost of ownership in leading supply chain solution

OXEA, one of the largest suppliers of oxo-chemical products and olefin derivatives, based in Oberhausen, Germany, has selected WAM Systems' Picaso Supply Chain Planning Solution to manage its collaborative forecasting and demand management processes...

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Picaso's Interface Technology Achieves SAP® Certified Integration Rating

Planning and visibility tools interface seamlessly with SAP

Since its introduction in 1987, our supply chain planning and visibility solution, Picaso, has been challenged to interface with a wide selection of ERP solutions, extracting master client, order and sales data from the likes of PRISM, JD Edwards, BPCS and SAP.

To address the needs of each system, Picaso's interface solution has taken on many forms and has on occasion employed partner solutions with proven technology in each key area.



Over the last decade, Picaso's interface technology to SAP has provided seamless integration with minimal impact to IT. In recent months, this technology has achieved "SAP® Certified Integration" status, providing IT executives with a clear message that our solution can be deployed with no adverse affects to their SAP installation.

WAM Systems Sponsoring Leading Process Industry Events

20 Years of Process Industry Experience Presenting at Conferences

In support of WAM Systems' continued expansion in the process industry, the company is sponsoring two industry leading events this fall: LogiChem USA in Scottsdale, AZ and LogiPharma 2007 in Philadelphia, PA. In both hosting and guest speaking roles, WAM Systems brings its 20 years of industry expertise to these two conferences, each drawing leaders in supply chain process manufacturing.

As a sponsor, WAM is pleased to extend discounted registrations to qualified end users in the chemical and pharmaceutical industries. For more information, or to take advantage of our discounted registration offer, please contact our main offices at +1 800-358-8305, or email info@wamsystems.com.

