LSI Logic implemented SAP® Business-to-Business Procurement™ as the first step toward realizing its goal. SAP Business-to-Business Procurement is the buy-side e-commerce component of mySAP.com. The solution includes integration technology from webMethods, Inc., a leading provider of open-standard software solutions for linking a company’s internal business systems with those of its customers and suppliers.

SAP Business-to-Business Procurement uses SAP Business Connector to link buyers of goods and services with suppliers, encompassing all process steps from creation of requisition to payment of invoice. SAP Business Connector, powered by webMethods, is the engine that enables SAP systems to communicate with non-SAP systems, both inside a company and with suppliers outside the company. This allows users to buy goods and services from their desktops, accelerating order fulfillment and freeing up the purchasing department to focus on strategic activities.

LSI Logic is using SAP Business-to-Business Procurement, for example, to link directly to a PC supplier over the Internet.

"With the new solution, we can go to a supplier's Web site - in this case Dell - and select a standard configuration for a laptop or desktop," Decock says. "This information flows back to LSI Logic over the Web and into the SAP enterprise solution, where it goes through the normal workflow process for that employee. Once the appropriate signoff is made, the system transmits the electronic order to the supplier and we get an order acknowledgment and shipping date. We can also check order progress on the supplier's Web site during the fulfillment process."

LSI Logic achieved the benefits it had anticipated.

"We wanted to create a more efficient and streamlined process, and we have achieved that," Decock says. "We have eliminated redundant data, reduced data-entry errors, compressed order cycle times, and eliminated the need to maintain standard configuration information on separate corporate Web sites."

LSI Logic got the SAP solution up and running quickly. Working with SAP as its rollout partner, LSI Logic completed the core implementation - determining transaction flows, understanding information-exchange requirements between the sites, and setting up and installing the system - in only three months.

"SAP really stepped up to the challenge to help move this forward," Decock says. "Through the SAP enterprise solution, we already had all the basic components to create these kinds of transactions. On the Internet side, SAP met its schedules and delivered what it said it was going to deliver."

LSI Logic next plans to expand the SAP Internet procurement solution to other suppliers. The company also wants to work with SAP to implement the SAP Advanced Planner & Optimizer (AP&O) for enhanced demand-and-supply network planning, production planning and detailed scheduling, global available-to-promise, transportation planning and vehicle scheduling, and supply-chain collaboration.

LSI is also moving forward toward a full mySAP.com rollout, including mySAP.com Workplace and mySAP.com Marketplace.

"The key is that this is a completely open process," Decock says. "SAP information is XML-enabled and accessed through a standard browser. This is the kind of connection we can migrate quickly to other suppliers as we Web-enable our supply chain. This will help us build the global supply-chain processes we need to succeed in our marketplace."

LSI Logic is moving quickly to recoup its supply chain around a Web-based business model. The $2 billion company - a leading supplier of communications chips for broadband, data networking, wireless, and set-top box applications, chips and boards for network computing, and storage-network solutions - picked mySAP.com™ as the engine to help transform it into an e-operation.

"The mySAP.com implementation is establishing the baseline for future B2B transactions," says Bruce Decock, chief information officer at the company, headquartered in Milpitas, California and employing more than 6,500 people worldwide. "This is really our goal here. We want all of our processes to be more efficient. As we roll out the solution to larger-volume suppliers and subcontractors, we are going to realize significant efficiencies and improve information flow across the entire supply chain."
How Does It Work?
The diagram below depicts how one Dell customer, LSI Logic, is leveraging their existing SAP backend system and SAP Business Connector (powered by webMethods technology) to communicate directly with Dell’s e-commerce system. The integration between LSI Logic’s SAP ERP and SAP B2B procurement applications and their customer Dell catalog automates the procurement of Dell products by LSI Logic via the Internet. This example of an integration architecture is possible with a variety of backend systems and procurement systems.

B2B Integration Benefits:
- Reduce order cycle time
- Lower purchasing costs
- Increase order accuracy and efficiency
- Control and standardize procurement process
- Extend existing infrastructure to the web

B2B Solution Requirements:
- Dell Premier Pages Commerce Catalog
- SAP B2B Procurement w/Business Connector
- Support for supplier-hosted solutions
- Application and IT resources

Availability:
Dell customer’s can leverage B2B Integration today. To start realizing B2B benefits, contact your Dell Account Executive or Kelly_Green@Dell.com or Gregory_Daly@Dell.com

B2B Transactions Supported Today:
<table>
<thead>
<tr>
<th>Transaction</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authentication Request</td>
<td>Customer</td>
<td>Dell</td>
</tr>
<tr>
<td>Order Request</td>
<td>Dell</td>
<td>Customer</td>
</tr>
<tr>
<td>Purchase Order</td>
<td>Dell</td>
<td>Customer</td>
</tr>
<tr>
<td>Functional Acknowledgement</td>
<td>Dell</td>
<td>Customer</td>
</tr>
</tbody>
</table>

“B2B Integration with Dell and our SAP system will provide LSI Logic with process efficiencies right away, and provide a model for us to use with all of our suppliers.”

Bruce Decock, VP & CIO, LSI Logic.
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LSI Logic implemented an Internet procurement solution for direct purchasing from its suppliers as the first step toward Web-enabling its entire supply chain.

Success Story