

**WHAT IS SAP BUSINESS ONE?**

Designed exclusively for small businesses, SAP® Business One is an affordable application to manage an entire business across financials, sales, customer interactions, and operations – all in a single system. With SAP Business One, small businesses can streamline their end-to-end operations, obtain instant and complete information to respond faster to market needs, and accelerate profitable growth.

**APPLICATION OVERVIEW**

**Key Functionality**

**Accounting and Financials**

- Manage general ledgers, journals, budgets, and accounts payables and receivables
- Automate real-time accounting postings when relevant business events occur
- Manage banking, payments, and reconciliation, such as checks, cash, and credit cards
- Create financial reports, such as profit and loss, cash flow, balance sheets, and aging reports
- Support automated tax calculation and reporting, including sales, use, and value-added tax

**Customer Relationship Management**

- Maintain customer contacts and tasks with full Microsoft Outlook synchronization
- Track sales opportunities and activities from first contact to final closing
- Initiate marketing campaigns using mass e-mailing templates
- Provide customer service support, including service contracts and warranties
- Remotely access customer and sales information over the Web

**Production and Operations**

- Manage the order-to-pay cycle, including orders, receipts, invoices, payments, and returns
- Control bills of materials (BOMs), including product descriptions, warehouse location, composition, and quantities
- Create material requirements planning (MRP) scenarios that specify a planning horizon
- Generate automatic production and inventory replenishment orders needed in the quantities and time specified by the production schedule

**Inventory and Distribution**

- Manage the quote-to-cash cycle, including quotes, sales orders, shipping, billing, and collections
- Perform inventory counts, stock tracking, and transfers in real time across multiple warehouse locations by serial number, lots, and multiple bin locations
- Provide real-time inventory updates, inventory valuation, and availability checks
- Support the pick-and-pack process

**Online E-Commerce**

- Provide customizable templates and tools to design, build, and configure online stores
- Manage online catalogs and integrate negotiated, customer-specific price lists
- Use suggestive selling techniques (like “also bought . . .”) and promotional discounts and coupons
- Automatically synchronize all online orders and inventory with the SAP Business One database

**Human Resources**

- Capture pertinent employee information to manage all employee records and data

**Reporting and Dashboard**

- Generate Microsoft Excel–based drill-down reports using the intuitive XL Reporter tool
- Use drag and relate feature to click through and combine all relevant information to obtain complete visibility of all business operations
- Create management dashboards that provide key performance indicators (KPIs), such as sales bookings, year-to-date revenue, accounts receivable, and open orders

**Administration and Customization**

- Workflow-based alerts to monitor, notify, and take action on specific business events
- Easy-to-use customizations with user-defined fields, forms, queries, and reports
- Seamless integration with Microsoft Office and other applications using standard application programming interfaces (APIs)
- Extensible software development kits (SDKs) and partner add-ons to meet specific industry vertical needs

**TOP REFERENCE CUSTOMERS (13,000 CUSTOMERS WORLDWIDE RELY ON SAP BUSINESS ONE)**

SAP® BUSINESS ONE			
<p><b>Improved Sales and Customer Service at A. Algeos Ltd. (Algeos)</b></p> <p>The SAP® Business One application helped distributor Algeos improve customer service with better integrated, more accessible data. The company also maximized efficiency and productivity with improved stock control, growing sales by more than 25% without a significant stock increase and increasing transaction levels without increasing staffing levels.</p>	<p><b>Streamlined Operations at Siow Chiang &amp; Co. Pte Ltd.</b></p> <p>The company now can update all transactions immediately in real time for more than 3,000 stock items, and it can easily trace payments and invoices. The company reduced order cycle time by 30% and stock levels by 20%.</p>	<p><b>Fast ROI Without Disruptions at SDC Enterprises Ltd.</b></p> <p>Wholesale distributor SDC Enterprises implemented SAP Business One in two months, integrating sales, support, and other customer-facing processes. ROI for the software was achieved in just 12 months, with full payback for the entire project in 24 months.</p>	<p><b>Increased Visibility and Efficiency at Tacktick Ltd.</b></p> <p>SAP Business One helped Tacktick, a marine electronics company, improve inventory control and forecasting abilities, increasing visibility into business processes and improving efficiency across the enterprise. The company achieved a 300% increase in inventory turnover, along with greater control over and visibility into product data and streamlined administrative processes.</p>

**MARKET SIZE AND MARKET SHARE**

- **Market opportunity:** The 2006 worldwide market for all small business applications is approximately €10.6 billion. The United States, Germany, Japan, the United Kingdom, and China together account for nearly 60% of this market.
- **Main competition:** The global small business application market is highly fragmented. The primary competition comes from a variety of locally offered solutions. Top global competitors include Microsoft Dynamics, Sage, Intuit, and Ufida.
- **Market penetration:** SAP Business One is installed at 13,500 customer sites in more than 40 countries, growing at over 40% year over year (as of Q1, 2007).

**SAP IN THE MARKET**

- SAP is the largest business management software provider in the world, with over 35 years of experience and 35,000 employees in 50 countries serving 12 million users.
- SAP understands the needs of small businesses. Today, nearly 50% of SAP customers are small businesses and midsize companies with annual revenues of €150 million or less.

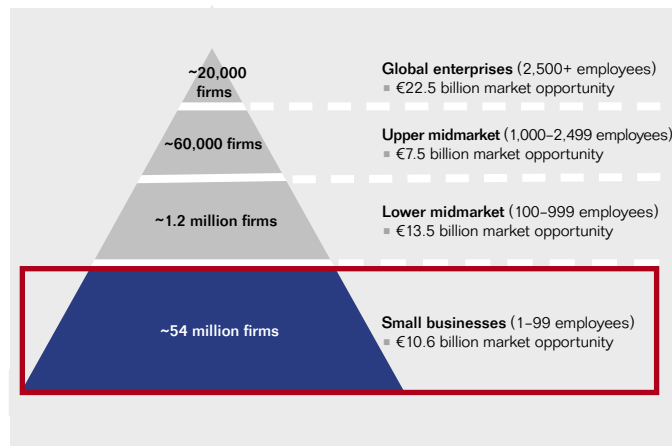


Figure: Market Opportunity Includes All License, Maintenance, and Service Revenues

**COMPETITIVE DIFFERENTIATION**

- **Comprehensive solution:** Unlike software that addresses only specific areas of your business needs, such as accounting or sales, SAP Business One is a comprehensive business management application designed to help small companies run the entire business with complete core business management functions across financials, sales, customer management, distributions, and operations.
- **A single system:** Unlike solutions that have been cobbled together across multiple incompatible products, SAP Business One is a single application. All core business functions work seamlessly together from the ground up, eliminating complex integrations between different products and separate upgrades.
- **Designed specifically for small businesses:** Drawing on SAP’s 35 years of business management software experience, SAP Business One is an affordable, awarding-winning product built exclusively for small businesses to be a unified, integrated software application. Its intuitive interface and vast configurability minimizes IT complexities for implementation and ongoing maintenance.

**UNIQUE VALUE PROPOSITIONS**

- **A single system for the entire business:** Improve operational efficiency by seamlessly integrating the entire business across financials, sales, customers, and operations, eliminating redundant data entries and errors.
- **Instant and complete information:** Use drill-down reports based on Microsoft Excel to navigate through a complete set of business data to find the right information instantly – from the office or over the Web.
- **Customer-centered growth:** Improve sales effectiveness and build stronger customer relationships with built-in customer relationship management. Expand online sales and provide better customer service using Web-based e-commerce and customer self-service functionality.
- **Proactive focus on what’s important:** Workflow-based alerts enable companies to respond to the most important business events as they occur, freeing them from constantly reacting to everyday issues.
- **Flexible and adaptable approach:** With an innovative, model-driven approach and more than 350 partner solutions, users can easily configure, customize, and extend the system to meet specific business and industry needs.

**PARTNER ECOSYSTEM**

SAP Business One has a strong partner ecosystem:

- SAP Business One is sold exclusively through a global network of more than 1,350 certified, experienced partners dedicated to offering 24x7 support.
- Partners must first become members of SAP PartnerEdge™, a highly selective partner program that is recognized by *VARBusiness* magazine as one of the top programs in the IT industry and called “visionary and well planned” by Gartner.
- Key SAP partners can be found at the global Small Business Solutions Web site at ([www.sap.com/smallbusiness/partners/index.epx](http://www.sap.com/smallbusiness/partners/index.epx)).

Together with more than 350 partner extensions, SAP Business One provides adaptable solutions to meet customers’ fast-changing business needs in over 20 industries:

- Main industry verticals for SAP Business One include wholesale distribution, retail, manufacturing, and professional services.
- The software is localized for specific regions and countries with more than 40 versions.
- Development efforts and sales are focused purely on small business.
- To find a partner or a qualified SAP business partner solution, please refer to the directories tab on the SAP PartnerEdge network at (<http://p2p.sap.com>).

**BUSINESS DRIVERS AND CHALLENGES**

The following business drivers provide conversation starters that help companies address their key business challenges. They can serve as door openers to a broader conversation about SAP applications and technology and provide a logical entry point to the customer base, leading to opportunities to grow the SAP footprint. These items are business issues or trends that affect a customer’s strategic goals, address key business requirements, and resolve a customer’s challenges. They are areas for which SAP provides a differentiated solution.

BUSINESS DRIVER	VALUE PROPOSITION	SAP DIFFERENTIATORS	CUSTOMER REFERENCES
Expand business to grow predictable income and increase profit margin	<ul style="list-style-type: none"> <li>■ Accelerate business expansion and build stronger customer relationships with customer relationship management (CRM) functionality</li> <li>■ Improve operational efficiency by streamlining the entire business with a single, integrated solution and eliminating redundant data entries and errors</li> <li>■ Leverage the Web to help grow revenue and provide better customer service using e-commerce and Web-based customer self-service</li> </ul>	<ul style="list-style-type: none"> <li>■ The SAP® Business One application provides a complete, integrated solution with built-in CRM capabilities.</li> <li>■ SAP Business One provides powerful online capabilities to help customers leverage the Web to grow their business, such as e-commerce Web stores and Web-based instant access to critical customer information.</li> <li>■ Only SAP brings over 35 years of business management experience in helping businesses, large or small, improve efficiency and achieve better results.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Olsale</b> achieved 33% revenue growth in 12 months. The company increased daily transactions per employee by 5 times without staff increase, and it achieved ROI in less than 30 days.</li> <li>■ <b>Yak Pak Inc.</b> increased Web site conversion rates from 4.5% to 6%, reduced customer services costs for its Web store by 80%, and reduced the headcount required to pack orders by 22%. With SAP Business One the company accommodated rapid sales growth without adding to its back office.</li> </ul>
Respond to market needs faster by accessing accurate and complete business information quickly	<ul style="list-style-type: none"> <li>■ Access complete business information quickly and in real time with intuitive drill-down reports and dashboards based on Microsoft Excel</li> <li>■ Obtain comprehensive business and customer data – including sales, operations, and financial data – to provide a 360-degree, real-time view of the customer</li> <li>■ Conveniently access business and customer information over the Web from anywhere, 24x7</li> <li>■ Focus proactively on the most important part of the business with workflow-based alerts</li> </ul>	<ul style="list-style-type: none"> <li>■ SAP Business One provides the intuitive Microsoft Excel-based reporting tools and drag and relate functionality that allow business users to easily navigate through the complete business data and find the right information they need, whenever they need it. Users need not depend on IT consultants to program special reports.</li> <li>■ The application provides advanced workflow-based alerts that enable the best practice of management by exception.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Siow Chiang &amp; Co.</b> can now track sales and purchase orders in real time, trace payments easily, and better control credit. By replacing its inadequate existing IT infrastructure, the company reduced lost sales, reduced time to close monthly accounts by 50%, and improved customer service with increased process and data visibility.</li> <li>■ <b>Henry Designcenter Pte Ltd.</b> improved overall efficiency by streamlining processes and removing redundancies. Sales data is now delivered in real time, and a centralized database captures critical data. Transparency has improved across departments.</li> <li>■ <b>MAS Elektronik AG</b> achieved end-to-end data flow, enterprise-wide information exchange, integrated data storage, and connection of external systems. Implemented in just one week, SAP Business One matched 95% of the company’s existing business processes and provided the IT infrastructure to process customer inquiries faster and support business expansion.</li> </ul>
Leverage technology to drive business forward without unnecessary disruptions and complexities	<ul style="list-style-type: none"> <li>■ Fast to implement and simple to maintain with a single integrated product built from the ground up for small business</li> <li>■ Adaptable application that can scale as business grows</li> <li>■ Award-winning intuitive application that requires minimal IT support and user training</li> <li>■ Built-in SAP EarlyWatch® services to monitor and minimize system performance degradations and disruptions</li> </ul>	<ul style="list-style-type: none"> <li>■ SAP Business One provides intuitive, user-driven configuration functionality, such as user-defined fields, that enable rapid adoption to individual business needs and the flexibility to adapt as business grows.</li> <li>■ SAP Business One provides innovative SAP EarlyWatch services that proactively monitor and notify potential system downtimes that could lead to business disruptions.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>WMF AG</b> easily completed its implementation in just one month with a three-month parallel project that eased the transition and ensured proper data transfer.</li> <li>■ <b>BioVision Seed Labs</b> integrated its financials with its lab information management systems to reduce data entry duplication and errors. The company implemented the solution in just 12 days, without disrupting daily business functions.</li> <li>■ <b>Coopers Environmental Science (Pty) Ltd.</b> integrated an extensive range of product data and converted legacy sales history data, with a smooth implementation process that lasted only three months and required only two hours of downtime. The company streamlined data processing, improved internal controls, and automated and standardized processes and polices across the organization, helping to boost efficiency, transparency, and accountability.</li> </ul>

**ANALYST QUOTES & FINDINGS**

- “The need to integrate different systems and stand-alone applications is a top challenge for more than 45% of small businesses. Yankee identifies a strong interest in integrated application suites and predicts that a high percentage of small and midsize businesses will adopt an integrated suite of business applications in 5 years.”  
*2005 Small and Medium Business Applications and Web Survey*, The Yankee Group
- “In a few short years, SAP Business One has become a significant competitor alongside traditional business applications that have had many more years’ market tenure.”  
 Bob Anderson, Gartner on 2006

**STAYING IN THE KNOW**

- Solution overview: [www.sap.com/smallbusiness/solutions/overview/index.epx](http://www.sap.com/smallbusiness/solutions/overview/index.epx)
- Feature highlights: [www.sap.com/smallbusiness/solutions/overview/features.epx](http://www.sap.com/smallbusiness/solutions/overview/features.epx)
- Solution in Detail: <http://download.sap.com/download.epd?context=012339738CAA42FA00EFA99D422477C83A745C96C20D79434C5E18D0756575FB84640230A49389895598068EECF8C4E2CA6795C14012E34>
- Visit local sites from the global channel partner portal at <http://channel.sap.com>.

**KEY INFLUENCERS**

According to the recent 2006 SAP Small Business Segmentation Study, the top three influencers in the small business market are value-added resellers (VARs), accountants, and audit service providers.

**GLOBAL DOMAIN EXPERTS**

- Solution management: Gadi Shamia
- Solution marketing: Michaela Zwinakis, Thomas Tan
- Global field marketing: Sara Larsen

**GLOBAL DOMAIN EXPERTS**

- Global field sales: Niels Stenfeldt
- North America: Dan Kraus
- EMEA NEWS: Stephane Mermet
- EMEA Central: Rainer Stern
- Asia-Pacific: Richard Duffy