

# Our LEAN Customers Case Studies



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*Learn how CISCO Systems  
implemented LEAN supply chain  
on SAP®*

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# LEAN Supply Chain:

Today's supply chains have become highly complex, are global in scope, and include multiple touch points that range from the handling of raw materials to the delivery of finished goods to the customer.

In this new environment, supply chains must exhibit a high degree of adaptability, responsiveness, and collaboration.

Organizations are now finding it essential to transform traditional supply chains from linear, sequential processes into LEAN supply chain networks in which communities of customer-centric, demand-driven companies share knowledge, intelligently adapt to changing market conditions, and proactively respond to shorter, less-predictable life cycles.

## SAP America (NASDAQ:SAP)

SAP® dominates the global market for enterprise resource planning software. SAP®'s software provides customers with an integrated view and control over various business functions including operations, finance, human resources, supply-chain management, and customer relationship management. SAP® has further increased the attractiveness of its products by customizing them to meet the specific needs of over 25 different industries.

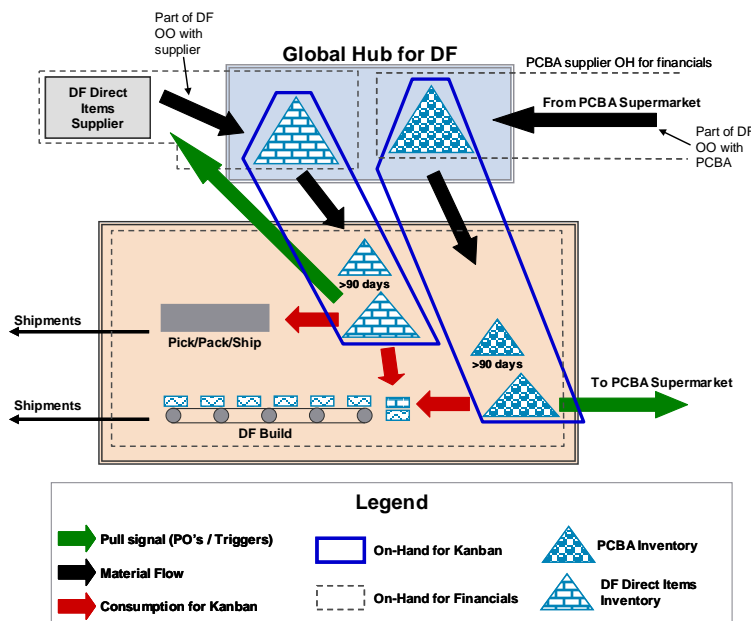
## Situation

SAP®'s new solution LPO (Lean Planning & Operations) for LEAN enterprises have opened up plethora of possibilities for organizations that want to implement LEAN not only for their own organization but also for their whole supply chain that extends beyond their enterprise to their customers, suppliers and other partners.

CISCO Systems (NASDAQ: CISCO) is one such organization that is evaluating SAP®'s LEAN solution to optimize inventories across its three tier supply chain consisting of over seventeen partners.

SAP® deployed a highly experienced multi-functional team to develop a comprehensive solution architecture that will be the foundation for developing and deploying systems in future to realize CISCO's LEAN vision.

### DF site



SAP® engaged Lean Axis for their Subject Matter Expertise and review their solution architecture design.

The process flow at the demand fulfillment (DF) site, one of the key nodes of the supply chain is as shown here. Other nodes have similar pull based processes.

# Challenge

While most of the partners of CISCO are already using SAP's ECC (ERP Central Component), there are some that use third-party ERP systems. A few use custom in-house developed systems. Some are also on manual systems.

Most partners are managing their manufacturing using the traditional MRP based push systems.

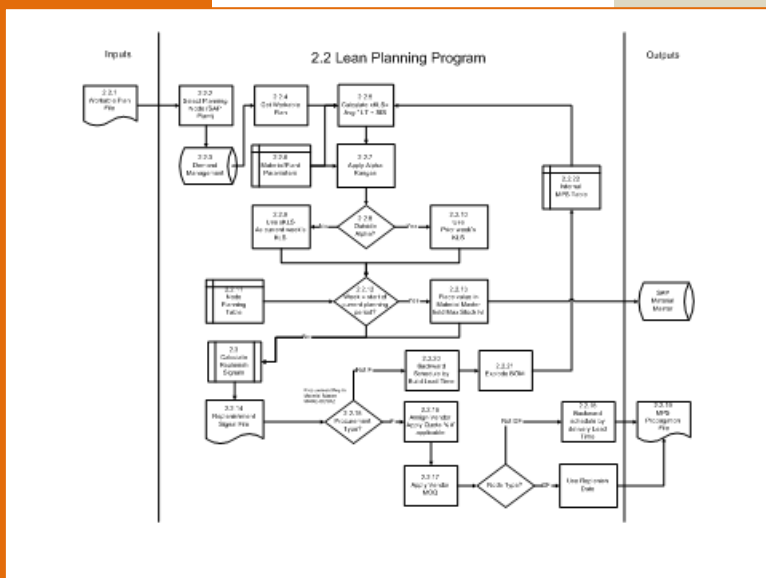
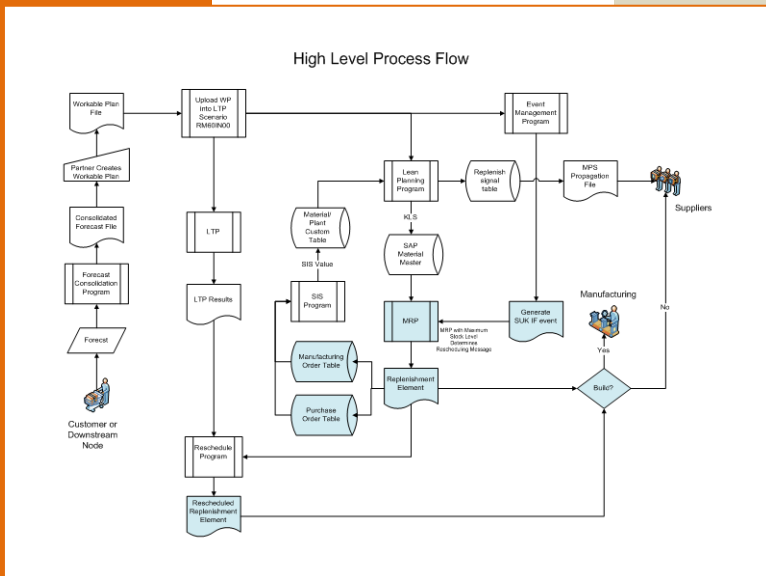
Implementing a LEAN solution in such a diverse supply chain landscape posed several challenges. Some of them are listed below:

- The solution should work both in SAP® environment and non-SAP® environment.
- The solution should integrate with other functions of SAP® so as to not mandate any change to any of the existing processes of any of the partners.
- The solution should not impact any of the partner's business with their customers not a part of CISCO's supply chain.
- Critical SAP® functions such as Long Term Planning (LTP), MRP, MRP messaging, Available to Promise and so on should work for the "pull" requirements just like they do for "push" requirements.
- The solution should be scalable for it to be rolled out for any number of tiers, nodes and partners

# Solution

Lean Axis was quick to respond to SAP's request to review the solution architecture developed by the SAP® team.

High level review of the design was carried out. SAP's best practice based processes were enabled. Requirements from all the partners were addressed.





## Outcome

A successful comprehensive prototype was developed based on the recommended solution architecture. The system is demonstrated to all the partners as a prototype. CISCO and the partners are now working on plans to scale the same into an industrial strength solution that can be used to optimize the inventory levels across the entire supply chain while improving the service levels at the same time.

## Next Steps

You don't have to implement all the components of SAP LEAN solution at the same time. You don't have to put all your product lines on SAP LEAN at the same time. A well planned vertical or horizontal incremental approach can make your implementation smooth.

From LEAN business strategy to its implementation on SAP, Lean Axis combines LEAN industry experience with SAP implementation expertise to create solutions that bring real, tangible business value. We strive to increase business velocity, staying ahead of our client's needs with innovative solutions that deliver a rapid return on investment.

Lean Axis welcomes the opportunity to talk to you more about how we can help you to be more successful with your LEAN initiatives on SAP. Please contact us under: [info@LeanXis.com](mailto:info@LeanXis.com) or call us at 408-802-1636.

