



## Facts About GCP

### Did you know that:

- 75% of companies do not take into account the effect of movements in exchange rates as products move through the supply chain.
- Inaccurate processes and inadequate data quality can cause misstatements of up to 2% of cost of goods sold (COGS).
- Many companies don't have a clear view of how their transfer pricing policies are being applied across the business.
- Most companies don't have tools that allow them to have a detailed view of production costs and the impact that they have on the business.
- Many companies don't know how transfer prices are calculated, or whether they truly reflect the way in which the supply chain works.
- A correct calculation of the intercompany profit can result in:
  - the elimination of large and unexplained write offs at year end;
  - a better analysis of the efficiency of the supply chain itself.
- An accurate set up of product costing and margin analysis processes can lead to a dramatic increase in the accuracy of forecasts.

### The Group Costing and Profitability (GCP) Engine is:

- A fully integrated Enterprise Value Chain Management, Planning and Control solution.
- Designed to deliver transparency of material cost and revenue flows as well as intercompany profits for consolidation, shareholder value and tax optimization.



## **GCP can provide:**

- Profit margin by product for each step in the supply chain.
- Intercompany profit calculation by material and product.
- Transparency of value streams across systems and companies for actual, target, plan and simulation scenarios.
- Analysis of value chains in scenarios involving suppliers and vendors, including:
  - Calculation of product group costs and global profitability;
  - Portion of sales & transportation costs of the delivering plant shown as part of the manufacturing costs of the receiving plant;
  - Product harmonization across various locations and beyond the enterprise;
  - Solution of broken links along the supply chain.

## **GCP is a reliable source for global value chains, enabling:**

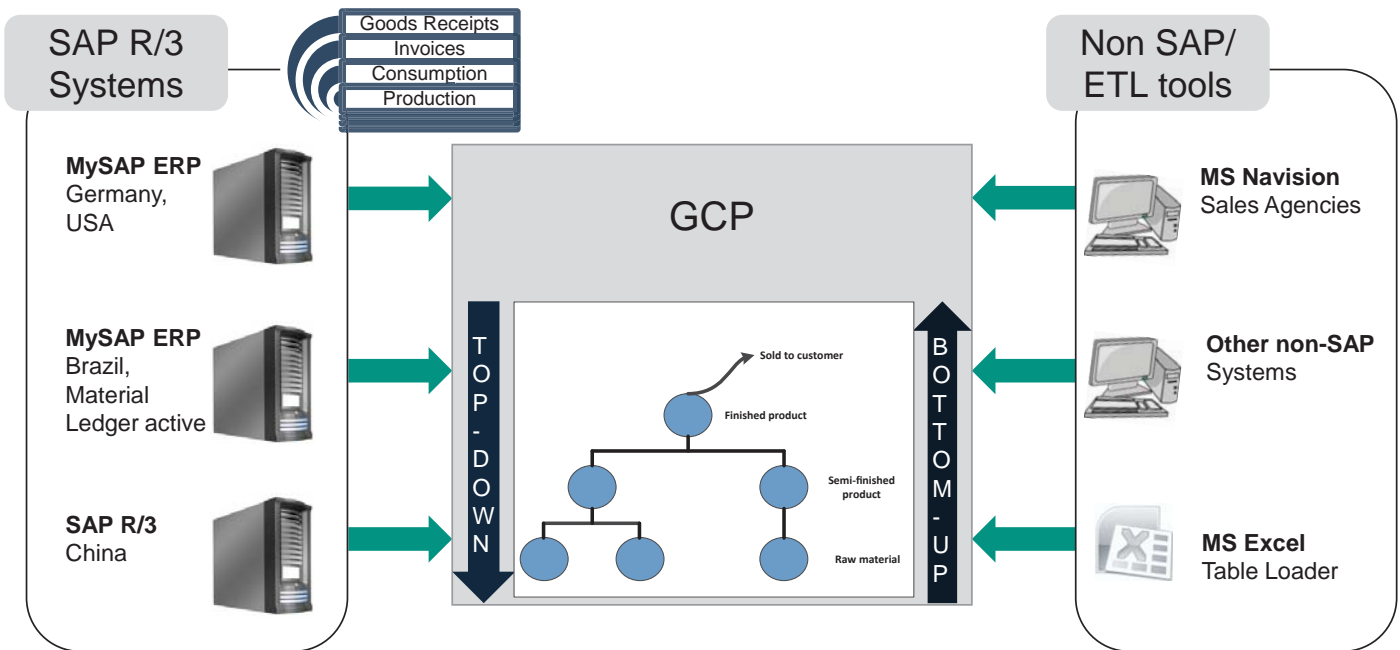
- Optimization of Product Mix, obtained by leveraging Advanced Planning and Scheduling (APS).
- Maximization of Enterprise profitability after tax.
- Accuracy in the calculation of cost-of-goods-sold (COGS).
- Integrated processes across subsidiaries, divisions, functions and systems.
- Shorter, more accurate and automated planning cycles.
- Improved reporting on collaborations with internal and external business partners.
- Flexibility to react quickly to changes in the business environment.
- Support of strategic and integrated planning process.
- Improvement of transparency and auditability of information and activities.

## **GCP is compatible with any SAP system, running on NetWeaver, Base Release 6.20 and higher. It provides:**

- Content for reporting in BW on product hierarchy, profit center, business area, etc.
- Opportunity to use SAP HANA technology which can improve reporting across modules and systems and enables integration of non SAP environments with the use of established replication mechanisms.
- Ability to consolidate data from different platforms and systems with no restriction represented by the presence of separate Clients or different versions of SAP: this particular characteristic makes GCP a potential and simple alternative to the implementation of the full functionality of the material ledger, whilst providing the same end User benefits.

## **Benefits of using GCP:**

- Detailed understanding of the impact of the sales plan on the supply chain by maximising operational efficiency and providing detail on costs and profit.
- Mapping of Supply chain to Value Chain, including ability to simulate alternative processes, product mix etc.
- Ability to configure different versions that represent best/ worst case simulation scenarios on any of the relevant processes.
- Faster and more accurate planning and forecasting process.
- No impact on performance of existing systems: our GCP extractor does not interfere with any of the daily transactions.
- SAP Look and Feel, use of standard Advanced List Viewer (ALV) Grid and Tree technology.
- Seamless integration with the existing ERP as well as with BW and Business Intelligence/ Business Objects environments.



As you can see from the picture above, GCP helps with gathering information from all systems in use. The information extracted is then appropriately aggregated to replicate the desired supply chain scenario. The result is a detailed view of all stages in the life of a product.

A number of global players across industries have taken advantage on our services, including:



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## Contact and Information

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