

CWG Conference Highlights – 2010 Marco Island Conference



After a wonderful "Meet and Greet" session on Sunday, the CWG hosted a record-setting conference in Marco Island, Florida in 2010! Over 140 members were in attendance, which is the highest for a conference to date. We also achieved the highest percentage of SAP customers compared to any conference in the past. Rick Smethers from Schneider Electric served as the emcee this year, and did a great job of keeping our schedule on track and the attendees informed on conference logistics and activities.

The conference program and all the Marco Island Conference presentations are available to CWG members either from the [list of all presentations](#) or on the [document share](#).

Don Cochran, President of the CWG, kicked off the conference with his address. Don shared the successes of the CWG since our European conference in Vienna, Austria, highlighting the formation of new CWG Chapters around the world. Don also recognized attendees from China, India, and Australia.



Our Keynote address, "Configuration – The Game Changer" was delivered by Mike Shields, Founder and CEO of eLogic Group. His message illustrated the competitive advantages realized by companies who can efficiently offer and deliver products differentiated by customization capabilities to their customers. Mr. Shields stressed the need to apply best practices and optimization methods as products are modeled to suit customer and market needs. My favorite quote from this presentation was "Behind every mountain is another mountain" – Haitian proverb. This served as a segue to examples of mountains that we all face

such as “sacred cow” processes, excuses for adapting to technology, and enabling change management.

Clive Parkman, George Apostolakis and Stephen Redding presented Airdale’s implementation of SAP with variant configuration and Quote for SAP across sales and customer service through manufacturing. With SAP VC as the foundation of the core business processes, Airdale is able to leverage the integration of Product Development, Sales, and Manufacturing in delivering accurate quotes to their customers.



Scott Perdue of Baldor Electric updated the attendees on the implementation that was presented at last year’s Marco Island conference. Titled “*We’re Back and We’re Live!*”, Scott showed how Baldor uses IPC GUI inside SAPGUI (standard SAP functionality) to make internal (SAP) and external (e-commerce) look the same right out of the box. Documents are generated dynamically based on IPC quote, using SAP DMS, ABAP, and Java (with other apps by “The Jonas Brothers”). Baldor uses prospective customer type and hides pricing from documents and e-commerce sites to extend capabilities to the person specifying the product (non-customer). As expected, Scott’s presentation was informative as well as entertaining!

Bill Dorow, Rob Morgan, and Nishan Pillay gave an update on the Blue Harmony project at IBM. Together with SAP Custom Development, the Blue Harmony Team developed IPC capabilities to address several key challenges for large solution configurations of hardware, software, and services. The presentation included an overview of the architecture and components of the IPC and the key design points of the solution.

Harald Vogel shared planned innovations for SAP configuration from SAP Labs. Among these were improvements to the Product Modeling Environment for Variant Configuration (PMEVC). Improvements include BoM item maintenance, new drag-and-drop functionality, and the capability to add characteristic values. Enhancements to PLM include a new version of Engineering Desktop, Guided Structure Synchronization, a new UI for Product Structure Management, and a Dependency Maintenance table for BoM items. Harald also covered

Integrated Product Development for configurable products, Outsourced Manufacturing for configurable products in SAP Supply Network Collaboration, Subcontracting with direct shipment, and 3D simulation support for the CAD model in the Product Structure Browser. Harald concluded his presentation with a demonstration of Variant Configuration on mobile devices using the iPad.

Continuing the development update topic was Michael Zarges of SAP AG. He shared the planned enhancements to the Internet Pricing Configurator (IPC).

Don Cochran, Phil Martin, Scott Perdue, and Steve Schneider presented an update on the CWG chapters. Don gave an overview of the formation of new chapters and activity in the New England chapter, while the other speakers highlighted the latest activities of their respective chapters.

Day 2 presenters gave a brief summary of the topics for the multi-track sessions. This was followed by an update given by Daniel Naus on the CWG SAP Sandbox. Attendees were given an overview of the procedures for accessing the sandbox and also the guidelines for its use. Day 1 ended with Marin Ukalovic presenting the SAP Reference Customer program to the group. He encouraged member companies to consider the benefits of being a reference customer and the process for application.

Tuesday Day 2:

Several interesting presentations by SAP on enhancements to their current offering including the porting of VC to hand-held devices (iPad, Android, Blackberry), graphical modeling of dependencies, and enabling configuration of a VC model residing in ECC in another system such as a partner or small subsidiary not running ECC (Such as B1). Much of this involved gathering requirements to drive future development.

Another SAP presentation showed the latest developments in package selling (Selling a main product packaged with ancillary items and services).



Another presentation was showing the latest developments in VC modeling tools in ECC. Some of the new features were ones that CWG had specifically asked for the last 2 years – very encouraging. Specifically, this involves the capability to enter values for reference characteristics in the simulation transaction. These added capabilities are delivered in ECC 6.0 enhancement package #5 (Due for release at year-end).

The first meeting of the new Special Interest Group for SAP Influencing met for the entire afternoon in the Heron Room where SAP customers met with SAP Product Managers and Custom Development. Here there was a dialog about how the CWG can best begin a process with SAP for influencing VC and IPC development rather than just with Custom Development projects.

Partner solutions included a VC Health Check Report demonstration, Pricing with the SAP IPC, several customer presentations on usage / size challenges with models and a new type session that included answering a series of questions submitted by a VC customer in North Carolina. Some very interesting presentations on Bulk Testing and Data Extraction and Enhancing KMATs to support guided selling and illustrating how VC models can be used in an offline quoting solution. Testing was again a return presentation and much progress has been made for improving quality of VC models. Additionally, Cameron had two very compelling presentations on VC project implementation organization and Rolling out multiple plants and how to support > 250 models. Don Cochran presented after a year his view of the Product Configuration market space and Phil Martin traveled from Australia to present a Building solution for an industry rather than a customer. This was oriented toward Home Building.

Some new focus on Day 2 was for the nerly 70 people that had not been to a CWG Conference; Overview of the Variant Configurator by Barry Walton and an interesting twist was in a presentation by David Silverman on transforming VC models to make them compliant with the IPC. Overall, there were four tracks with 30 presentations. It was hard to select which to attend.

Wednesday Day 3

Day 3 began with Robert Eramo welcoming everyone to the final day of the conference. Robert then demonstrated his skills with Excel by randomly (we think) selecting the winners of the door prizes. Prizes included iPod Nanos, Variant Configuration books co-written by our board member Marin Ukalovic, and photos taken by board member Barry Walton.



Following Robert was “**How Much is That Model in the Window**”, a great presentation by Steve Schneider of Steelcase on measuring and driving down the TCO of both the processes and master data maintenance. Topics included automation, processes, people, global integration, starting a global Center Of Excellence, the benefits of eliminating data redundancy, the benefits of measurements and key performance indicators, and overcoming culture change barriers. The bottom line message is that the TCO is more determined by ongoing process problems, inefficiencies, and data disconnects than implementation costs.

Lawrence Matusek presented “**Four of My Favorite Modeling Challenges**”. The first one was an example of a Dynamic bill of material structure wherein the super bom may not directly contain all configurable components at design time. The second was adjacency restrictions - relationships among configurable materials are based on the manner in which they are connected. As the models are connected physically, the configuration values may need to change. The third scenario involved summation, as in the requirement to sum the value of numeric characteristics within a multilevel configuration. Particularly interesting was the example of multiple instances of the same KMAT. The multi-level configuration will contain the same configurable material configured in different ways under the same sales document item. Very well done and well received by the group.

Dr. Helmut Linde – SAP AG –“ Predicting demand for configurable products”. SAP Performance and Insight Optimization is a new



group of mathematics scientists at SAP. They are developing mathematical models based on sales history (currently for an automotive customer). The resulting model is built into an application that is hosted by SAP and the user accesses it through the front end UI of Business Objects. The result is a very powerful tool that can be used to predict customer reaction to price and option changes, define portfolio strategy, reduce product complexity and for demand planning. It will be interesting to see where they go with this. A product sales volume in the thousands per year per model is needed.

“ETO for Dimensional Products” by Brian Koslowski of Greenheck Fan – Very informative presentation showing how to configure products that are of varying dimensions. Greenheck used eLogic as their VC partner.

Siemens presented their solution for combining VC and Internet selling. Their solution merges the results of multiple configured products as well as dynamically building a document package from the resulting configurations using CAD integration all in a Web browser. This is kind of the nirvana for VC / Internet Sales for ETO, but they supposedly spent 22 million Euro developing it.



As always, the conference ended with “Ask the experts” open



discussed. This attempt to provide for this specific need to SWO for joint activities to specific