



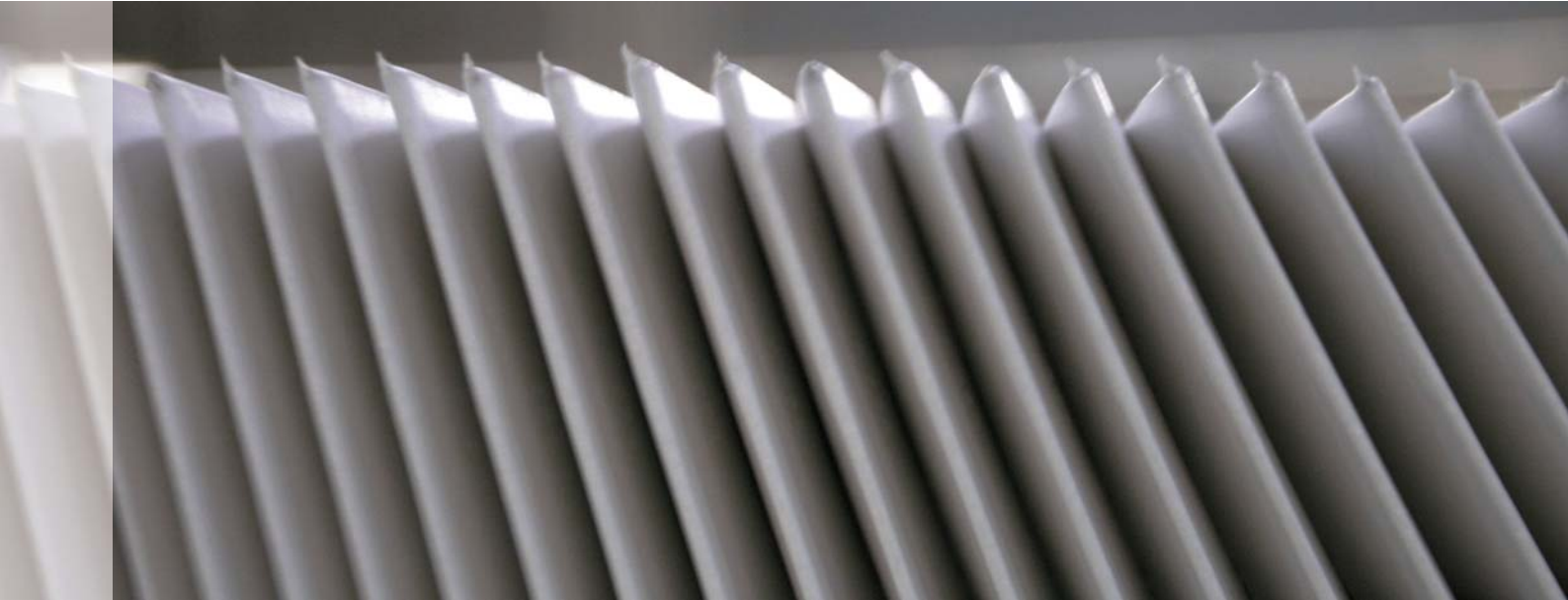
Dr. Lauterbach & Partner



LP.Packaging Business Solution

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The business solution for the printing and packaging industry powered by mySAP™ ERP significantly reduces the implementation period, optimizes the business processes and increases the return on investment.



Key Challenges

An impartial observer may ask the question, how business requirements of the printing and packaging industry concerning Enterprise Resource Planning (ERP) systems differ from those of other industries?

If it should prove difficult to identify fundamental differences, it may be worthwhile to analyze the use of standard ERP systems in other industries. One could expect ERP systems that have been successfully used for years in other industries should also be able to support the business processes of the printing and packaging industry.

Exactly this was the starting point of LP. in 1992, when a leading packaging manufacturer offered LP. to jointly investigate this question. Many successful ERP implementations in the packaging industry followed this move.

Today, the profitable use of state-of-the-art ERP systems in the printing and packaging industry has

been tested and resulted in quantifiable bottom-line profits and intangible benefits.

Declining sales margins, rising pressure in competition and ever changing customer requirements force the enterprises to spend their IT-budgets as efficiently as possible.

The result of this ongoing process is an increased demand for fast, and cost effective, low-risk ERP-implementations and lower cost of ownership. This can only be achieved by using state-of-the-art ERP systems with complete, yet flexible, pre-configuration settings and product structures that provide everything needed to run industry specific key-processes "out-of-the-box".

LP.Packaging in conjunction with a clear step-by-step implementation methodology and LP's unique industry expertise is a safe investment to achieve these goals.

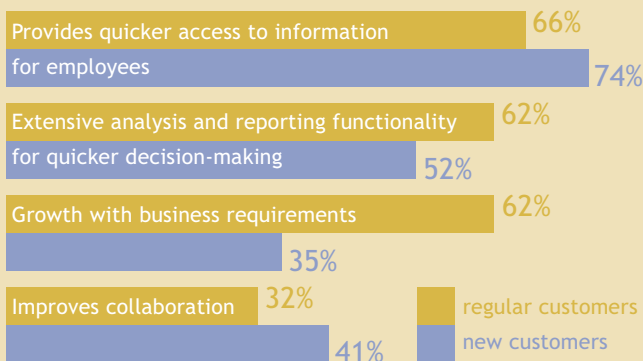


IT-Strategy: standard software

Standard software is continuously enhanced and runs through different product life cycles. In the form of product releases, functionality is added to keep pace with new or changed business process requirements. Thanks to unlimited downward compatibility of the product releases, regular customers can benefit from new technologies and business processes.

What makes customers move to mySAP™ ERP?*

120 mySAP™ ERP 2004 Ramp-Up Customers have been polled



*source: SAP

A SAP survey found out, that customers are welcoming continuity and flexibility of the mySAP™ ERP product as a key feature.

LP is constantly monitoring and analyzing product developments before they are commercially released for new functionality and technologies that have the potential to further improve the support of our customers' business processes.

The continuous improvement of the solution and the seamless integration of new technologies such as JDF-workflow integration and supply-chain-management enable our customers to increase their profitability and to improve their competitive position.

Despite the ongoing functional enhancements of SAP products, there is a gap between desired and actual features that needs to be closed to fully cover industry specific functions and processes.

LP.Packaging contains a few, carefully integrated applications to maximize business process support in all market segments of the printing and packaging industry.



LP.Packaging Business Solution

The LP.Packaging Business Solution is based on pre-configuration settings for selected applications and modules of mySAP™ ERP supporting all key business processes as finance, controlling, sales, procurement, material management, production planning and execution, quality management, warehouse management, transportation and shipping.

Print and packaging specific business functions which are not covered by the SAP standard software are supplemented by LP.Solution Components. The following components are available:

LP.Solution Component “Tender Costing”

Enables customers to determine automatically sales prices of products inquired for the first time without the need to enter product-related master data beforehand as well as existing products based on a predefined contribution margin. Alternatively the contribution margin is calculated based on a given sales price.

Costing is based on configurable assembly structures including algorithms for blank layout determination, manufacturing path determination, waste calculation, tools costing, freight and stock costs, sales reductions, rebates and discounts. Costing of multiple-part products and technical alternatives is also possible.

LP.Solution Component „Predefined Product Structures”

This component for single or multiple parts products includes configurable assembly copy-masters for the market segments folding carton, corrugated board, flexible packaging, point-of-sales displays, decor printing and barrier coating.

LP.Solution Component “Gang Print Package”

Provides components to manage all kinds of combined production (different printed designs on the same CAD-profile, different CAD-profiles on one sheet, same printed design on multiple sheets or cylinders) taking into account effects on post calculation and profitability analysis.

LP.Solution Component “Sequence Planning”

Provides functionality for grouping orders with the objective to minimize setup time. Production sequence dependent sales prices are automatically calculated and taken into account in sales order costing.

LP.Solution Component „Selection and Optimization of Production Sequence”

Enables the planner to sort production orders based on characteristic values in the graphical planning board (for example selection of all orders with the same folding box construction type).

LP.Solution Component „Barcode-Controlled Material Movements”

Provides functionality for recording material movements by scanning labels or tags. Raw materials, semi-fabricates or finished goods are maintained as handling units (HU) and labeled with bar codes. All major material movements can be posted automatically by specific transactions designed for radio scanners. Electronic delivery advices sent by the supplier and detailing the delivered HU's provide automatic material identification for goods receipt.

LP.Solution Component “EXDS-Interface”

Exports HU data from ERP system via SAP communication methods to provide more flexibility for label design and printer selections. Integrated third party label design and print management software can be provided on demand by LP.

LP.Solution Component „Preconfigured Forms and Reports”

Includes internal and external business papers as service requests, quotation and order confirmation, delivery note, invoice, pro forma invoice, delivery schedule, product specification, shop floor papers, picking list, dunning letter, payment confirmation, account statement, payment advice, balance confirmation and cash voucher.



LP.Solution Component „Industry Specific Reports”

Contains the following reports: Reports for the deviation analysis of manufacturing costs and sales prices in tender and sales order costing. Reports for information of profit margin, price variance, order entry statistic including sales price valuation, result analysis per customer, product family, business segment, order sequence and customer order, reports for service costs and revenues per order, product, product family, customer, sales organization, plant and business area, tool reports including costs, revenues, settlement of repair costs and amortizations derived from production orders, performance statistics per machine, period, stop reasons per machine and period, rework and waste statistic.

LP.Solution Component „Technical Document Interface”

Transfers specification documents (CAD-profile, design specification) created in mySAP™ ERP to technical systems for further processing. The objective is to safeguard the identification and information of these specifications by automated workflow.

The technical system saves all relevant information against the given identification number. When the specification is technically completed, the interface transfers the new content into the ERP system and changes the document status after import is completed.

LP.Solution Component “SAP-JDF-Interface”

Provides seamless workflow integration of prepress, press and postpress management systems with mySAP™ ERP. Product and routing relevant information is extracted from mySAP™ ERP and converted into JDF-Job-Tickets. In case of repeat orders, those JDF-Job-Tickets contain information for automatic machine

presetting which will significantly reduce setup time. During job execution, the control unit collects machine statuses and process parameters (setup, run, stop time, yield, waste etc.) which are uploaded automatically in mySAP™ ERP using the JMF-integration.

LP.Solution Component “Shop Floor Data Collection”

Provides inter-operational reel management and reel traceability for raw materials, semi fabricates and finished goods based on handling units. Combined registration of material postings and time events during HU creation and HU consumption processes enables inter-operational reel traceability, taking into account GMP guidelines. Integration to quality management provides inspection results collection against individual reels. Depending on the usage decision, reels are posted in inspection or free stock. Barcodes printed on reel labels and pallet tags enable execution of material movements by scanners.

LP.Solution Component „Traceability Report”

Supplements the SAP batch cockpit, which traces only the creation and consumption of batches against production orders. After implementation, the solution component extends traceability to the handling unit level. Top-down- and bottom-up-analyses are supplemented with predecessor and successor information for handling units.

LP.Solution Component „Trim Optimization Interface”

Transfers material requirements of corrugated board sheets with attached technical specifications to third party trim optimization software. After optimization run, production orders in mySAP™ ERP are updated with information of generated trim specifications.



LP.Best Practices

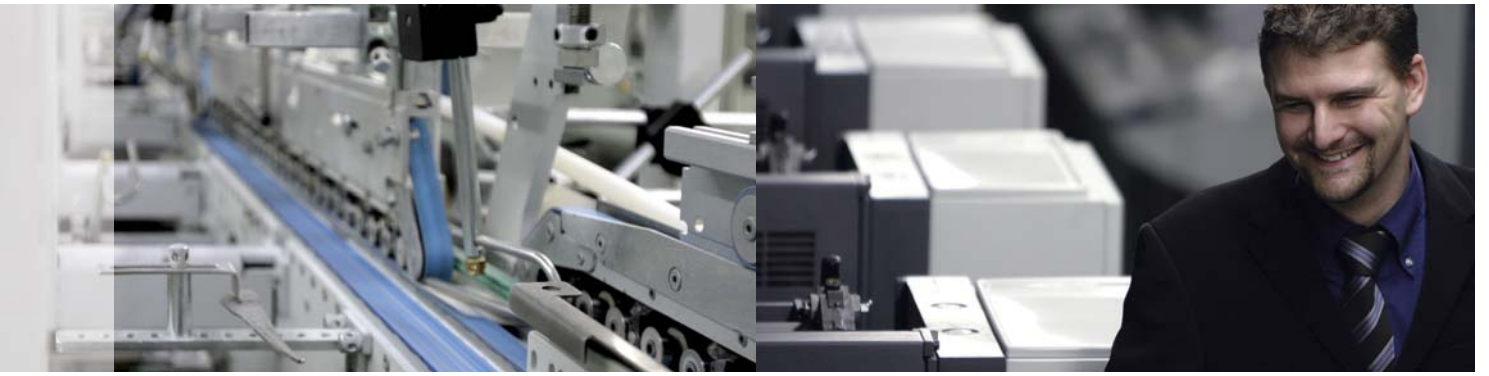
LP.Best Practices provide predefined and optimized business processes for the printing and packaging industry. Developed, tried and tested for more than a decade in leading companies across Europe and beyond, LP.Best Practices lay the foundation for a fast, cost effective and low risk implementation of the world leading business software package.

LP.Best Practices are made available to the customer in his system at project start for presentation and training purposes along with a comprehensive business process documentation comprising flow chart representations and detailed textual descriptions of the business processes, organizational units and roles.

LP.Best Practices are supplemented with business consulting services based on LP's unique industry expertise and implementation experience. A clear step-by-step implementation methodology and professional project management safeguard the implementation process. Predefined work packages, reliable and realistic time and milestone planning and predictable costs reduce implementation cost and risk.

LP.Best Practices are available for the following business processes:

- Product development services
- Artwork development services
- Quotation processing and costing
- Sales order processing and costing
- Scheduling agreements for customers and suppliers
- Creation of product specifications
- Creation of product family related manufacturing routing
- Tool management (cutting die, printing plates, cylinders, embossing and braille stamps)
- Specific production planning processes
- Resource planning and availability checks
- Material management and procurement
- Detailed production planning
- Warehouse and Handling Unit management
- Manufacturing execution and confirmation processes
- Transportation management
- Industry specific costs and activity accounting
- Quality management
- Human resources management
- Finance



Key Benefits for Customers

The LP.Packaging Business Solution features preconfigured, yet flexible mySAP™ ERP applications based on LP.Best Practices and amended by industry specific LP.Solution Components. LP.Packaging leverages LP's unique industry expertise and the continuity and flexibility of SAP's world leading business software. LP.Packaging offers cost-effective implementations, full business process coverage, fast return on investment and low cost of ownership leading to enhanced profitability and a superior competitive position.





Dr. Lauterbach & Partner

LP. Company Profile

Founded in 1992 LP. is a business consulting and software company. LP. has successfully developed and implemented printing and packaging solutions based on world leading ERP systems. LP. customers range from small and medium businesses to global enterprises.

LP. offers a preconfigured business solution for the printing and packaging industry based on the world leading mySAP™ ERP software amended by industry add-ons. The unique industry expertise and implementation experience of LP.Consultants guarantee fast and cost effective software implementations at predictable cost.

As SAP Business Partner LP. has a close working relationship with SAP resources in software development and maintenance of our business solution.

LP. is the first software supplier on the market who provides a SAP-JDF-workflow integration.

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