SAP Gains 3M as New Customer

SAP(R) Business Suite Applications to Replace Legacy Business Software at 3M Operations Around the World; SAP Enables Global Business Process Transformation at Innovation-Driven Company

ST. PAUL, Minn., March 1 /PRNewswire-FirstCall/ -- One of the world's largest brands has selected <u>SAP AG</u>(NYSE: SAP) as its enterprise standard software provider to unify its global business processes. <u>3M</u> is rolling out<u>SAP® Business Suite 7</u> software as it phases out some of its legacy applications at sites around the world.

(Logo: http://www.newscom.com/cgi-bin/prnh/20050310/SFTH009LOGO-a)

Along with its growing portfolio of acquired companies offering innovative products from healthcare and highway safety to office products and abrasives and adhesives, 3M has inherited these companies' business software installations, which currently run distinct processes from the shop floor, to the supply chain, to sales and reporting. The company is now unifying its IT landscape on SAP Business Suite to orchestrate business processes in an integrated operating model and gain clearer insight across its global operations.

"Providing innovative solutions to our customers around the world is our top priority, so we undertook a thorough evaluation to determine the best-suited business software that could further improve customer intimacy, service delivery and power each of our divisions and regions of operations with industry best practices," said Ernie Park, vice president and chief information officer, 3M. "SAP business solutions will play an important enabling role in unifying core processes globally and supporting our ongoing strategy of meeting customer needs wherever they are. We expect the SAP deployment to provide significant value to 3M in the coming years."

To help ensure business continuity, 3M is taking a phased approach to its deployment of SAP Business Suite 7. The company is taking an economical approach, shaping its long-term IT plans over time as its needs and the needs of its customers evolve. First implementations are already under way in Europe and Asia Pacific. In Europe, 3M is in the process of implementing a new demand forecasting and supply planning system leveraging the SAP® Advanced Planning & Optimization component. In the Asia-Pacific region, the company is planning to replace most of its legacy applications with <u>SAP®</u> <u>ERP</u> over the next several years. Once the proof of concept is successfully validated, additional rollouts will ensue to other geographies.

Business intelligence (BI) software from SAP will play a key role in the global deployment, enabling 3M's management to access accurate and timely data on business performance across its divisions to support informed decision making. The SAP software agreement enables 3M to integrate the best practices it has gained with its existing BI deployments from the <u>SAP® BusinessObjects™</u> portfolio in the United States and in other regions into the global rollout template.

With its lines of business operating in diverse industries, 3M aims to benefit from the industry innovation and the integrated applications delivered by SAP Business Suite 7. As new features to SAP Business Suite applications are added on via enhancement packages, 3M can continually adapt processes already adopted in the global process template without the business disruption typically associated with complete system upgrades.

"SAP and 3M share a commitment to innovation, not only in terms of our technologies but also in the way our businesses evolve to better serve customer needs," said Robert Enslin, president, SAP North America. "The agreement with 3M underlines our ability to welcome new global companies to our installed base as they are look to address their current business issues and long-term objectives."

About SAP Business Suite

SAP® Business Suite software enables enterprises to execute and optimize their business and IT strategies. SAP Business Suite gives organizations the unique ability to perform their essential industry-specific and business support processes with modular software that is designed to work with other SAP and non-SAP software. Organizations and departments in all industries can deploy SAP Business Suite software in a step-wise manner to address specific business challenges on their own timelines and without costly upgrades. SAP Business Suite provides better insight and visibility across organizations, improves operational efficiency and effectiveness, and increases the flexibility to address business change.

About SAP

SAP is the world's leading provider of business software(*), offering applications and services that enable companies of all sizes and in more than 25 industries to become best-run businesses. With more than 95,000 customers in over 120 countries, the company is listed on several exchanges, including the Frankfurt stock exchange and NYSE, under the symbol "SAP." For more information, visit www.sap.com.

(*) SAP defines business software as comprising enterprise resource planning, business intelligence, and related applications.

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