

2004 Award Recipient

Day & Zimmermann

Vision, Strategy and mySAP™ Accelerate Customers' Success



2004 ASUG Impact Award

insight
excellence
achievement
reward

**Recognizing Strategic
Business Results**

Special
Report

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AMERICAS' SAP USERS' GROUP



ASUG wishes to thank the 2004 Impact Award Committee members

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Learn

“A model from which ASUG members can learn — serving as an inspiration for other SAP teams to emulate.”

In a consistently changing industry that expects superior results based on efficient methods and planning, members of the Americas’ SAP Users’ Group (ASUG) continually surpass expectations within their own organizations. It’s these accomplishments that create a model from which other ASUG members can learn, serving as an inspiration for other SAP teams to emulate. By sharing best practices, members help each other better leverage the full value of their SAP investment.

In late 1998, ASUG introduced the Impact Award program to recognize the achievements of ASUG members. This program recognizes member organizations that achieve significant business results through their company’s implementation of SAP. Impact Award submissions are evaluated based on their description of the return on investment generated, strategic alignment goals met, SAP product scope utilized, best practices developed, service improvements demonstrated and the degree of innovation reflected in their approach.

Selecting the 2004 ASUG Impact Award winner was difficult, as all submissions were quite impressive. This year’s winner, Day & Zimmermann, demonstrated how they excelled with a SAP implementation based on the criteria above. As you will learn, Day & Zimmermann benefited greatly from their implementation. ASUG congratulates Day & Zimmermann on their achievement and is proud to share their success story with our members.

ASUG would also like to thank the 2004 Impact Award finalists Canada Post Corporation, Johnson & Johnson/Neutrogena Corporation and Avid Technology, Inc. for their submissions this year.



2004 ASUG Impact Award

Day & Zimmermann

Organizational Background

Winner

Day & Zimmermann is the parent company of Yoh, America's first technology staffing company and a top-20 domestic supplier of staffing services. Its value proposition is simple: companies invest significantly in knowledge and technology. Yoh delivers the talent necessary to leverage those investments.

In 2002, Yoh delivered \$550 million in sales (to more than 1,300 customers) operating from a network of more than 80 locations in North America and Europe. The company supplies long- and short-term temporary and direct placement of technology and professional personnel, as well as managed staffing services, for the telecommunications, scientific, clinical, information technology, health care, industrial and engineering communities. As an innovator and leader in the managed staffing market, Yoh successfully re-launched its integrated, customer-driven portal – Yoh Exchange – delivering more than \$98 million in online sales.

Operating from more than 150 worldwide locations with \$1.4 billion in revenue, the Day & Zimmermann family of companies employs 20,000 professionals and is currently ranked by Forbes as one of the largest private companies in America. Day & Zimmermann delivers an array of reliable managed services ranging from maintenance and modification, engineering, construction, validation, government operations, and munitions. Founded in 1901 and headquartered in Philadelphia, Pennsylvania, Day & Zimmermann was named the U.S. National Family Business of the Year in 1998.

The Problem and the Solution

The staffing industry is a highly competitive market environment with few barriers to entry. The “dot.com hysteria” in the late 1990s created a situation where most staffing providers were scrambling to get their own web offering for temporary and permanent staffing activities launched to customers. Most early attempts at eBusiness staffing solutions were web applications at best and did not integrate with the customer's operation. At that time Yoh made the strategic decision to not follow but to lead the market.

In late 2000 Yoh initiated a four-year technology strategy to provide a customer-driven eBusiness portal that integrated Yoh's staffing services supply chain with its customers. This strategy – *yoh.com* – is based on Day & Zimmermann's solid SAP® ERP foundation, as well as new mySAP™ products, tools and underlying technologies to enable the customer-facing staff fulfillment processes and collaboration environment for its customers, employees and suppliers.

The company's initial online offering within the *yoh.com* strategy was its Yoh Exchange, differentiated by its unique integration of content, community and eCommerce for customers and suppliers. To gain initial entry into this market, Yoh developed a strategic alliance with a start-up staffing industry ASP in April 2001 to provide the eCommerce component of the Yoh Exchange – job requisition, supplier fulfillment and time collection/approval services for a portion of its managed staffing customer base.

When the dot.com bubble burst in 2001, the ASP fell on rocky times and by mid-2002 became insolvent when its venture capital dried up. The ASP was then purchased by one of Yoh's

competitors – the largest supplier in the domestic staffing market. Yoh was now faced with a critical situation where its largest competitor was in control of its growing online distribution system. To make matters more complex, Yoh was mid-way through its four-year e-Business plan and was actively optimizing its back office processes within R/3 4.0(b).

In August 2002, Yoh quickly made the decision that the risk of staying with the competitor-controlled online distribution system outweighed the technical risks of accelerating the mySAP phases of the plan one year ahead of schedule. This meant moving forward with an extremely aggressive schedule to build a customer-facing portal and integrated eBusiness supply chain solution using relatively new SAP® products. The Yoh Exchange re-launch needed to be ready for customer access by Q3 2003.

Before the Yoh Exchange (mySAP™ project) could be started, several enterprise technology initiatives needed to be completed within the twelve-month project plan. In October 2002, Day & Zimmermann began its enterprise upgrade of R/3 to 4.6(C) and completed the technical upgrade within four months (go-live on February 2, 2003). In addition, Day & Zimmermann moved its central SAP environment and other critical systems to a hardened data facility outsourced to SAP Hosting (January 2003). By February 2003 the project team had completed the functional and technical designs for the customer-facing portal, job requisition, candidate identification, candidate submittal and approval, time collection processes and back-office integration as well as distribution of user-defined content. From that point, system installation/configuration, development, prototyping, integration and stress testing the hosted mySAP™ environment were completed in 120 days. External customer organizational alignment began in May 2003.

On July 17, 2003, the re-launched Yoh Exchange successfully went live with Yoh and its largest customer with over 2,300 customer users accessing a fully integrated supply chain portal. Customer managers, employee contractors, Yoh on-site program administrators, as well as the back-office service center processors, all used the Yoh Exchange to perform candidate requisition development and approval, candidate identification, employee on/off-boarding and self-service time entry and approval for Yoh's managed staffing operation. These activities were integrated with Yoh's back-office payroll, HR, billing and financial processes.

The result: Yoh's customer was extremely pleased with the Yoh Exchange as a business tool, product performance and alignment within its organization. Within the first go-live week, Yoh was able to beat its aggressive 48-hour SLA by eight hours for feeding weekly billing and cost reporting information to the customer's financial system.

Yoh was now in the enviable position of being a market leader with its integrated eBusiness portal. It immediately capitalized on its initial success and branched out to other managed staffing customers. Between July and December 2003, Yoh added six customers for a total of over 3,000 contractors and 600 approving managers using the Private Exchange for weekly processing of payroll, invoicing and customer cost reporting all within the SAP Enterprise Portal framework.

Strategic Alignment

For Yoh the product is *talent* – its contract employees. Yoh's most important strategic goal is to provide its customers with the best talent quickly through its brand promise Know Greater *Talent*®. The Yoh Exchange fulfills that promise by efficiently capturing customer needs and quickly communicating those requirements, using mySAP™ collaboration technology among its internal and external sourcing resources. In addition, Yoh will continue to leverage its technology investments in SAP to actively seek new opportunities that drive operational excellence and competitive advantage such as:

- Continued reduction in Yoh's internal operating expenses as more customers are brought onto the Yoh Exchange through economies of scale, continued process optimization and deeper integration of the entire staffing supply chain.
- Continued outsourced management of Day & Zimmermann's application infrastructure to free up internal IT resources to focus on activities that produce greater value for Day & Zimmermann's businesses.
- Increase its top line sales and customer satisfaction through executing the enterprise-wide customer-centric strategy based upon the mySAP™ CRM foundation laid with the Yoh Exchange.
- Executing on Day & Zimmermann's strategy of a knowledge-based workforce by bringing together all of its businesses' information, decision-support tools, applications and outside resources under a portal framework. This will allow Day & Zimmermann to create a central connection point for its people, processes and information to conduct business with its customers, suppliers and partners, as well as more effective internal and customer content through a unified portal.

Improved Service

The Yoh Exchange has indeed accelerated the success of its customers by immediately improving processes that previously were manual, paper-based and consumed valuable customer manager and contractor time. Before the Yoh Exchange, managers relied on Yoh on-site program administrators to produce Microsoft Excel spreadsheets from a variety of systems. Customer managers can now view their contractors' work assignments, approve time and expenses, submit and approve job requisitions, view project cost information immediately after time is approved, all within a customer-branded portal via the Internet. According to the Vice President of Human Resources for NBC, "Yoh has provided the people, process and technology to us (NBC) which supports the successful management of our business."

The Yoh Exchange has greatly improved Yoh's managed staffing services through faster delivery of candidates to its customers, improved quality of resources, consistent employee program compliance, customer management reporting and measurable cost reduction through the elimination of paper-based processes.

From a corporate technology perspective, the ASP model presented many system performance challenges in overall performance, scalability and reliability. Yoh was not in control of the resources to address system issues and improve performance. The customer experience was only as good as the ASP's ability to size its architecture, continue development of the product and manage the system change environment. Start-up companies typically learn as they go and build capability as its user base increases. Yoh wanted a higher level of quality and performance for its customers. The Yoh Exchange allowed Day & Zimmermann to partner with SAP Hosting to deliver fast, reliable and scalable system performance under strict SLAs. Finally, the high availability with burstable Internet capability has provided drastically improved performance for Yoh's external customers, as well as Day & Zimmermann internal customers.



The 2004 ASUG Impact

Award identifies an

ASUG Installation

Member company that

has achieved significant

business results due to

an SAP implementation.

2004 ASUG
Impact Award

Best Practices

The Yoh Exchange could not have achieved the level of quality, system performance, customer satisfaction, project milestones and budget without a fierce dedication to best practices throughout the project. A few are shared below:

- Clear product vision and strategy for the Yoh Exchange built on Yoh's business strategies, the foundation of which is to be "the first option for customers."
- Close partnership between Yoh's executive management, product managers, corporate IT and SAP throughout the project.
- An in-depth blueprint phase that produced clearly defined end-to-end role-based processes for Yoh, customers and suppliers. This outcome provided the framework for all development and configuration of application components, portal, UI and access.
- A detailed organizational alignment plan signed-off by Yoh's customers for change management, communication, demonstrations, training and support prior to go-live.
- Outsourcing of specialized technical resources for new mySAP™ products.
- Utilizing SAP Hosting as the method to quickly deploy a systems landscape and infrastructure for the Yoh Exchange.
- Utilizing project management techniques consistent with PMI including critical path scheduling, resource-loaded project plans and strict management of scope.
- Leveraged both Unix and NT technologies to support cost-effective web-based applications.
- Mandatory technical design requirements for integration with Day & Zimmermann's ERP processes.
- Engaged Intelligroup for efficient development and implementation.



Conclusion

This has been the story of accelerating success for Yoh and its customers, as well as Day & Zimmermann and its family of companies. The team was able to overcome difficult technical challenges and impossible timelines through customer focus and dedication to best practices. This was only possible due to solid business and technology strategies, use of a critical path project methodology, a dedicated project team and Yoh's strong partnership with SAP.



**Fierce dedication to
best practices
throughout the project.**

2004 ASUG Impact Award

Yoh

January 26, 2004

ASUG Headquarters
Attn: 2004 Impact Award
401 N. Michigan Ave.
Chicago, IL 60611-4267

Dear ASUG Community:

At Yoh, the foundation of our business strategy is to be the **first option for our customers**.
We deliver on that strategy by faithfully executing our mission:

To deliver great talent, as well as specialty talent acquisition and management solutions, for customers in the Americas and Europe through world-class, consistent, click-n-mortar operations.

The talent delivery and click-n-mortar components of that mission are supplied by two integrated forces: an exceptional group of industry professionals who fulfill our brand promise and deliver great talent to our customers and a web-based Yoh Exchange, powered by SAP, to help corporate buyers increase productivity and reduce the administrative burden associated with managing independent contractors and third-party suppliers. With SAP, our business processes, customer-focused content and on-site management teams, we believe the Yoh Exchange will play a lead role in the future of the staffing industry. In 2003, we delivered more than 98 million USD in online sales through the Yoh Exchange. We project our 2004 growth will be at least 30%.

In addition to providing Yoh with immediate value, our customers receive the following significant benefits from the Yoh Exchange:

- Improvement on already aggressive SLAs for next-day billing and cost reporting
- Time-to-fill reduction by 15-20%
- Cost/transaction reduction of 30%
- Cost/employee on-boarding reduction of 16%

By the way, we accomplished all of this working through very difficult technical challenges and very aggressive deadlines. Our successes were only possible due to solid business and technology strategies, use of a critical path project methodology, a dedicated project team and Yoh's strong partnership with SAP. From initial design and product concept to go-live a mere eight months passed.

We're not done yet. 2004 will usher in an era of greater experiences for our customers, with the Yoh Exchange serving as the foundation of service delivery model. Sixty-four years of doing business has taught us a few things. How to deliver world-class, talent-driven services to a premier customer base of more than 1,300 companies is one of the best things we've learned. We

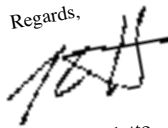
plan to deliver two new versions of the Yoh Exchange in 2004, and will include the latest in SAP technologies as well as a new breed of staffing industry best practices.

The Yoh Exchange has received rave reviews from our customers, using managers, contract employees and independent consultants, suppliers, industry analysts, the media and our own staff. Yoh's accomplishments have also created a wave of speaking requests from SAPHIRE as well as staffing industry events such as Staffing Industry Executive Form and VMS Decision 2003.

In summary, we have much to be thankful for regarding the Yoh Exchange. The first is a market-leading eBusiness tool that has provided Yoh with a significant competitive advantage and allowed us to acquire a significant amount of business in a short time. Secondly, we have illustrated to our company that eBusiness and SAP are a viable approaches to developing a unique customer experience in a highly fragmented marketplace. Finally, we have developed an outstanding relationship with our IT group that will serve as a significant underpinning for future projects.

Thank you for your consideration.

Regards,



Jim Lanzalotto
Vice President of Strategy & Marketing

Business Results



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Yoh

Know greater talent.®

yoh.com