SAP’s Strategy for Enabling Integrated Business Planning

Product Management - LoB Digital Supply Chain
April 2018
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SAP Digital Supply Chain Management Strategy

Business Partners

Real-time Collaboration

End-to-End Supply Chain Business Processes

Design | Plan | Respond | Produce | Deliver | Operate

Agility & Speed | Flexibility & Scalability

Real-time Data

Machines / Sensors / Devices
SAP Digital Supply Chain Product Investment Focus

Business Network Enablement

SAP Ariba
SAP Supplier Network Collaboration

SAP Global Track and Trace

SAP Logistics Business Network

Agility & Speed

Real-time Collaboration

End-to-End Supply Chain Business Processes

Demand, Inventory & Supply Planning

Production Plan./Exec. & Procurement

Transportation Logistics

Warehouse Execution & Tracking

Flexibility & Scalability

Real-time Data

SAP Leonardo

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Unified Platform & Integrated Processes

Supply Chain Control Tower
Exception Handling and Business Network Collaboration

Sales & Operations
Strategic and Tactical Decision Processes

Demand
Demand Sensing, Statistical Forecasting & Consensus Planning

Inventory
Multi-Stage Inventory Optimization

Response & Supply
Allocations & Deployment Planning, Order Rescheduling
Unconstrained & Constrained Supply Planning

SAP HANA
New Generation of Supply Chain Planning from SAP

One Integrated Planning Model

Real-time insight, monitoring & alerting

Integrated business planning SCP processes

Embedded social collaboration platform SAP JAM

State-of-the-Art Architecture based on SAP HANA

Real-time planning and what-if scenario simulation

Smart algorithms incl. machine learning

Simplified User Experience with SAP Fiori and Microsoft Excel
Unified User Experience

Browser-based WebUI
- Real-time insight & monitoring
- Exception handling / alerts
- S&OP Process & Task Management
- Model Configuration
- Job Scheduling

IBP Add-In for Microsoft Excel
- Real-time insight & monitoring to analyze the data
- Advanced planning and data management
- Real-time what-if scenario simulations
- Master Data Management

SAP JAM
- Embedded social collaboration platform
- Exchange ideas
- Keep all stakeholders informed about the latest activities
- S&OP Task Management
One Harmonized Data Model

All modules are running on same data model with no need for Data Transformations

Key enabler for more frequent and integrated planning cycles on all levels and across all areas
New Planning Algorithms

New and sophisticated planning algorithms address the changing focus in supply chain planning.

**Demand Sensing**
Increase forecast accuracy in the short term horizon and plan your demand in daily buckets.

**Inventory Optimization**
Most-efficient inventory deployment to meet service level targets.

**Fast, priority-based Response Management**
React to short term changes in demand or supply with adjustments.

![Graphs and charts illustrating planning algorithms and their impacts on inventory and customer service level.](image-url)
Real-Time “What-If” Simulation and Comparison

Fast and scalable version and scenario planning leads to faster decision processes that are based on profound knowledge.

Real-time what-if scenario planning

Real-time scenarios and simulation on entire model
Innovation Progress

2012 - 2013

Sales & Operations Planning
SAP HANA

S&OP
Cloud-based, Strategic Planning

2014 - 2016

Supply Chain Control Tower
Sales & Operations
Demand
Inventory
Response & Supply
SAP HANA

IBP
Unified Platform & Integrated Processes

Functional, Integration, Industry-specific & Security Enhancements

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Future Innovation Focus

2012 - 2013
- S&OP
  - Cloud-based, Strategic Planning

2014 - 2016
- IBP
  - Unified Platform & Integrated Processes

2017 +
- IBP
  - Business Networks, Advanced Planning, Machine Learning, and Smart Extensions

Functional, Integration, Industry-specific & Security Enhancements
Exponential Growth Continued in 2017
Testament to a Solid Strategy and Strong Product

Exponential Growth of New Customers with 350+ IBP Customers Worldwide
Future Innovation Focus

Details

Usability
• Visualization
• Process Automation
• Exception Handling
• Stakeholder Management

Machine Learning

Advanced Planning
• Sophisticated Algorithms
• Integration
• Flexible Modelling & Configuration

Cloud Operations
• Scaling & Performance
• Security
• Test Automation
• Extensibility

Business Network Collaboration

This is the current state of planning and may be changed by SAP at any time.
Usability
Usability Today

Browser-based WebUI
- Consultants
- Administrators
- Planners and Business Users

IBP Add-In for Microsoft Excel
- Planners and Business Users

SAP JAM
- Planners and Business Users
WebUI for Business Users and Planners
Easy Consumption of Data via Dashboards and other SAP Fiori apps

- Creating real-time reports, including user-defined charts and dashboards
- Visualize the order network, analyze the supply usage or gating factors and perform order confirmations
- Visualization capabilities via mobile devices
WebUI for Business Users and Planners

Exception Handling & Case Management

• Real-time alerting on critical situations within your planning processes
• Smart alerts and actionable analytics to understand the root causes of the exception
• Lean, case-based exception handling that drives collaborative actions to ultimately resolve the issue
• What-if simulation capabilities supporting robust decision processes
WebUI for Consultants and Administrators –
Define how your system and processes are running every day

Model Configuration
- Flexible Planning Area set-up incl your own master data structure
- Define custom key figure calculations and disaggregation rules

System Setup
- Users, roles and authorizations
- Planning operators such as statistical forecast models and supply optimizer

Housekeeping
- Define and schedule application jobs and job chains
- Analyze application logs
Planning in Microsoft Excel for Professional Planners

- Real-time access to your IBP system and data, directly in Microsoft Excel
- Easily create custom Planning Views
- Visualize, analyze and adapt your master and time series data
- Simulate planning jobs for ad-hoc “what-if” analysis and create your own scenarios
- Use local key figures to quickly use your custom excel formulas on IBP data
- Use own VBA coding to further finetune your planning views and planner interaction
Social Collaboration with SAP JAM

- Embedded social collaboration platform
- Share ideas, actions and documents
- Work and report your individual tasks from the S&OP process
- IBP can post information about jobs that were run with the reason codes and comments from the planners
Advanced Planning
Advanced Planning
Different Planning Horizons

**Strategic Level**
- Strategic Sales & Operations Planning
- Strategic Inventory Management
- Business Planning

**Tactical Level**
- Sales & Operations Planning
- Inventory Optimization
- Demand Planning
- Supply and Allocations Planning

**Operational Level**
- Demand Sensing (Short-term Forecasting)
- Response Management: Supply Priorities & Order Confirmation
- Deployment Planning
Advanced Planning
Beyond organizational boundaries

Sales / Marketing

Executives

Supply Chain

Finance

Customer
Advanced Planning Enablers

Robust Data Integration

- Leverage data from different systems in your landscape, e.g. ERP, BW, or other solutions

Fast Data Processing

- Automatically cleanse your data and compute the best possible plan
- Sophisticated algorithms determine patterns in constantly growing data

Flexible Process Modelling

- Tailor the solution towards your individual process flows
- Easily drive key decisions and planning assumptions and gather information from different stakeholders
Time Series- Based Integration using SAP CPI-DS Technology

Integrating data from multiple systems

SAP Integrated Business Planning

* Multiple Systems can be connected to IBP. This requires additional work in implementation projects. Effort depends on customer scenario. Templates are available for some standard processes.
Data Processing
IBP Covering an Extensive Set of Planning Capabilities

Supply Chain Control Tower
Exception Handling and Business Network Collaboration

Sales & Operations
Strategic and Tractical Decision Processes

Demand
Demand Sensing, Statistical Forecasting & Consensus Planning

Inventory
Multi-Stage Inventory Optimization

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Allocations & Deployment Planning, Order Rescheduling
Unconstrained & Constrained Supply Planning

SAP HANA
Business Network Collaboration
Business Network Collaboration with IBP

Today

- Integration with SAP Ariba Supply Chain Collaboration
- Forecast in IBP is send to suppliers who are on-boarded on the SAP Ariba Supply Chain Collaboration platform
- Supplier commits forecast and sends it back to SAP Integrated Business Planning
- Suppliers maintains their stock on-hand in SAP Ariba and this would then get published in SAP Integrated Business Planning
Business Network Collaboration with IBP

Planned Key Innovation Highlights

- Forecast Commit
- Demand Forecast Collaboration
- Customer Collaboration
- VMI

Supplier Collaboration

Inventory Visibility

SAP Ariba

SAP Integrated Business Planning

Process Management (Alerts, Status Overview)

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This is the current state of planning and may be changed by SAP at any time.
Machine Learning
Selected Machine Learning (ML) Use Cases in IBP

- **Demand Sensing**
  - **Pattern Recognition**
  - Forecast Accuracy
  - Available

- **Additional ML forecasting algorithms**, e.g. **Gradient Boosting**
  - Forecast Accuracy
  - Planned with IBP 1811

- **ML supporting New Product Introduction** with better like modelling
  - Forecast Accuracy
  - PoC with Customer Data

- **Use ML to analyse** segmentation groups
  - Automation & Usability

- **Automatic Exception Handling and intelligent Decision Support (DSC)**
  - Automation & Usability

- **Flexible determination of Master Data using ML**, e.g. lead times
  - Modelling

Machine Learning Customer Workgroup Established in January 2018

This is the current state of planning and may be changed by SAP at any time.
Cloud Operations
# Release Cycles

**Continuous Innovation Delivered Quarterly**

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<th>2019</th>
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<td>(Planned) Release</td>
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<tr>
<td>Release 1905</td>
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**Quality**

- Release 1708
- Release 1711
- **Release 1802**
- Release 1805
- Release 1808
- Release 1811
- Release 1902
- Release 1905

**Stability**

- Release 1708
- Release 1711
- **Release 1802**
- Release 1805
- Release 1808
- Release 1811
- Release 1902
- Release 1905

**Performance**

- Release 1708
- Release 1711
- **Release 1802**
- Release 1805
- Release 1808
- Release 1811
- Release 1902
- Release 1905

**Features & Usability**

- Release 1708
- Release 1711
- **Release 1802**
- Release 1805
- Release 1808
- Release 1811
- Release 1902
- Release 1905
Wrap Up
SAP's Supply Chain Planning Solution in a Nutshell

Supply Chain Planning

SAP is the market leader in Supply Chain Management solutions

IBP is the new world class platform for end to end supply chain planning on all levels

Integration

End to end integration from planning to execution

User friendly, flexible interfaces with fast implementation times

Strategy

SAP offers an innovative solution portfolio that enables companies to realize digital transformation in their supply chain

IBP is addressing key strategic topics such as machine learning

Analyst Perspective

SAP is a “Leader” in the Gartner Magic Quadrant for both Supply Chain Planning and Sales & Operations Planning (S&OP) with its IBP solution

Industries

Major Players from 9 different industries successfully run IBP

Including Automotive, Consumer Products, Chemicals, Distribution/Retail, High Tech, Life Sciences, Manufacturing, Mill Products & Mining, and Services industries

Partners

> 60 SAP Partners globally, focused on SAP IBP consulting practices and continuous enablement

Support & Maintenance

SAP Service and Support Professionals work 24x7 worldwide

Highly Secure Global Data Centers in different regions are running IBP

Customers

350+ IBP customers live or in implementation since solution launch in 2011

Customer influence program and strong community
ASUG Annual Conference IBP sessions (June 7, 2018 – Orlando, Florida)

- ASUG10093: SAP Roadmap: Integrated Business Planning (SAP IBP)
- ASUG12117 Roundtable: We Have SAP Advanced Planning & Optimization So Why/When Should We Consider SAP IBP?
- ASUG9728: SAP Solution Strategy for Demand-Driven Material Requirements Planning (DDMRP)
- E61492: Boost Collaboration with Ariba Network and SAP Integrated Business Planning
- BA61214: Integrate Sales and Operations Planning to Foster Collaboration and Growth
- ASUG11042: SAP Integrated Business Planning for Demand at Syngenta Promises Multimillion Reduction in Inventory
- BA61215: Digitize Your Supply Network Through Integrated Business Planning
- BA61223: Address Demand with an Integrated, Real-Time Approach to Business Planning
Easy to Learn More
Recommended links for customers and partners

  - Browse all Road Maps → Products and Solutions → Internet of Things and Digital Supply Chain → Supply Chain
- **Innovation Discovery including Early Knowledge Transfer (EKT) content**: [https://zinnovationdiscovery-supportportal.dispatcher.hana.ondemand.com/#/innovations/searchid=0090FABF323E1ED6939F322BE038E0CA](https://zinnovationdiscovery-supportportal.dispatcher.hana.ondemand.com/#/innovations/searchid=0090FABF323E1ED6939F322BE038E0CA)
Thank you.

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