Kick Off Your Move to SAP S/4HANA with

Next-Generation SAP Business Scenario Recommendations

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Introduction and Overview

- Customer Challenges
- Solution
- How to Read the Report

Example: Next-generation SAP Business Scenario Recommendations

How to Request Your Own Report

Summary
The Challenge: Business buy-in is mandatory for successfully moving to SAP S/4HANA, but most projects lack executive commitment to change.

“It is all too true that securing executive sign-off is one of the biggest challenges facing potential future S/4 projects. […]"

Clever companies build a business case based on strategic enablement […]

To do this, you need to know what new functionality and benefits S/4 offers for each area of your business.

Dr Derek Prior
Former Gartner Research Director, Non-Executive Director Resulting IT

Source: “Don’t migrate to S/4HANA unless you have read this research”, Resulting IT and Dr Derek Prior, 2018
Discover business improvements enabled by SAP innovations: SAP Business Scenario Recommendations for SAP S/4HANA

Why SAP S/4HANA?

- **Why move** from SAP ERP to SAP S/4HANA?
- **What are the benefits for your lines of business?**

How to secure business buy-in?

- **Tailored business performance insights**
- **Most valuable SAP S/4HANA business scenarios** for your key business processes

What are the benefits?

- **Know where to start your journey**
- **Get tailored recommendations by line of business**
- **Take advantage of the offer free of charge** (for customers with a maintenance contract with SAP)
Storyline example for the **head of manufacturing**
“Understand how to achieve your business goals with SAP innovations.”

**Business goal**
“What does my CEO want me to achieve?”

**Value drivers**
“What should we improve?”

**Deep dive into performance**
“Where are issues in today’s processes?”

**Deep dive into usage**
“How are we working today?”

**Optimize manufacturing process**

**Accelerate manufacturing cycle times**
**Reduce total manufacturing costs**

**Process view and process performance indicators**
(from customer’s SAP ERP software data with industry benchmarks)

<table>
<thead>
<tr>
<th>Impacting cycle time</th>
<th>Impacting manufacturing costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Average lead time of production order release</td>
<td>• % automation rate for production creation</td>
</tr>
<tr>
<td>• Average lead time of production order delivery</td>
<td>• # planned orders not converted into production</td>
</tr>
<tr>
<td>• # production orders not finished on time</td>
<td>• % automation rate for production order release</td>
</tr>
</tbody>
</table>

**Usage view**
(from customer’s SAP ERP software data with industry benchmarks)

<table>
<thead>
<tr>
<th>Capabilities</th>
<th>What peers are using</th>
<th>What you use today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials requirement planning</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Demand-driven replenishment</td>
<td>★★★</td>
<td>New</td>
</tr>
</tbody>
</table>

**How SAP helps**
(SAP S/4HANA, SAP Leonardo technologies) and what’s different?

- **Constraint-based production planning**
  Transitioning from infinite to finite planning and instantly identifying production bottlenecks

- **Production execution**
  Automating production processes and eliminating time-consuming, paper-based tracking systems
Structure of the Next-Generation SAP Business Scenario Recommendations

Overview
Report introduction

Executive Summary
What we measured

Findings and Recommendations
by Line of Business

Finance  Procurement  Sales  ...

Next Steps
Relevant support offerings and services which help you implement SAP S/4HANA

Introduction
• Overview about key value drivers

Findings
• Overview of measured business key figures and industry benchmarks
• Highlighting relevant SAP S/4HANA innovations
• Details and explanations about each findings
  Learn more »

Innovation recommendations
• SAP best practice innovation recommendations including industry popularity and your current process coverage
• Details about each recommended business scenario including value drivers and process innovations
How to Read the Findings Summary

1. For each value driver relevant process performance indicators are listed on the right.

   - Colors indicate industry benchmarking performance:
     - Green = 'top 25%', Yellow = 'average', Red = 'bottom 25%', Grey = 'no benchmark data available'.

3. For each process step or area you will get recommendations for relevant SAP S/4HANA business scenarios.

4. 'Usage icon' indicates your current usage of business scenarios:
   - ★★★ = No usage
   - ★★ = Low usage
   - ★★★★ = Medium usage
   - ★★★★★ = High usage
EXAMPLE

Next-Generation SAP Business Scenario Recommendations for SAP S/4HANA
Next-Generation

SAP Business Scenario Recommendations for SAP S/4HANA

Customer Name: Sample Inc.
Customer Number: 12345
Date of analysis: 26 Jul, 2019
Country: Germany
Industry: Consumer Products Industry
System ID: PRD
Current Release: SAP ERP - EHP4
Database: Oracle

SAP Digital Business Services

Interactive Sample Report – View in “Full Screen Mode”
What’s in it for you:

This report will help you to receive:
- Insights on your current SAP ERP system and industry trends
- Relevant SAP S/4HANA innovations by line of business
- Tailored guidance and recommendations to realize the value from SAP S/4HANA

What we know about Sample Inc.:
- We analyzed business process performance and usage data provided from your SAP ERP system PRD
- 5 lines of business use PRD, including Finance, Sales, Sourcing and Procurement, Supply Chain & Manufacturing
Trends in Consumer Products Industry:

**Key Challenges within your industry**

**Empowered consumers**
- Consumers are informed, empowered and always on
- They can shop and buy from anywhere and make choices about where and how they would like to take

**Expanding ecosystems**
- Deliver the supply chain transparency that today's shoppers demand
- Reach consumers across channels directly in moments of need

**Extraordinary innovators**
New "born digital" companies are:
- Building innovative business models
- Redefining customers expectations and gaining market shares

**Key Trends within your industry**

**Enabling new business models**
Find new ways to earn revenue and maximize profits, such as:
- Monetizing content or data
- Pursuing innovative partnerships

**Delivering personalized outcomes**
- Build enduring customer and consumer relationships
- By delivering on a set of outcomes, often service driven, that go well beyond traditional product focus

**Competing as an ecosystem**
- Expand the boundaries of consumer products
- By teaming with non-traditional ecosystem partners
- To deliver higher value at no or low incremental cost

**Key Value Drivers within your industry**

**Reimagine order to delivery**
- Improve customer service
- Reduce inventory carrying costs
- Reduce logistics costs

**Reimagine personalized products**
- Increase revenue from new products
- Increase revenue growth
- Reduce R&D expense

**Reimagine operational procurement**
- Reduce procurement function costs
- Improve compliance on supplier and price policies, taxation, and regulations
- Improve cash flow with faster payments
Accelerators for your value and innovation discussion in the Consumer Products Industry:

1. Understand the Industry Strategy
   - Get a business overview on what moves your industry
   - Understand SAP’s approach and products to drive industry innovation

2. Leverage Intelligent Technologies
   - Point of view of SAP towards technological impacts
   - Understand how these intelligent technologies improve everyday business

3. See target architecture with SAP Industry Digital Transformation
   - Explore a full proposed architecture in the industry poster
   - Choose from this full set and focus on processes and options relevant for you

4. Plan with SAP capabilities
   - Understand industry related abilities and offerings with SAP value maps
   - Plan your innovation program mid-term with SAP road maps

5. Implement smoothly with SAP Model Companies
   - SAP Model Company contain ready-to-use, preconfigured processes to accelerate your deployment.
   - Choose the SAP Model Company for your industry and lines of business

Read the industry whitepaper » See SAP’s point of view » Get the poster » Get the SAP road map » SAP Model Company Overview »
SAP S/4HANA helps you achieve your business goals. For selected lines of business and business goals, this report provides you with insights and tailored SAP S/4HANA recommendations.

Click one of the line of business on the right to discover how you can benefit from using SAP S/4HANA today.

### Finance
- Reduce G/L efforts and financial closing time
- Reduce finance costs
- Reduce days sales outstanding

*Customer-specific Recommendations: High usage*

### Sourcing & Procurement
- Reduce procurement function costs

*Customer-specific Recommendations: Low usage*

### Sales
- Improve on-time delivery performance
- Increase sales force efficiency

*Customer-specific Recommendations: High usage*

### Supply Chain
- Reduce days in inventory

*Customer-specific Recommendations: Low usage*

### Manufacturing
- Reduce total manufacturing costs
- Accelerate manufacturing cycle time

*Customer-specific Recommendations: Medium usage*
Reduce G/L Efforts And Financial Closing Time

- Reduction of G/L efforts is related to simplification of processes within G/L and increased automation
- Reduce financial closing time is about the reduction of Days to Close Annual books and complete the annual hard close on entity and corporate level, and including the time for regulatory disclosures such as a 10-K report in the United States or similar financial statements in other countries

Reduce Finance Costs

- Finance Costs includes all finance function related costs such as cost of finance staff (headcount costs), external spend, technology spend and all other finance function related spend

Reduce Days Sales Outstanding

- Days Sales Outstanding is a measure of the average number of days that a company takes to collect revenue after a sale has been made
- A low DSO number means that it takes a company fewer days to collect its accounts receivable
- A high DSO number shows that a company is selling its product to customers on credit and taking longer to collect money
- DSO Calculation: [Accounts Receivables/ Total Credit Sales] X Number of Days
Finance: Your Current Process Performance in SAP ERP System “PRD”

Value Drivers:
- Reduce G/L Efforts And Financial Closing Time
  - Overdue & open finance AR items: 59,763
  - Customer payments autom. cleared: 71%
  - Bank statements not compl. posted: 3,467
- Reduce Finance Costs
  - Overdue & open finance AP items: 18,742
  - Vendor payments autom. cleared: 88%
  - PO items created after invoice: 1,743

How SAP helps:
- Build an intelligent enterprise with recommended SAP S/4HANA business scenarios.
- Cash Management
- Payments and Bank Communications
- Financial Shared Services Management
- Financial Accounting
- Product Costing
- Entity Close

Details:
- Reduce G/L Efforts And Financial Closing Time
  - Failed component consumptions during prod. order confirmation: 3,714
- Reduce Finance Costs
  - Errors during production order settlement: 6.763

Findings:
- Open items on finance general ledger accounts: 943,842
- Open items on goods receipt/invoice receipt clearing accounts: 61,360
- Overdue & open finance AR items: 59,763
- Overdue & open finance AP items: 18,742
- Vendor payments autom. cleared: 88%
- Cash Management: 2
- Payments and Bank Communications: 2
- Financial Shared Services Management: 3
- Financial Accounting: 3
- Product Costing: 3
- Entity Close: 2

Sample Report
Finance: Your Current Process Performance in SAP ERP System “PRD”

**Value Driver:**
Reduce Days Sales Outstanding

- **Sales Order Creation**
  - 46 Sales order items overdue for invoicing

- **Outbound Delivery Creation**
  - 2.638 Delivery items shipped and not billed

- **Posting Goods Issue**
  - 41 days Lead time: Invoice creation to clearing
  - 59.763 Overdue & open finance AR items

- **Invoice Creation**
  - 41 days
  - 71% Customer payments automated cleared

- **Incoming Payment**
  - 71% Customer payments automated cleared
  - 3.467 Bank statements not completely posted

**How SAP helps:**
Build an intelligent enterprise with recommended SAP S/4HANA business scenarios.

**Details:**

- **Collections Management**
- **Accounts Receivables**
- **Payments and Bank Communications**
- **Sales Order Management and Processing**
- **Sales Billing**
- **Delivery Management**
- **Collections Management**
**Findings and Benchmark**

What we measured

59,763 items

Overdue & open finance AR items

Absolute number of open FI-AR items, which are not cleared yet and the net due date is already in the past.

*Learn more »*

**Details**

What we measured

**Aging distribution:**

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 months old</td>
<td>15%</td>
</tr>
<tr>
<td>3-6 months old</td>
<td>13%</td>
</tr>
<tr>
<td>6-12 months old</td>
<td>26%</td>
</tr>
<tr>
<td>1-3 years old</td>
<td>25%</td>
</tr>
<tr>
<td>3+ years old</td>
<td>21%</td>
</tr>
</tbody>
</table>

**Top 5 Company Codes:**

<table>
<thead>
<tr>
<th>Company Code</th>
<th>Items</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany Subsidiary (011)</td>
<td>9,512</td>
<td>16%</td>
</tr>
<tr>
<td>France Subsidiary (032)</td>
<td>8,691</td>
<td>15%</td>
</tr>
<tr>
<td>Italy Subsidiary (021)</td>
<td>8,312</td>
<td>14%</td>
</tr>
<tr>
<td>Sweden Subsidiary (030)</td>
<td>5,999</td>
<td>11%</td>
</tr>
<tr>
<td>Portugal Subsidiary (036)</td>
<td>693</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Implication**

Understand the problem

**Possible Root Causes:**

- Delayed incoming payments
- Incoming payments could not be matched against open items in finance AR
- No dunning procedures in place

**Possible Business Impact:**

- Working capital: Delayed incoming cash
- Inaccurate cash & liquidity planning data
- Unnecessary high manual workload
- Higher finance process operations costs
Customer payments automatically cleared

Findings and Benchmark
What we measured

71%
Customer payments automatically cleared

Share of FI-AR customer items cleared last week by system/communication users or processed via batch input or via F110. Learn more »

Consumer Products Industry Benchmark:

Your Company: 71%
- bottom 25%: 58%
- 70%
- top 25%: 96%

Implication
Understand the problem

Possible Root Causes:
- Missing or inaccurate master data
- Missing or inaccurate invoice matching
- Missing or wrong configuration of automation capabilities
- Automation capabilities are not or not correctly enabled in all organizational units

Possible Business Impact:
- Unnecessary high manual workload
- Higher finance process operations costs

Back to Overview 'Reduce Finance Costs' »
Back to Overview 'Reduce DSO' »
### Recommended SAP S/4HANA Business Scenarios – Based on Your Current SAP Usage

The table below shows SAP S/4HANA business scenarios that are enhancing process areas which you are already running on SAP.

<table>
<thead>
<tr>
<th>SAP S/4HANA BUSINESS SCENARIO</th>
<th>YOUR CURRENT USAGE INTENSITY</th>
<th>BASED ON USAGE OF TRANSACTIONS</th>
<th>INDUSTRY POPULARITY</th>
<th>DETAILS</th>
<th>SAP FIORI APPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Accounting</td>
<td>★★★</td>
<td>117</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Order Management and Processing</td>
<td>★★★</td>
<td>29</td>
<td>★★★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>★★★</td>
<td>12</td>
<td>★★★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>Sales Billing</td>
<td>★★★</td>
<td>11</td>
<td>★★★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>Cash and Liquidity Management</td>
<td>★★★</td>
<td>11</td>
<td>★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profitability Analysis</td>
<td>★★★</td>
<td>18</td>
<td>★★★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>★★★</td>
<td>15</td>
<td>★★★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>Delivery Management</td>
<td>★★★</td>
<td>6</td>
<td>★★★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>Financial Reporting</td>
<td>★★★</td>
<td>3</td>
<td>★★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>Overhead Cost Management</td>
<td>★★★</td>
<td>2</td>
<td>★★★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>Entity Close</td>
<td>★★★</td>
<td>1</td>
<td>★★</td>
<td></td>
<td>★</td>
</tr>
</tbody>
</table>
Additional SAP S/4HANA Business Scenarios*

The table below shows additional SAP S/4HANA business scenarios you could benefit from.

<table>
<thead>
<tr>
<th>SAP S/4HANA BUSINESS SCENARIO</th>
<th>INDUSTRY POPULARITY</th>
<th>DETAILS</th>
<th>SAP FIORI APPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Costing</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Compliance Reporting</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Management</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collections Management</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity Sales</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convergent Invoicing</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Close</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit and Collection Management</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Evaluation and Management</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt and Investment Management</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dispute Resolution</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Risk Management</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Shared Services Management</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments and Bank Communications</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* = No SAP standard usage detected in your SAP ERP system. Business scenario runs possibly outside of SAP ERP system or custom developed solution.
Financial Accounting

Business Scenario Description

Provide a single source of truth for general ledger and subledger applications and real-time integration to logistics with a full audit trail. Enable self-service analytics directly from highly granular operational data.

Value Drivers

- **Reduce G/L & financial closing costs**
  Support fast, peer-to-peer intercompany reconciliation, single source of truth and automating closing tasks

- **Reduce audit cost**
  Enable standardization and automation within audit management processes

- **Reduce days to close annual books**
  Support fast, peer-to-peer intercompany reconciliation; automating closing tasks; and increasing user efficiency

Process Innovation

- **Universal ledger**
  SAP S/4HANA provides a single, universal ledger that simplifies all accounting processes.

- **Simplified and streamlined process**
  Massive efficiencies are enabled by removing redundant steps and streamlining integration.

- **Built-in innovations**
  Built-in innovations such as Co-Pilot and Machine Learning apps further increase the release of tremendous value by freeing up scarce human capital to focus on producing real business insight rather than mere data manipulation.

Further Information

Your Current SAP ERP usage: **117** Used transactions »

SAP S/4HANA Recommendation Details:

Business Scenario Details »

See Related SAP Fiori Apps »
Payments and Bank Communications

Business Scenario Description

Increase compliance and lower fees with better payments and bank communications. Increase transparency based on end-to-end monitoring for bank statements and outgoing payment messages.

Value Drivers

- **Reduce Treasury & Cash Management Costs**
  Provide integrated bank account management capabilities that are linked to payment approvals and rule-based workflows.

- **Reduce uncollectible accounts receivable write offs**
  Provide cash-flow information in real time, integrating with banks, and monitoring end-to-end status.

Process Innovation

- **SAP Bank Communication Management and SAP Cash Management**
  Combination of capabilities in the SAP Bank Communication Management and SAP Cash Management applications.

- **Bank account management capabilities**
  Enhanced integrated bank account management capabilities in the area of authorized approvers per bank group or account.

- **Simplified corporation-to-bank communications**
  Simplified corporation-to-bank communications using the SAP Multi-Bank Connectivity solution to connect to the SWIFT network or directly to banks.

Further Information

SAP S/4HANA Recommendation Details:

- Business Scenario Details »
- See Related SAP Fiori Apps »
Traditional Scenario:

- Inconsistency of interactions with customers across business
- Manual, time-consuming and effort-intensive processes
- Highly technical custom efforts for building and maintaining interfaces to external agencies
- Disjointed manual handling, which drives up DSO and puts customer relationships at risk
- Inconsistent account prioritization; labor-intensive and long cycles; high costs of collection; increased bad debt risk
- Manual, costly, and time-consuming billing processes
- Increased rate of accounting and settlement errors
- Significant manual and error-prone effort required to process payments and handle exceptions
- Rule-based approaches decline in effectiveness over time

The New World With SAP:

- Multichannel, role-based access to accurate, real-time information on products, pricing, customers, and contracts
- Event-triggered execution and full automation of creditworthiness assessment
- Seamless integration to external credit agencies to incorporate external credit rating information
- Empowered customers with a payment portal and e-billing
- Real-time access to all transactional details
- High processing speed for digital businesses
- Standardized processes that scale according to business needs
- Centralized information repository for root cause analysis of disputes
- Immediate visibility of customer account and status across the company
- Smarter automation and collaboration for cash collection
- Next-generation intelligent invoice-matching powered by machine learning
- Ability to capture much richer detail of customer- and country-specific behavior without the costs of manually defining detailed rules.
## Objectives
- Reliable financial data to drive business decisions
- Ease and consistency of business tasks with systems that are user friendly
- More-efficient management through standardized information
- System configuration and standard processes that can scale with a growing business

## Why SAP
- Proven success of SAP® solutions globally, locally, and among industry peers
- SAP S/4HANA® to simplify the IT landscape, increase efficiency, and enable active planning, simulations, and decisions based on real-time data

## Resolution
Worked with SAP partner LG CNS to deploy SAP S/4HANA

## Benefits
- Strengthened claim and obligation management and automated settlement processing
- Accelerated the processing of expense accounting and improved efficiencies in electronic payments
- Provided a user-friendly personnel, time card, and compensation management system, increasing the efficiency of employees and managers
- Increased standardization across IT systems and secured operational stability through better monitoring

"In our business there is no room for error. When using our apps, vendors and customers need to be sure that their orders are processed correctly and payments are fast and accurate. With SAP S/4HANA, we can handle transactions automatically and securely – and we can continue to do so as the business grows."

Hyunjun Yoon, COO, Woowa Brothers Corp
**OPTIMIZE MANUFACTURING:**

- **Accelerate Manufacturing Cycle Time**
  - Manufacturing Cycle Time is the time of actual production from when a customer order is released to the plant floor for a particular product through to the completion of all manufacturing, assembly, and testing for that specific product (does not include front-end order-entry time or engineering time spent on customized configuration of nonstandard items, or time in finished goods inventory).

- **Reduce Total Manufacturing Costs**
  - Total Manufacturing Cost is the sum of costs of all resources consumed in the process of making a product.
  - The manufacturing cost is classified into the following categories:
    - Direct materials cost
    - Direct labor cost
    - Manufacturing overhead
    - Manufacturing extraordinary costs
    - Outsourced manufacturing costs

Value Drivers:

- **Accelerate Manufacturing Cycle Times**
  - 1.615 Planned but not converted in time
- **Reduce Total Manufacturing Costs**
  - 80% Production orders automatically created

How SAP helps:

- Build an intelligent enterprise with recommended SAP S/4HANA business scenarios.
- Material Requirements Planning
- Demand Driven Replenishment
- Constraint Based Production Planning
- Production Control
- Production Execution

**Findings**

- **Production planning**
  - Value Drivers:
  - Accelerate Manufacturing Cycle Times
  - Reduce Total Manufacturing Costs

- **Production order creation**
  - 80% Production orders automatically created

- **Production order release**
  - 79% Production orders automatically released
  - 4 days Lead time: Prod. order creation to release

- **Production order confirmation**
  - 3 days Lead time: Prod. order release to confirmation
  - 3.714 Failed component consumptions during prod. order confirmation

- **Production order delivery**
  - 5 days Lead time: Prod. order release to delivery
  - 39 Overdue prod. orders assigned to sales

**OVERVIEW**

**FINDINGS**

**INTRODUCTION**

**INNOVATION RECOMMENDATIONS**

**NEXT STEPS**
Planned but not converted in time

Findings and Benchmark
What we measured

1.615 documents
Planned but not converted in time

Absolute number of planned orders not converted into production orders, although the planned delivery date is already in the past.

Learn more »

Consumer Products Industry Benchmark:

<table>
<thead>
<tr>
<th>Plant</th>
<th>Documents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant 7</td>
<td>906</td>
<td>56%</td>
</tr>
<tr>
<td>Plant 2</td>
<td>128</td>
<td>8%</td>
</tr>
</tbody>
</table>

Aging distribution:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>0-3 months old</th>
<th>3-6 months old</th>
<th>6-12 months old</th>
<th>1-3 years old</th>
<th>3+ years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents</td>
<td>452</td>
<td>404</td>
<td>258</td>
<td>194</td>
<td>307</td>
</tr>
<tr>
<td>Percentage</td>
<td>28%</td>
<td>25%</td>
<td>16%</td>
<td>12%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Top 2 Plants:

<table>
<thead>
<tr>
<th>Plant</th>
<th>Documents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant 7</td>
<td>906</td>
<td>56%</td>
</tr>
<tr>
<td>Plant 2</td>
<td>128</td>
<td>8%</td>
</tr>
</tbody>
</table>

Implication
Understand the problem

Possible Root Causes:
- Low trust on system-based planning data
- Production without production planning or outside of SAP-system
- Poor housekeeping: Non-deleted documents from inactive plants and materials

Possible Business Impact:
- Inaccurate supply chain and replenishment
- Low production control (e.g. risk of double production)
- Higher workload for manual planning and production order entry

Back to Overview »
Findings and Benchmark
What we measured

5 days
Lead time: Order release to delivery

Duration (in days) between production order release and delivery for orders that were delivered last week.
Learn more »

Possible Root Causes:
- Missing or unavailable production resources (components, machine/labour capacities)

Possible Business Impact:
- Working capital: Higher safety stock for components
- Lower flexibility for production adjustments
- Production resources blocked unnecessarily
- Delays in production process
The table below shows SAP S/4HANA business scenarios that are enhancing process areas which you are already running on SAP.

<table>
<thead>
<tr>
<th>SAP S/4HANA BUSINESS SCENARIO</th>
<th>YOUR CURRENT USAGE INTENSITY</th>
<th>BASED ON USAGE OF TRANSACTIONS</th>
<th>INDUSTRY POPULARITY</th>
<th>DETAILS</th>
<th>SAP FIORI APPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Processing</td>
<td>★★★</td>
<td>3</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subcontracting</td>
<td>★★★</td>
<td>1</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production Execution</td>
<td>★★★</td>
<td>3</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material Requirements Planning</td>
<td>★★★</td>
<td>2</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production Control</td>
<td>★★★</td>
<td>1</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand-Driven Replenishment</td>
<td>★★★</td>
<td>Usage of related application area</td>
<td>New</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Additional SAP S/4HANA Business Scenarios*

The table below shows additional SAP S/4HANA business scenarios you could benefit from.

<table>
<thead>
<tr>
<th>SAP S/4HANA BUSINESS SCENARIO</th>
<th>INDUSTRY POPULARITY</th>
<th>DETAILS</th>
<th>SAP FIORI APPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Scheduling</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Just-In-Time Processing</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing Analytics</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality Improvement</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality Inspection</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extended Production Operations</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production BOM Management</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality Planning</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recipe/Routing Management</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repetitive Manufacturing</td>
<td>★★★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constraint Based Production Planning</td>
<td>New</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kanban</td>
<td>New</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing Engineering</td>
<td>New</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* = No SAP standard usage detected in your SAP ERP system. Business scenario runs possibly outside of SAP ERP system or custom developed solution.
Business Scenario Description

Use sophisticated material requirements planning balances to optimize services and cost reduction. Gain visibility across the supply chain to monitor stock-outs and automatically create procurement proposals.

Value Drivers

- **Reduce days in inventory**
  Consider all inventory data, lead times, and procurement timing in calculations
- **Reduce revenue loss due to stock-outs**
  Monitor inventory and automate the creation of procurement proposals
- **Improve on-time delivery performance**
  Leverage MRP logic to ensure that materials are in stock and manufacturing is scheduled on time to meet delivery goals and order commitments.

Process Innovation

- **New Material Requirements Planning (MRP) Cockpit**
  The whole MRP Cockpit has been renewed and redesigned.
- **Embedded PPDS**
  With S/4HANA the PPDS functionality, which was outside the ERP system in APO-PPDS is now Embedded PPDS in the core ERP.
- **New Demand Driven MRP**
  The Material Requirements Planning Run (MRP) has now been enhanced with Demand Driven MRP.
Production Execution

**Business Scenario Description**
Move quality products through production execution faster. Streamline production schedules based on real-time data
Monitor released production and process orders efficiently.

**Value Drivers**
- Improve on-time delivery performance
  Flexibly adjust capacity planning to demand
- Reduce manufacturing cycle time
  Ensure optimal resource commitments
- Reduce total manufacturing costs
  Integrate all required information to reduce buffer times

**Process Innovation**
- Dashboards for Manufacturing process
  New Dashboards for Manufacturing process tracking.
- Material Requirements Planning (MRP) Cockpit and embedded Production Planning and Scheduling (PPDS)
  A fully new MRP cockpit is available, along with PPDS integrated into SAP S/4HANA, which was previously in a separate system.
- Demand Driven MRP, New Production Engineering and Operations.
  New Demand Driven MRP, New Production Engineering and Operations.

**Further Information**
Your Current SAP ERP usage:
3 Used transactions »

SAP S/4HANA Recommendation Details:
Business Scenario Details »
See Related SAP Fiori Apps »
Reimagine Personalized Order to Production

Traditional Scenario:

- Customer can select only from defined product variants
- Additional personalization requires engineering effort. It is delivered with high cost, long lead time, and varying quality
- Significant investment of labor and resources to fulfill the order
- Low customer satisfaction and inability to scale personalized offerings

The New World With SAP:

- Personalized order from customer through e-commerce; real-time feedback on feasibility
- Confirmation of commitment and lead time based on manufacturing/supplier network guidance
- Advanced variant configuration enables real-time product and production engineering
- Scheduling production in a single system
- Traceability and serialization enabled by integration of SAP Manufacturing Execution with digital core
- Fulfilment of personalized order with short lead time, low cost and high customer satisfaction
### CUSTOMER-SPECIFIC RECOMMENDATIONS

#### Company
Isgec Hitachi Zosen Ltd. (IHZL)

#### Headquarter
Gujarat, India

#### Website
www.isgec.com/process_equipment/ba-pe-hitachi.php

#### Industry
Mill products

#### Products and Services
Manufacture of critical equipment for refinery, fertilizer, and petrochemical industries

#### Employees
4,000

#### Revenue
US$450 million

#### SAP® Solutions
SAP S/4HANA®, SAP Fiori® apps

### BEFORE: CHALLENGES AND OPPORTUNITIES

- Accurately track the availability of material for made-to-order products
- Migrate from an Oracle-based PowerTerm solution for better insight into financial and procurement operations
- Gain better control over inventory using live tracking and valuation
- Reduce supply chain risk and the risk of procurement errors

### WHY SAP AND KPIT TECHNOLOGIES

- SAP S/4HANA for a single source of data on inventory turnover, material flow, and stock transfers
- SAP Fiori apps for an any-device, mobile-first, role-based user experience that simplifies employee engagement and boosts productivity
- Faster project completion with expertise and best practices from KPIT Technologies

### AFTER: VALUE-DRIVEN RESULTS

- Optimized supply chain with real-time inventory visibility, from purchase requisition to goods receipt
- Faster production using touch-screen technology that allows workers to order consumables instantly
- Improved visibility of raw-material consumption and goods-in-transit stock
- Better non-destructive testing quality controls using automated monitoring and reporting

### RESULTS

- **50%** Reduction in manufacturing cycle time
- **30%** Reduction in order lead time
- **50%** Faster material requirements planning

---

"Real-time intelligence helps us eliminate errors and reduce risk."

Harbir Singh, Head of Operations, Isgec Hitachi Zosen Ltd.
Take the Next Steps and Start Your Transformation to SAP S/4HANA

1. Build your top-down business case

   - Understand and Monitor your Processes
     - KPI-trees with real-time data and drill-down for root-cause analysis
     - Business Process Improvement Suite on SAP Solution Manager
     - Learn more »

   - Benchmark against Peers and Assess your Maturity
     - Benchmark business KPIs against peers and assess your opportunity to re-think your business processes
     - Next Generation Benchmarking tool
     - Learn more »

2. Plan your Project

   - Evaluate your Project Complexity
     - Assess the SAP S/4HANA project complexity according to your current ERP implementation
     - SAP Readiness Check
     - Learn more »

   - Build your Transformation Roadmap
     - Shape your future landscape and build your transformation roadmap
     - SAP Transformation Navigator
     - Learn more »

   - Plan and Start your Project
     - Understand most relevant services available to support your project
     - SAP Enterprise Support
     - SAP Model Company
     - SAP Value Assurance packages
     - Learn more »
Agenda

Introduction and Overview
- Customer Challenges
- Solution
- How to Read the Report

Example: Next-generation SAP Business Scenario Recommendations

How to Request Your Own Report

Summary
Next-Generation SAP Business Scenario Recommendations

Request Process Overview

1. Implement SAP Notes 2745851 and 2758146 in your productive SAP ERP system
2. Run data extraction report and download ZIP file
3. Initiate your request – go to: www.sap.com/next-generation-bsr
   - Fill in the form, upload the extracted ZIP file and submit your request
4. After submitting your request you will receive an e-mail to confirm your e-mail address
   - SAP will start to generate the report after your confirmation
   - SAP will send you the results report via e-mail
Next-Generation SAP Business Scenario Recommendations for SAP S/4HANA

The SAP Business Scenario Recommendations report provides you with tailor-made insights to build your case for SAP S/4HANA.

**Why SAP S/4HANA?**
- Why move from SAP ERP to SAP S/4HANA?
- What is the value for your lines of business?

**How to Secure Business Buy-in?**
- Receive tailored business performance insights.
- Identify the most valuable SAP S/4HANA business scenarios.

**Benefits**
- Benchmark your company against industry peers.
- Identify the potential value from SAP S/4HANA.
- Get tailored recommendations by line of business.
- Free-of-charge for customers on SAP maintenance.

Request your own report

With little effort you can request your own SAP Business Scenario recommendations for SAP S/4HANA. Please follow the instructions and apply on your productive system the SAP standard notes number: 2758346 and 2745851.

This will generate a ZIP file containing the files we will need to generate the report. Please review the content of the file and register below uploading this file.

**How to request your own report:**
- Follow the how-to-guide

You will get your report by email in approximately 10 business days (during the pilot phase).

**Questions?**
- Presentation
- Sample report
- Contact our team

[Get started now]
Key Benefits of next-generation SAP Business Scenario Recommendations

• Identify the most valuable SAP S/4HANA business scenarios for your company

• Receive tailor-made insights to build your case for SAP S/4HANA

• Get unique business performance insights and tailored recommendations by line of business based on the actual usage of your SAP ERP system

• Free-of-charge, personalized report to all customers under SAP maintenance, independent of their support model

Order your free report: www.sap.com/next-generation-BSR
Find more information and sample reports, and order your own
Next-Generation SAP Business Scenario Recommendations for SAP S/4HANA:
www.sap.com/next-generation-BSR

Thank you.

Christian Oehler
Digital Business Services
Customer Value Experience
SAP
Christian.Oehler@sap.com