SAP Innovation Day for Supply Chain

Bring out the best in your Supply ChAIn

Veloce, intelligente e generativa

In collaborazione con

Syscons
AN IMPRESOFT COMPANY

Con il supporto di

sirmi

Sergio Patano

Practice Leader, NetConsulting cube - Sirmi

Agenda

Apertura dei lavori | Juan Cartier,
Chief Revenue Officer, Digital Supply Chain, EMEA, SAP

Guest Keynote | Vittorio Emanuele Parsi,
Professore di Relazioni Internazionali Università Cattolica di Milano

Tavola rotonda: Le nuove frontiere della Supply Chain

- **Fabrizio Buccella**, Demand Manager Supply Chain, Proc & Quality Area Corporate ICT, Alfasigma
- **Giacomo Coppi**, Head of Digital Supply Chain, SAP Italia
- **Eugenio Morelli**, CIO, Gruppo Zignago
- **Marco Zaglio**, Planning & Scheduling Practice Leader, Syscons
- Modera: **Sergio Patano**, Practice Leader, NetConsulting cube – Sirmi

SAP Business AI in azione | Carlo Nigri,
Presales Manager Digital Supply Chain | SAP Italia

Light Lunch

Tour guidato del Museo e della Factory Ducati

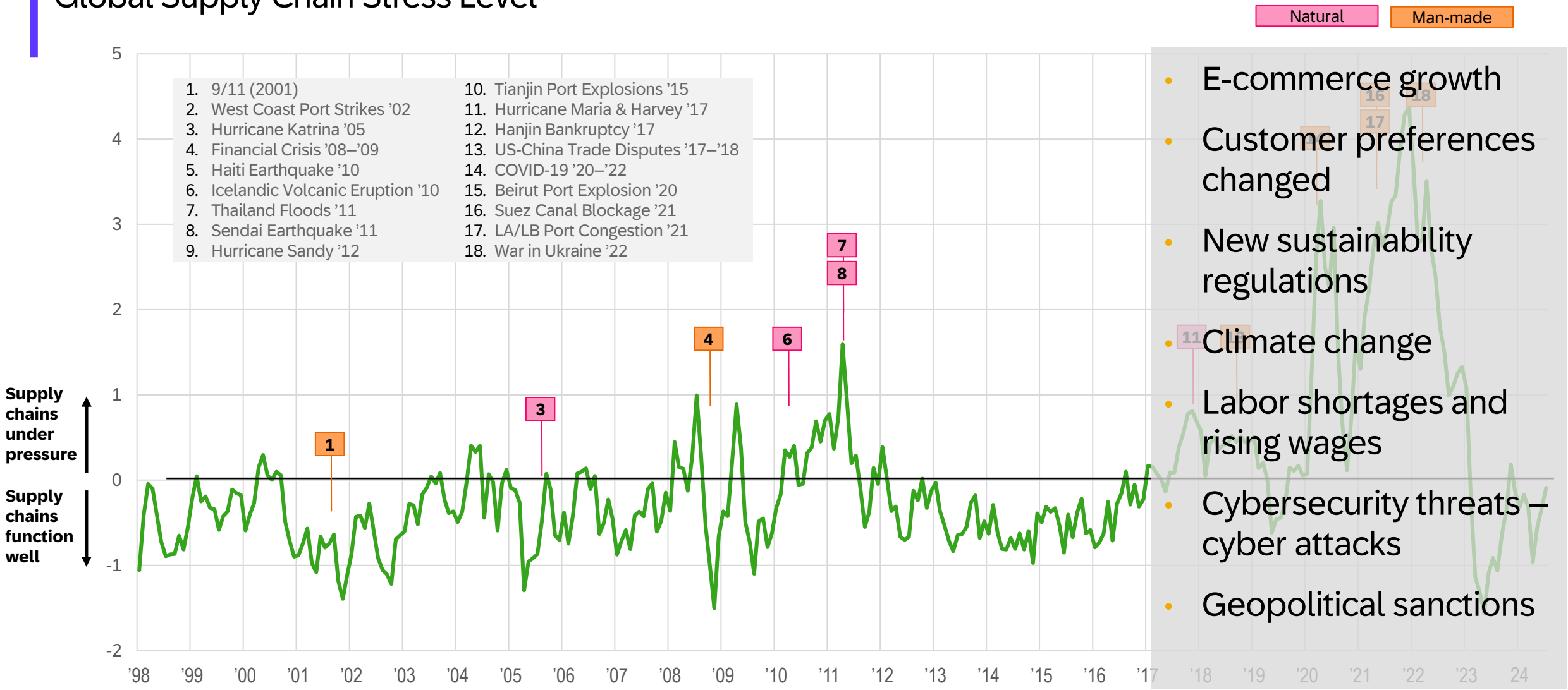
Juan Cartier

Chief Revenue Officer, Digital Supply Chain, EMEA, SAP

A Risk-Resilient and Sustainable Supply Chain

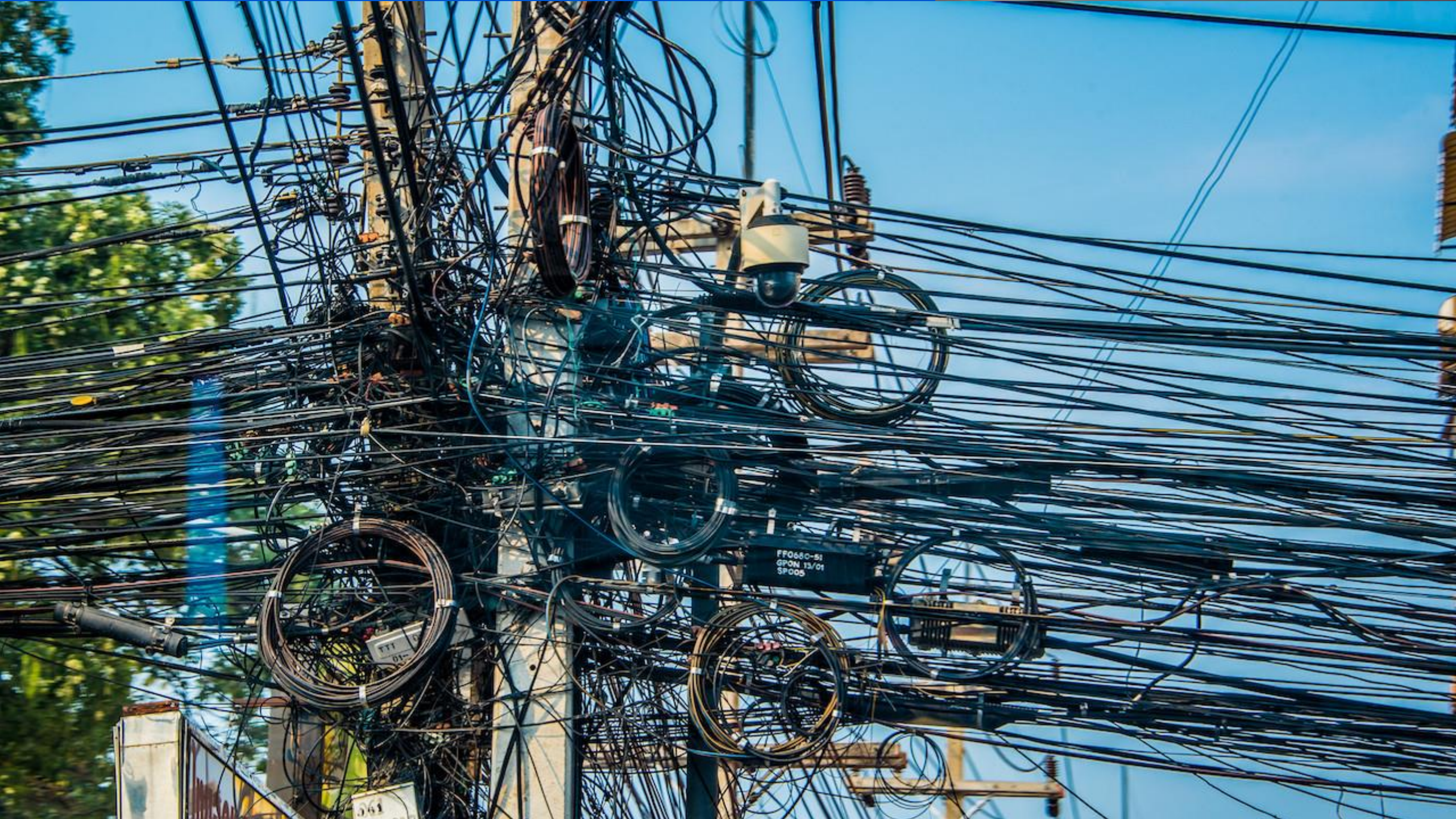
Global disruptions are increasing supply chain pressure

Global Supply Chain Stress Level



- E-commerce growth
- Customer preferences changed
- New sustainability regulations
- Climate change
- Labor shortages and rising wages
- Cybersecurity threats – cyber attacks
- Geopolitical sanctions

Source: Federal Reserve Bank of New York, Global Supply Chain Pressure Index (GSCPI), link; Link to interactive graphic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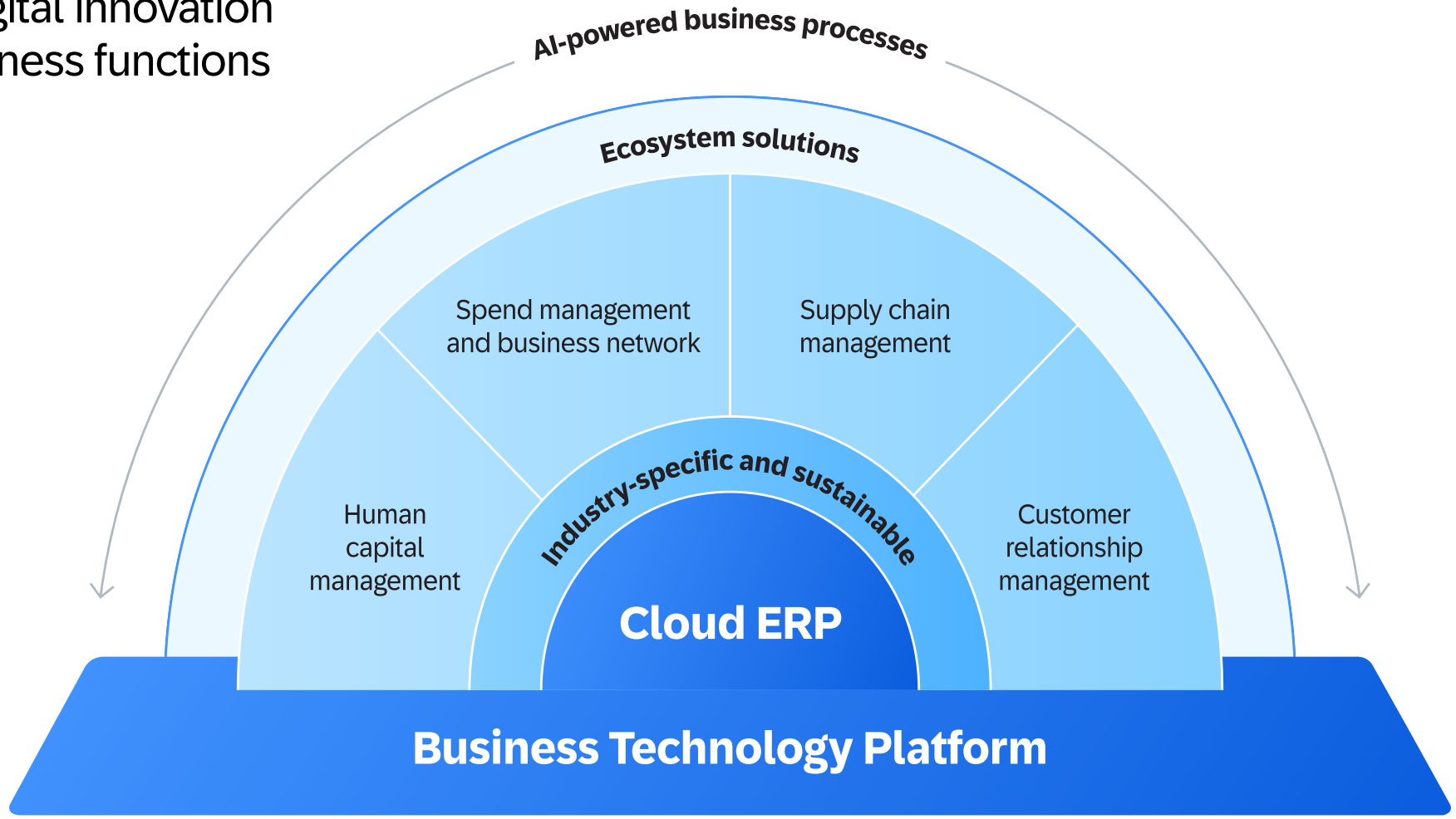
SAP Strategy

Unleash digital innovation across business functions



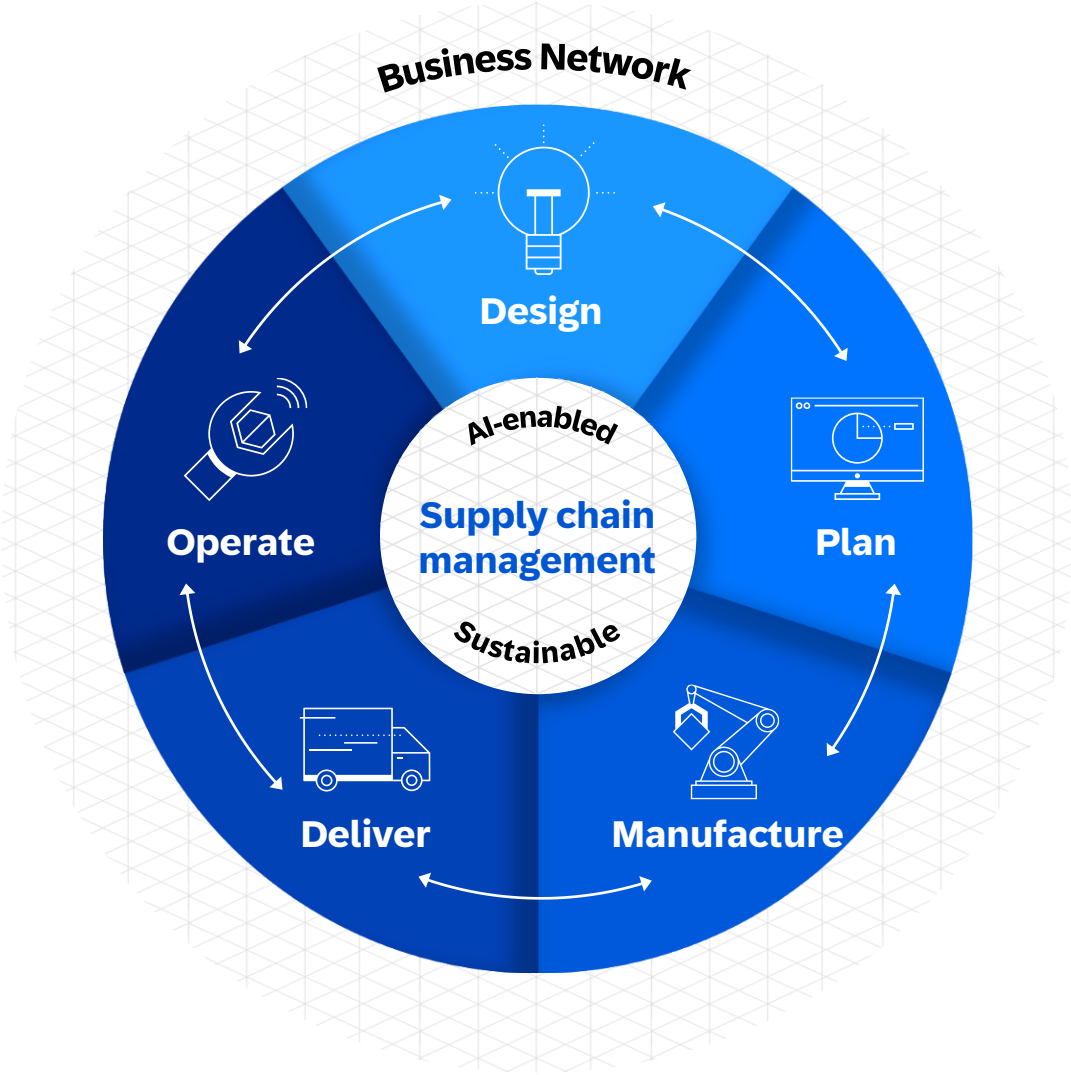
SAP Digital Supply Chain

Unleash digital innovation
across business functions

1 Connect every process

2 Contextualize every decision

3 Collaborate with your ecosystem



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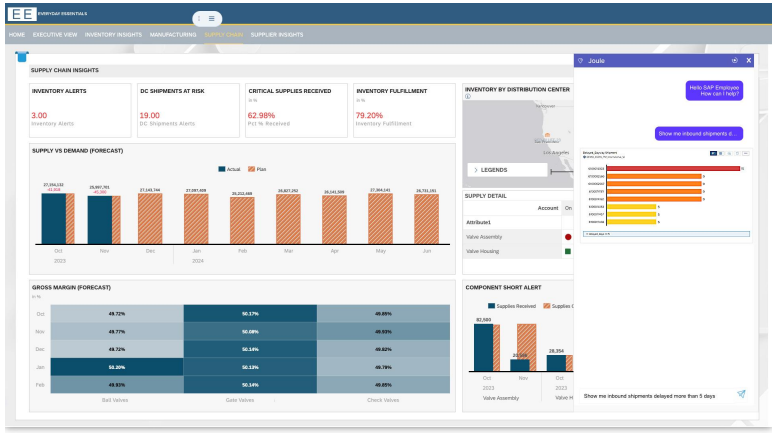
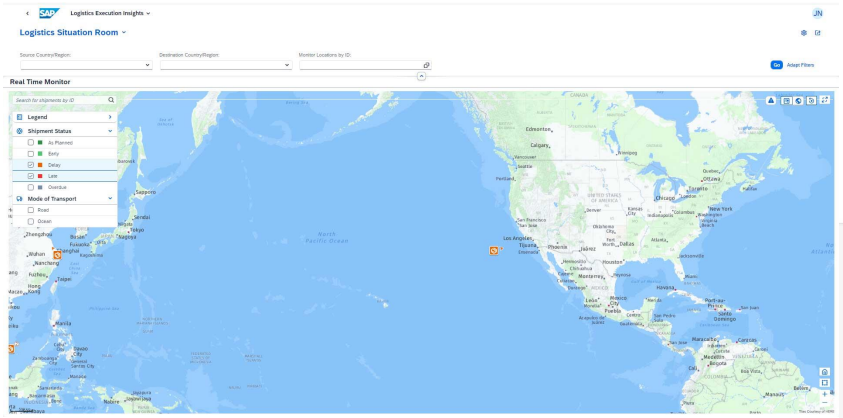
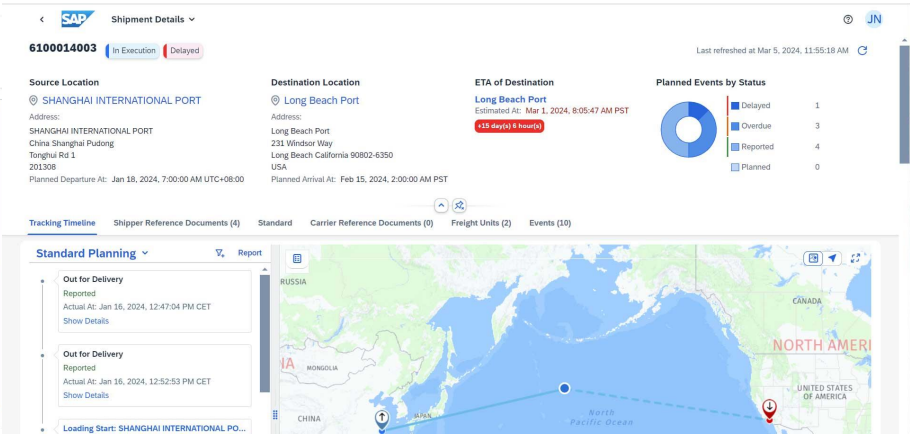


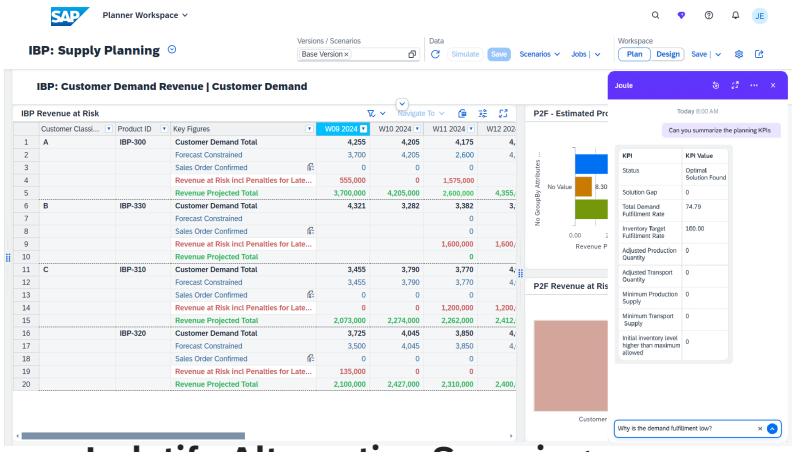
Intelligent Dashboard



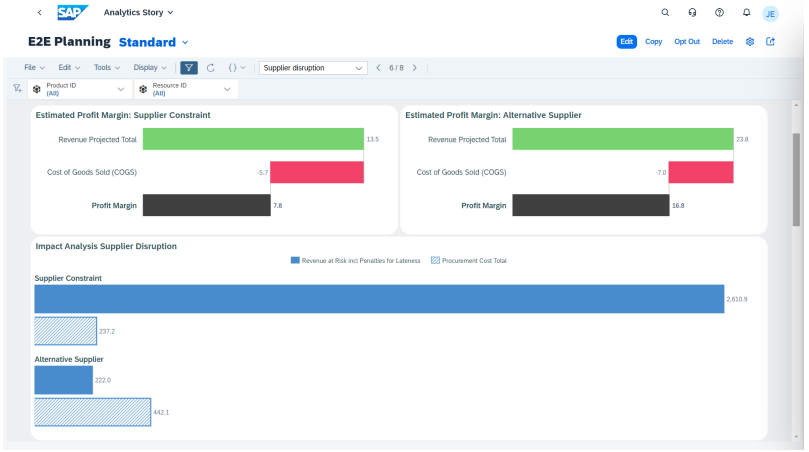
Logistics Situation Room



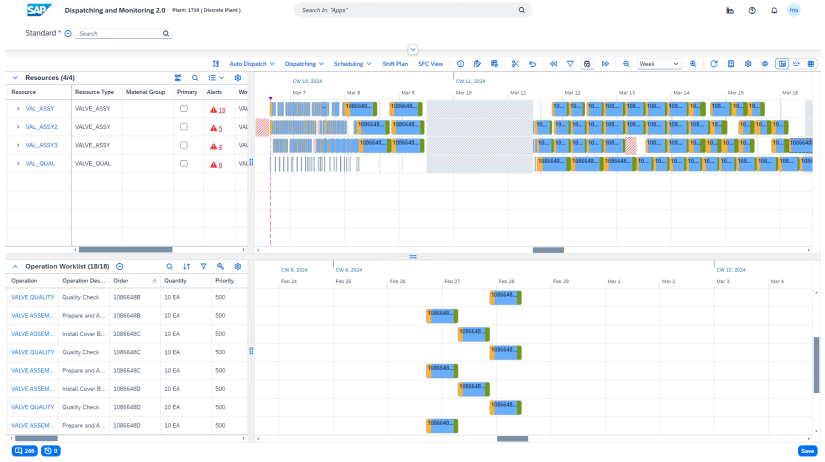
Global Track and Trace



Indetify Alternative Sourcing



Financial Impact & Decision



Production Schedule Adjustments

EVERYDAY ESSENTIALS

HOME | EXECUTIVE VIEW | INVENTORY INSIGHTS | MANUFACTURING | SUPPLY CHAIN | SUPPLIER INSIGHTS

SUPPLY CHAIN INSIGHTS

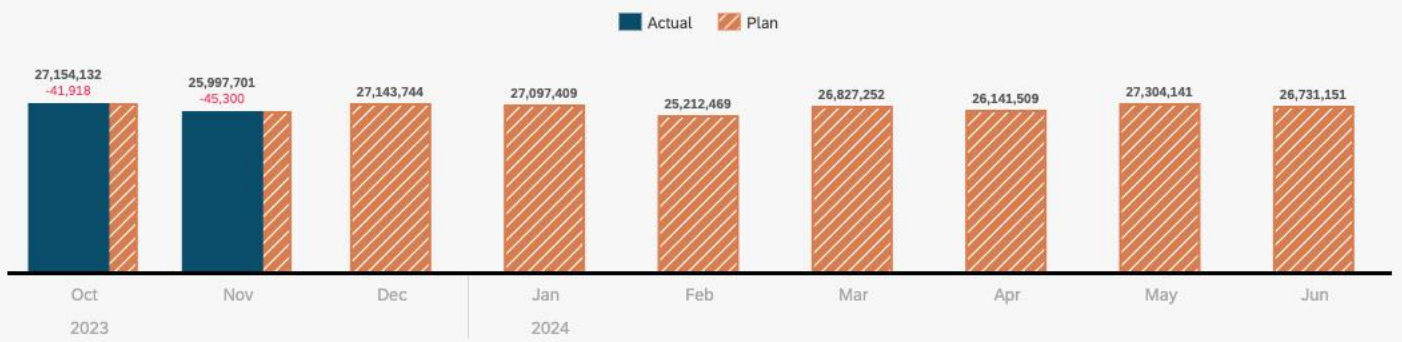
INVENTORY ALERTS
3.00
Inventory Alerts

DC SHIPMENTS AT RISK
19.00
DC Shipments Alerts

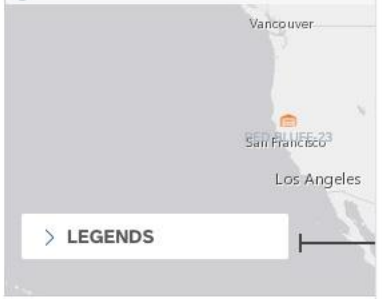
CRITICAL SUPPLIES RECEIVED
in %
62.98%
Pct % Received

INVENTORY FULFILLMENT
in %
79.20%
Inventory Fulfillment

SUPPLY VS DEMAND (FORECAST)



INVENTORY BY DISTRIBUTION CENTER



SUPPLY DETAIL

Account	On
Attribute1	
Valve Assembly	
Valve Housing	

GROSS MARGIN (FORECAST)
in %

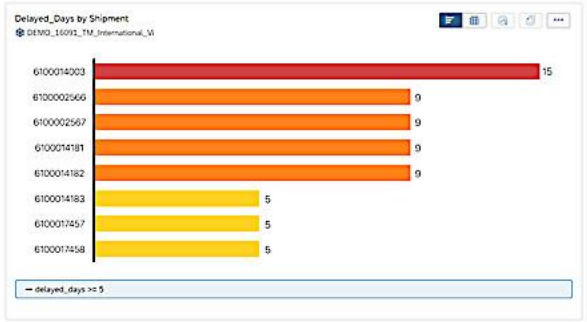
	Ball Valves	Gate Valves	Check Valves
Oct	49.72%	50.17%	49.85%
Nov	49.77%	50.08%	49.93%
Dec	49.72%	50.14%	49.82%
Jan	50.20%	50.13%	49.79%
Feb	49.93%	50.14%	49.85%

COMPONENT SHORT ALERT

Joule

Hello SAP Employee
How can I help?

Show me inbound shipments d…



Show me inbound shipments delayed more than 5 days

Logistics Execution Insights

JN

Logistics Situation Room

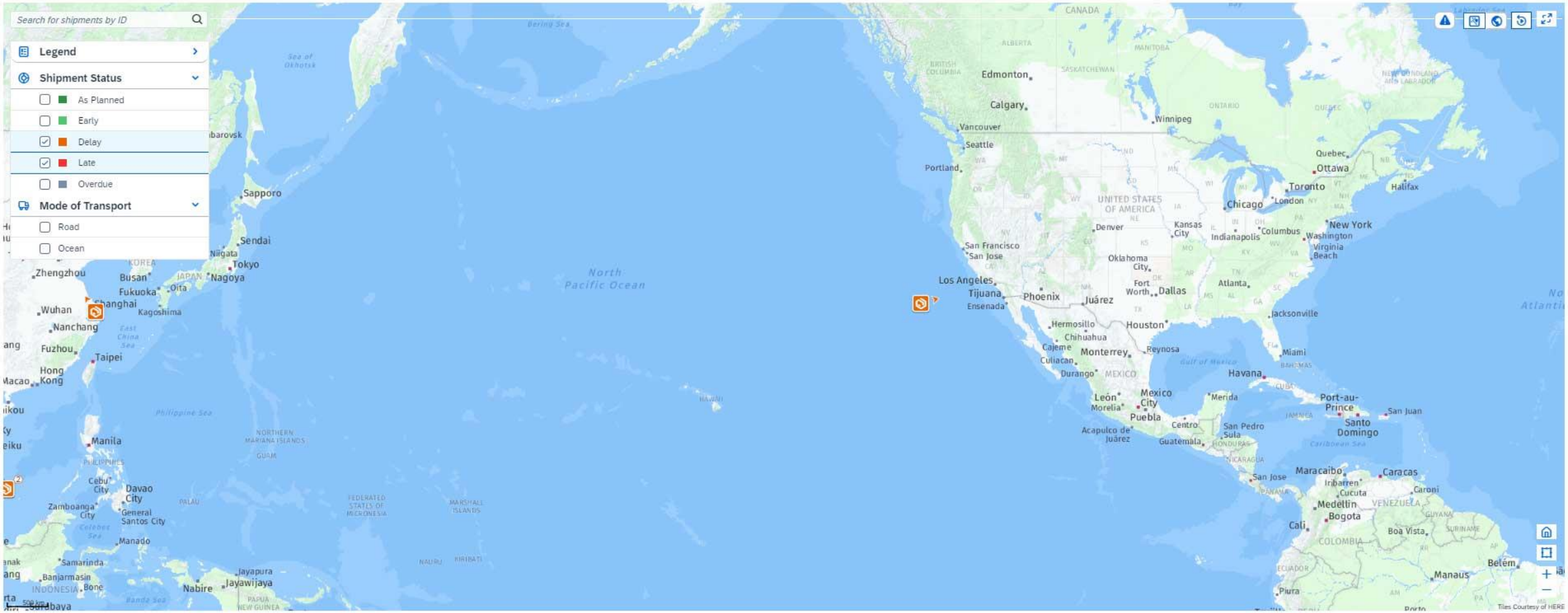
Source Country/Region:

Destination Country/Region:

Monitor Locations by ID:

Go | Adapt Filters

Real Time Monitor



Shipment Details

6100014003 In Execution Delayed

Last refreshed at Mar 5, 2024, 11:55:18 AM

Source Location

SHANGHAI INTERNATIONAL PORT

Address:

SHANGHAI INTERNATIONAL PORT
China Shanghai Pudong
Tonghui Rd 1
201308

Planned Departure At: Jan 18, 2024, 7:00:00 AM UTC+08:00

Destination Location

Long Beach Port

Address:

Long Beach Port
231 Windsor Way
Long Beach California 90802-6350
USA

Planned Arrival At: Feb 15, 2024, 2:00:00 AM PST

ETA of Destination

Long Beach Port
Estimated At: Mar 1, 2024, 8:05:47 AM PST

+15 day(s) 6 hour(s)

Planned Events by Status

Tracking Timeline | Shipper Reference Documents (4) | Standard | Carrier Reference Documents (0) | Freight Units (2) | Events (10)

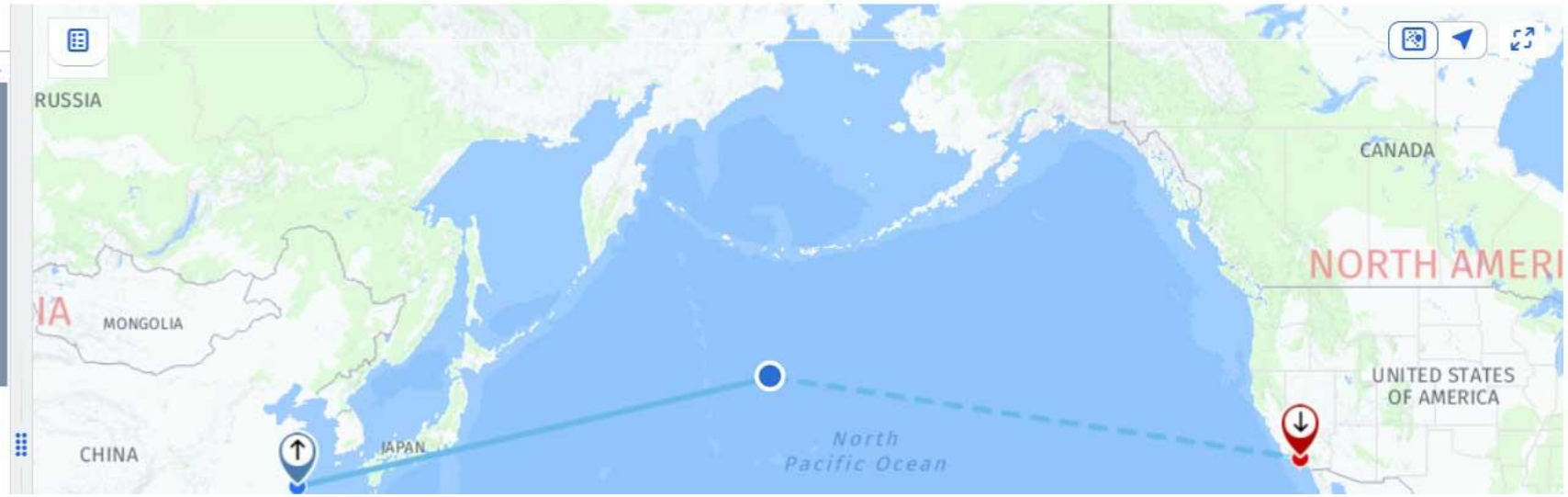
Standard Planning

Report

Out for Delivery
Reported
Actual At: Jan 16, 2024, 12:47:04 PM CET
Show Details

Out for Delivery
Reported
Actual At: Jan 16, 2024, 12:52:53 PM CET
Show Details

Loading Start: SHANGHAI INTERNATIONAL PO...



Planner Workspace

IBP: Supply Planning

Versions / Scenarios: Base Version ×

Data: Simulate | Save | Scenarios | Jobs

Workspace: Plan | Design | Save

IBP: Customer Demand Revenue | Customer Demand

IBP Revenue at Risk

Navigate To

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4			Revenue at Risk incl Penalties for Late...	555,000	0	1,575,000	
5			Revenue Projected Total	3,700,000	4,205,000	2,600,000	4,355,
6	B	IBP-330	Customer Demand Total	4,321	3,282	3,382	3,
7			Forecast Constrained			0	
8			Sales Order Confirmed			0	
9			Revenue at Risk incl Penalties for Late...			1,600,000	1,600,
10			Revenue Projected Total			0	
11	C	IBP-310	Customer Demand Total	3,455	3,790	3,770	4,
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14			Revenue at Risk incl Penalties for Late...	0	0	1,200,000	1,200,
15			Revenue Projected Total	2,073,000	2,274,000	2,262,000	2,412,
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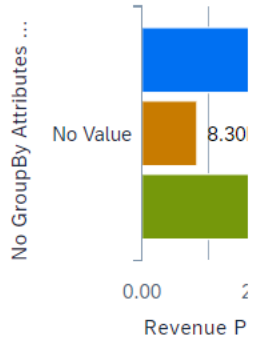
P2F - Estimated Pro



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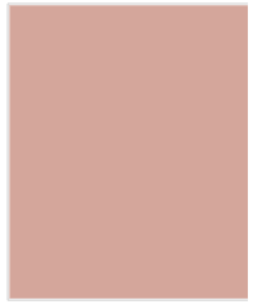

Joule

Today 8:00 AM

Can you summarize the planning KPIs

KPI	KPI Value
Status	Optimal Solution Found
Solution Gap	0
Total Demand Fulfillment Rate	74.79
Inventory Target Fulfillment Rate	100.00
Adjusted Production Quantity	0
Adjusted Transport Quantity	0
Minimum Production Supply	0
Minimum Transport Supply	0
Initial inventory level higher than maximum allowed	0

Why is the demand fulfillment low?

Planner Workspace

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Versions / Scenarios: Base Version ×

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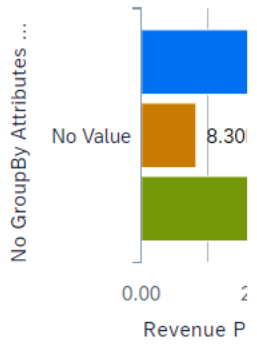

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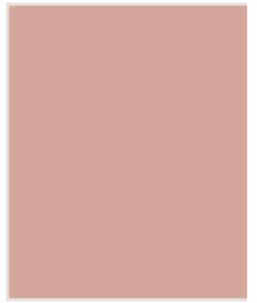

Joule

Today 8:00 AM

Initial inventory level higher than maximum allowed: 0

Why is the demand fulfillment low?

The demand fulfillment rate is low due to two main reasons:

1. Insufficient supply: the data shows that the company is unable to source the required amount of products in time to meet the customer demand.
2. Limited Resource Capacity: the company's resource capacity at Factory US (1710) is too low to meet the demand.

What are the mitigation options for product IBP-300?

Planner Workspace

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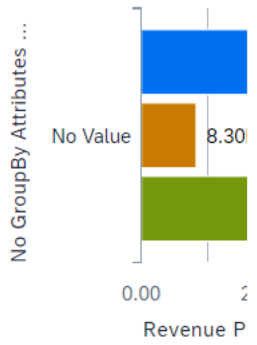

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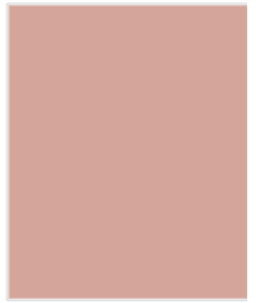

Joule

You could order the necessary component from another supplier. Here are all supplier options:

Current Supplier: Steep Sense Inc.

Component: PCB_BOARD

Delivery: No delivery possible

$2,500

Total Procurement Cost

Message Joule...

Planner Workspace

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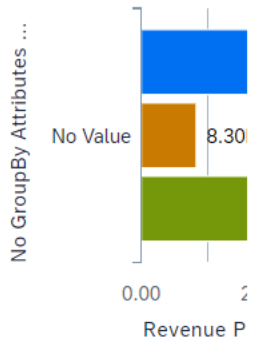

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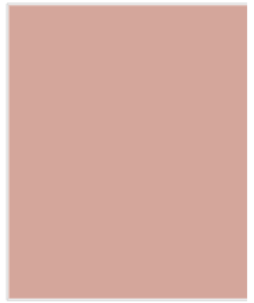

Joule

You could order the necessary component from another supplier. Here are all supplier options:

Makes Sense Ltd.

Component: PCB_BOARD

Delivery: 5 days by truck

$8,200

Total Procurement Cost

Message Joule...

Planner Workspace

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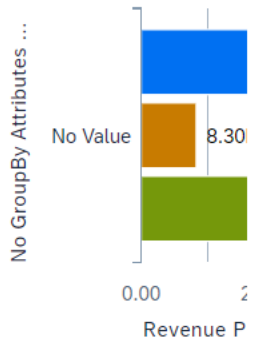

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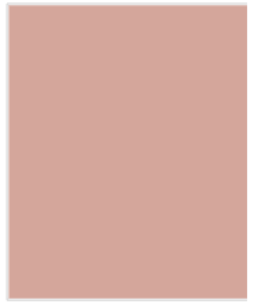

Joule

You could order the necessary component from another supplier. Here are all supplier options:

Sensorwerk

Component: PCB_BOARD

Delivery: 6 weeks by ship

$ 3,300

Total Procurement Cost

Message Joule...

Planner Workspace

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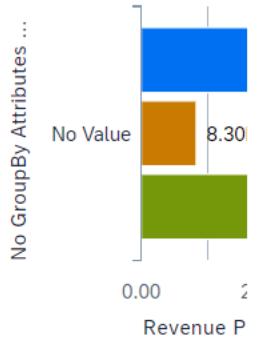
IBP Revenue at Risk

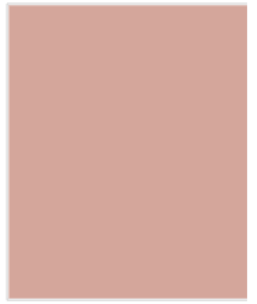
Navigate To

	Customer Classi...	Product ID	Key Figures	W09 2024	W10 2024	W11 2024	W12 202
1	A	IBP-300	Customer Demand Total	4,255	4,205	4,175	4,
2			Forecast Constrained	3,700	4,205	2,600	4,
3			Sales Order Confirmed	0	0	0	
4			Revenue at Risk incl Penalties for Late...	555,000	0	1,575,000	
5			Revenue Projected Total	3,700,000	4,205,000	2,600,000	4,355,
6	B	IBP-330	Customer Demand Total	4,321	3,282	3,382	3,
7			Forecast Constrained			0	
8			Sales Order Confirmed			0	
9			Revenue at Risk incl Penalties for Late...			1,600,000	1,600,
10			Revenue Projected Total			0	
11	C	IBP-310	Customer Demand Total	3,455	3,790	3,770	4,
12			Forecast Constrained	3,455	3,790	3,770	4,
13			Sales Order Confirmed	0	0	0	
14			Revenue at Risk incl Penalties for Late...	0	0	1,200,000	1,200,
15			Revenue Projected Total	2,073,000	2,274,000	2,262,000	2,412,
16		IBP-320	Customer Demand Total	3,725	4,045	3,850	4,
17			Forecast Constrained	3,500	4,045	3,850	4,
18			Sales Order Confirmed	0	0	0	
19			Revenue at Risk incl Penalties for Late...	135,000	0	0	
20			Revenue Projected Total	2,100,000	2,427,000	2,310,000	2,400,

P2F - Estimated Pro



P2F Revenue at Ris



Joule

Scenarios created:

Scenario ID	Supplier	Transport
113047VEND3	MakesSense Ltd	
113047VEND1	Sensorwerk	

After comparing all details of the scenarios, considering various factors like long- and midterm risk rating, the scenario using supplier MakesSense Ltd. turned out to be the best option to mitigate the risk.

Makes Sense Ltd.

Total Procurement Cost

$8,200

Total

Order Amount: 110 pieces

Delivery: 5 days by truck

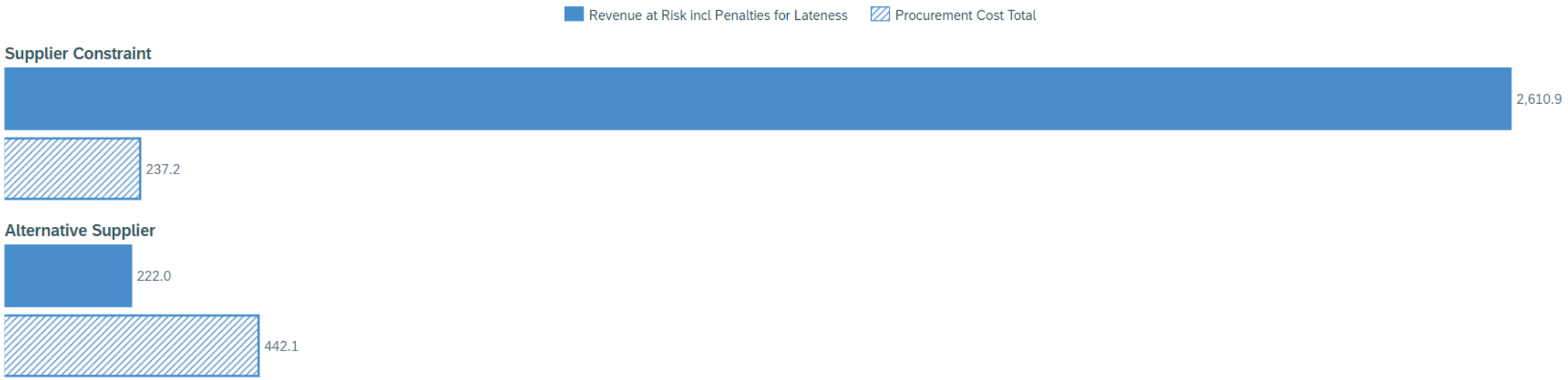
Create Purchase Requisition

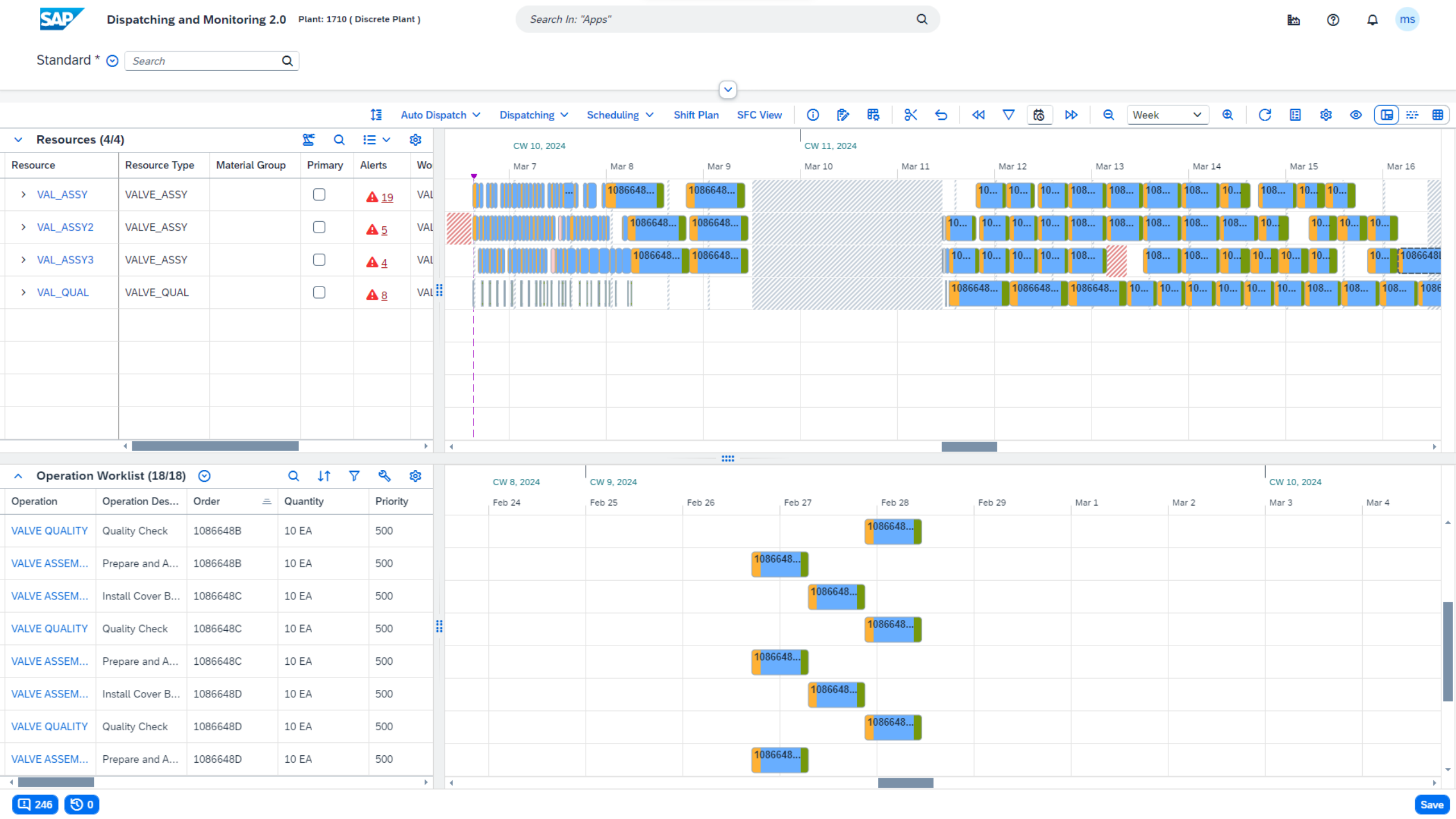
Message Joule...

Estimated Profit Margin: Supplier Constraint

Estimated Profit Margin: Alternative Supplier

Impact Analysis Supplier Disruption




Dispatching and Monitoring 2.0
Plant: 1710 (Discrete Plant)
Search In: "Apps"
ms
Standard *
Search
Auto Dispatch
Dispatching
Scheduling
Shift Plan
SFC View
Week
Resources (4/4)
Resource
Resource Type
Material Group
Primary
Alerts
Wo
VAL_ASSY
VALVE_ASSY
19
VAL_ASSY2
VALVE_ASSY
5
VAL_ASSY3
VALVE_ASSY
4
VAL_QUAL
VALVE_QUAL
8
CW 10, 2024
CW 11, 2024
Mar 7
Mar 8
Mar 9
Mar 10
Mar 11
Mar 12
Mar 13
Mar 14
Mar 15
Mar 16
Operation Worklist (18/18)
Operation
Operation Des...
Order
Quantity
Priority
VALVE QUALITY
Quality Check
1086648B
10 EA
500
VALVE ASSEM...
Prepare and A...
1086648B
10 EA
500
VALVE ASSEM...
Install Cover B...
1086648C
10 EA
500
VALVE QUALITY
Quality Check
1086648C
10 EA
500
VALVE ASSEM...
Prepare and A...
1086648C
10 EA
500
VALVE ASSEM...
Install Cover B...
1086648D
10 EA
500
VALVE QUALITY
Quality Check
1086648D
10 EA
500
VALVE ASSEM...
Prepare and A...
1086648D
10 EA
500
CW 8, 2024
CW 9, 2024
CW 10, 2024
Feb 24
Feb 25
Feb 26
Feb 27
Feb 28
Feb 29
Mar 1
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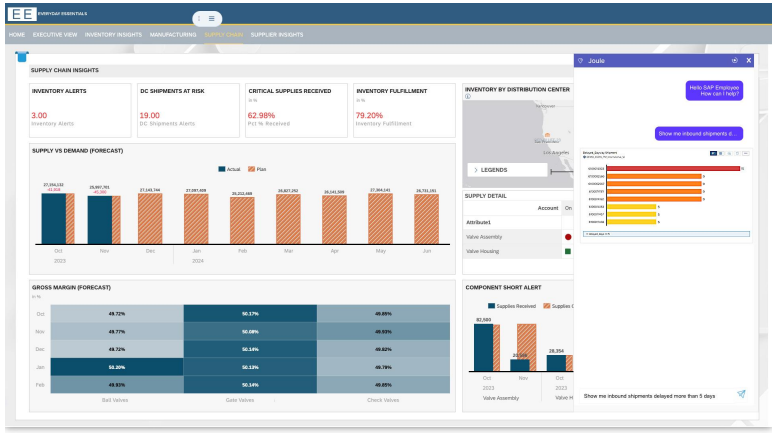
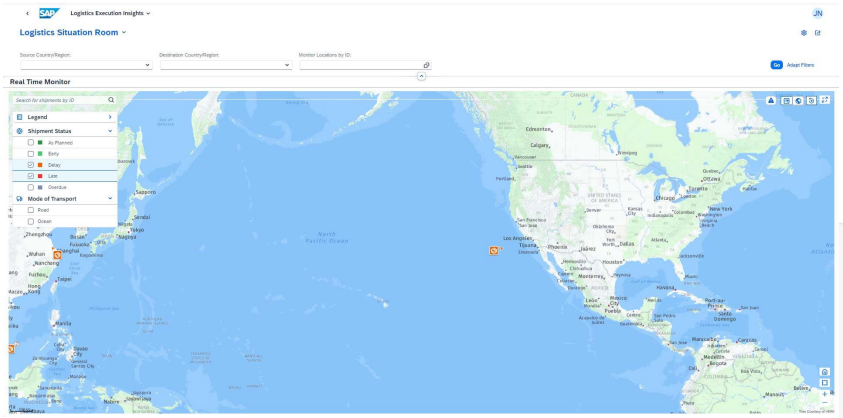
Mar 3
Mar 4
246
0
Save

SAP Strategy

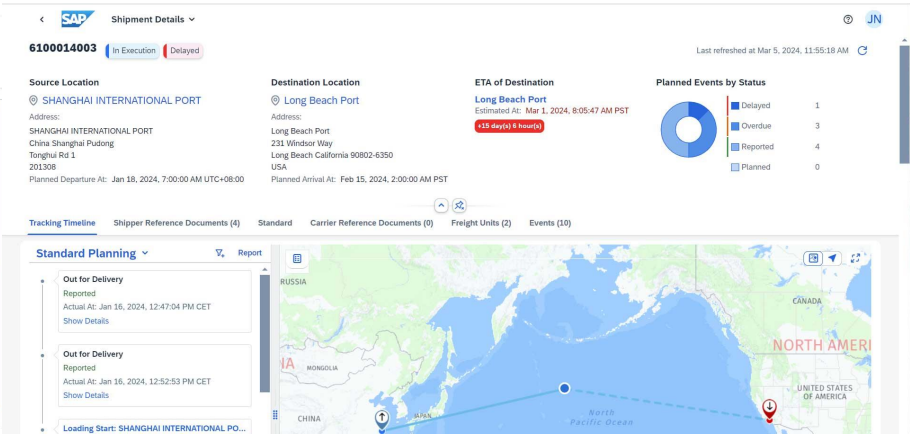
Unleash digital innovation across business functions



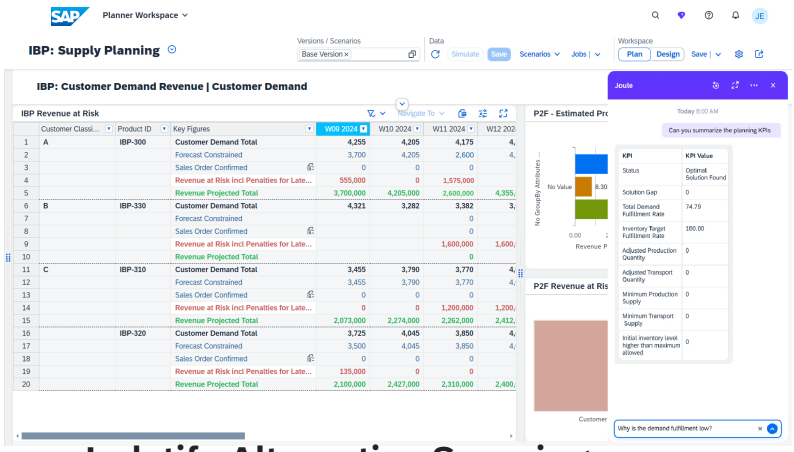
Intelligent Dashboard



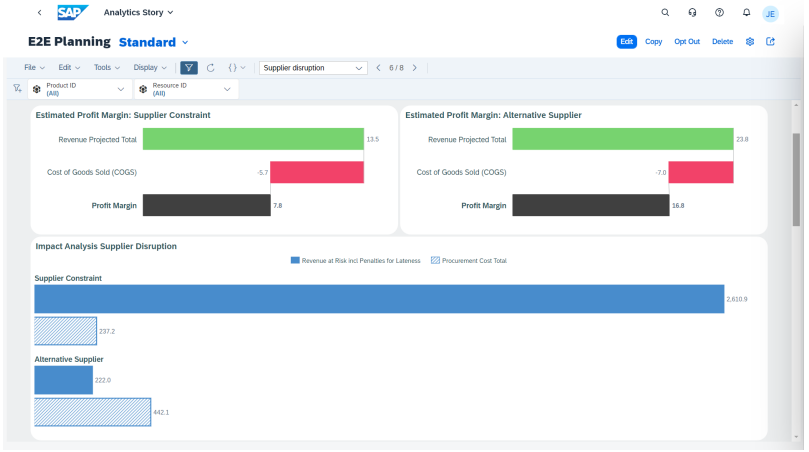
Logistics Situation Room



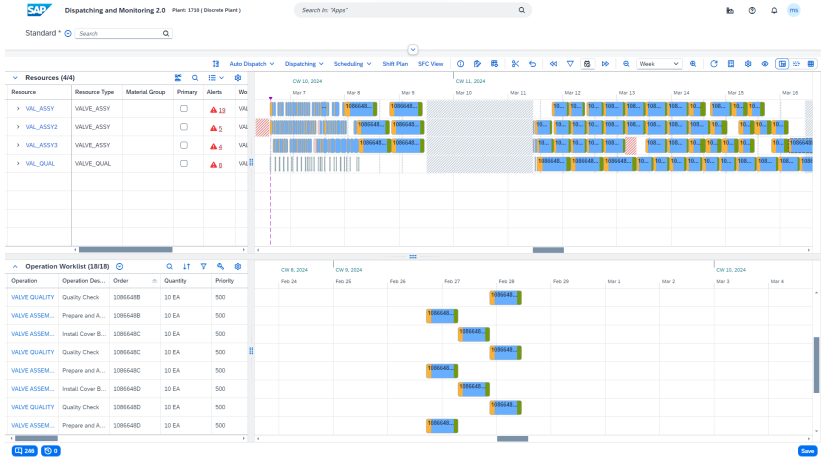
Global Track and Trace



Indetify Alternative Sourcing



Financial Impact & Decision



Production Schedule Adjustments

Success within supply chain includes AI that helps

Joule to explain IBP planning results

IBP – What if scenarios

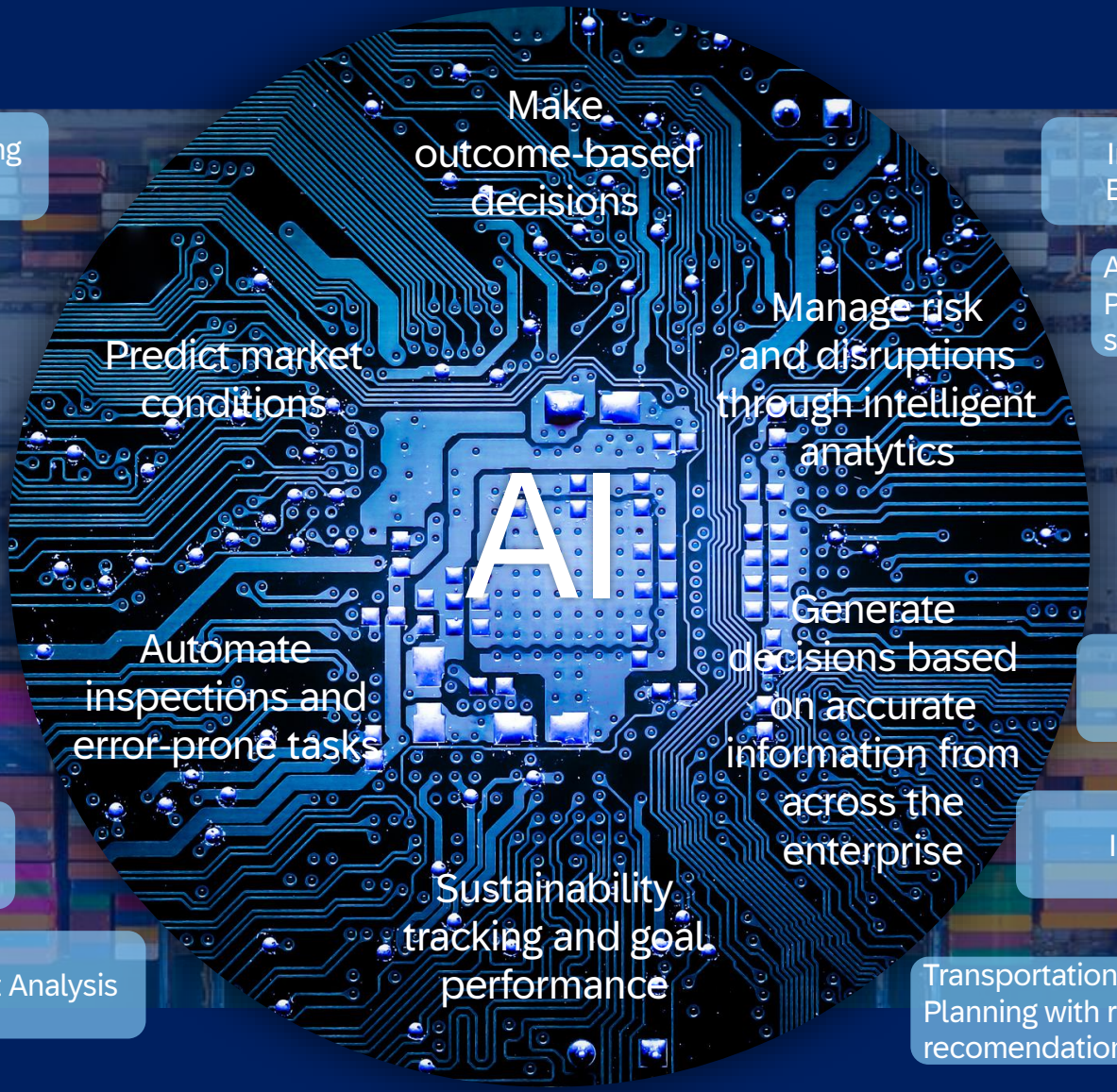
IBP – Automated Outlier Detection

SAP Digital Manufacturing – Visual Inspection

AI-assisted Master Data for Enterprise Product Development

Asset Performance Mngt– Anomaly detection based on indicator values

TM: Goods Receipt Analysis



Intelligent Matching of Employees to Projects

ATP – Automated Back Order Processing – variant or segment generation

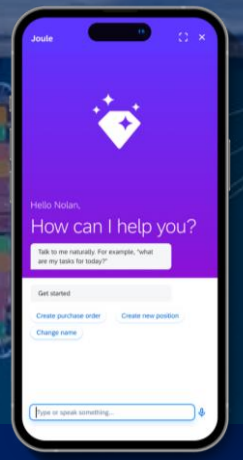
Intelligent Maintenance Order Recommendation

Intelligent Lead Time predictions

Joule Across SAP Digital Supply Chain

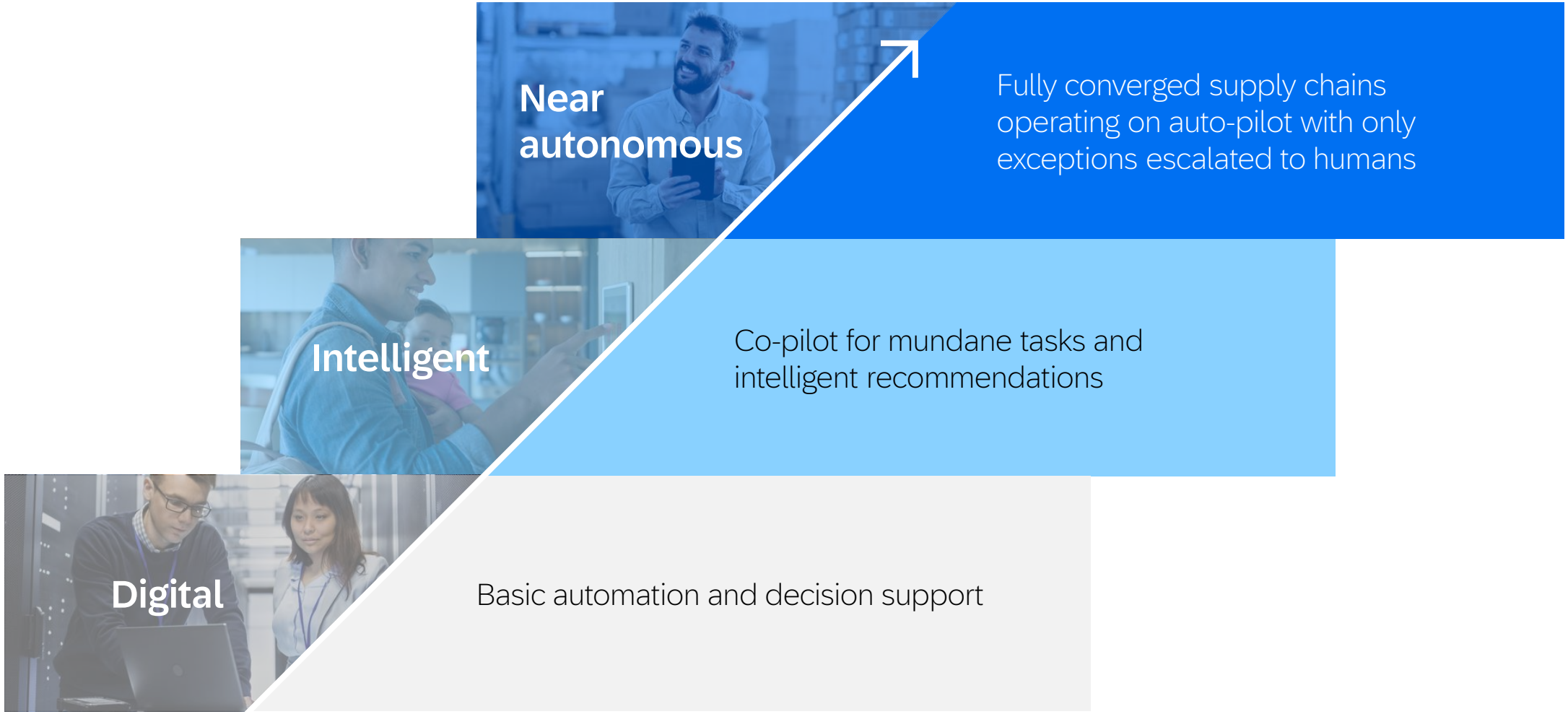
Intelligent Slotting

Transportation Cockpit Planning with real time recomendations



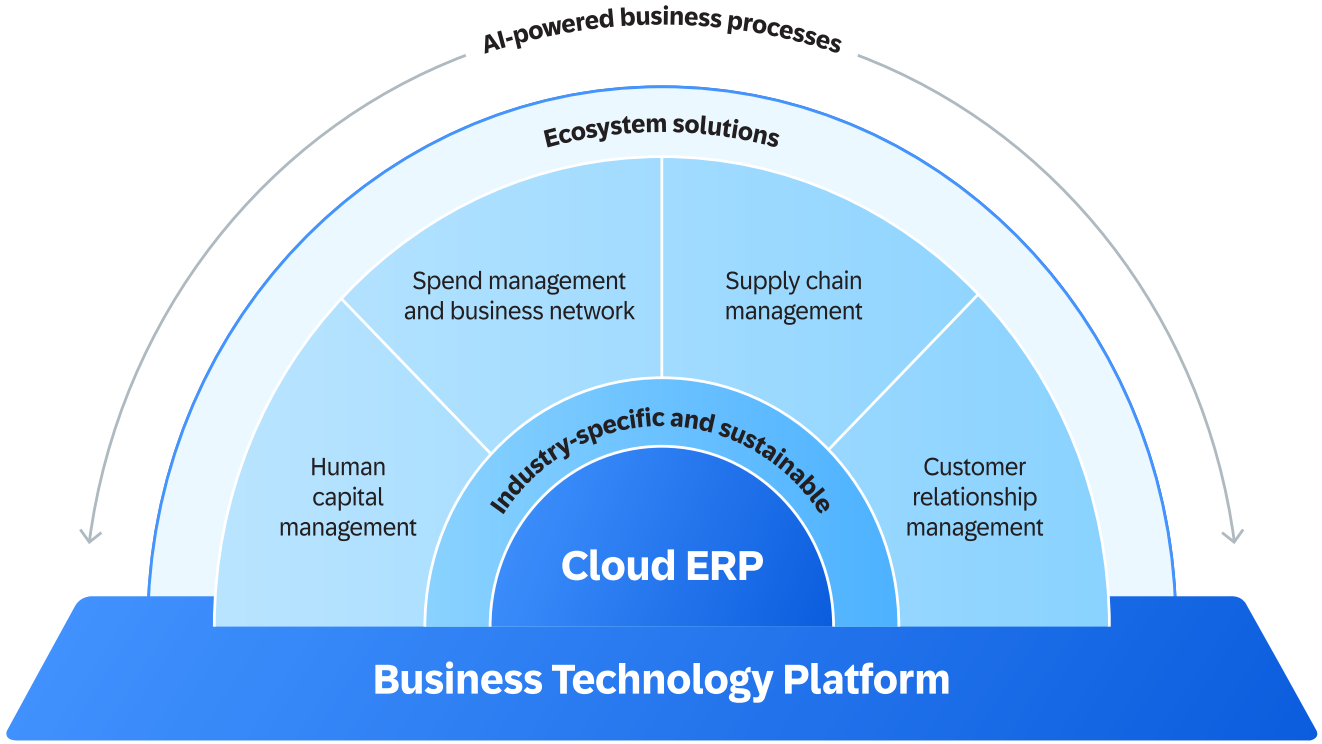
SAP Strategy

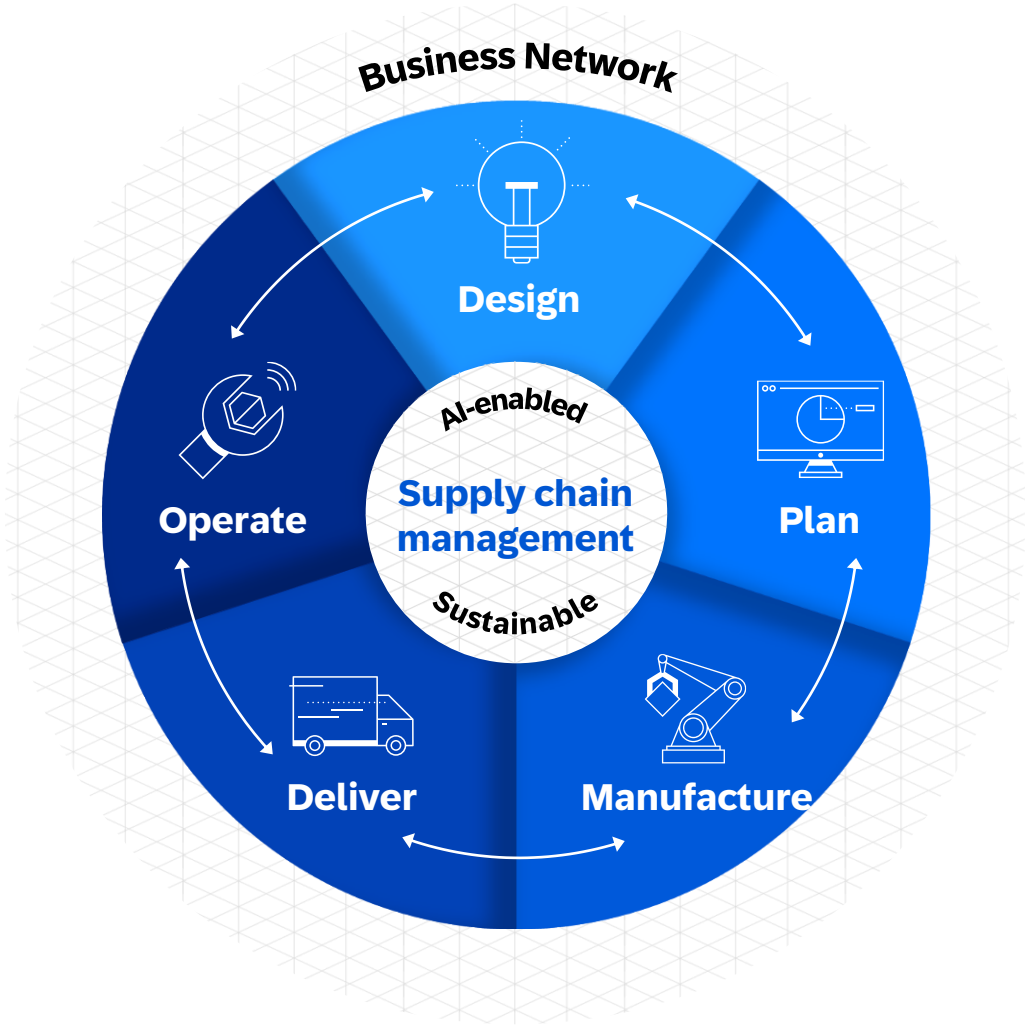
Unleash digital innovation across business functions



SAP Strategy

Unleash digital innovation across business functions





Home Partners Customers Speakers Register

SAP Supply Chain Executive Forum: EMEA Edition

Reimagining Supply Chains for Growth and Innovation

October 14-16, 2024 | SAP Walldorf, Germany

21 DAYS | 4 HOURS | 16 MINUTES | 44 SECONDS

Join Senior Supply Chain, Manufacturing and Operations Executives from across the EMEA region

SAP Supply Chain Executive Forum: EMEA Edition | October 14-16, 2024, SAP Walldorf

Agenda Highlights

Day 1 | Monday 14th October

12:30pm – 2:00pm | Sponsored Welcome Lunch

2:00pm – 2:25pm | Welcome & SAP Executive Keynote with Juan Cartier, Chief Revenue Officer, Digital Supply Chain, EMEA | SAP and Hans-Peter Fuelle, Chief Business Officer EMEA, SAP Customer Success | SAP

2:25pm – 3:05pm | Analyst Keynote with McKinsey & Company

3:05pm – 3:30pm | A Risk Resilient & Sustainable Supply Chain with Martin Barkman, Senior Vice President, Product Marketing, Supply Chain and Finance | SAP

3:55pm – 4:25pm | Coca-Cola Europacific Partners Demand and Supply Planning Journey with Elena Cattelan, Customer Service & Supply Chain Business Partner BPT Lead | Coca-Cola Europacific Partners

4:25pm – 4:55pm | Faderco's Digital Transformation of Distribution Centers to Grow the Business with Nabila Ouerdane, Transformatopm & Digital Innovation Director | Faderco

4:55pm – 5:25pm | DMK Group's Supply Chain Planning Business Value in the Dairy Industry with Sophie Gennies, Director Supply Chain | DMK Group

5:25pm – 5:55pm | Arpa Industriale's Supply Chain and Manufacturing transformation journey from on On-Premise landscape to a full Cloud environment

7:30pm – 10:30pm | Sponsored Dinner & Customer Awards at Heidelberg Castle

Day 2 | Tuesday 15th October

7:00am – 8:00am | Breakfast at Hotel

9:00am – 9:15am | Day 2 Welcome

9:15am – 9:45am | preZero Arena Presentations with David Künzler, Science & Innovation Department | TSG Hoffenheim

9:45am – 10:30am | preZero Arena Tour

10:30am – 11:00am | World Food Program Presentation

11:15am – 11:45am | Digital Collaboration as Enabler for Sustainable and Profitable Business Growth with UPM

11:45am – 12:30pm | SAP Innovations in Supply Chain Management with Dominik Metzger, VP, Global Head of SAP Digital Supply Chain | SAP

2:15pm – 3:00pm | How to Set Yourself up for Success with generative AI and Its Future Evolution with Anubhuti Shah, Head of AI for Supply Chain & Finance | SAP Product Marketing

3:30pm – 4:00pm | Transforming Supply Chain Operations: MEGALABS' Journey to Integrated Business Planning with Ana Carina Delgado, Global COO | MEGALABS

4:00pm – 4:30pm | Customer Case – Invited by Evora

4:30pm – 5:00pm | Customer Case – Girteka's Success, Challenges, and Lessons Learned: Logistics Digitalization Journey with ArchLynk with Aušra Gustainienė, Programme Director for Girteka Group Digital Transformation | Girteka Group

5:00pm – 5:30pm | Dis-Chem: An Innovation journey with Extended Warehouse Management driving operational improvements in Distribution Operations with Dawid Oelofse, Supply Chain Executive | CJ Distribution

5:30pm – 6:00pm | Customer Case – Invited by McKinsey & Company

6:10pm – 7:10pm | Sponsored Drinks Reception

8:00pm – 10:30pm | Sponsored Dinner at Kulturbrauereu

Day 3 | Wednesday 16th October

8:00am – 9:00am | Sponsored Breakfast

9:00am – 3:00pm | Group Sessions in Experience Lab Digital Supply Chain, Experience Center, Digital Boardroom & Roundtable

Target Audience

Invitation only event for 200 C-level delegates from across SAP's customer base in EMEA together with SAP and Partner experts

Delegates from industries in Operations, Planning, Manufacturing, Logistics and Asset Management

Customer Speakers

FADERCO, Megalabs, dmk Group, WFP World Food Programme, D+, CJ Distribution, UPM, Coca-Cola Europacific Partners, Girteka, Arpa

Sponsoring Partners

ArchLynk, The Config Team SAP Supply Chain Specialists, Westernacher, Syscons, evora IT SOLUTIONS, CLAREX POWERED BY APEX & REGESTA, GOSCM, Deloitte., McKinsey & Company, IMPLEMENT CONSULTING GROUP

Vittorio Emanuele Parsi

Professore di Relazioni Internazionali
Università Cattolica di Milano

Executive Talk

Le nuove frontiere della Supply Chain

Executive Talk: Le nuove frontiere della Supply Chain

Fabrizio Buccella
Demand Manager Supply Chain,
Procurement & Quality Area Corporate ICT
Alfasigma

Giacomo Coppi
Head of Digital Supply Chain
SAP Italia

Marco Zaglio
Planning & Scheduling
Practice Leader
Syscons

Eugenio Morelli
CIO
Gruppo Zignago

Sergio Patano
Practice Leader
NetConsulting cube - Sirmi

Scenario di mercato ICT 2024-2026

2024
38,1 B€

CAGR 24-26
+6,5%

2026
43,3 B€

0,9B€

CAGR 24-26
+30%

2,4B€

CAGR 24-26
+12%

4,6B€

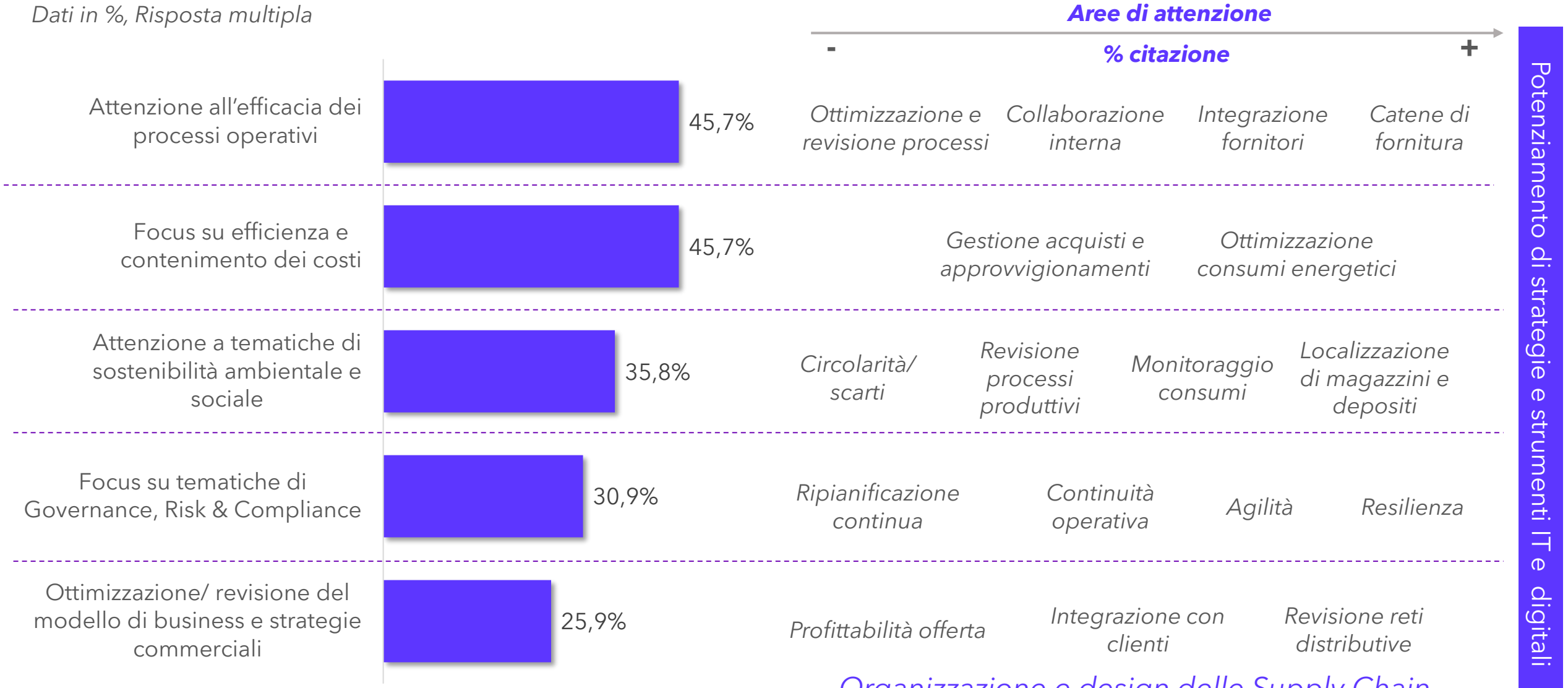
CAGR 24-26
+10%

7,3 B€

CAGR 24-26
+16%

Le **priorità business** e le **aree di attenzione** delle **Supply Chain**

Dati in %, Risposta multipla



Potenziamento di strategie e strumenti IT e digitali

Organizzazione e design delle Supply Chain
Sostenibilità

Fonte: NetConsulting cube per SAP Innovation Day for Supply Chain, Marzo 2024

Il supporto di **IT e digitale** all'**evoluzione** delle **Supply Chain**

20% Anticipazione a scenari di business

28% Reazione a scenari straordinari

72% Gestione delle attività ordinarie

88% Supporto alla pianificazione strategica

25% Supporto alle simulazioni

57% Aumento della resilienza

52% Incremento dell'agilità

52% Gestione del rischio

52% Gestione del rischio

36% Aumento flessibilità dei processi

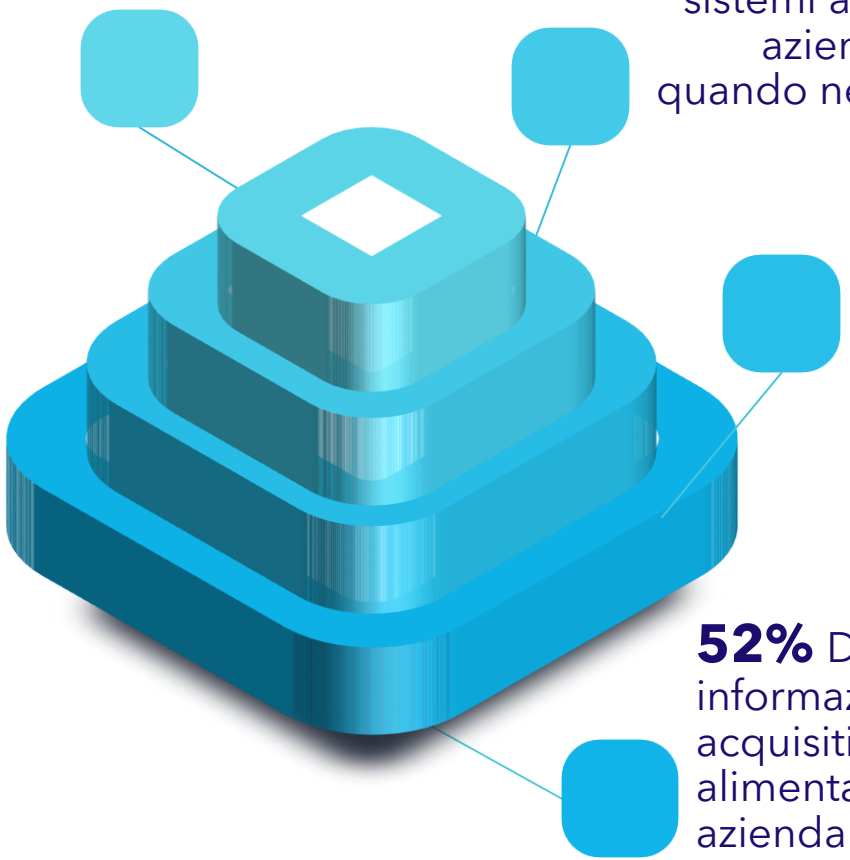
26% Integrazione con attori esterni

Fonte: Sirmi per SAP Innovation Day for Supply Chain, Marzo 2024

Livello di **integrazione** della Supply Chain dell'azienda con il resto delle divisioni aziendali e **soluzioni/strumenti** a supporto

7% Dati e informazioni acquisiti dalla SC alimentano raramente i sistemi aziendali

20% Dati e informazioni acquisiti dalla SC alimentano i sistemi applicativi aziendali solo quando necessario



21% Dati e informazioni acquisiti dalla SC sono in gran parte integrati in real-time con i sistemi applicativi aziendali

52% Dati e informazioni acquisiti dalla SC alimentano i sistemi aziendali con frequenza prefissata

58% Tecnologie di Data infrastructure per la raccolta e condivisione di dati

29% Strumenti di collaboration/portali per lo scambio di dati e informazioni tra azienda e partner

13% EDI Electronic Data Interchange

Alfasigma at a glance

- A privately owned Italy based multinational company **founded in 1948**
- **3rd largest company** in the Italian retail market *(IQVIA values MAT Nov23)*
- Presence in approximately **100 countries** through direct **subsidiaries** and **distributors**
- A workforce of approximately **4k people** in 24 countries
- A portfolio that ranges from **prescription specialties** to **self-medication products**, up to **nutraceuticals**
- **2 R&D Lab centers** and **6 manufacturing plants**
  In Italy, Spain and in US
- 5 main therapeutic areas: **Gastroenterology, Vascular, Rheumatology, Metabolic, Nutraceuticals & Medical foods**

Alfasigma is organized around a series of “centers of excellence” across Italy, with an integrated Operations Center in the US

Location

Facilities

Bologna (Headquarters)

Profile: Global Corporate HQ, housing most of the major central functions

Milan (Offices)

Profile: Corporate Office: global marketing and international business

Alanno (Mfg. Plant)

Plant Profile: Specialized in both Captive and CMO activities

Pomezia (Mfg. Plant, R&D Lab Center, Offices)

Plant Profile: Specialized in both Captive and CMO activities, soft gel drugs, and advanced R&D

Sermoneta (API facility)

Plant Profile: Specialized in API and nutritional ingredients for food supplements.in both Captive and CMO activities

Trezzano (Mfg. Plant)

Plant Profile: Specialized in both Captive and CMO activities

KM Rosso (R&D Lab Center)

Profile: Innovative laboratory for microbiological analysis related to the world of microbiota and probiotics

LABIO 4.0 (Tech. Center & Pilot Plant)

Profile: Launched in 2021, integrated R&D Lab with a pilot plant to develop GMP material ready for clinical setting

Shreveport (Nutraceutics Mfg., R&D)

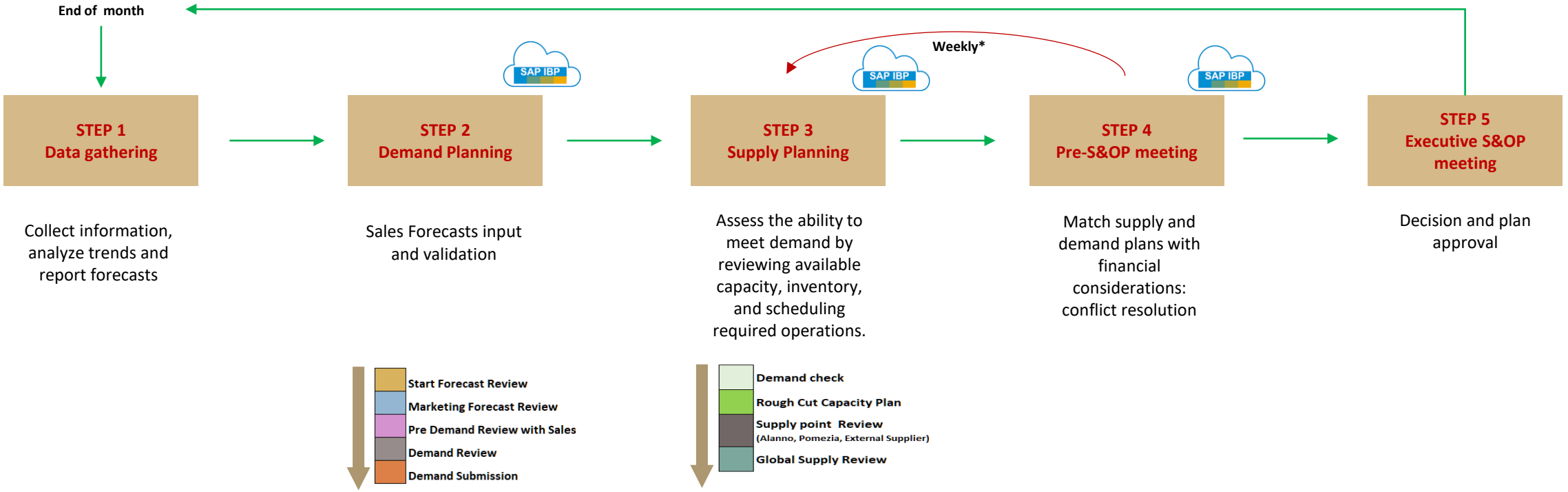
Plant Profile: Acquired in 2017, hosts a manufacturing plant and a R&D Lab, both specializing in Nutraceutics

Tortosa (Tarragona) (Mfg. Plant)

Plant Profile: Specialized in Captive productions for the local market

S&OP Alfasigma process - Overview

Overview: *S&OP is a collaborative business planning process, tipically monthly based, that manages all tactical decision making across a company. It governs the supply and demand balancing process whilst highlighting gaps vs. company plans and developing actions to address them.*



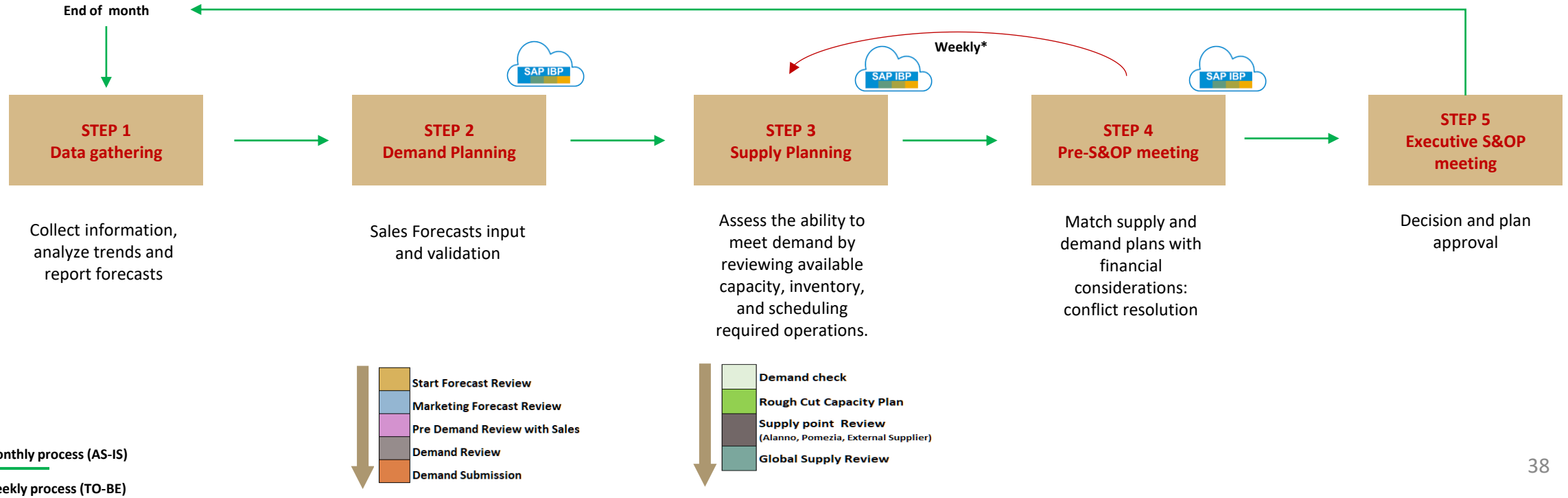
Monthly process (AS-IS)

Weekly process (TO-BE)

S&OP Alfasigma process - Overview

Overview: *S&OP is a collaborative business planning process, tipically monthly based, that manages all tactical decision making across a company. It governs the supply and demand balancing process whilst highlighting gaps vs. company plans and developing actions to address them.*

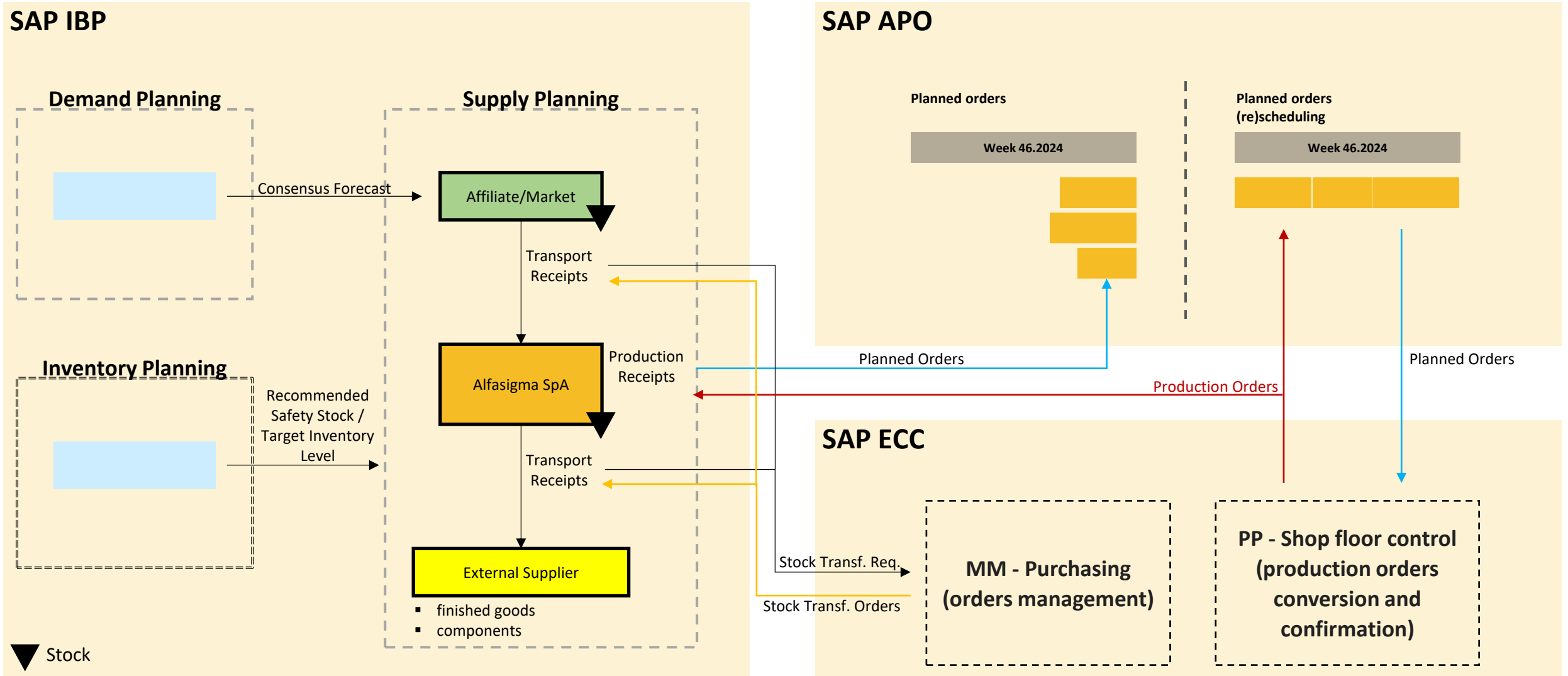
WHAT	**Demand Planning Forecasting and Promotions**	**Supply Planning (scheduling excluded)**	**FG inventory management (material management excluded)**	**Distribution Planning**
WHO	Commercial Demand Planning Team	Supply Chain Supply Planning Team	Supply Chain Supply Planning Team	Supply Chain Demand Planning Team
HOW	Understanding the dynamics of the business' channels to market and the customer propositions in each	Internal production capacity planning, external partners management balancing supply against demand	Inventory levels must be defined and controlled to ensure required products availability and appropriate inventory coverage whilst minimizing obsolescence	Determines replenishment quantities to satisfy service level agreements whilst minimizing total cost of supply
WHERE	**SAP IBP Forecasting module**	**SAP IBP Supply Planning**	**SAP IBP Inventory Planning**	**SAP IBP Supply Planning**



Alfasigma supply chain systems

Orchestrated supply chain processes within an SAP ecosystem

SIMPLIFIED SCHEMA



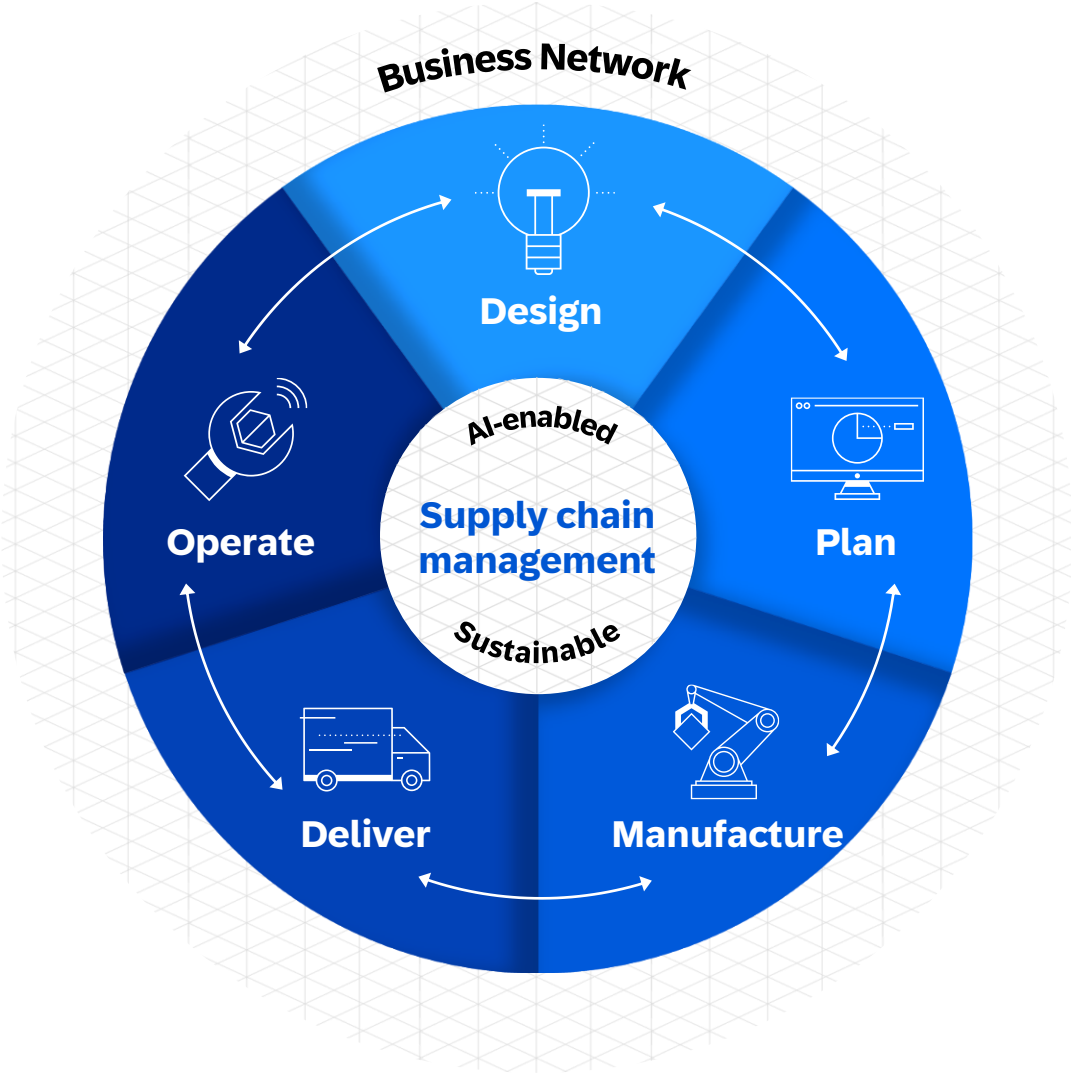
SAP Digital Supply Chain

Unleash digital innovation
across business functions

1 Connect every process

2 Contextualize every decision

3 Collaborate with your ecosystem



SAP’s unique approach to sustainability

SAP S/4HANA Cloud

+

SAP Sustainability

Combining ERP data and sustainability data

SAP Cloud ERP Business Processes	Precise & Actionable Sustainability Insights	Go Beyond Regulatory Compliance	Gain a Competitive Advantage and the Power to Act
Embed sustainability at the core of your business operations	Use trusted actuals rather than averages and estimates	Drive meaningful change and build a future-proof system	Unlock new value, opportunities, and impact at scale

Artificial Intelligence Sustainability Industry Innovation

Sustainable Business Processes Use Cases

Common value dimensions

Value of Sustainable Business Processes	Impact	Value*
Regulatory Compliance & Sustainability Reporting *Record to Report*	➢ Efficient and aligned reporting of financial and ESG data ➢ Auditable, granular data enables higher transparency for new EU CSRD Directive, and beyond	➢ **1 ~ 8%** Reporting efficiencies ➢ **3 ~ 10 %** Sustainability risk reduction
Sustainable Procurement & Supply Chain / Manufacturing *Plan to Fulfill – Source to Pay – Acquire to Decommission*	➢ Granular, accurate, relevant sustainability data, *in the context of procurement role* ➢ Sustainable procurement drives increases in revenue and brand capital, *across all categories*	➢ **1 ~ 2%** Supplier risk management ➢ **1 ~ 3%** Customer loyalty
Sustainable Sales & Marketing *Lead to Cash*	➢ Granular and accurate Sustainability Data, *in the context of sales and marketing role* ➢ Sustainability Action enabled in Sales and Marketing processes	➢ **1 ~ 4%** Sales increase ➢ **2 ~ 6%** Reduction in Cost of Capital

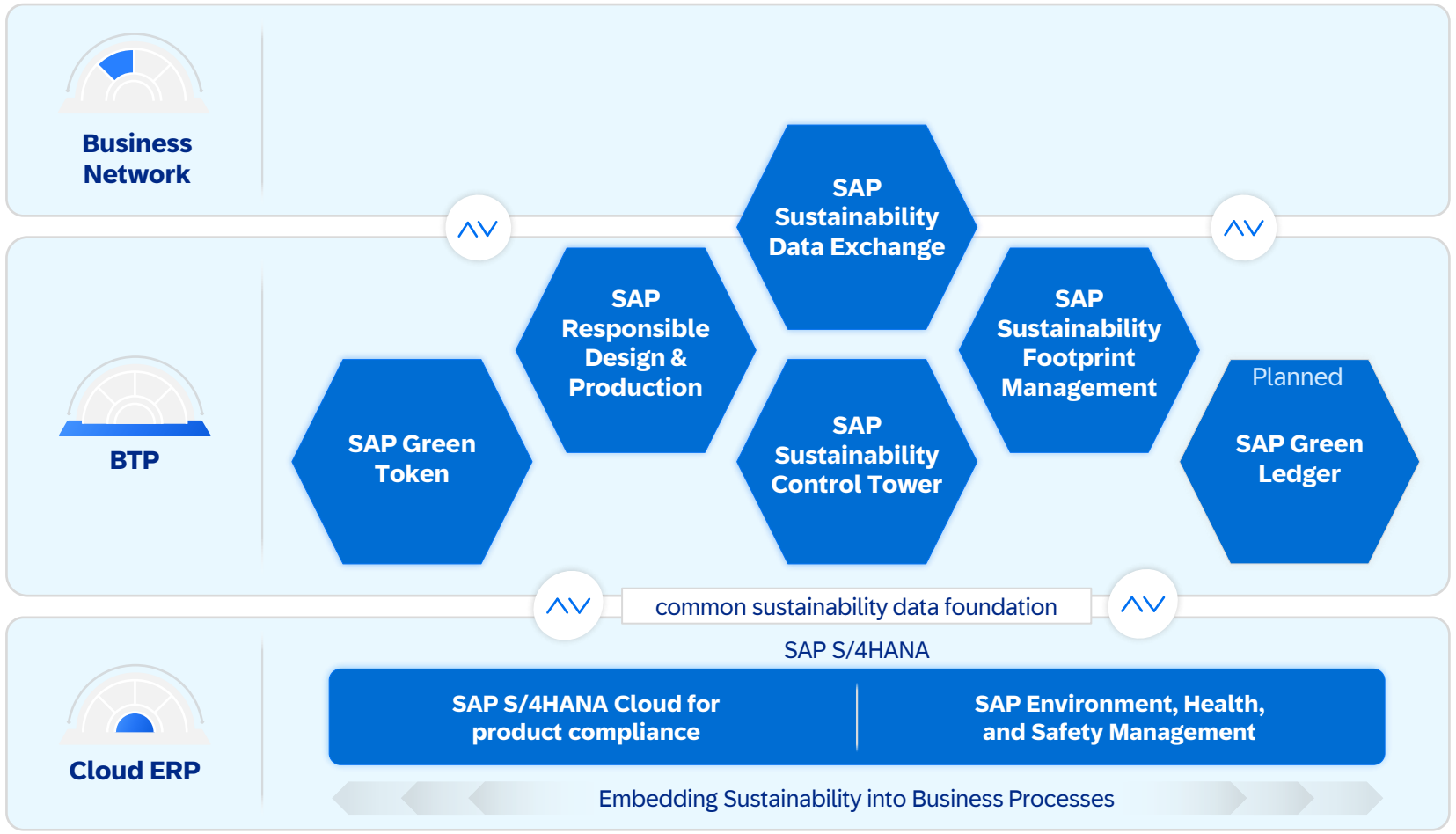
**Benefit Improvement when deployed across Enterprise. Source: NYU Stern Center for Sustainable Business, SAP Benchmarking Analysis, MSCI*

Expanding the Power of RISE + Sustainability Across Business Processes

	Initiatives Enabled by the Power of RISE + Sustainability
Sustainable Lead to Cash	• **Grow Revenue with more Sustainable Products and Services** • Increase Sustainable Brand Perception • Promote more Sustainable Consumption/ Circularity
Sustainable Source to Pay	• **Enable Procurement to buy Sustainable products** • Automate Sustainable Procurement Execution • Include ESG risks in Strategic Supplier Risk Management • Create a Safer workplace for External Workforce
Sustainable Idea to Market	• **Product Compliance with regulations** • Scope 3 Product Carbon Footprint PCF • Traceability & Transparency • More Sustainable Product Design
Sustainable Plan to Fulfill	• **Sustainable Supply Chain Planning** • Sustainable Manufacturing • Sustainable Transportation • Sustainable Warehousing
Sustainable Acquire to Decommission	• **Lower Scope 1,2 Emissions/Carbon Liability at the asset level** • Safely Maintain and Optimize Equipment • Extend asset life, optimize MRO, decommission safely • Plan and acquire more efficient assets
Sustainable Record to Report and FP&A	• **Comply with ESG Regulations** • Mitigate Sustainability Risks • Invest in More Sustainable Projects • Manage Carbon Exposure Liabilities

SAP Cloud for Sustainable Enterprises

Modular Suite of SaaS Solutions



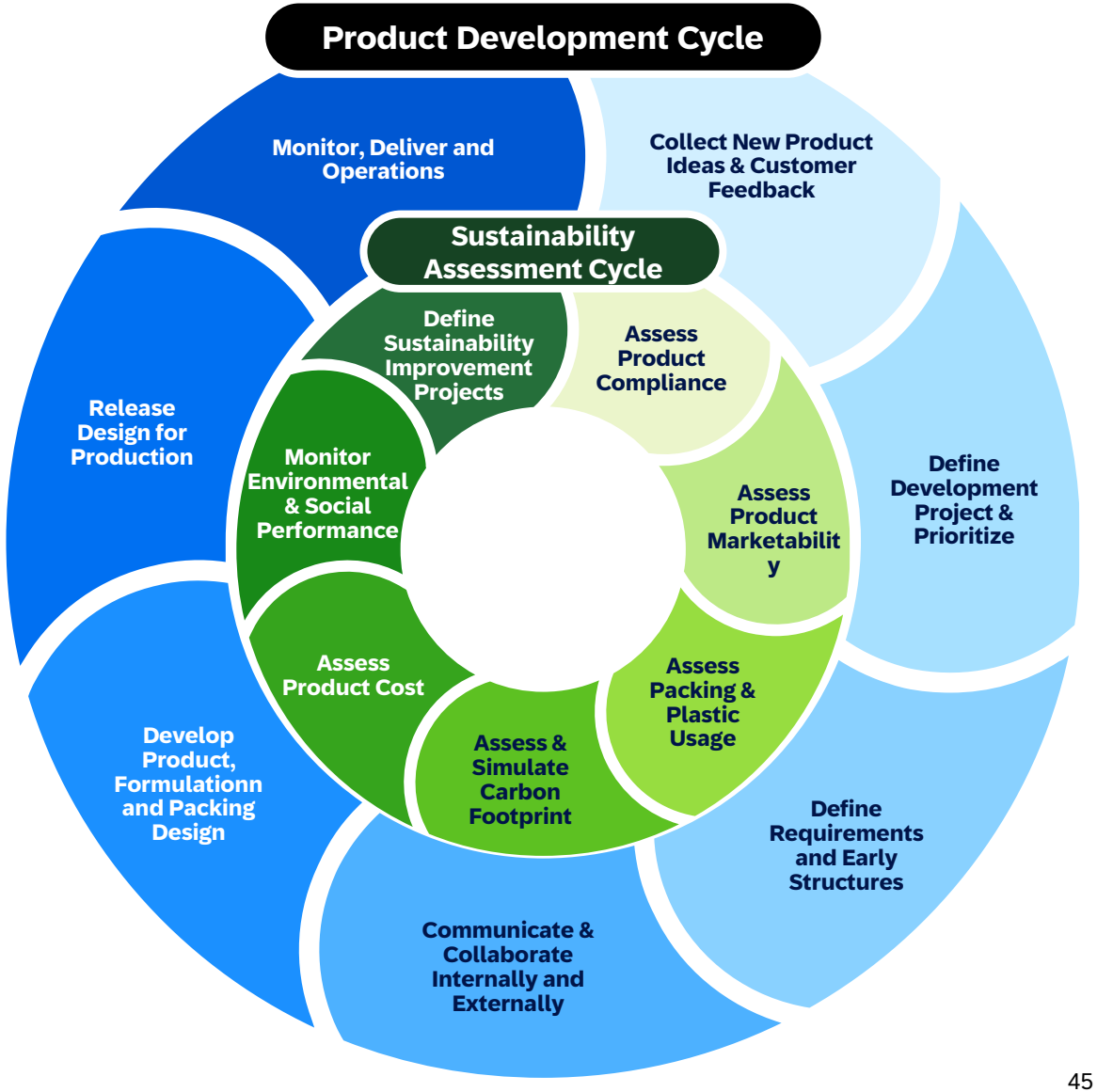
Strategic Imperatives

- Make informed decisions
- Shift to sustainable business models
- Gain a competitive advantage
- Manage risk proactively

ERP-centric, cloud-based, AI-enabled approach to sustainability management

Connect Your Product Development Cycle with a Sustainability Assessment Cycle

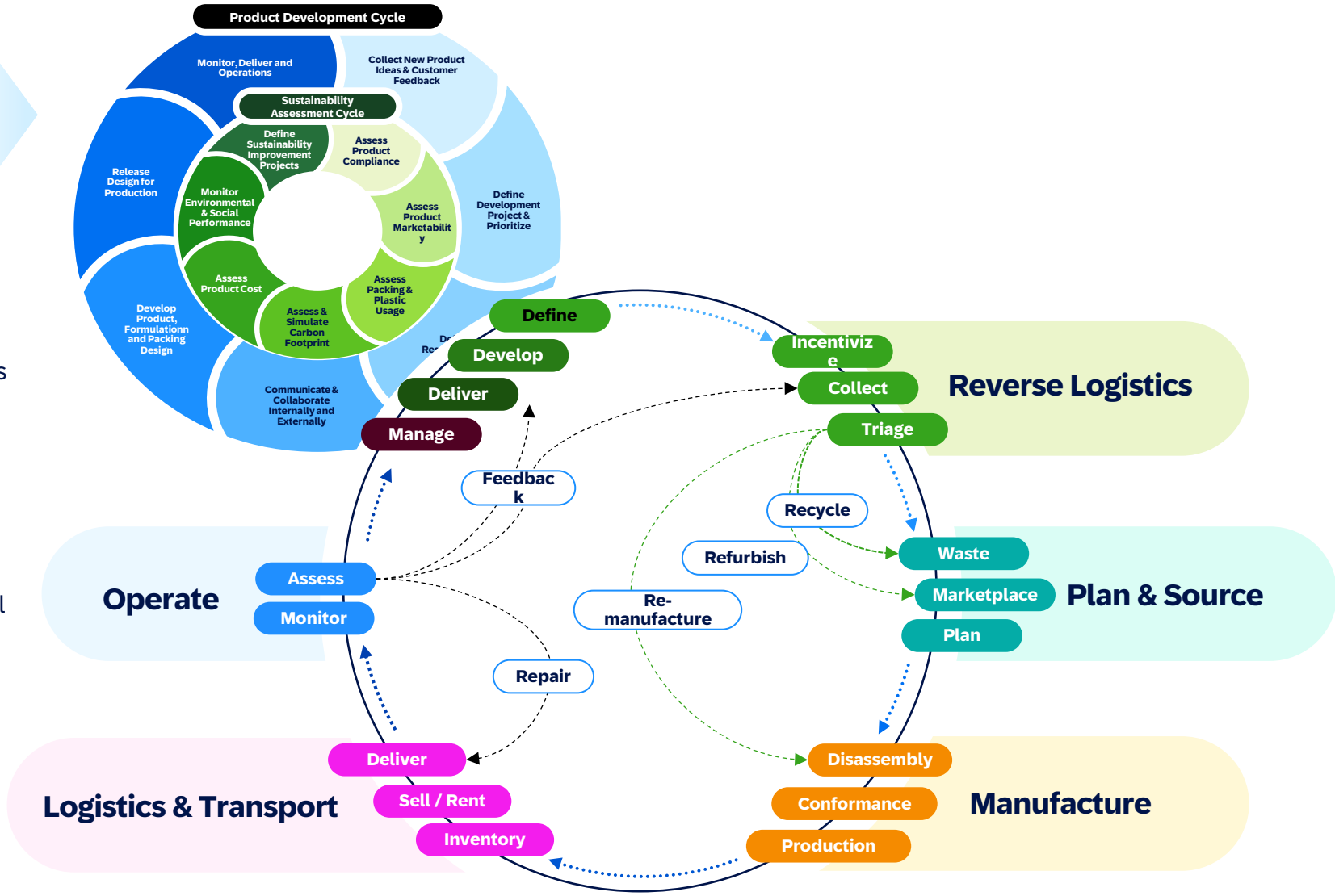
- Sustainable business processes include product definition for compliance
- At every step, Engineering and R&D takes critical decisions regarding material, design and technology that impact the entire product lifecycle
- Sustainable product innovation requires an integrated PLM platform



Embedding Circularity across Design to Operate

Sustainable product innovation aims to Define, Develop, Deliver & Manage for Circularity:

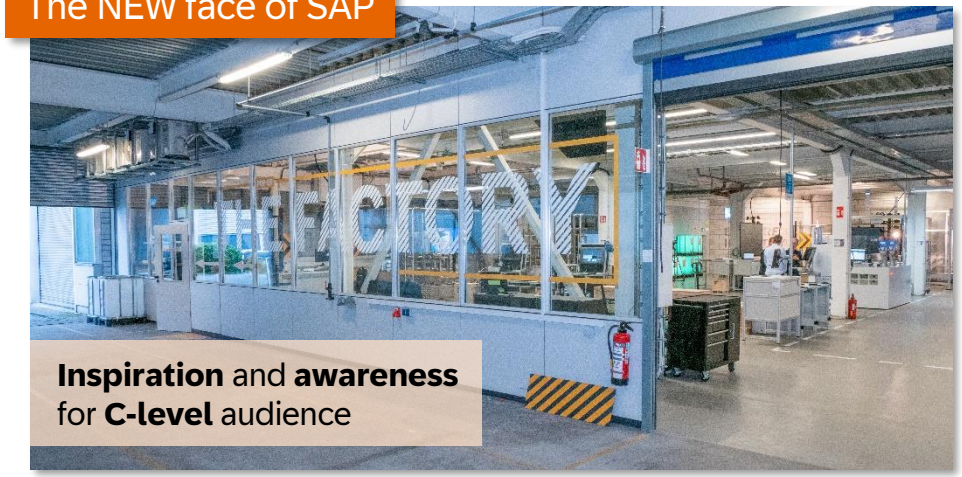
- Simplify the reuse, repair, remanufacture, refurbish, and recycling processes
- Promote the development and collaboration of new business models, such as product-as-a-service
- Incentivize companies to create products that are designed to last longer and be reused multiple times
- Keep materials in use for as long as possible, reducing the need for new raw materials and minimizing the environmental impact of products throughout their lifecycle
- Be sustainable and profitable, while minimizing the environmental impact of production and consumption
- Enable traceability to ensure that materials and products are being sourced, used, and returned responsibly



Experience Center (The Factory)

We Support Your Innovation Journeys and Help You Drive Adoption

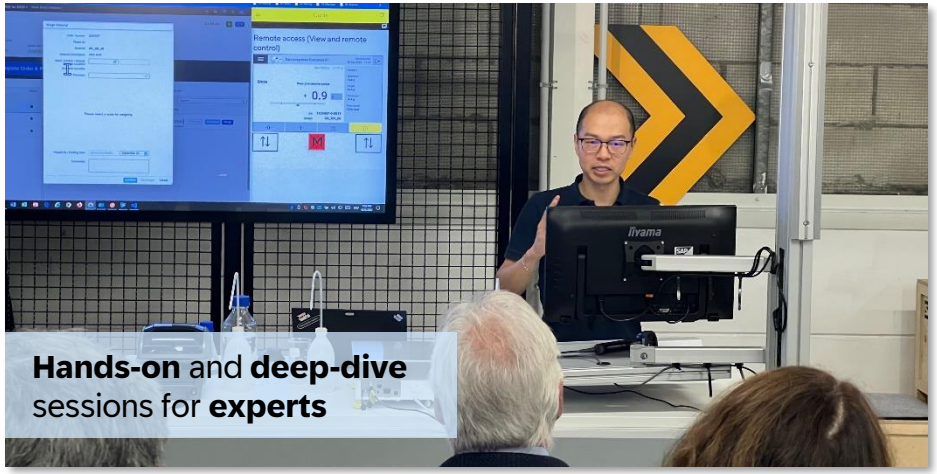
The NEW face of SAP



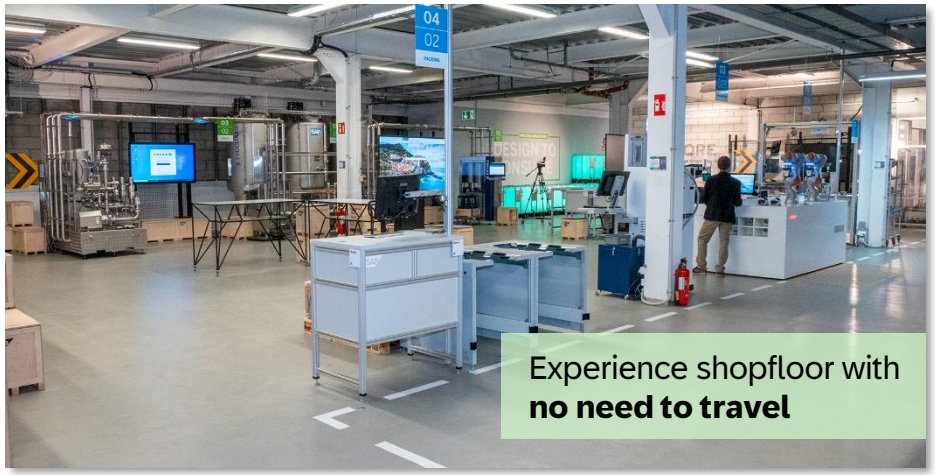
Inspiration and **awareness** for **C-level** audience

Business as unusual

Excellent show and tell delivered by dedicated and passionate **experts**



Hands-on and **deep-dive** sessions for **experts**



Experience shopfloor with **no need to travel**

End-to-End Process Scenarios from Discrete to Process Industries

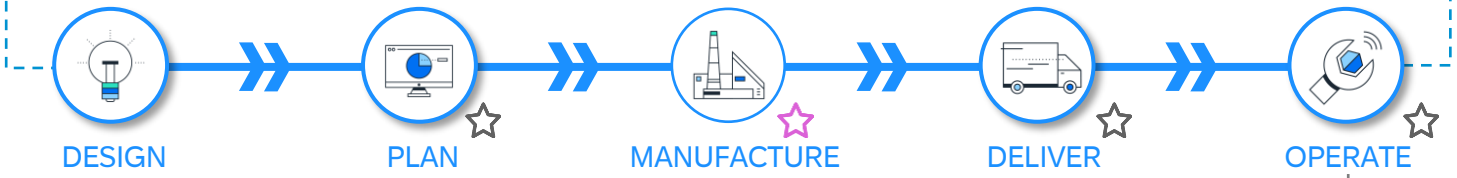
The life cycle of a valve for the liquid concentrate production

DISCRETE ASSEMBLY

Design, build and operate a discrete unit to produce and mix syrups

Double seated valve

Design and assemble product

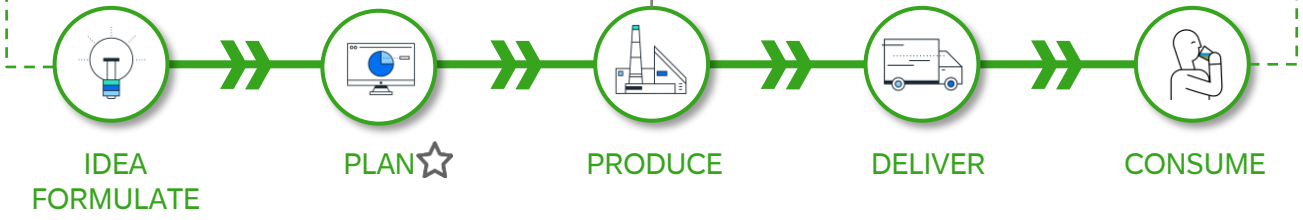


BATCH PRODUCTION

Develop a recipe for a concentrate. Produce, mix and pack the product.

Liquid concentrate

Develop recipe and produce batch

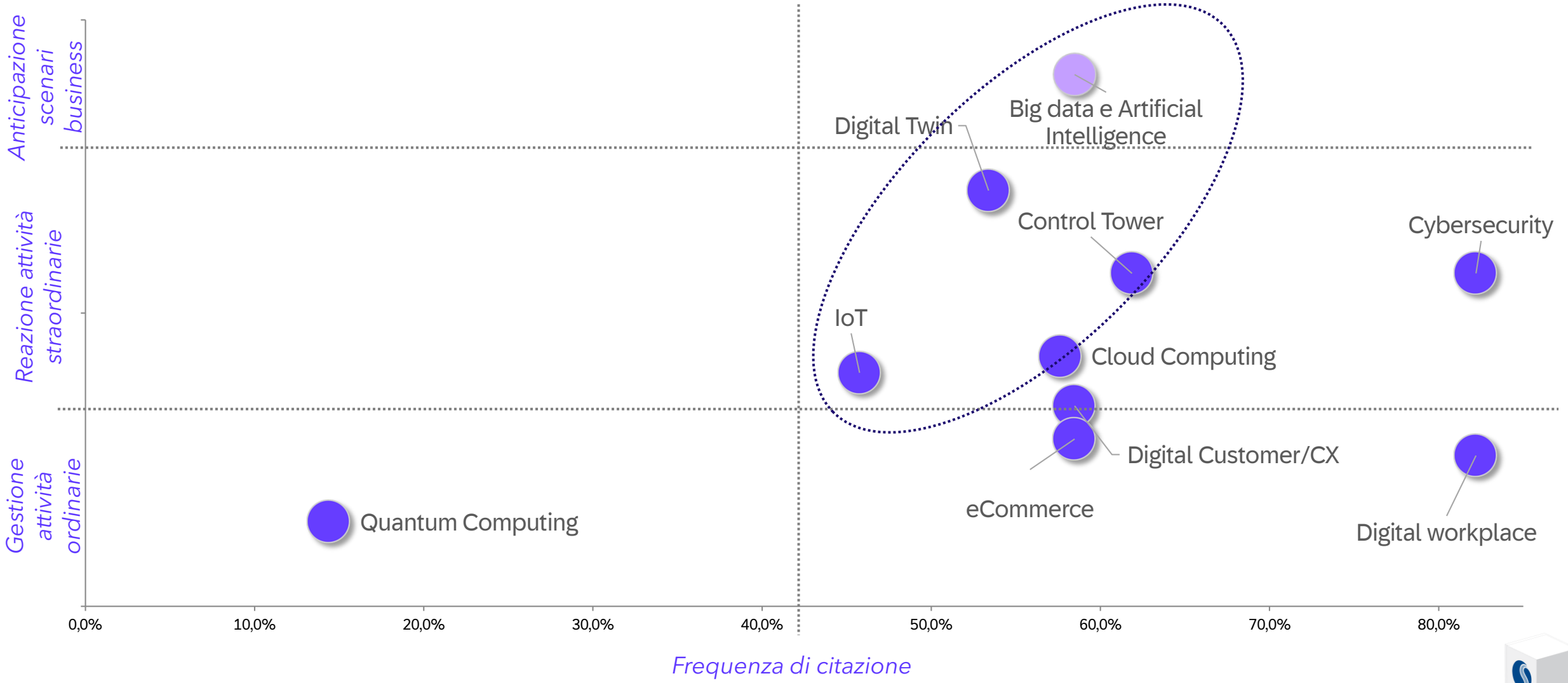


Business AI

- ☆ implemented
- ☆ currently investigating

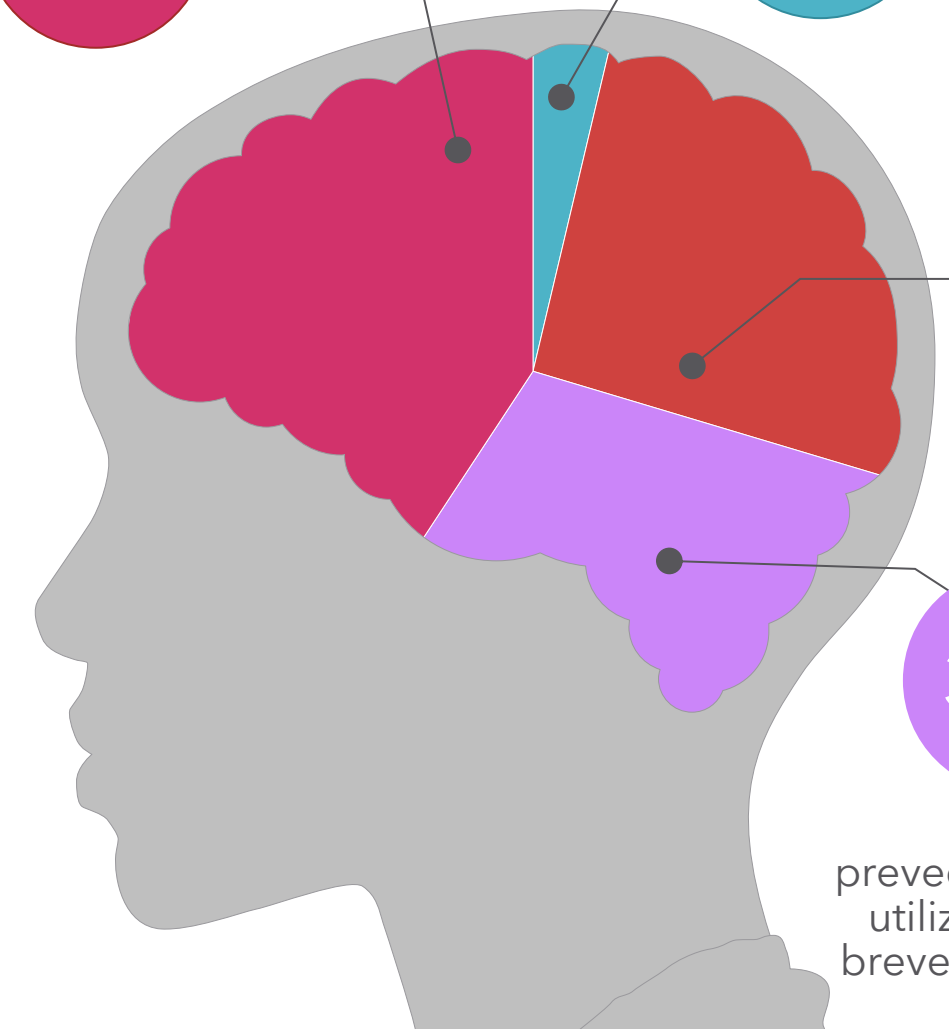
Principali **paradigmi tecnologici** e **ruolo** a supporto dell'**evoluzione** delle **Supply Chain**

Dati in %, Risposta multipla



Fonte: NetConsulting cube per SAP Innovation Day for Supply Chain, Marzo

Intelligenza artificiale a supporto dei processi di Supply Chain e **ambiti di utilizzo** - Industria



41% No, e non prevediamo di utilizzarla

2% Sì, in misura significativa ed estesa a tutti o quasi i processi

26% Sì, in misura ancora limitata

30% No, ma prevediamo di utilizzarla nel breve periodo

21% Previsioni della domanda

17% Previsioni sull'andamento dei costi e dei prezzi di materie prime/ prodotti

10% Coordinamento delle diverse fasi della Supply Chain

Ottimizzazione dell'evasione degli ordini

6% Automazione dei cicli operativi di magazzini

Imagine a supply chain that predicts customer demand, automates processes and synchronizes efforts across your ecosystem for the future

Digital supply chains today demand real-time, data-centric processes that drive revenue

Digital supply chains today means...

- Complex ecosystems and partnerships across the entire product lifecycle
- Aligning people, processes, and technology to drive revenue and shareholder value
- Inordinate amounts of data that require efficient methods to collect, analyze and draw valuable insights
- Optimizing processes for automated quality and optimized field tech support that are synchronized and efficient

SAP core principles for AI in digital supply chain

Relevant
AI and automation that improves the most critical supply chain processes

- Enhance the efficiency, agility, and effectiveness of supply chain operations
- Assess and mitigate risks to proactively manage and adapt across all supply chain functions

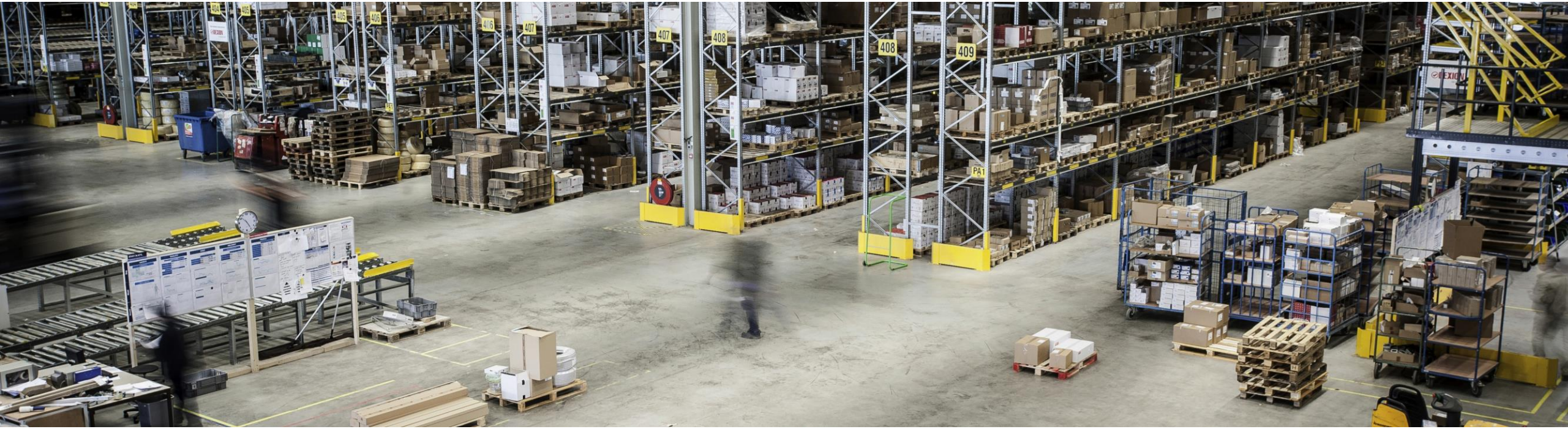
Reliable
AI systems that deliver consistent and accurate results

- Eliminate data silos and operate with accurate, real-time information for demand forecasting
- Elevate customer experiences by optimizing inventory levels and provide real-time visibility to ensure on-time deliveries

Responsible
AI system that is built on leading ethics and privacy standards

- Use AI to measure sustainability goals and product compliance practices across the supply chain ecosystem
- Ensure relevant privacy and security regulations are adhered to and data requests are anonymized and protected

SAP delivers the foundation for supply chain success



Manage end-to-end processes with minimal disruption

Improve visibility of supply and demand with AI-driven demand planning

Manage multi-modal production processes with intelligent automation

Better manage inventory and warehouse operations with sustainability practices

SAP Business AI — value across the digital supply chain

Design

Make better decisions faster with actionable information

- Connect 2D or 3D product models to associated business information in ERP and process-related data
- Predict costs and revenues in projects by using machine learning analysis of previous projects
- Enhance new ideas

Plan

Make informed, responsive, in-context planning decisions

- Adjust to demand and sales trend variability
- Reduce inventory carrying costs and avoid stockouts
- Detect master data anomalies and modify plans

Manufacture

Respond quickly to market changes

- Improve productivity with machine learning for visual inspections
- Facilitate continuous business improvement by accelerating root-cause analysis with advanced algorithms and machine learning.

Deliver

Deliver as promised, with risk-resilient and reliable logistics operations

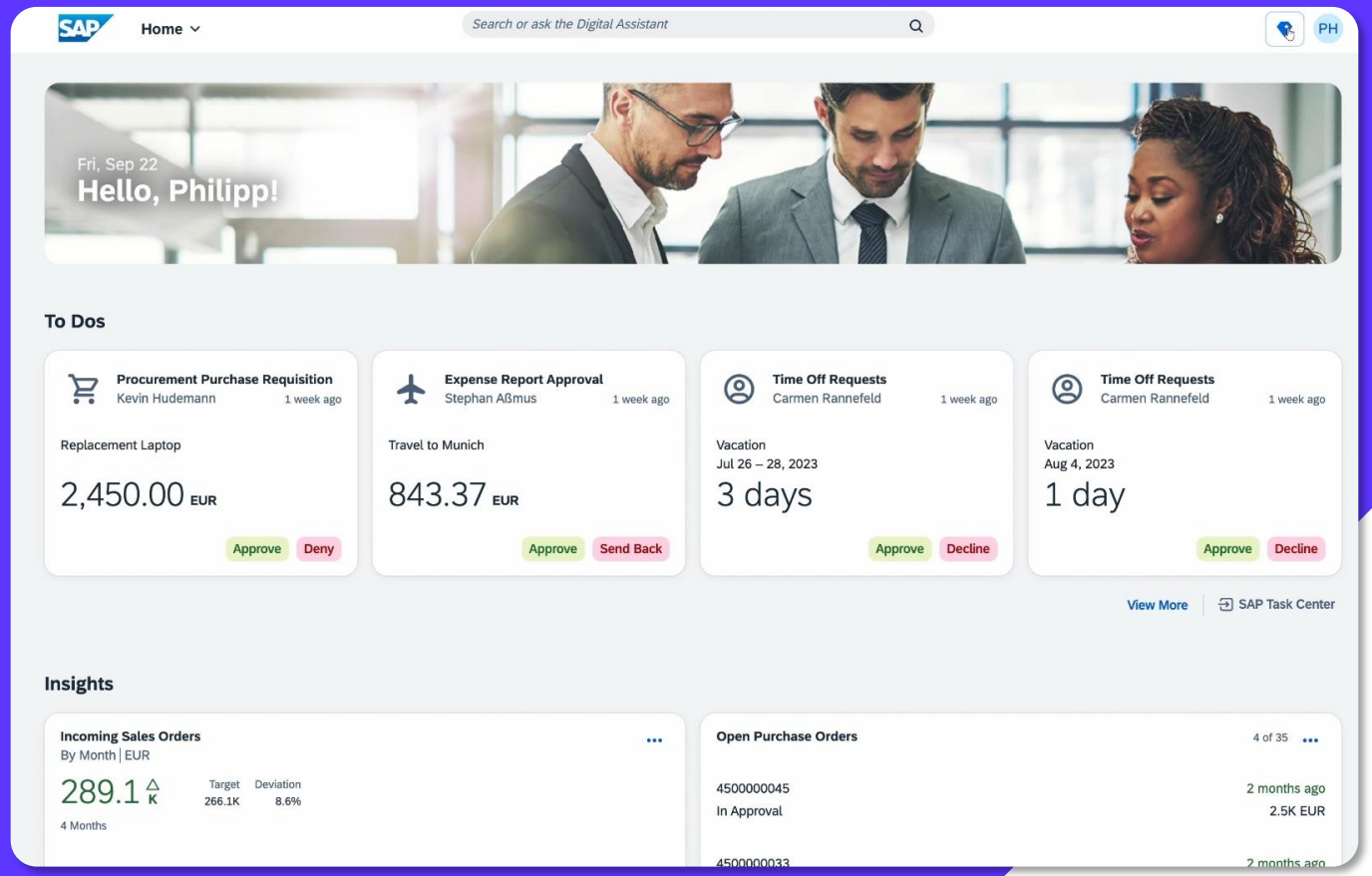
- Utilize AI to automatically determine slotting rules from historical data
- Generate statistic-based models from relevant system data with machine learning
- Minimize travel time for field technicians with predictive route planning

Operate

Track asset performance to predict maintenance and service requirements

- Predict equipment failure based on IoT data for advanced notice to service
- Generate prioritized maintenance plans to maximize uptime
- Gather insights into equipment failure conditions and causes
- Optimize service schedules using advanced rules to dispatch the right technicians

An intelligent, continuous AI driven digital process, without gaps between steps or teams



Joule

Reduce average search time across applications by up to 80% with an AI copilot that helps you work faster

Benefit from smarter insights and quick answers on demand

Achieve better outcomes when creating content, code, and more

Maintain full control over decision-making & your data privacy

SAP Business AI in action

Carlo Nigri

Presales Manager Digital Supply Chain, SAP Italia


What if GPT crafted the introduction for this presentation?

SAP is advancing The GenAI Capabilities through 3 initiatives

1

Joule Co-Pilot

Help users deliver works faster, with smarter insights and better outcomes

80% of the most-used tasks will be infused by Joule

Joule | Copilot

2

Business AI embedded

GenAI **infused** across SAP's Cloud portfolio. 50 GenAI Use Case available

100+ Generative AI scenarios for 2024

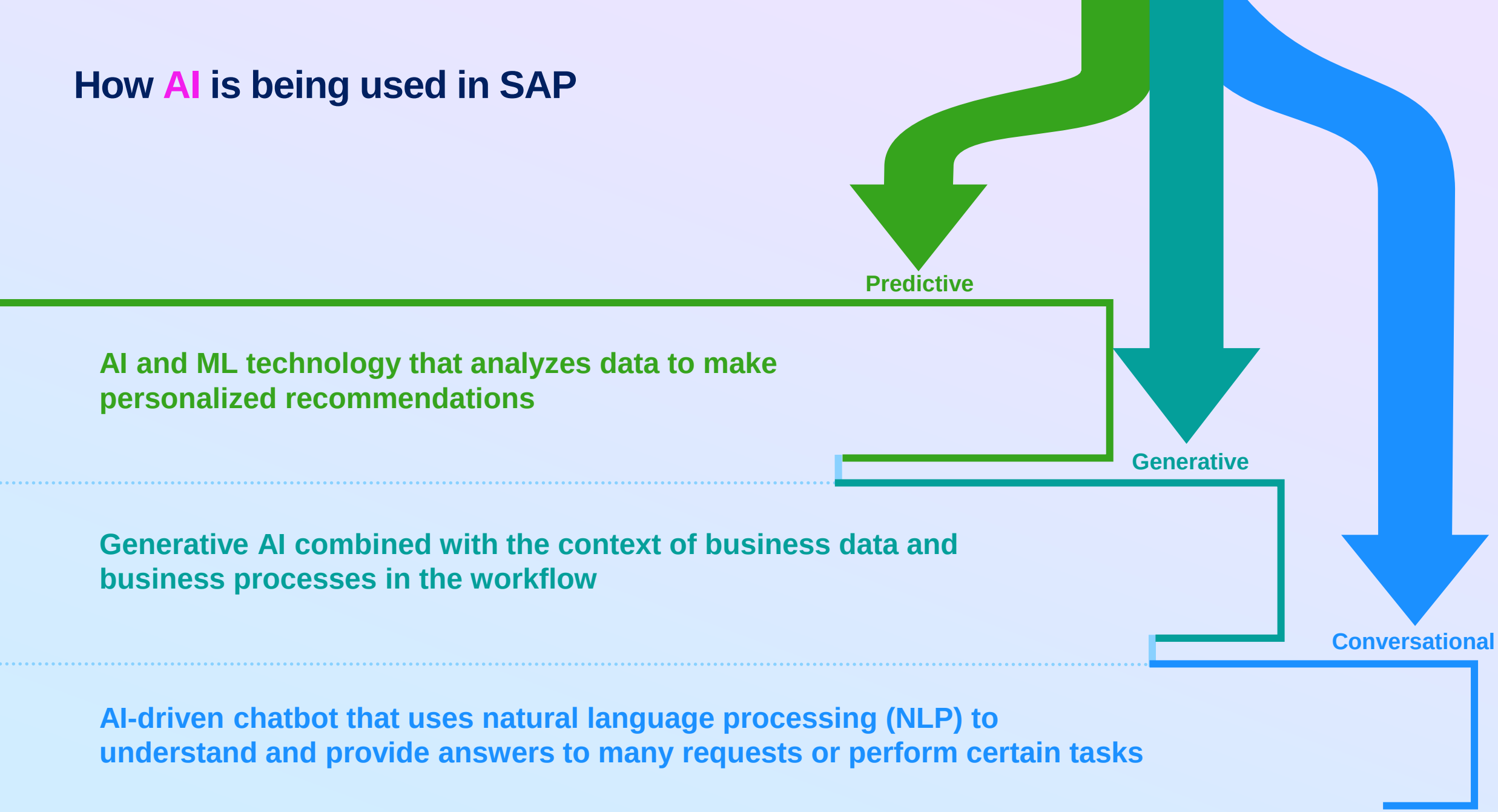
3

Enterprise Transformation

New **tools** and **capabilities** leveraging **GenAI** to deliver and use SAP in a faster and more consistent way

SAP | NVIDIA

How AI is being used in SAP

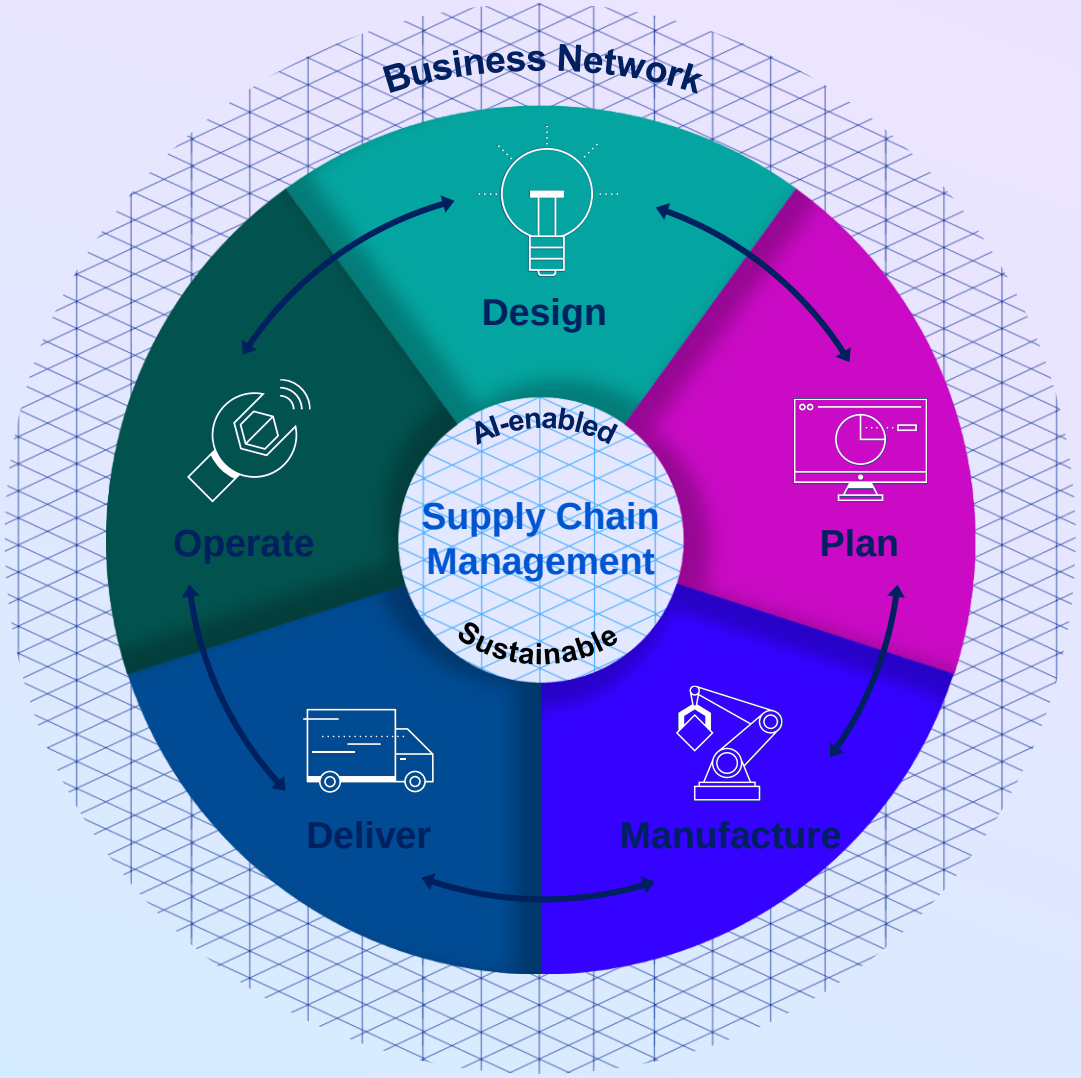


SAP Supply Chain Management strategy

Connect every process

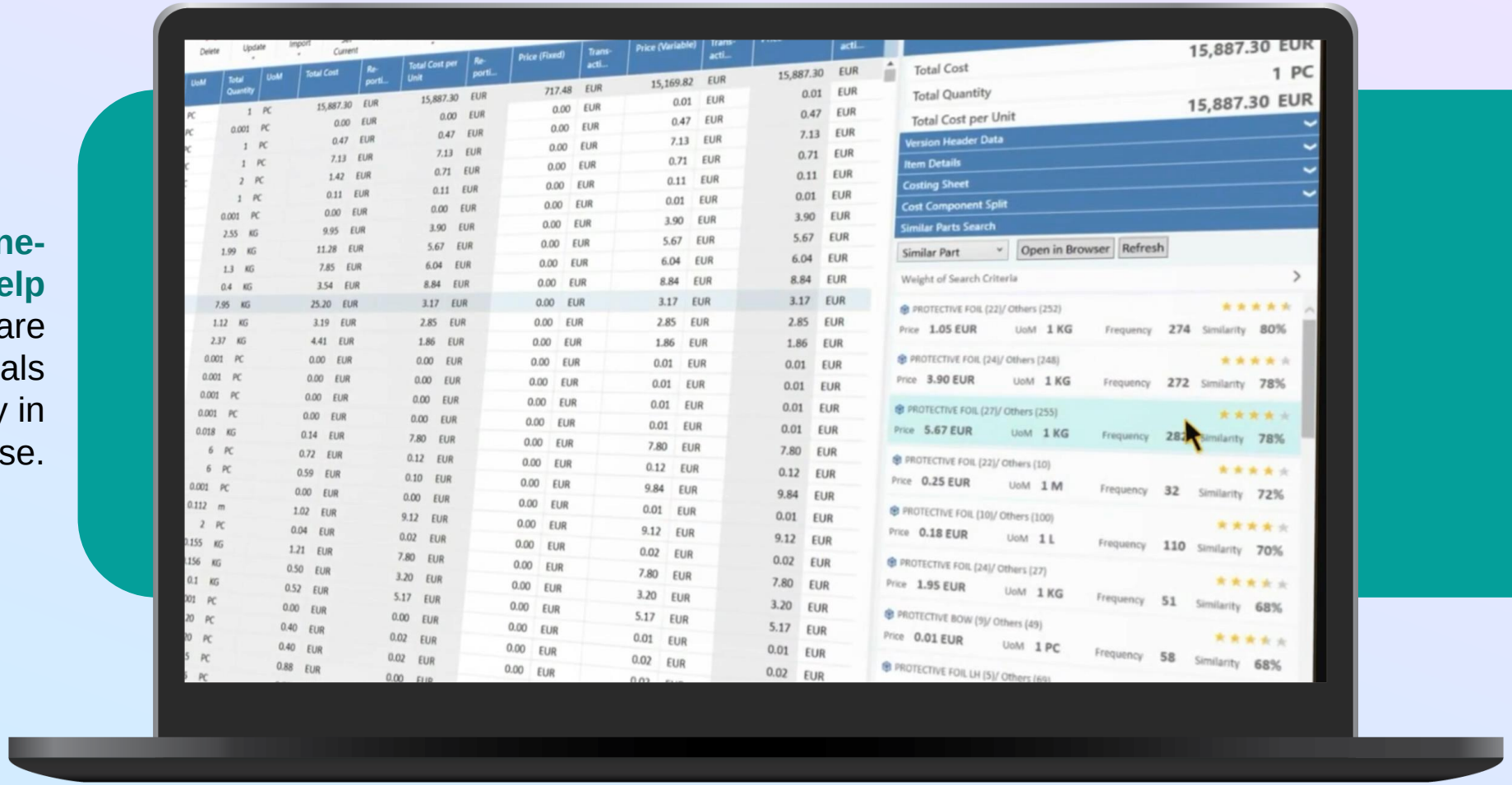
Contextualize every decision

Collaborate with your ecosystem

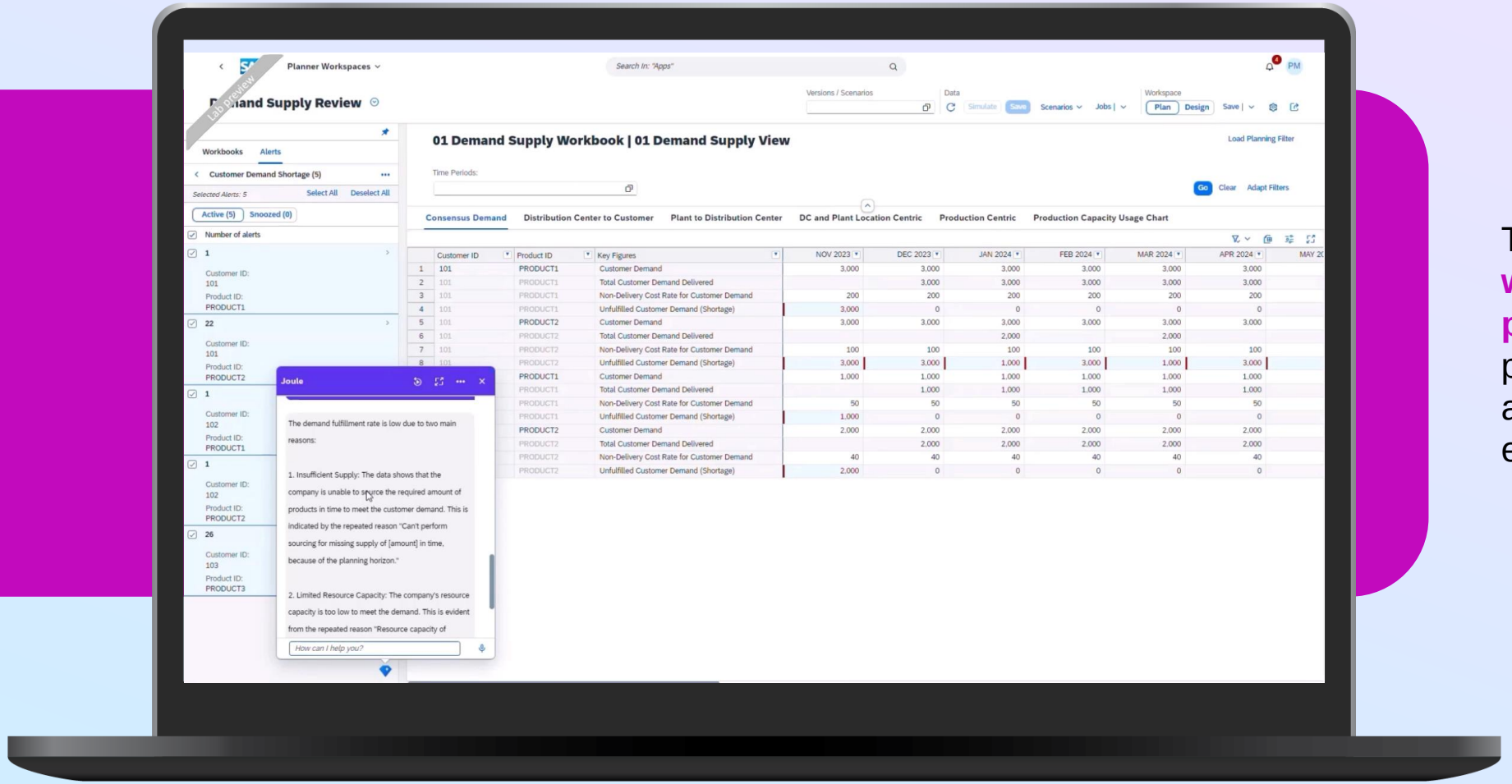


AI to help in preliminary product costing

Sophisticated machine-learning capabilities help costing engineers prepare intelligent bill of materials (BoM) for products early in the design phase.



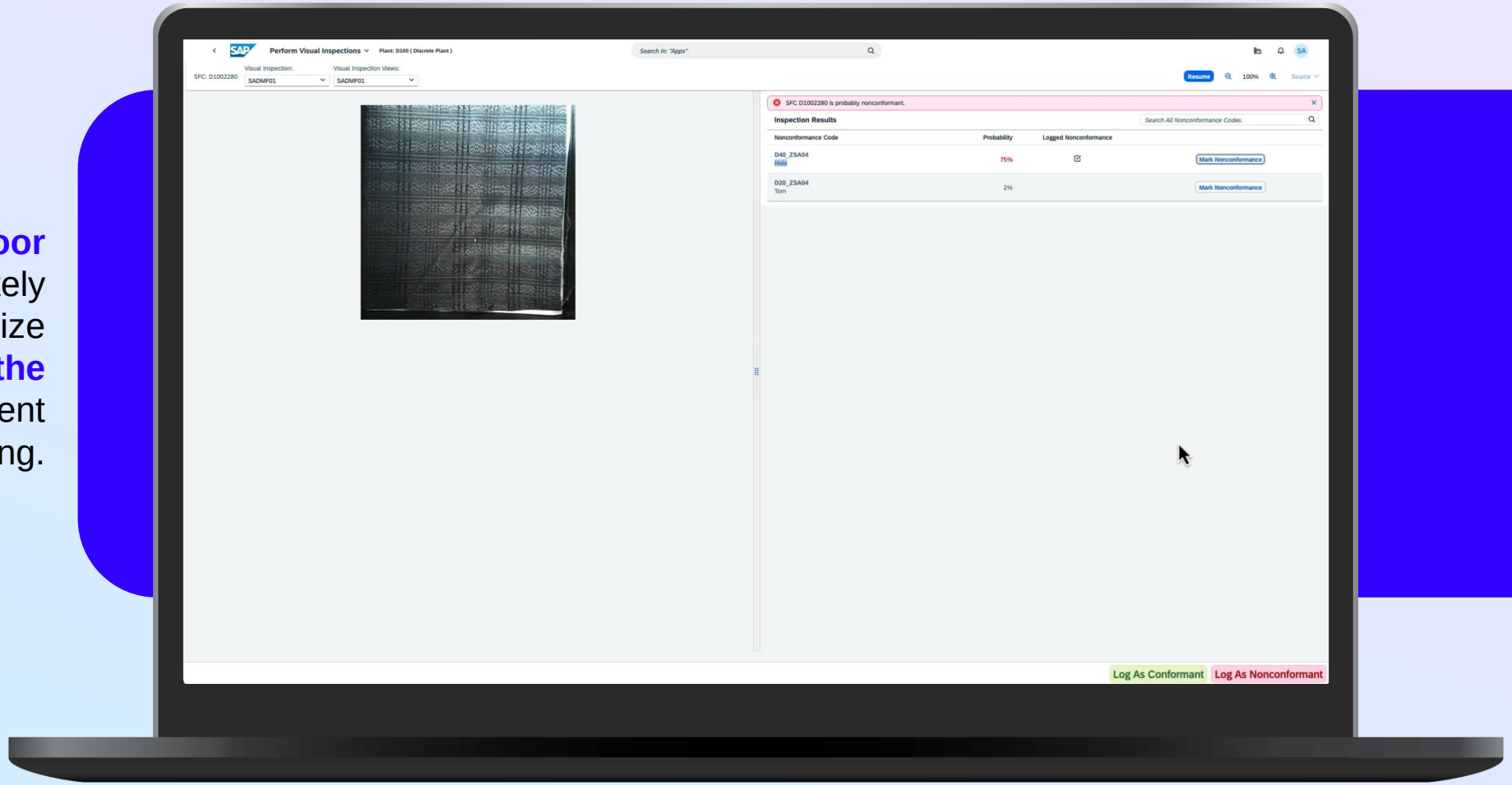
Joule the Digital Assistant in Supply Chain Planning



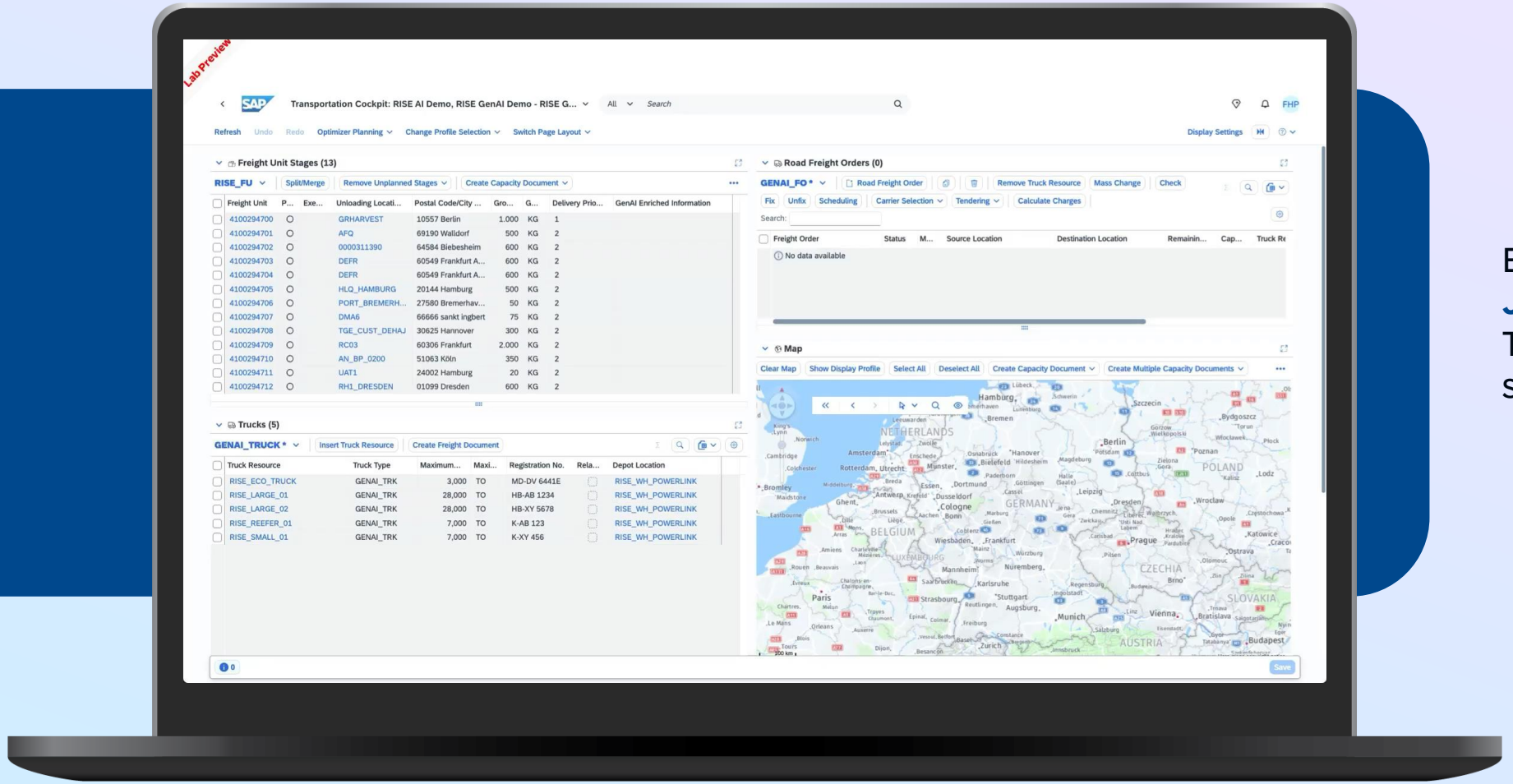
The digital assistant **Joule will empower demand planners** to enhance their planning processes and accelerate operational efficiency

Visual Inspection powered by SAP Business AI

AI empowered shop floor operators can accurately identify and categorize defects, **streamlining the quality process** for efficient reworking or scrapping.



SAP Joule-based transportation planning



Embed the **Digital Assistant Joule** in SAP S/4HANA Transportation Planning solution.

AI powered maintenance and service

The **AI-generated insights** during maintenance operations **provide unparalleled use cases** to accelerate business processes