



The Butterfly Effect in Business Transformation: Small Changes, Big Impacts

Paul Saunders, SAP

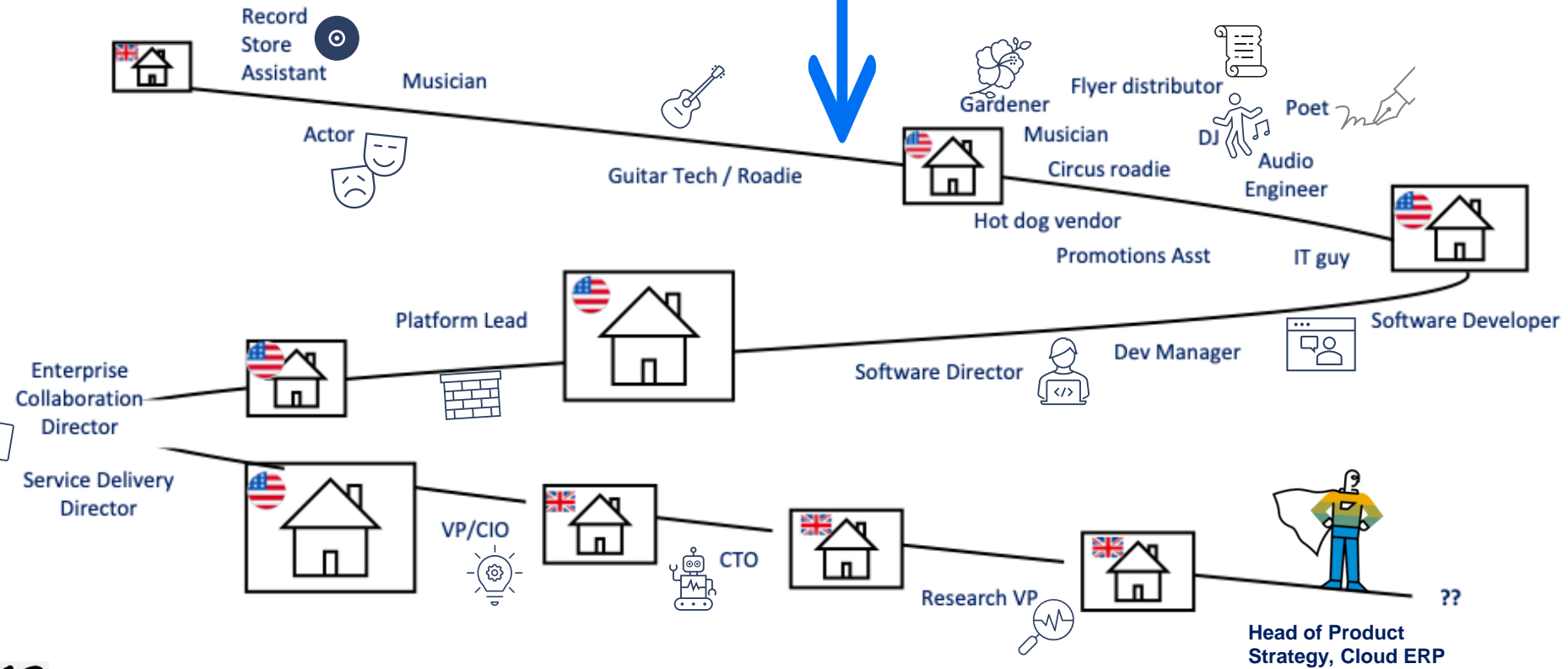
PUBLIC



The Butterfly Effect:

I'm here today because
I missed a bus





Paul Saunders
Head of Product Strategy and Chief Evangelist, Cloud ERP



4' 8½" - One Small Change Can Have a Lasting Effect



The best — maybe the only? —
real, direct measure of “innovation” is
change in human behaviour.

Stewart Butterfield, Slack



1986

1987

1989

1990

1991

1992

1993

Madonna releases
'Vogue'

Typing pools still exist

Email a rarity

Industry Demarcation

Enterprise boundaries

ERP term coined
by Gartner

First article in press stating
ERP "Old Fashioned"

SAP R3 Under
Development

Standardization

Variability Reduction



Rising IT Costs

Aging Population

Splinternet

Sustainability

Pandemic After-Effects

Innovation Ecosystems

Composable Business

2021

2022

2023

2024

2024

2025

202X

Hyper-Automation

**Fractional / Portfolio
Careers**

Quantum Computing

Artificial Intelligence

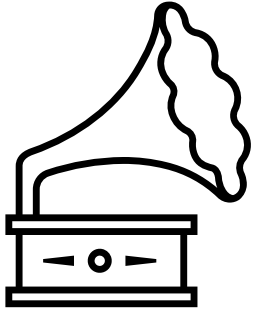
Talent Scarcity

Purpose Driven Consumers

US Presidential Election



The Evolution of Enterprise Applications



Monolithic

Everything in one place
Single platform
Unified system
Complex
The mythical 'single source of the truth'



Best-of-breed

Freedom to handpick
'best-in-class' software
Tailored to specific needs
Complex to manage
Very hard to change
Let down by poor governance



Post-modern

Cloud first
Improved usability
Flexible and agile to a point
Often just 'lift and shift'



AI First Suite First

AI Led
Suite
Sustainable
Cloud, Hybrid, Edge
Multi-experience
Modular
Flexible
Personalized
Collaborative
Ecosystem



AI-First, Suite-First

AI

Improving your customer and employee journey by adding efficiency in every step

Expanding to additional

Aligned, interconnected and integrated experience and outcomes

Suite

----- End-to-End Business Processes -----



“Why Suite First?”

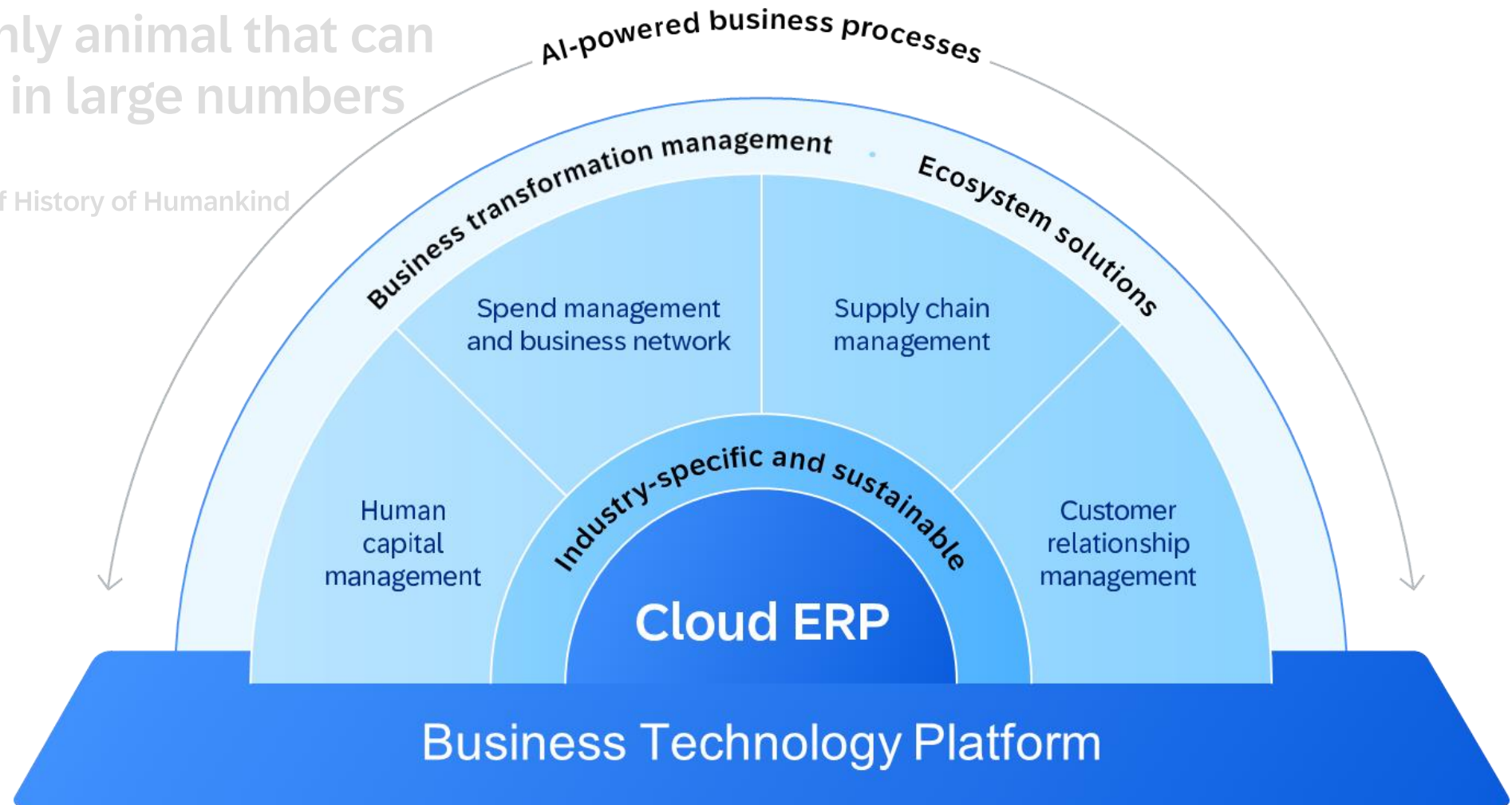
**Homo sapiens rules the world
because it is the only animal that
can cooperate flexibly in large
numbers**

Yuval Noah Harari, Sapiens: A Brief History of Humankind

Suite-first starts with a customer-first mindset

Homo sapiens rules the world because it is the only animal that can cooperate flexibly in large numbers

Yuval Noah Harari, Sapiens: A Brief History of Humankind



“Why AI First?”

It's a Simple Question of Mathematics

- **20**
 - **7**
 - **2.2**
 - **0.5-1.5**
- By the end of this year, 80% of the most frequently performed transactions across SAP business applications will be fully automated with Joule.



..... **it was classic AI** (classification, predictive, digital assistants, matching and recommendations, etc.), **which has been generally available and embedded within cloud ERP for several years, which helped to encourage new cloud ERP implementations and spend due to the communicable value attached.** For example, machine learning, receipt/invoice scanning and reconciliation, recommendations, digital assistants and predictive reporting are not new, **but they have rapidly improved technically in recent years due to advances in technology.**

Source: Gartner Market Share Analysis: ERP Software, Worldwide, 2023

21 June 2024- ID G00808467

What's already possible

Recent release highlights

ERP and finance

SAP S/4HANA Cloud Private Edition

- ✓ Joule: Availability (EAC)

SAP S/4HANA Cloud Public Edition

- ✓ Joule availability (EAC)
- ✓ Role-based transactional content: Shipping Specialist (beta)

SAP S/4HANA Cloud for Projects

- ✓ Intelligent Matching of Employees to Projects (Beta)

SAP Sustainability Footprint Management

- ✓ Intelligent emission factor mapping
- ✓ ESG Report Generation (beta)

SAP Enterprise Service Management

- ✓ Next Generation Shared Services Automation

Supply chain

SAP S/4HANA Cloud Private Edition

- ✓ Transportation Management – Intelligent Goods Receipt Analysis (Pilot)

SAP Digital Manufacturing

- ✓ Visual Inspection

SAP Product Lifecycle Management

- ✓ Joule for product innovation management

Human resources

SAP SuccessFactors

- ✓ Joule availability
- ✓ Assisted Q&A in Joule (HR Policy)
- ✓ Job Description Generation
- ✓ Assisted Interview Questions with MS Teams
- ✓ Learning in Viva with Co-Pilot
- ✓ AI person insights for compensation discussions
- ✓ Generative AI for performance goals
- ✓ Generative AI for development goals
- ✓ Assisted Writing

Procurement

SAP Ariba

- ✓ Category Management market segmentation
- ✓ Category Management cost structure
- ✓ Category Management market dynamics

SAP Business Network

- ✓ Enhanced Responses to Discovery Postings
- ✓ Enhance Product Information on the Network Catalog

SAP Concur

- ✓ Faster Itemization of Hotel Receipts
- ✓ Request Assistant: Cost estimates

SAP Fieldglass

- ✓ AI-enhanced SOW description generation
- ✓ AI-enhanced job description generation
- ✓ AI-enhanced translation of job Description

Sales and marketing

SAP CX AI Toolkit

- ✓ Intelligent Customer Profile
- ✓ Intelligent Q&A
- ✓ Smart Scheduling
- ✓ Record Summarization
- ✓ AI Product Tagging
- ✓ AI Product Descriptions
- ✓ Visual Search
- ✓ AI Tools

SAP Service Cloud, Version 2

- ✓ Email Draft Recommender
- ✓ Account Synopsis for Sales
- ✓ Case Summary

SAP Sales Cloud, Version 2

- ✓ Email Draft Recommender
- ✓ Account Synopsis for Sales
- ✓ Lead Booster
- ✓ Survey Trend Summary

SAP Emarsys

- ✓ AI Subject Line Generator

SAP Field Service Management

- ✓ Intelligent Filtering
- ✓ Equipment Insights

Industries

Discrete Industries:

- ✓ SAP Intelligent Product Recommendation for configurable products

IT and platform

SAP Analytics Cloud

- ✓ Just Ask Search

SAP AI Core & Launchpad

- ✓ Generative AI Hub

Document Information Extraction

- ✓ Premium Edition

SAP BTP Cockpit

- ✓ Joule availability (Beta)

SAP HANA Cloud

- ✓ Vector Engine

SAP Build Code

- ✓ Code Generation (Joule)

SAP Automation Pilot

- ✓ Content Generation Assistant (Beta)

SAP LeanIX

- ✓ Inventory AI prompt
- ✓ AI-assisted text
- ✓ AI-generated context
- ✓ AI-supported translations

SAP Enable Now

- ✓ Cross/Training and Adoption - LLM Authoring Support for SAP Enable Now

SAP Globalization

- ✓ Regulatory Change Manager

Selected highlights

** releases are not necessarily GA. SAP reserves the right to release for testing in environments like EAC, beta, RTC, POC etc.



100+ SAP Business AI scenarios* to be available by end of 2024

Q3 2024

ERP and finance

SAP S/4HANA Cloud Public Edition

- Communication Intelligence

SAP Signavio

- Performance Indicator Recommender
- Process Recommender

Supply chain

SAP Asset Performance Management

- Visual Inspection

SAP Integrated Business Planning

- Joule: Availability

Procurement

SAP Ariba

- Ariba – Scope 3 Emissions data capture

SAP Concur

- Travel & Expense Policy Search from Request Assistant

SAP Business Network

- Invoice error summarization

Sales and marketing

SAP CX AI Toolkit (GA)

- Additional Language Support for AI Outputs
- Custom Data Source for Intelligent Q&A
- Case records as data source in Intelligent Q&A
- AI Tools Builder Support Nested Level Relationships for V2 and C4C
- Image Generation for Commerce Cloud
- Embedded Sales/Service V2

SAP Sales Cloud, Version 2

- Post Visit Brief

SAP Service Cloud, Version 2

- Case Entity Extraction
- Email Summary
- Next Best Actions-Suggest Collaborators

SAP Enterprise Service Management

- Entity Extraction – Invoice, Payment Advice, Case, Dispute Management Scenario
- Email summary

Industries

Discrete Industries:

- SAP Returnable Packaging Management: Generative AI-powered Receipt of Account Statements in PDF Format

Consumer Products:

- Revenue Growth Planning - Copy Promotion

Utilities:

- Explanation of EDIFACT-coded error message in MaCo

Life Sciences:

- AI-enabled Configuration Wizard for SAP Cell and Gene Therapy Orchestration

Public Sector:

- Navigational Assistance to Public Sector Management Applications through the Joule Co-Pilot

Sports & Entertainment:

- AI Scout in Sports One

IT and platform

SAP Build Code

- Release Joule in VSCode marketplace
- Joule for HANA applications
- Joule for Mobile applications
- Introducing an AI-powered search to guide users through development tasks

Document Information Extraction

- Expedite the Processing Time for Time-Critical Documents

SAP Integration Suite

- Content recommendation in Business Accelerator Hub
- Generation of Integrations

SAP Build Process Automation

- Generative AI for Process Automations
- Document Information Extraction (DOX) Premium Adoption

SAP Automation Pilot

- Content Generation Assistant

SAP Analytics Cloud

- Just Ask Search - Full SAP Datasphere support

SAP HANA Cloud

- Support for vector indexing
- New vector clustering and segmented automated machine learning modeling

SAP ABAP

- ABAP BO Generator

Q4 2024

ERP and finance

SAP S/4HANA Joule Public Cloud

- Automated BOP Setup

SAP S/4HANA Cloud Private Edition

- Next Generation Shared Services Automation with GenAI (Pending EAC from Public Cloud) (Cross-port)

Supply chain

SAP S/4HANA Cloud Private Edition

- Transportation Management – Intelligent Goods Receipt Analysis

SAP Integrated Business Planning:

- Explanation of planning results

Procurement

SAP Ariba

- Supplier ESG Scorecard Creation
- Catalog bundle recommendations
- Invoice capture with DOX Premium

SAP Concur

- Travel Personalization

SAP Fieldglass

- SOW Capture with DOX Premium

Human resources

SAP SuccessFactors

- Assisted Opportunity Marketplace Assignment Generation (User driven)
- Assisted 360 Reviews & Insights
- Assisted Writing with Recognition Messages, for People Profile, Onboarding, Dynamic Teams, Objectives, Key Results, and Talent Intelligence Hub and with Content Translation
- AI-assisted Person Insights – Compensation Discussion in new People Profile

Industries

Discrete Industries:

- Intelligent Inbound Cargo Registration

Commodity Management:

- Generative AI Enabled Deal Capture

Life Sciences:

- Generative AI Assisted Batch Release
- ICSM Digital Study Assistance

Public Sector:

- Intelligent Error Handling in Position Budget and Control

Sales and marketing

CX AI Toolkit

- Shopping Assistant: Ask the Product, Semantic Search and Intent based Search for consumers in Commerce Cloud
- Custom AI Tools for lists of records
- Role Specific insights
- Automated Agents and record updates in Sales/Service Cloud

SAP Sales Cloud, Version 2

- Joule Integration
- Sales Quote Generation from a Request Email
- Automatic suggestion of Questions in Surveys
- Contact Summary
- Order Insights

SAP Service Cloud, Version 2

- Customer Hub Summary
- Joule Integration
- Sentiment Trend Analysis
- Next Best Actions – Propose Next Interaction

SAP Emarsys

- AI Product Finder
- GenAI Report Generator
- GenAI Segments

SAP Field Service Management

- GenAI for the Admin Role
- GenAI for the Technician Role
- Joule Integration

SAP Enterprise Service Management

- Joule Integration

IT and platform

SAP Analytics Cloud

- Just Ask Search – Leverage SAP HANA cloud vector engine to enhance processing time

SAP BTP Cockpit

- Joule availability

SAP ABAP

- ABAP AI SDK

SAP LeanIX

- Inventory Builder



*Selected highlights

All releases are not necessarily GA. SAP reserves the right to release for testing in environments like EAC, beta, RTC, POC etc. All roadmap items are subject to change.

INTERNAL – SAP and Customers Only

| SAP AND CUSTOMER USE ONLY

More details: <https://roadmaps.sap.com>

SAP Foundation Model for Structured Data

North Star Vision

“Will the items of my latest purchase order to Reliable Inc. be delivered to our Seattle manufacturing plant on time?”

“No, one of the items will likely be delayed by 72 hours. Be aware that it is a critical component of product AI43 due to be shipped to Impatient Ltd. in 48 hours – we advise you to adjust your plans accordingly.”



Joule

Copilot that truly understands your business

Knowledge Graphs

Human/Machine accessible representation of SAP data model

SAP Foundation Model

SAP specific development with an inherent understanding of business processes and SAP data

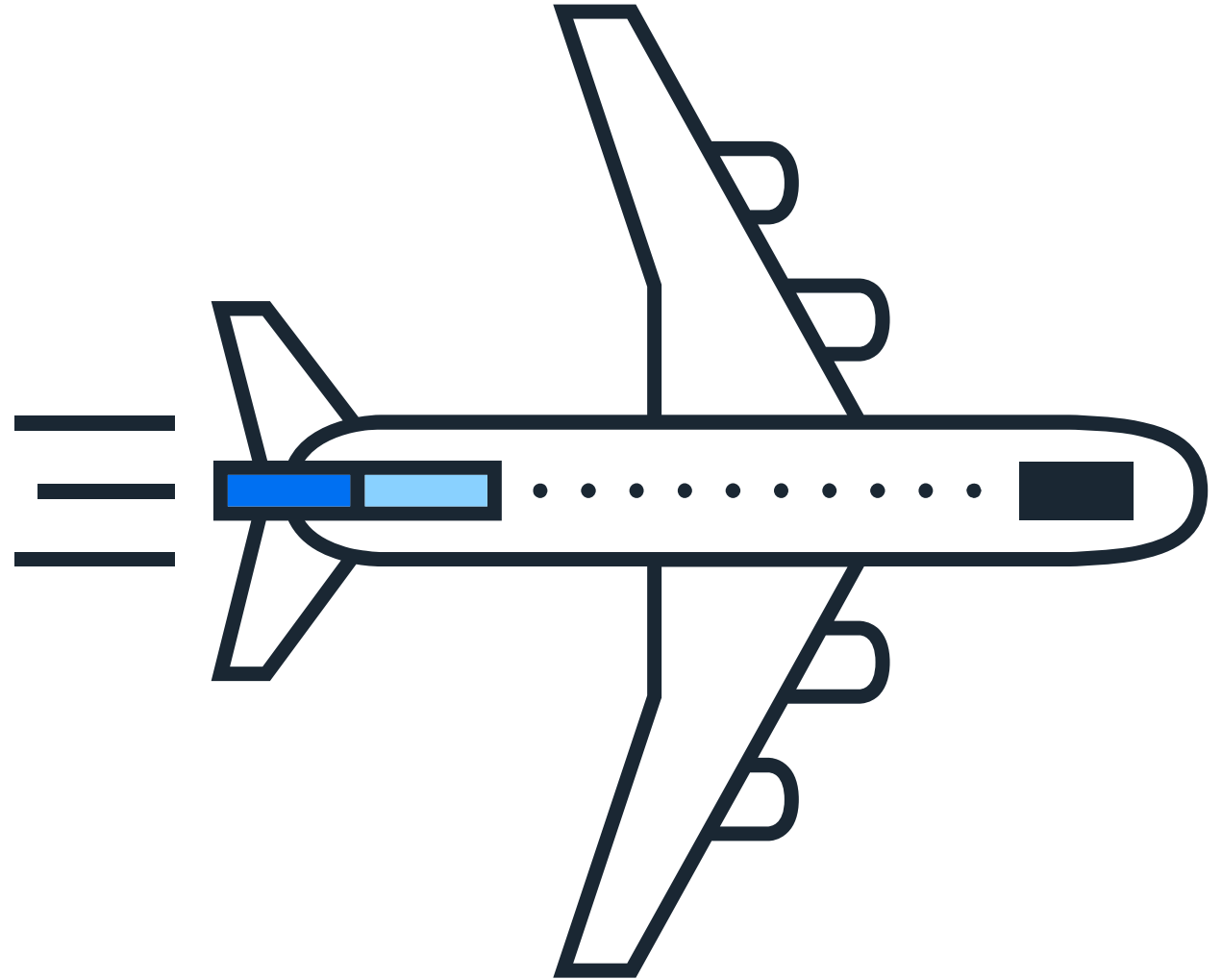
Customer data

Entail crucial information for an accurate forecast



**“What truly
differentiates
your business?”**

Let's take an example.

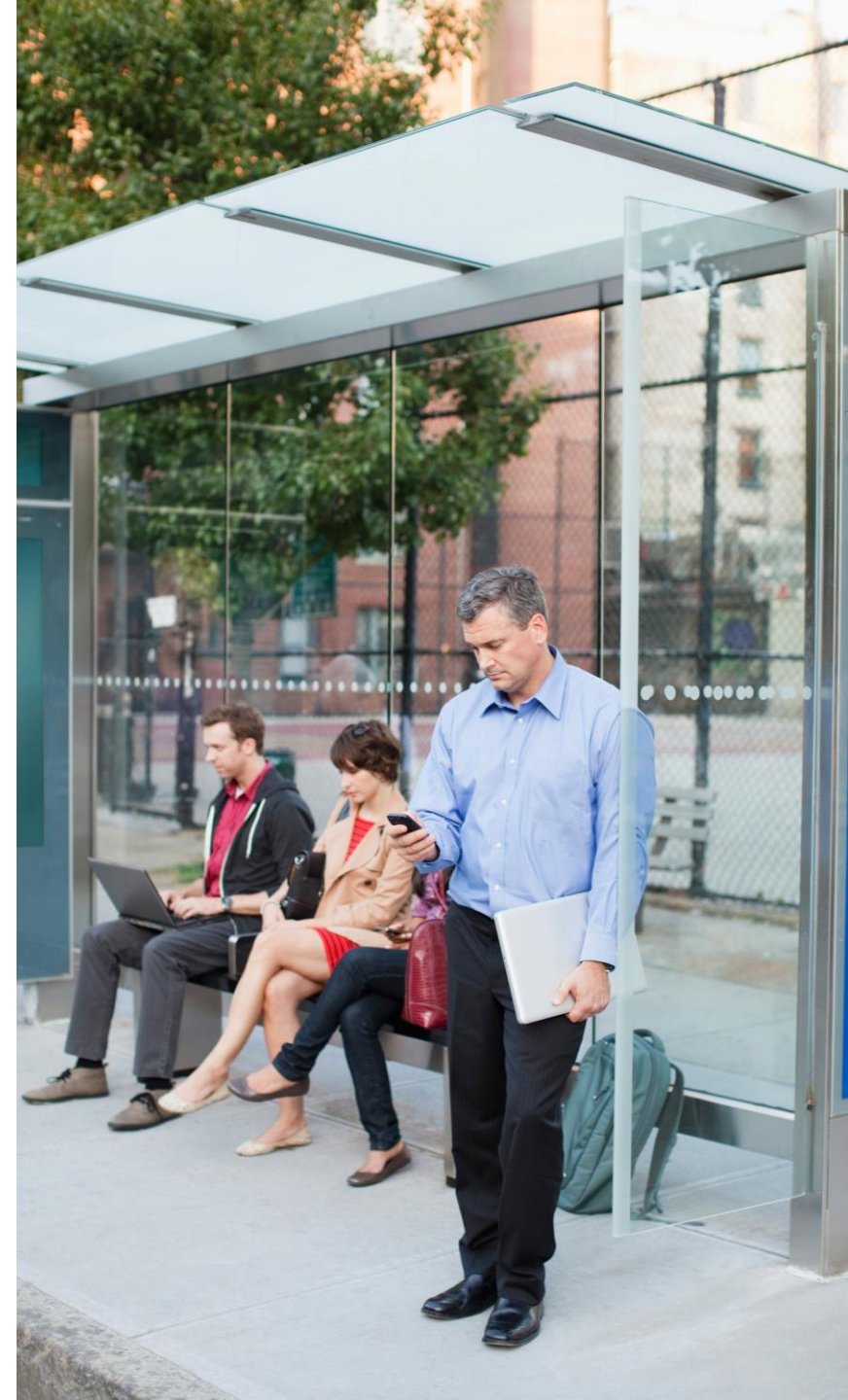


A solid foundation underpins differentiation and innovation

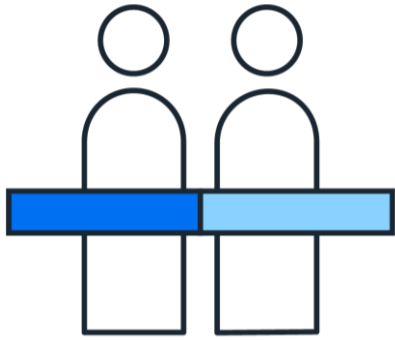
	Focus	Characteristics	Lifecycle	
<p>Systems of innovation</p> <p>Applications built to support new, innovative business activities</p>	Experimental; new Idea; breakthrough innovation	Loosely governed; high change pace; high risk	Few months to low number of years	1%
<p>Systems of differentiation</p> <p>Applications that support processes unique to the organization or its industry</p>	Business differentiation; customer engagement; critical	Well-governed; moderate change pace; lower risk	Several years	9%
<p>Systems of record</p> <p>Applications that provide the core administration and transaction engines</p>	Mission-critical business engine	Tightly governed; low change pace, low risk	Decades	90%



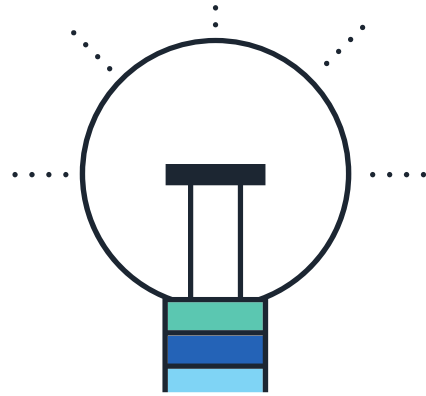
“I could fly to the bus stop”



One Flap of a Butterfly's Wings.....



What does a day in the life of my customer, partner, supplier, employee look like 5 years from now?



What do we need to do to realise this?



Are we ready?



Are we flying to the bus stop?

Thank you.



Paul Saunders
Head of Product Strategy, Cloud ERP
paul.saunders@sap.com

