

# Getting Started on Your Digital Transformational Journey

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**PUBLIC** 



## Agenda

Affordable – Feasible – Viable

Your Business Transformation Toolkit

#### Several digital technologies reaching maturity

# Affordable Feasible Viable

#### Affordable, feasible, viable



**Innovation** 

20%-50%

reduction in time to market

10%—20% increased revenue from

new products

20%-30% reduction in R&D cost



Products and services

3%-20%

increase in revenue from omnichannel

10%—20% reduction in quality cost

85% increase in forecasting accuracy



Assets and resources

10%-40%

reduction in maintenance cost

30%—50% reduction of total machine downtime

20%-50% reduction in inventory carrying cost



**People** 

25%-50%

improvement in shared services productivity

45%—55% productivity improvement for technical professions

#### All industries are touched by the digital hurricane

Higher education
Mill products and mining
Oil and gas
Chemicals

High winds

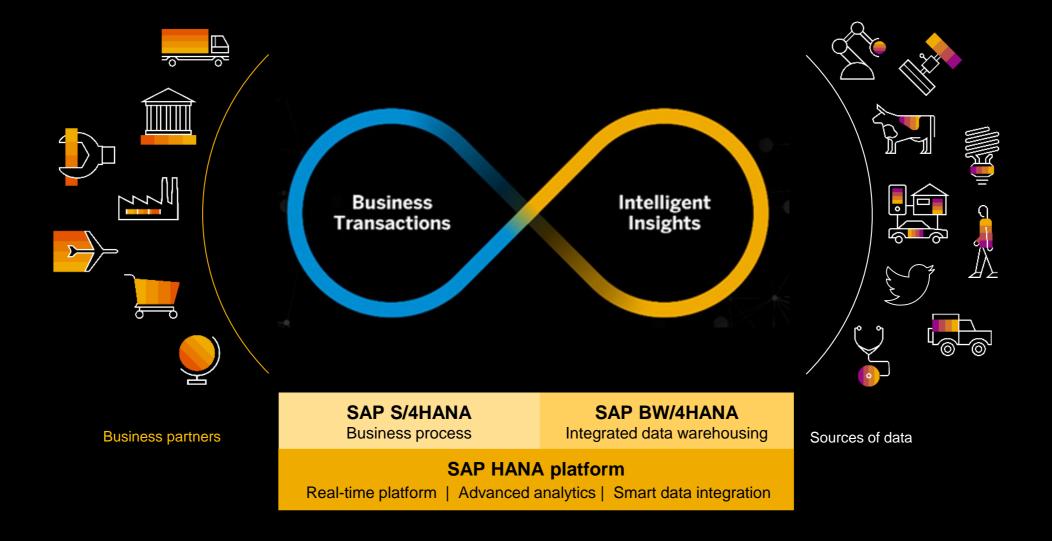
Life sciences and healthcare
Services and transportation
Consumer goods
Public sector
Defense
Utilities
IM&C
Aerospace and defense
EC&O

Severe storm

Banking
Retail and wholesale
Insurance
Media
High tech
Telecommunications
Automotive
Sports and entertainment

Hurricane

## **Enterprise architecture for the digital economy**



#### Companies are experiencing tectonic changes



#### **Rethink channels**

- Direct access to customers
- Massive dis-intermediation



## Leverage data as new asset

- Companies with deep knowledge entering enter new markets
- Monetized data = new competitive edge



# **Embed software everywhere**

- Smarter products and services
- Digital DNA and innovation culture
- Every company a software company

## Your Business Transformation Toolkit



# Digital Readiness Maturity Assessment



#### **Digital maturity process**

#### **Objective**

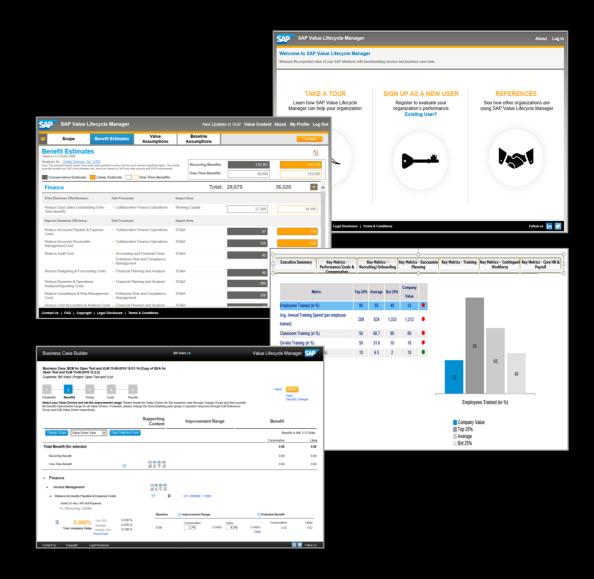
Provide organizations with a clear understanding of overall digital maturity

#### **Assessment overview**

- Questions focus on overall digital maturity, business model innovation, and best practices aligned to an organization's digital DNA, business capabilities, technology adoption.
- There are 24 questions; they take 20 to 30 minutes to complete.
- The assessment is available at no cost.
- Here is the link to the survey.

#### Output

 Customized report with overall digital maturity score; self-assessment based on best practice adoption along the three dimensions above; comparison with the average and first quartile peer set; key observations; digital transformation customer stories.



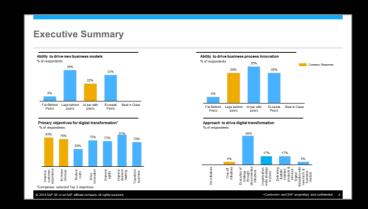
#### Enterprise digital survey: What do participants receive?

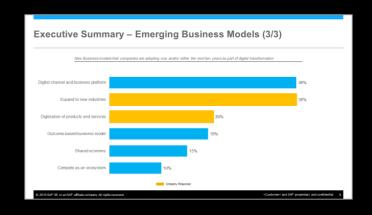


#### Sample report snapshots

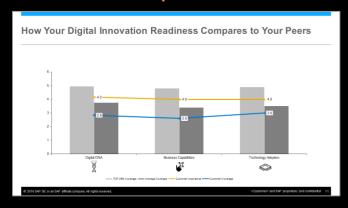
#### **Executive summary samples**



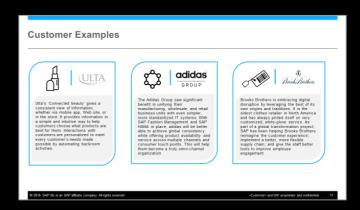




#### Detailed best practice assessment samples



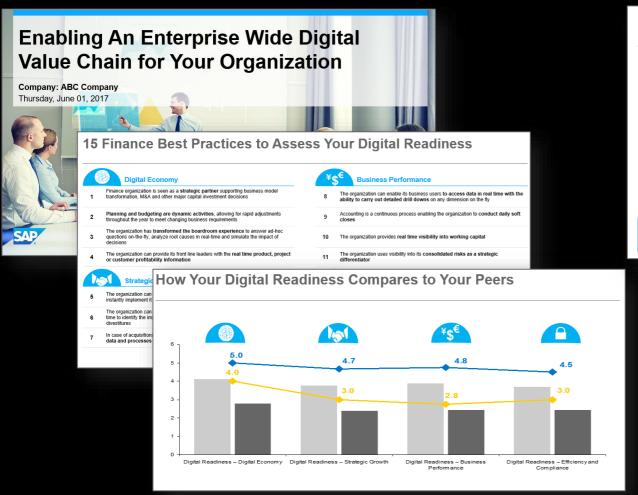


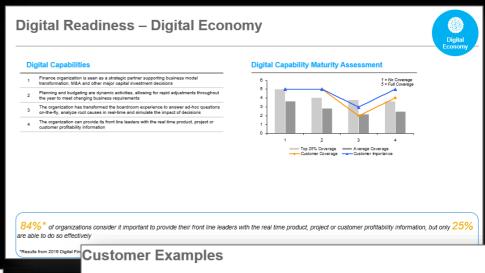


## Digital industry/LoB surveys: What do participants receive?



Sample report snapshots







Airbus DS Optronics

#### Delivering real-time data access and faster

Airbus DS Optronics needed real-time visibility into company data. They Migrated to SAP S/4HANA to accelerate reporting and digitize finance processes In this process, simplified IT landscape and operations with 75% reduction in data volume accelerated financial closing processes by a factor of 3-4 times. 1.5 days to close the monthly books and four days to close the annual books and provided real-time visibility into all major key metrics, sales forecasts, and project cash flows. The company also limited downtime to just one weekend with support from SAP Consulting

Read the business transformation study>

#### Convergent IS

#### Supporting 200% Growth with SAP S/4HANA

Convergent IS designs and implements easyto-use mobile and UX solutions. In order to Support 200% annual growth as international business expands with multiple currencies and foreign exchange risk, Convergent IS decided to Move to a digital business foundation with SAP S/4HANA Finance, providing the business with a single source of the truth. The sales team has insight into account-specific net margins. Tracked hours are available live for accurate invoices and project margin analysis. Improved visibility of business assets for informed investment decisions. New employees are trained with a simple and personalized user experience

Read the business transformation study >

# Value Lifecycle Manager



## Move your digital agenda ahead

Industry digital insights

Board-ready business case

Digital road map

Interdepartmental collaboration

Change management

Proof of concept budget

Onboarding talent/ champions

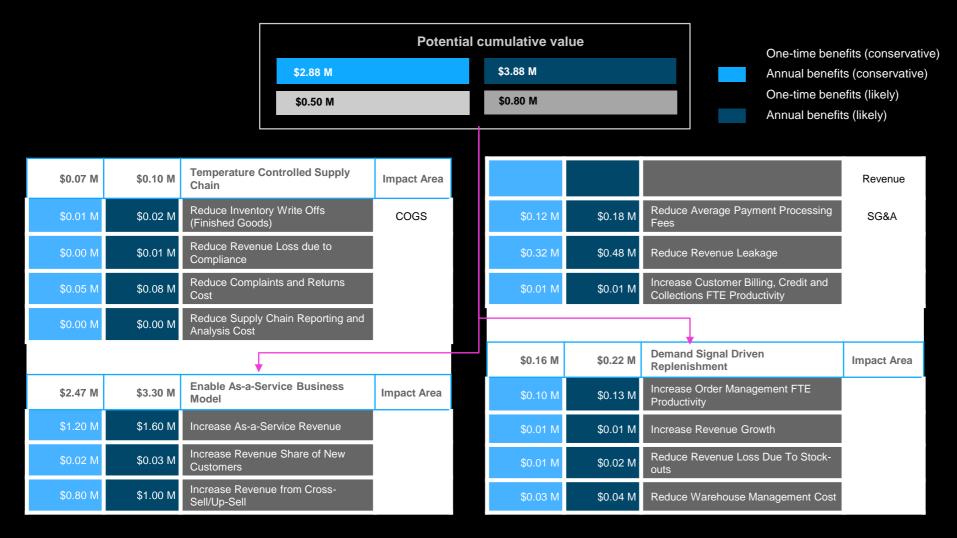
**Executive sponsorship** 



#### **Estimated benefits of proposed solutions**

Value from each business area

## Sample Output



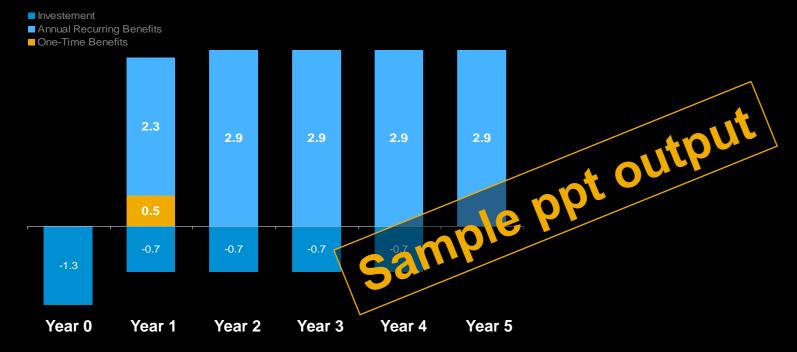
#### **Key observations**

- Sample text if needed can go here
- Example: Comparable store sales increase of 1.5% = US\$970 million
- Example: The estimated benefits for <COMPANY> are significant.
- Example: Procurement and asset management are the two areas with the largest quantitative benefits, representing almost 80% of the total.

#### **Compelling economics**

Benefits significantly exceed cost

## Cash flows (In US\$ millions)



#### Five-year project economics

Net present value (NPV)	\$8.45 million
Return on investment	216.33%
Internal rate of return (IRR)	160.52%
Payback (in years)	0.64
Three-months cost of delay	\$0.11 million

<sup>1</sup>Analysis based on the annual recurring savings minimum

# Design Thinking



## What is design thinking?

Design thinking is a human-centered approach to innovation.



**Empathetic** 



**Collaborative** 



**Highly iterative** 

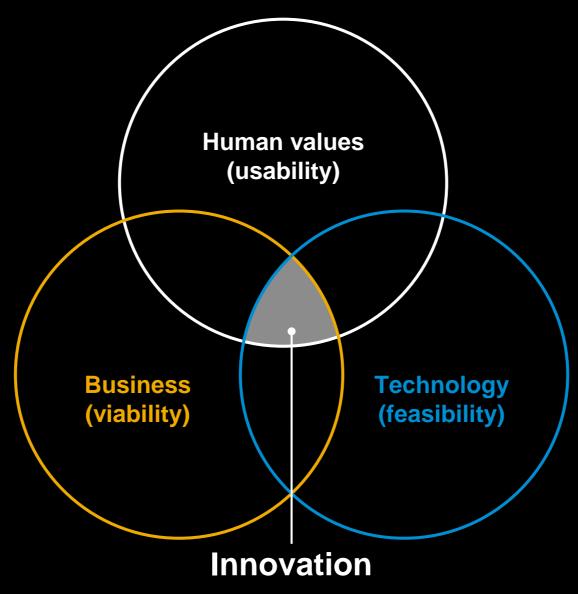
#### Drive digital transformation with design thinking

## **Innovation** = creativity x execution

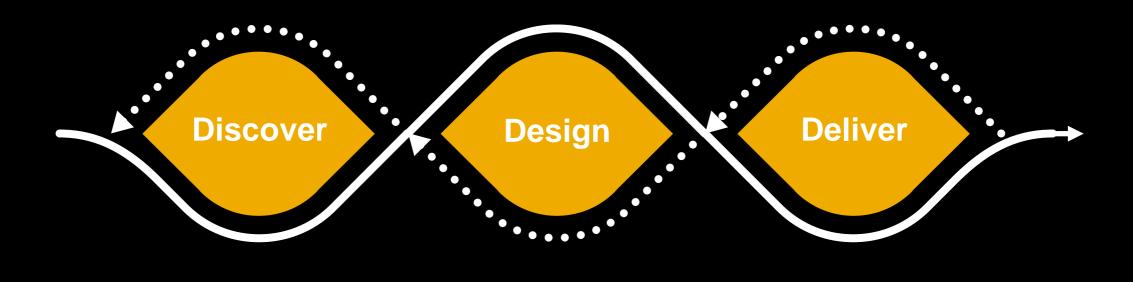
Most companies are optimized to execute and solve a stated problem.

Creativity is about finding the problem worth solving.

### **Drive digital transformation with design thinking**



#### **Drive digital transformation with design thinking**



What is the problem to solve?

What are the potential solutions?

How to roll out and get feedback?

#### **Design-led digital transformation packages**



Business model innovation



**Business process** innovation



User experience innovation



**Building innovation culture with design** 

# SAP Leonardo and high touch: business model innovation



Business model innovation



# SAP Leonardo and high touch: business process innovation

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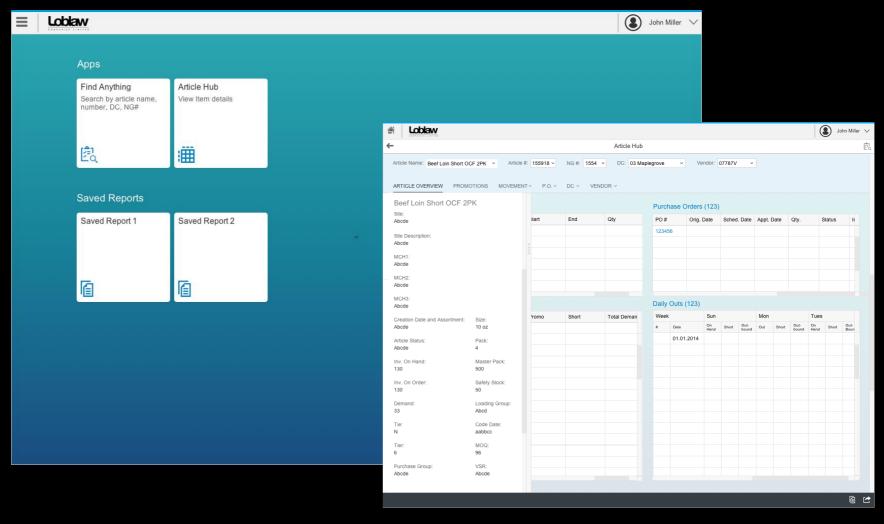
**Business process** innovation



## SAP Leonardo and high touch: user experience innovation



User experience innovation



## SAP Leonardo and high touch: building innovation culture with design

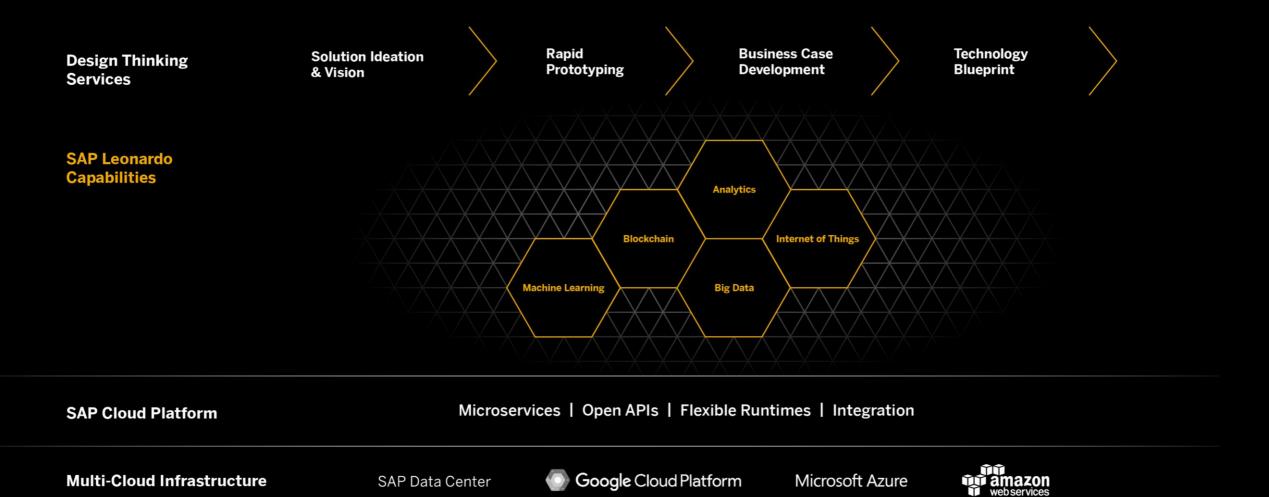


**Building innovation** culture with design

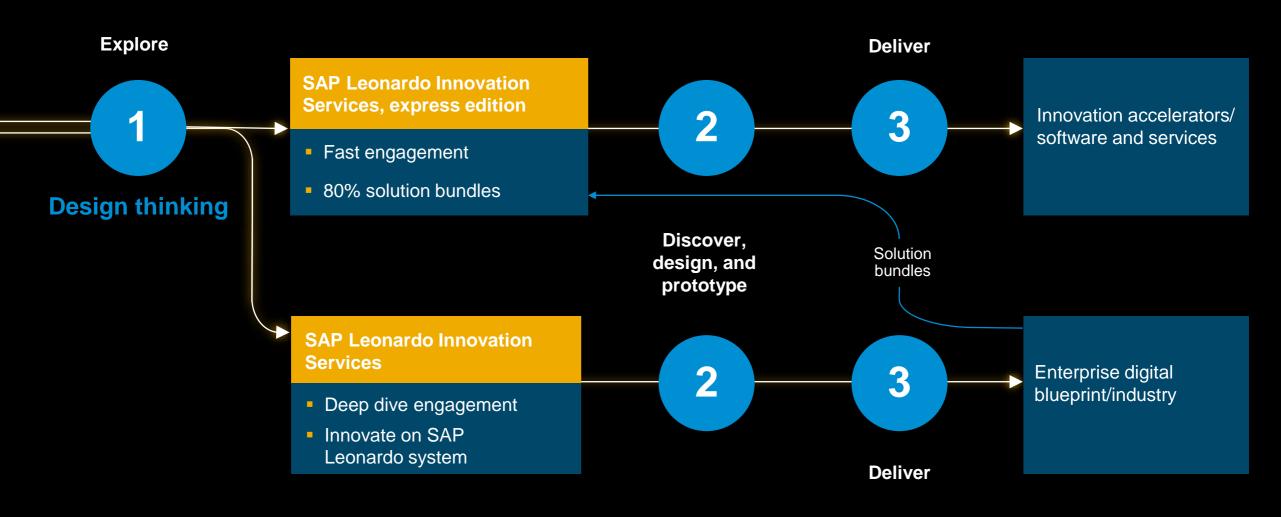


#### **SAP Leonardo**

#### Digital Innovation System



#### **SAP Leonardo**



## Distinct advantages of building business cases for SAP Leonardo



**Building blocks** 

**Cost guidance** 

**Proof points** 

**SAP Leonardo experts** 

**Digital insights** 

Improvement guidance

**Collaborative** 

**Industry benchmark** 

**Fast turnaround** 

# "Design thinking and innovation teach us to always think first about the most desired outcome."

Bill McDermott, CEO of SAP

# Thank you.

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