Industry Innovations with SAP Leonardo: Consumer Products and Retail Industries

Ted Combs, SAP

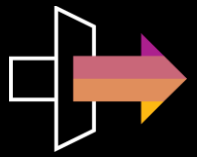
PUBLIC

SAP Run Simple

Agenda

Digital Transformation Within the Consumer Products and Retail Industries

SAP Leonardo Offerings



Digital Transformation of Your Business with SAP Leonardo

Examples

Next Steps

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Digital trends transforming the industries

Digitally armed customers expect new types of experiences

86%

of buyers will pay more for a better customer experience[1]

Rapid response to changing trends is critical for survival

27%

few retailers can adjust pricing & assortments across channels[2]

They want delivery in real time and free or not at all

80%

of shoppers surveyed want same-day shipping[3]

1 CEI Survey 2015
2 SAP Benchmarking
3 Temando Survey: State of Shipping in Commerce 2016

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Technology trends enabling digital transformation

Artificial intelligence and machine learning

Providing deep insight into consumer behavior

Internet of Things

Delivering end-to-end supply chain transparency

Virtual and augmented reality

Adding real-time digital information to the shopping environment to drive next-generation consumer experiences

Cloud computing

Quickly supplying capacity without major capital investment

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SAP Leonardo: integrating today's transformational technologies

Internet of Things

Connecting things with people and processes

Connected products, assets, and fleets to drive the industrial IoT

Connected infrastructures, markets, and people to enable the Internet of Everything

Analytics

Insights that enable transformative actions

All analytics across your business

Embedded machine learning

New processes and applications based on insights

Big Data

Managing vast amounts of Big Data

Distributed storage and computing

Real-time insight discovery

Insights embedded into business processes

Machine learning

Intelligence enabled by learnings from data

Intelligence embedded into enterprise applications

Integrated intelligence to solve common business challenges

Training and deployment of deep learning models

Cloud platform

Foundation for SAP Leonardo

Common foundation across applications and technology

(In-memory) real-time data management

Integration of things, people, and processes

Blockchain

Blockchain services embedded into business applications

Increased trust in peer-to-peer transactions

Full visibility of goods provenance and history of ownership

Increased auditability and decreased fraud

Design thinking

Innovative, engaging methodology

Uncovering the opportunities for your digital transformation

Use of SAP Build to ideate and create rapid, interactive prototypes

Understanding user needs

Data Intelligence

Putting data into business context

Trusted, real-time benchmarks

Decision-making scenarios

Data asset monetization

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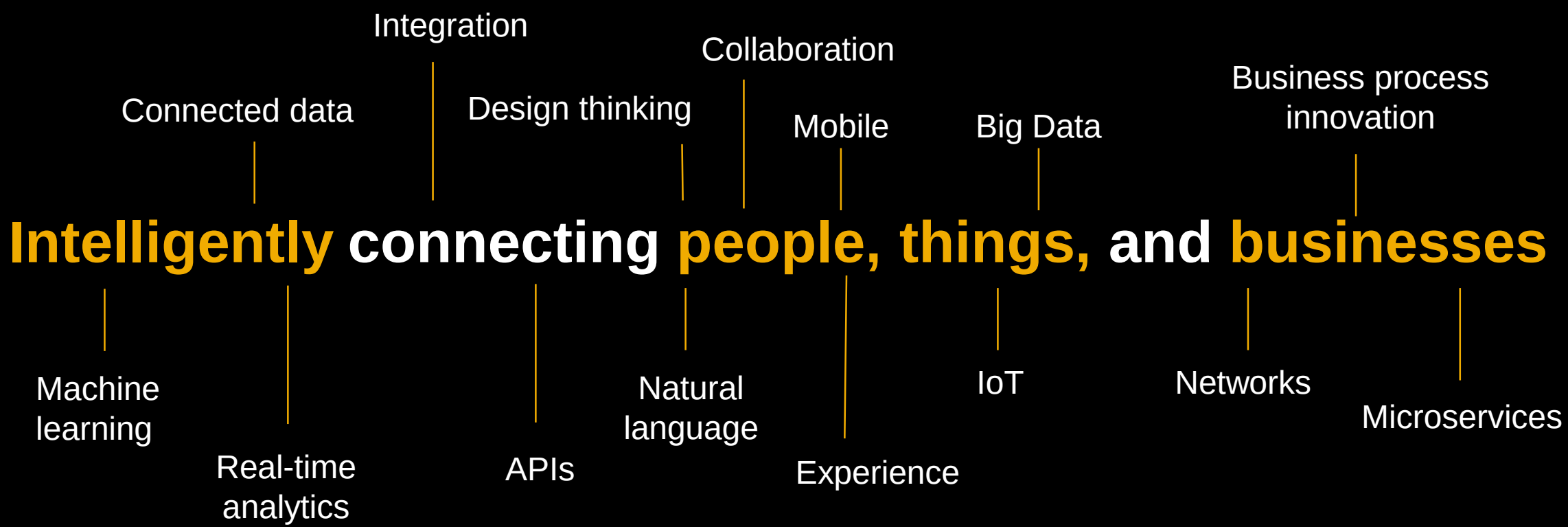
SAP Leonardo is our system of innovation



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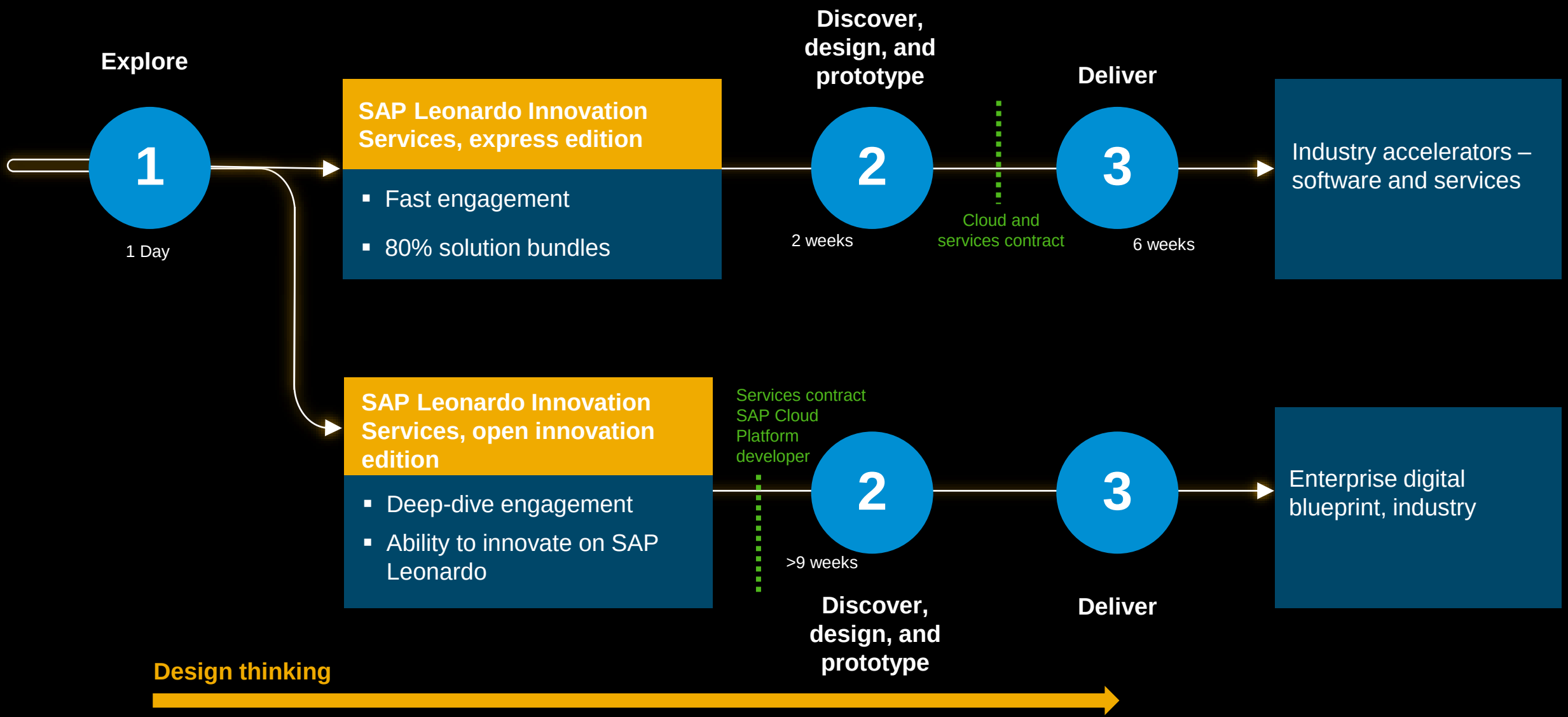
Your path to digital transformation: a differentiated engagement model



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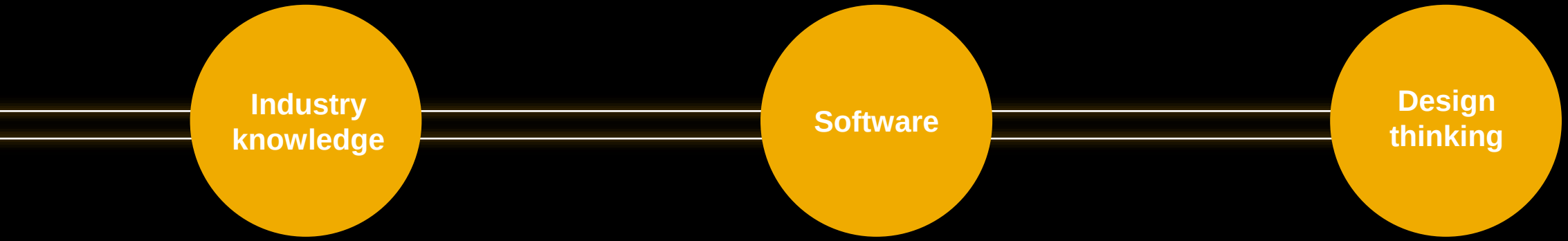
Industry accelerator packages shorten the time to value



- Consumer products
- Retail
- Manufacturing
- Sports and entertainment
- Chemicals
- Travel and transportation
- Utilities

- Cloud
- Big Data
- Machine learning
- Blockchain
- Analytics
- IoT

- SAP Leonardo Innovation Services
- Discovery workshop
- Design and prototype
- Business case
- Technical blueprint

ac·cel·er·a·tor

Fixed-price **accelerator bundles** of necessary expertise, data, and software integrated to solve a specific and common business problem, plus the services to get started and deliver business value quickly

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To transform – consumer products prioritize new models and processes

New business scenarios

Strategic priorities:

1. Compete as an ecosystem

- Rethinking the whole business from the end customer's perspective

2. Deliver products as services

- Configurability
- Adaptability
- Personalization

3. Serve the "segment of one"

- Intelligent
- Self-aware

4. Build hyperconnected networks

- Flexible reaction to changes in demand, supply, and resources

5. Business model outcomes

- After-sales service
- Value-add services
- Usage-based charging

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To transform, retailers prioritize new business models and processes

New business scenarios

Consumer trends	Live logistics	Cold chain monitoring	Live store	Employee retention and churn	Predictive forecasting
Real-time offer management	Smart shelves	Track and trace	Live assets		Asset monitoring
	Automated order and replenishment	Vehicle insights	Smart fitting room		

Strategic priorities:

1. Customer centricity

- Rethinking the whole business from the end customer's perspective

2. Serving the "segment of one"

- Configurability
- Adaptability
- Personalization

3. Digital smart products

- Intelligent
- Self-aware

4. Digital supply chain and smart factory

- Flexible reaction to changes in demand, supply, and resources

5. "Servitization" and new business models

- After-sales service
- Value-add services
- Usage-based charging

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To transform, companies are reinventing business models and processes

Customer-centric ecosystems

- Reimagined business models focused entirely around the end customer
- Competition between unlikely partners

Serving the “segment of one”

- Configurability
- Personalization
- Relevancy

Digital smart products

- Intelligent
- Self-aware
- Just-in-time delivery and consumption

Digitalize the entire demand chain

- Flexible, real-time reactions to changes in demand, supply, and resources
- Automatic real-time adjustments based on shifts in demand, availability, and external conditions

New service models

- Value-add services
- Usage-based charging
- Flexible commercial models (buy, rent, use, and the like)

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SAP Leonardo helps you achieve your digital priorities

Sustainable product innovation → Sourcing and procurement → Agile manufacturing → Real-time supply chain → Sales and marketing → Finance

Compete as an ecosystem — Logistics

Deliver products as services — Connected coolers

Serve the “segment of one”

Build hyperconnected business networks — Connected manufacturing — Cold chain logistics

Model business outcomes to drive speed at scale — Automated replenishment

Internet of Things

Machine learning

Analytics

Blockchain

Big Data

Digital innovation SAP Leonardo

SAP Cloud Platform | Analytics services | UX services | Mobile services | Security services | Collaboration services

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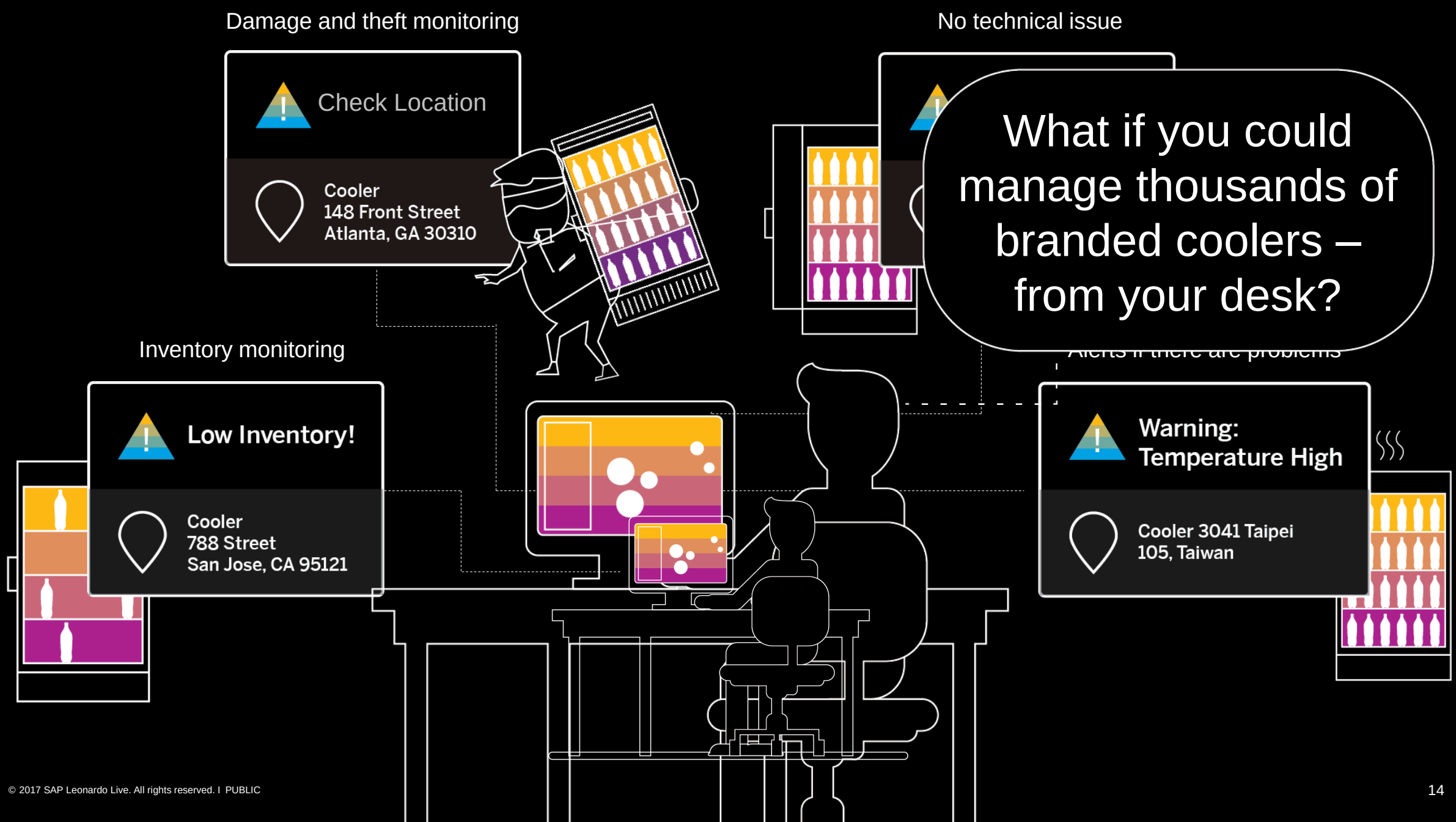
SAP Leonardo Industry Accelerator Packages

SAP Leonardo for Consumer Products, Assets Option



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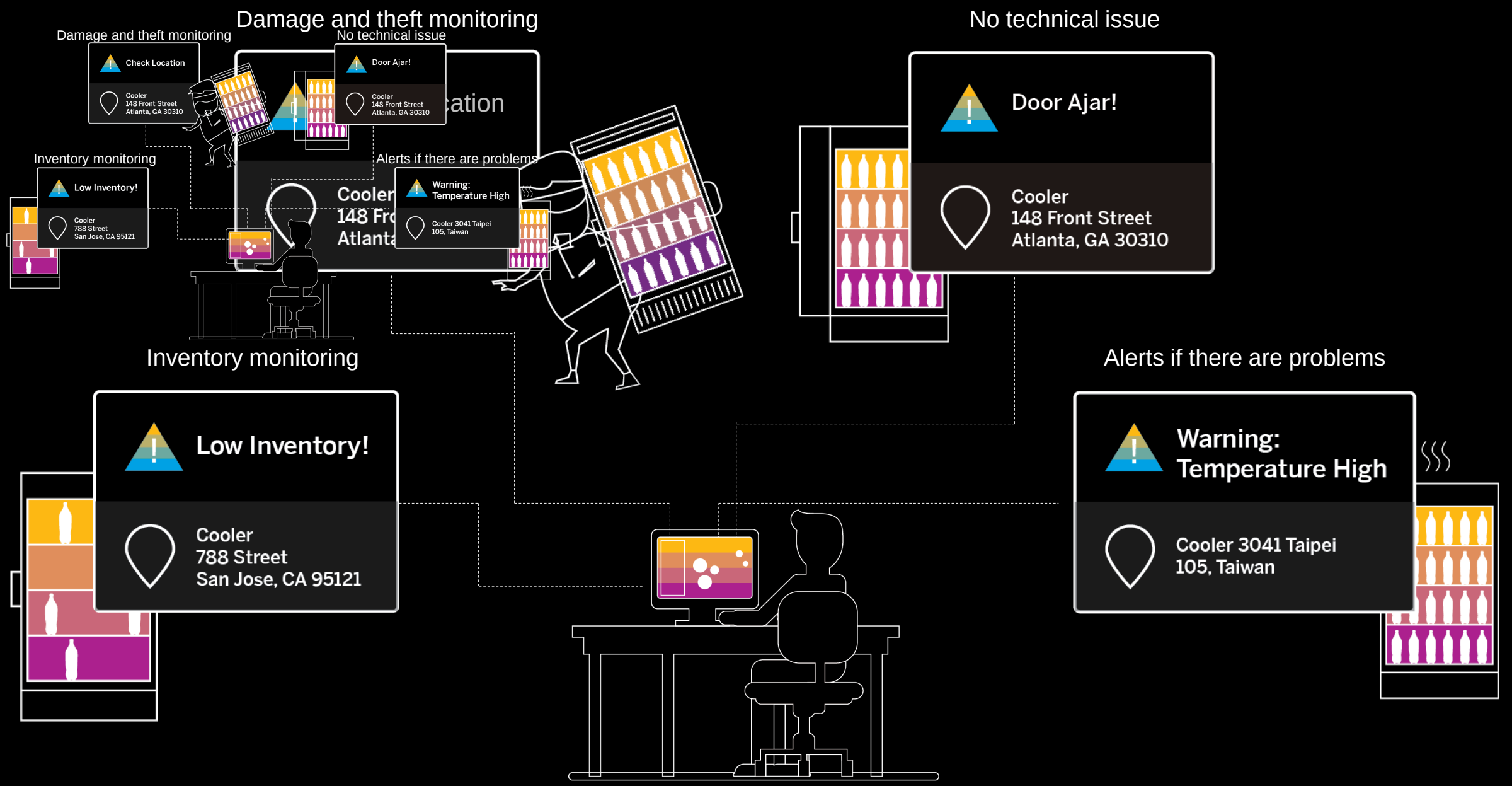

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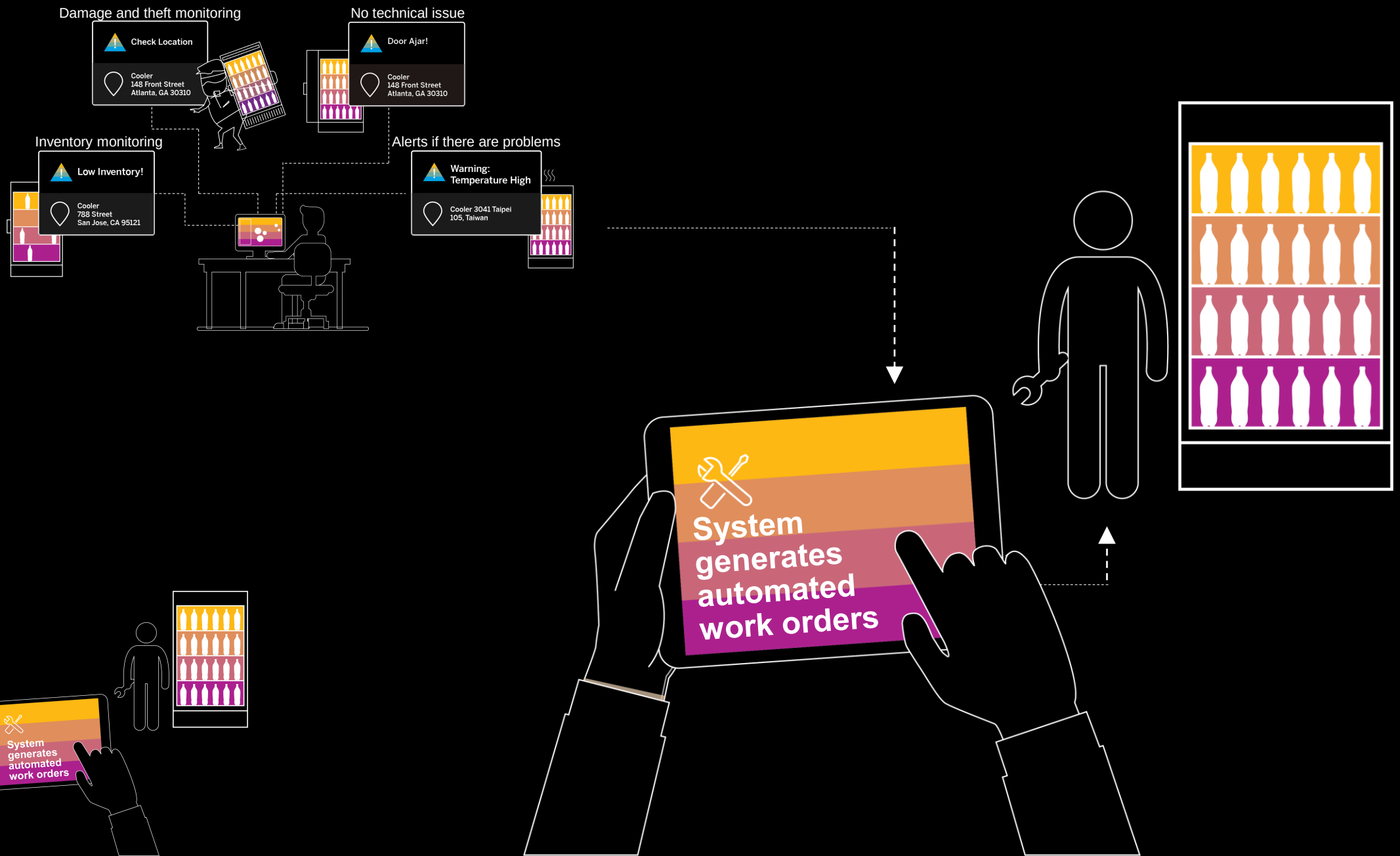
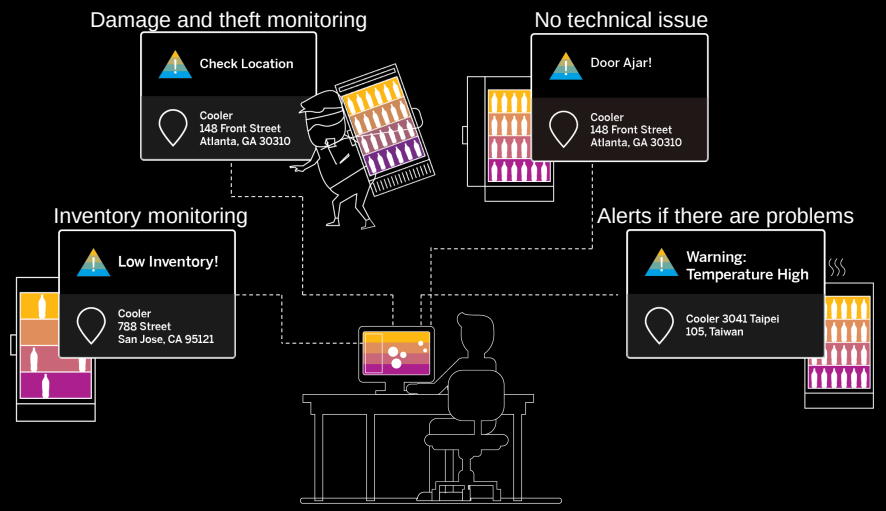
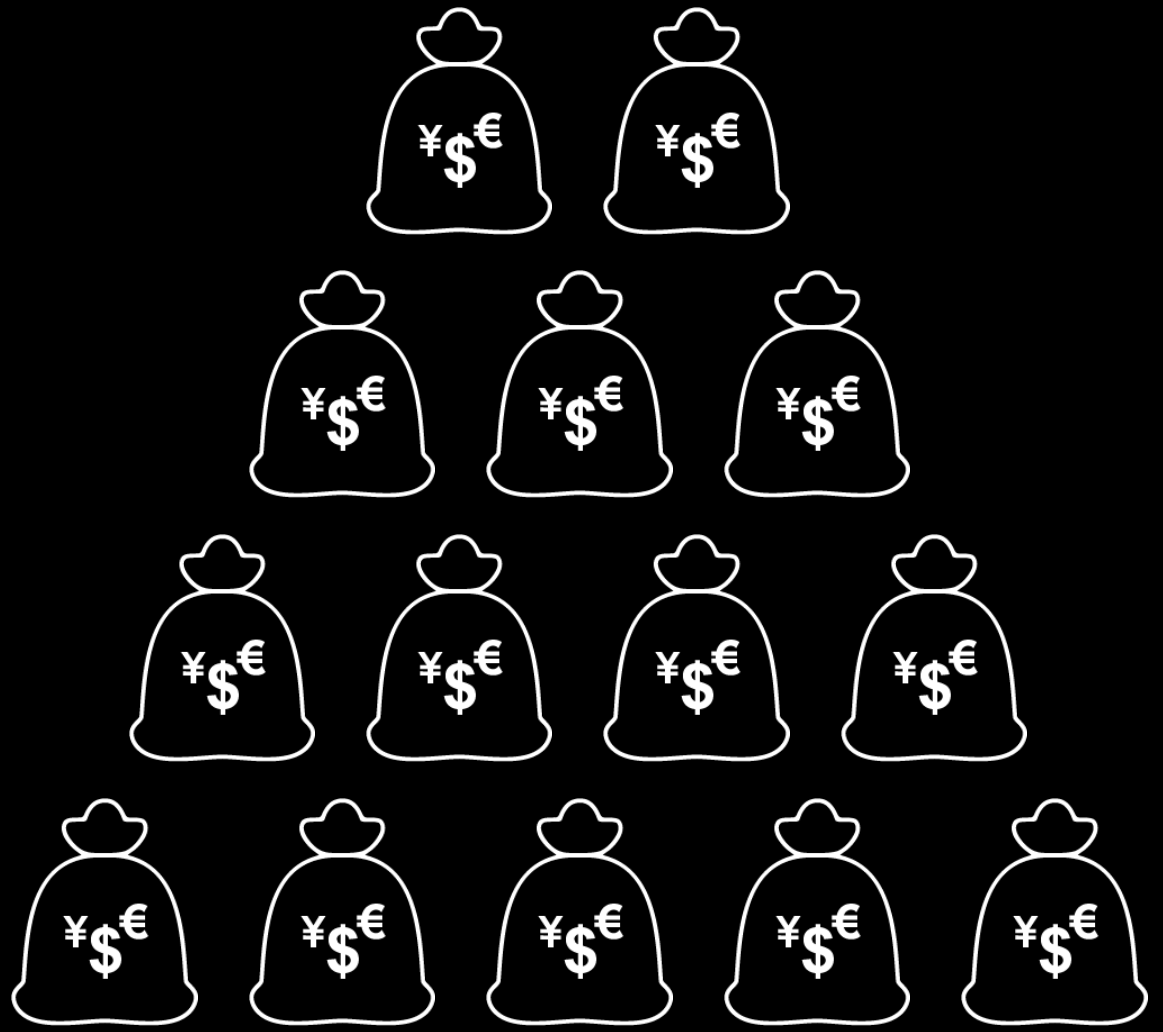
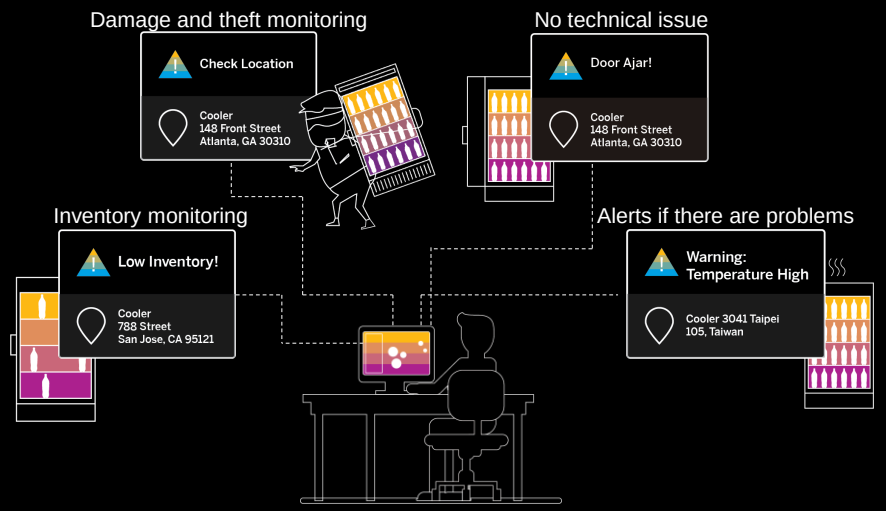

Damage and theft monitoring
Check Location
Cooler
148 Front Street
Atlanta, GA 30310
No technical issue
Door Ajar!
Cooler
148 Front Street
Atlanta, GA 30310
Inventory monitoring
Low Inventory!
Cooler
788 Street
San Jose, CA 95121
Alerts if there are problems
Warning:
Temperature High
Cooler 3041 Taipei
105, Taiwan
System generates automated work orders
System generates automated work orders



Savings in time, labor, lost revenue





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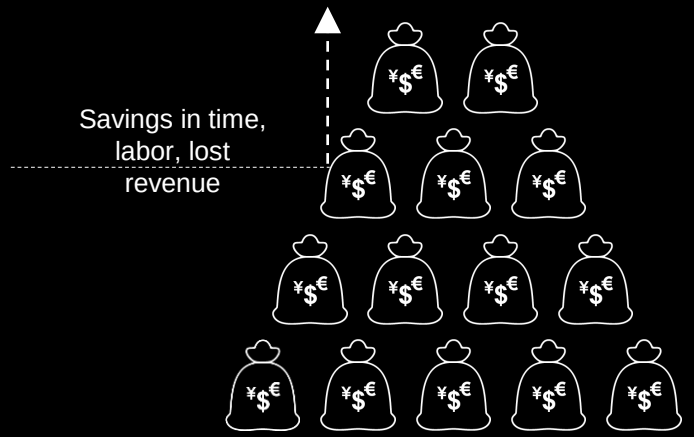
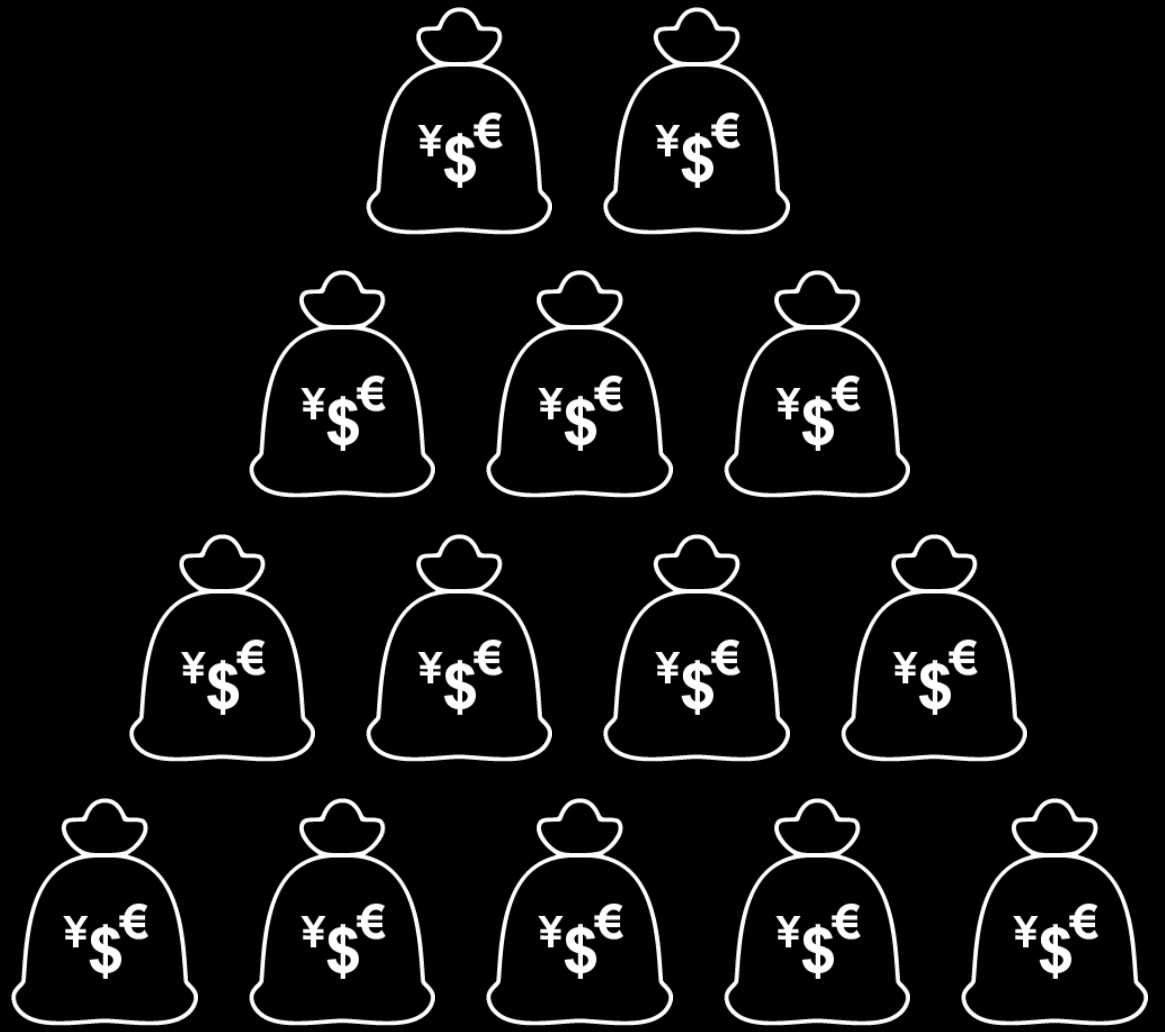
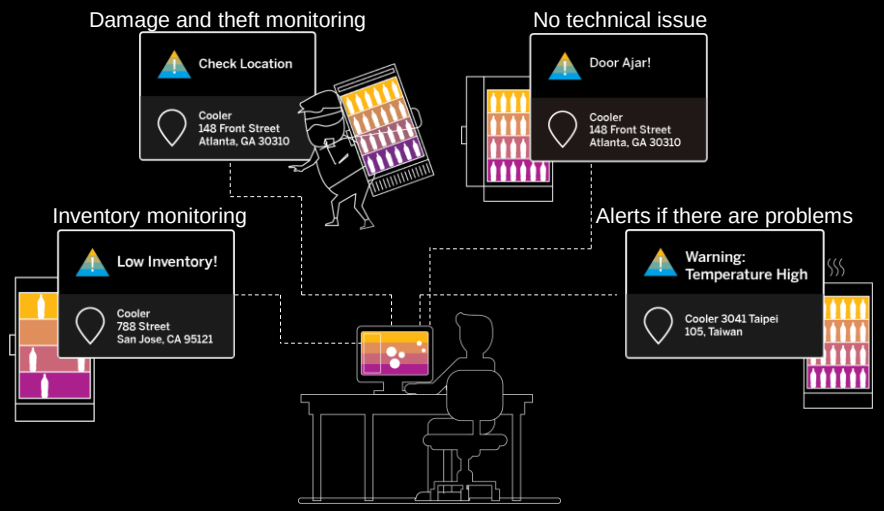
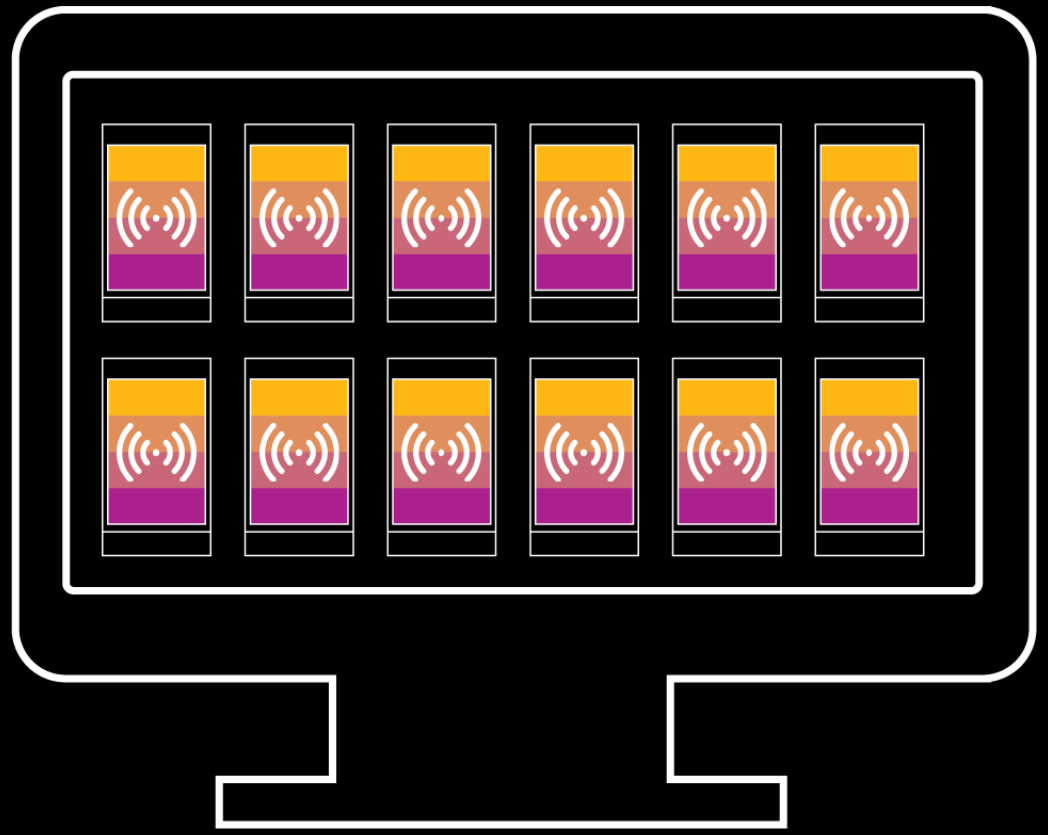






Easily monitor 10s to 10,000 of coolers



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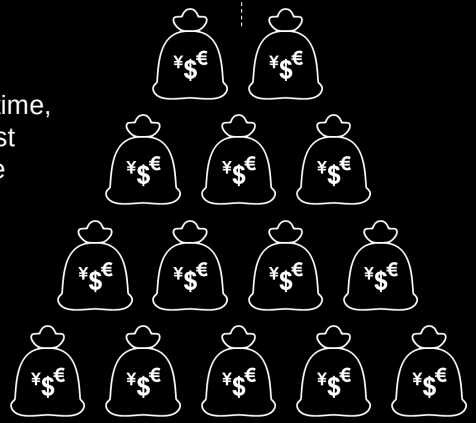

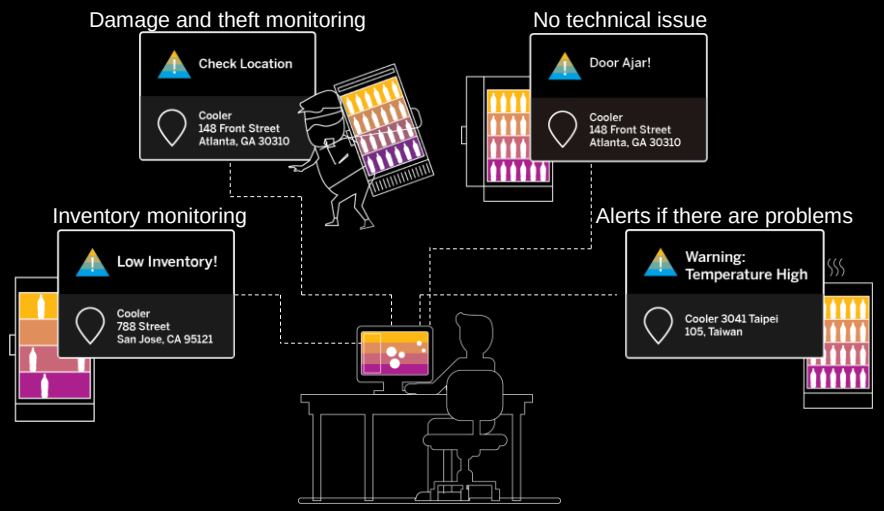

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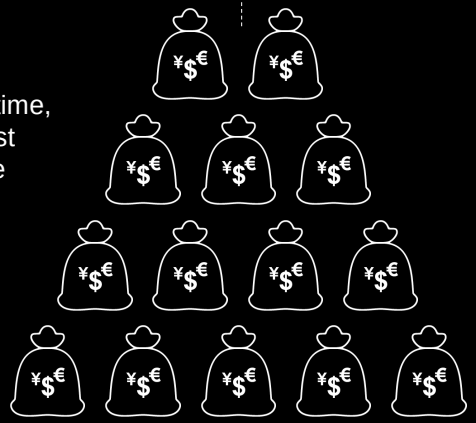
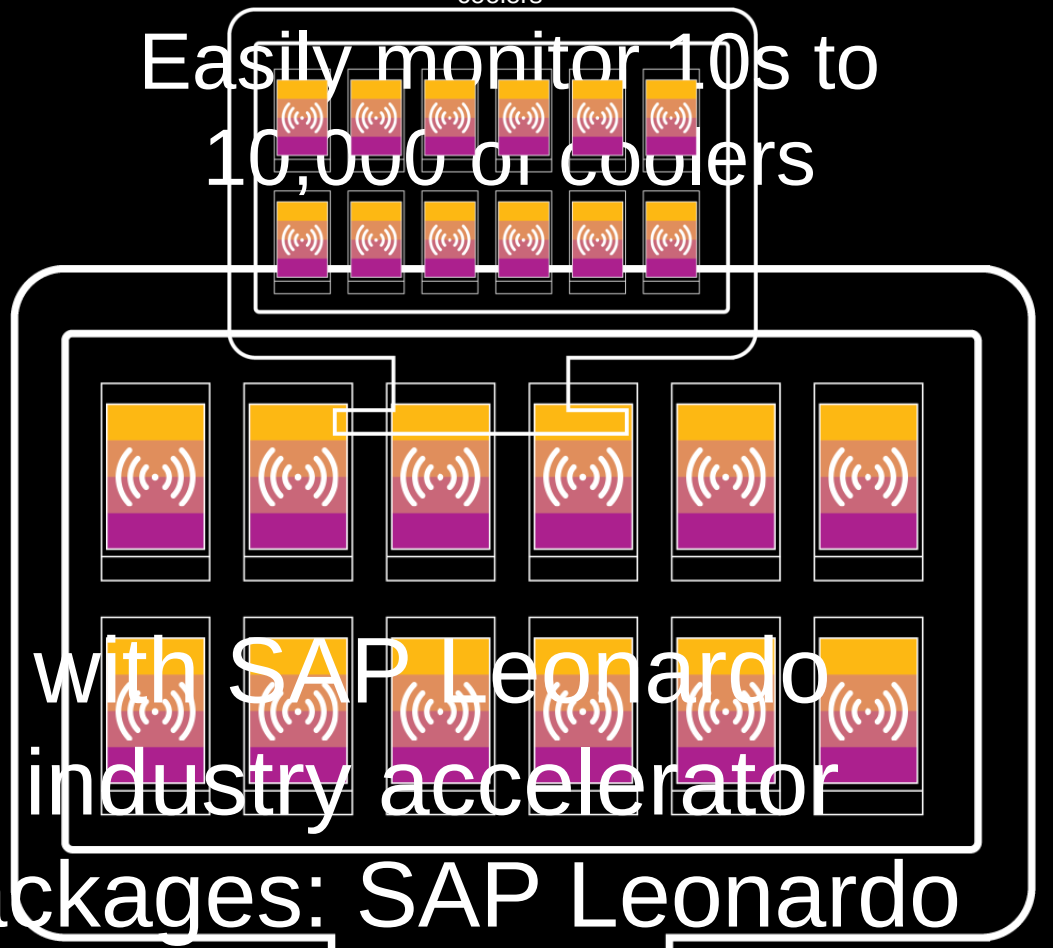


Easily monitor 10s to 10,000s of coolers



Easily monitor 10s to 10,000 of coolers with SAP Leonardo industry accelerator packages: SAP Leonardo for Consumer Products, assets option

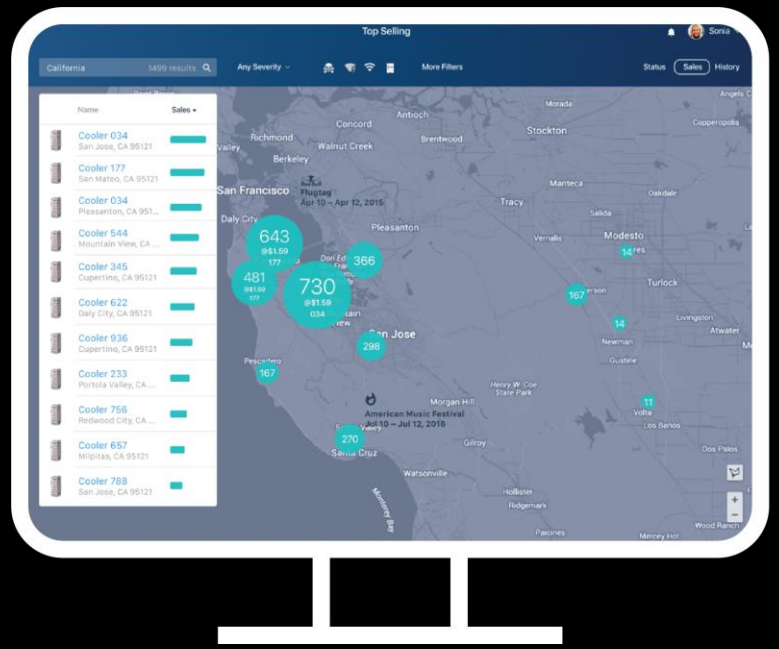
Industry accelerator packages for consumer products, assets option

Benefits include:

- Help ensure merchandising compliance
- Predict and automate maintenance scheduling
- Help guarantee cooler availability and uptime
- Maximize availability by monitoring demand in real time

Accelerator includes:

- SAP Connected Goods
- SAP Cloud Platform: application run time for connected goods, IoT services, IoT application enablement services, extension package, premium edition
- SAP Leonardo Analytics (business intelligence and predictive)
- Machine learning foundation services
- SAP Data Network*, Big Data hub*
- Other solutions that can complement BOM: SAP Predictive service, SAP Enterprise Asset Management (plant maintenance), SAP Work Manager, SAP Leonardo IoT Edge, SAP Dynamic Edge Processing



*Future innovation

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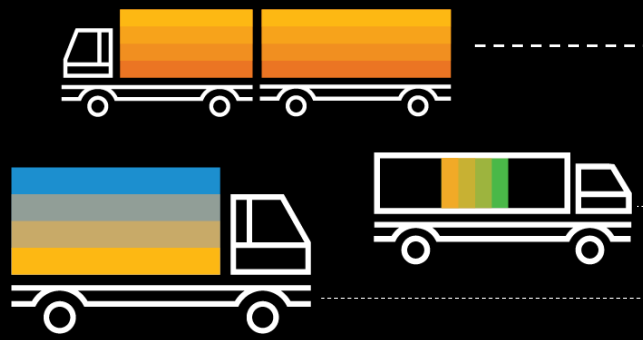
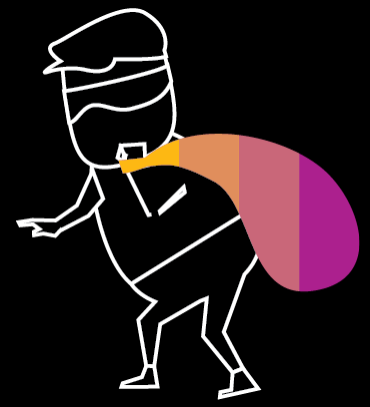
SAP Leonardo Industry Accelerator Packages

SAP Leonardo for Retail, Distribution Option

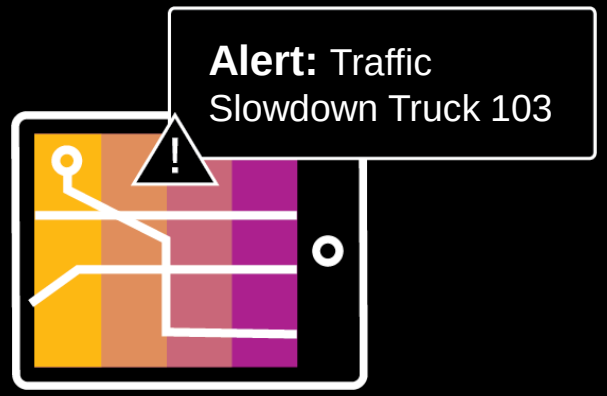
How to have full visibility into your entire supply chain – from your iPad

Know the exact status and location of deliveries, 24x7



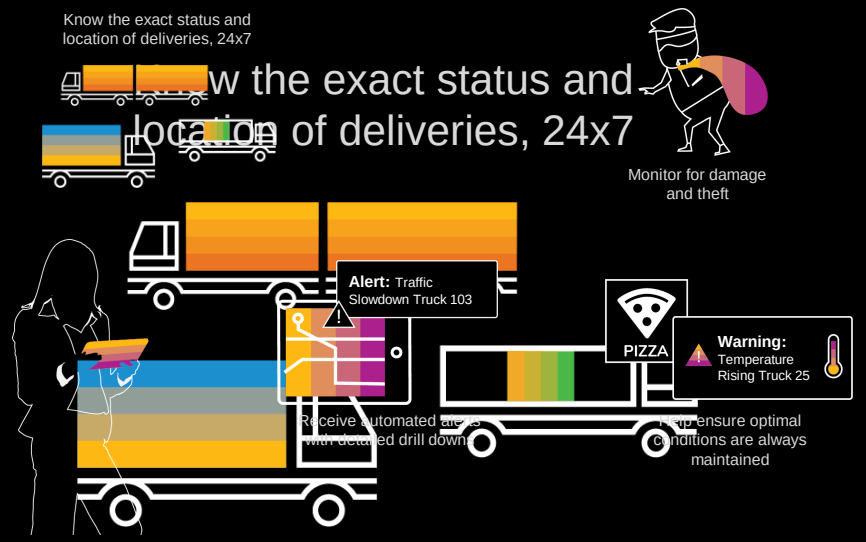


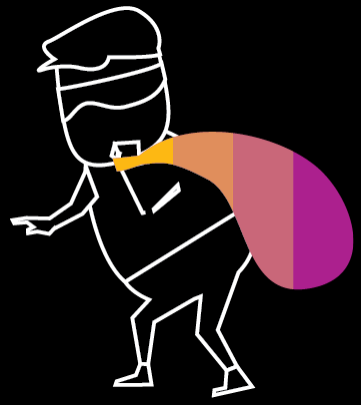
Monitor for damage and theft



Receive automated alerts with detailed drill downs

Help ensure optimal conditions are always maintained





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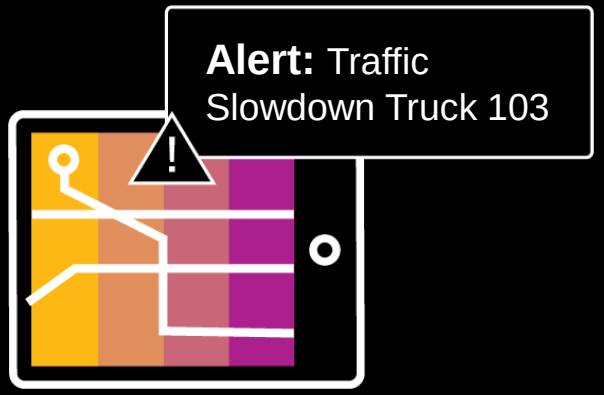

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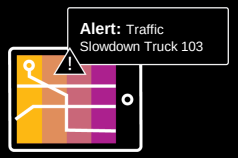
Help ensure optimal conditions are always maintained

Know the exact status and location of deliveries, 24x7



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Monitor for damage and theft

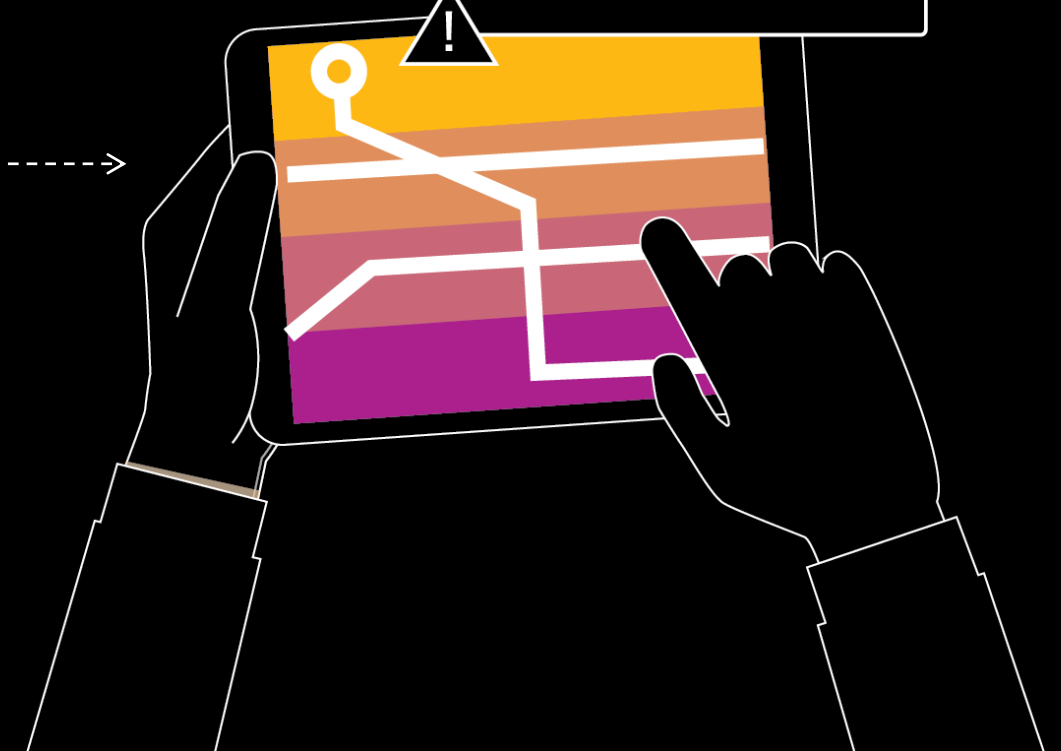
Help ensure optimal conditions are always maintained

Arrival Delay:
25 minutes

Notice to Store 228:
Reassign stocking staff for 30 minutes

Resolve issues in real time

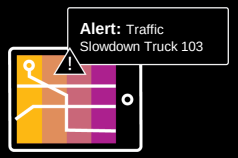
Alert: Traffic
Slowdown Truck 103



Deliver goods when, where, and how needed

Know the exact status and location of deliveries, 24x7

Monitor for damage and theft



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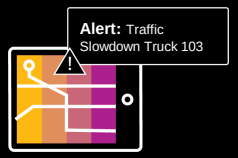
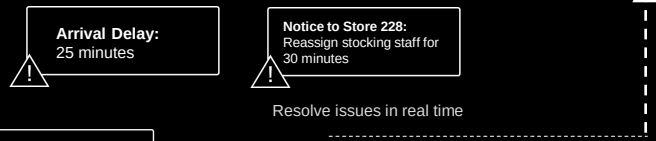


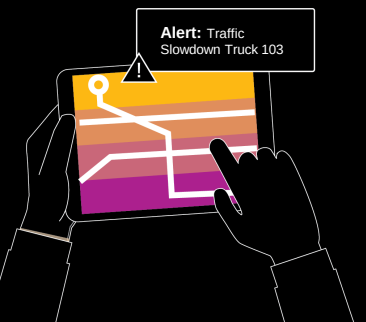
Receive automated alerts with detailed drill downs

Help ensure optimal conditions are always maintained

Improve fulfillment, inventorying, logistics costs, and customer satisfaction



Resolve issues in real time



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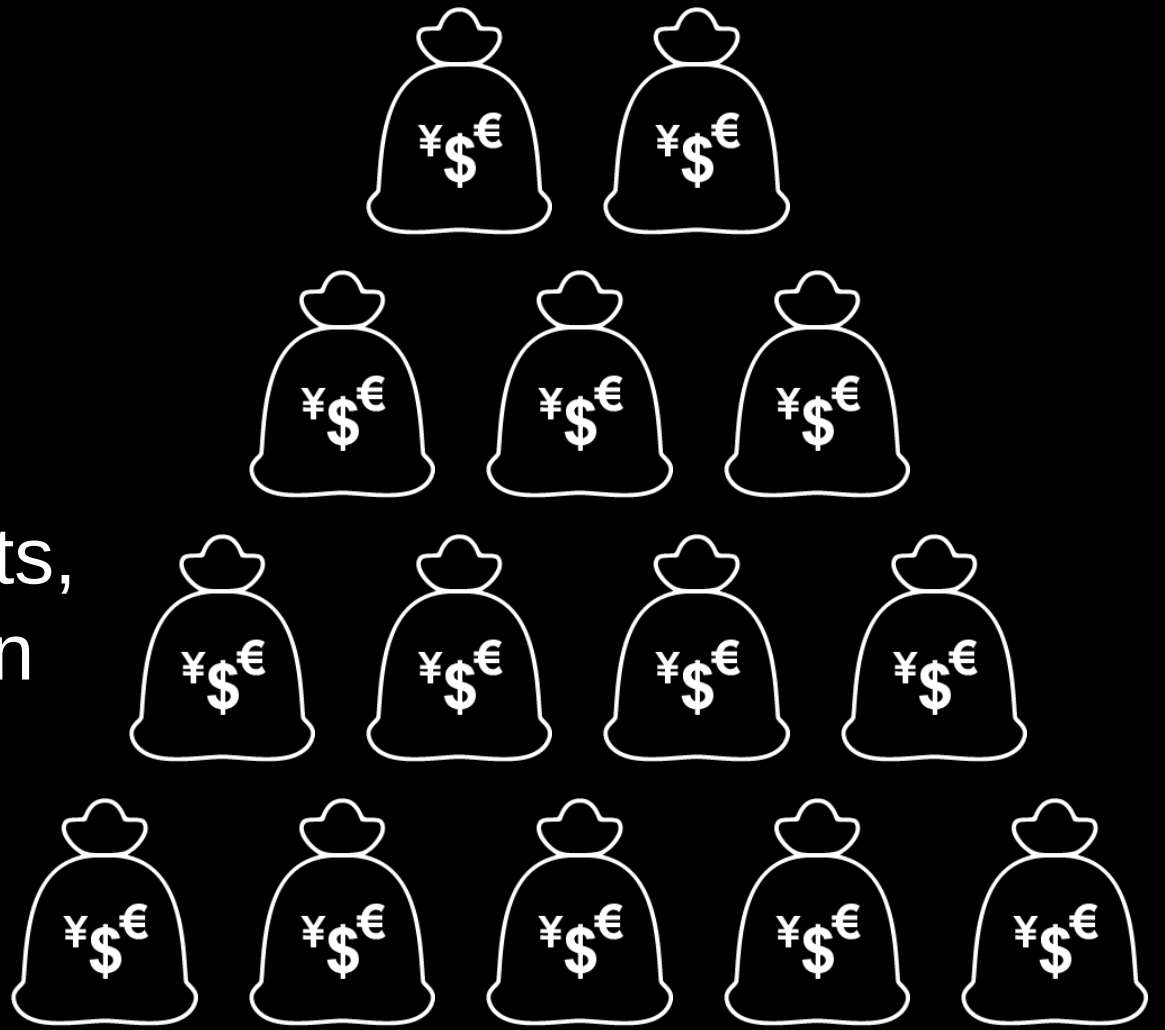
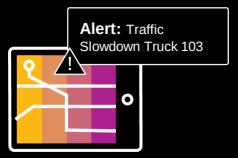


Know the exact status and location of deliveries, 24x7

Monitor for damage and theft



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Help ensure optimal conditions are always maintained

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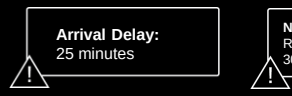

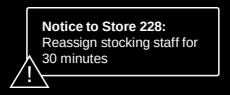

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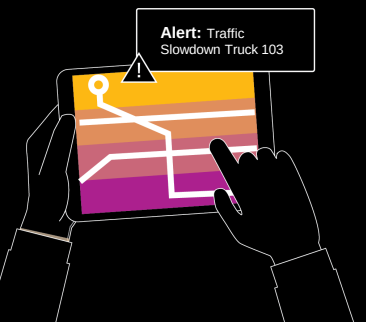
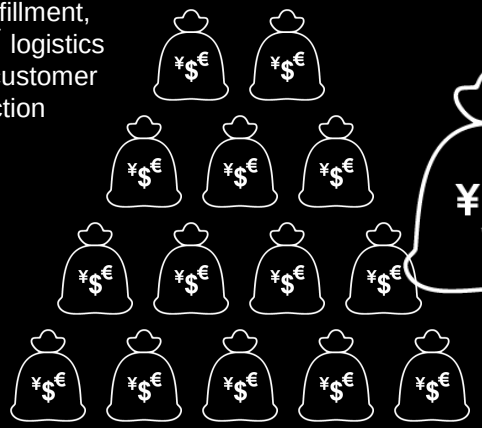
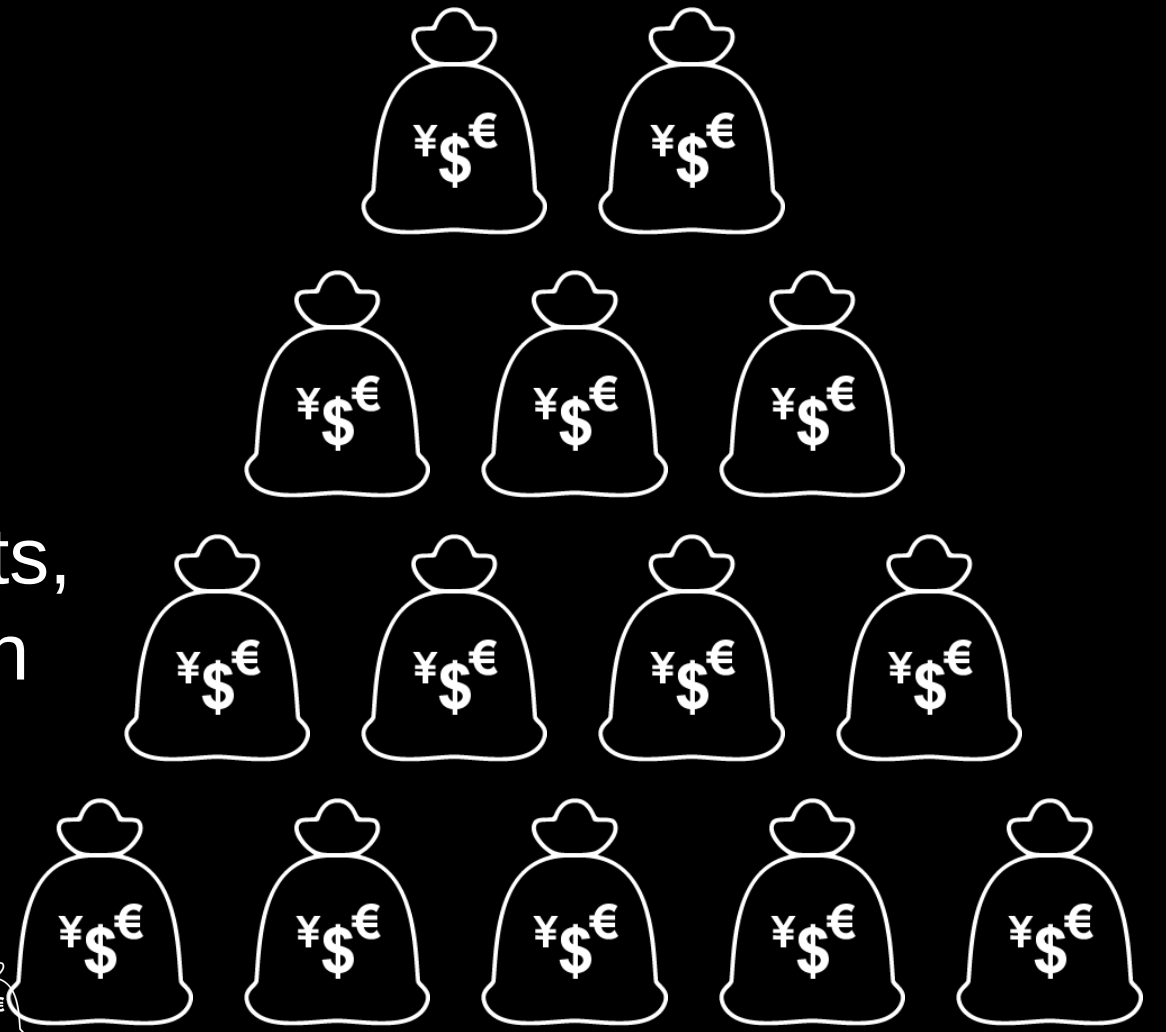


Deliver goods when, where, and how needed

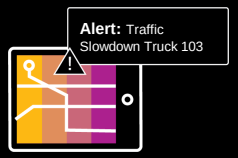
Improve fulfillment, inventorying, logistics costs, and customer satisfaction





Manage your supply networks and deliveries in real time

Know the exact status and location of deliveries, 24x7

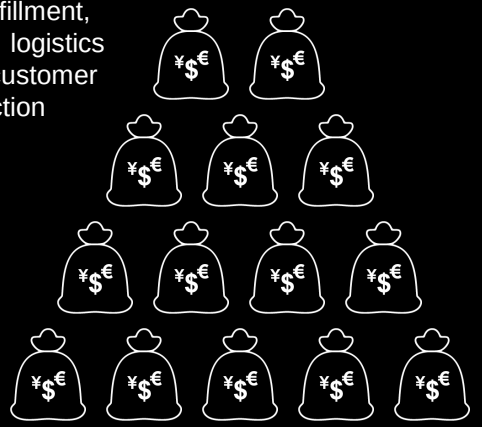


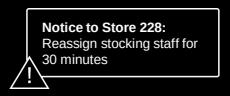
Receive automated alerts with detailed drill downs

Monitor for damage and theft

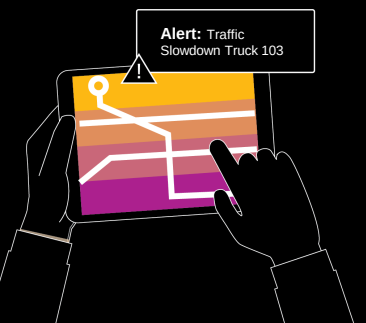
Help ensure optimal conditions are always maintained

Improve fulfillment, inventorying, logistics costs, and customer satisfaction



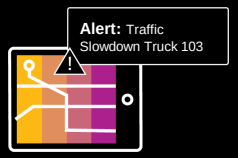


Resolve issues in real time



Deliver goods when, where, and how needed

Know the exact status and location of deliveries, 24x7



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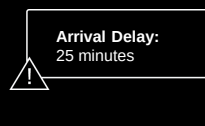
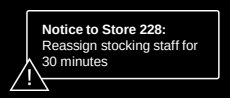
Manage your supply networks and deliveries in real time

with SAP Leonardo industry accelerator packages: SAP Leonardo for Retail, distribution option





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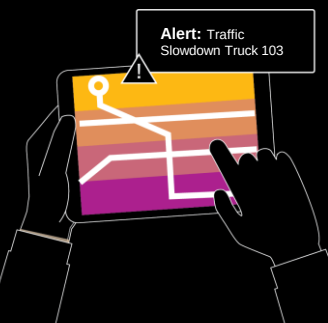

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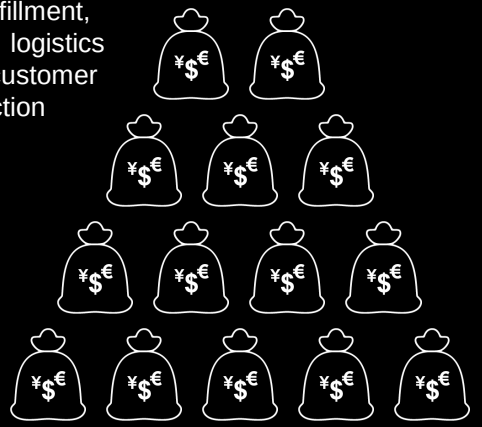

Industry accelerator packages for retail, distribution option

Benefits include:

- Better order fulfilment in supply chain
- Improved inventory levels, no out-of-stock situations
- Reduction of logistics costs
- Increased utilization of logistics assets
- Improved on-time delivery rate and higher SLAs

Accelerator includes:

- SAP Vehicle Insights
- SAP Global Track and Trace
- SAP Cloud Platform: application run time, IoT services, IoT application enablement services, extension package, premium edition
- SAP Leonardo Analytics (BI, predictive, digital boardroom)
- Logistics business network*, machine learning*, Big Data hub*
- Other solutions that can complement BOM: SAP Networked Logistics Hub
- Preferred back end: SAP ERP or SAP S/HANA with SAP Transportation Management

*Future innovation

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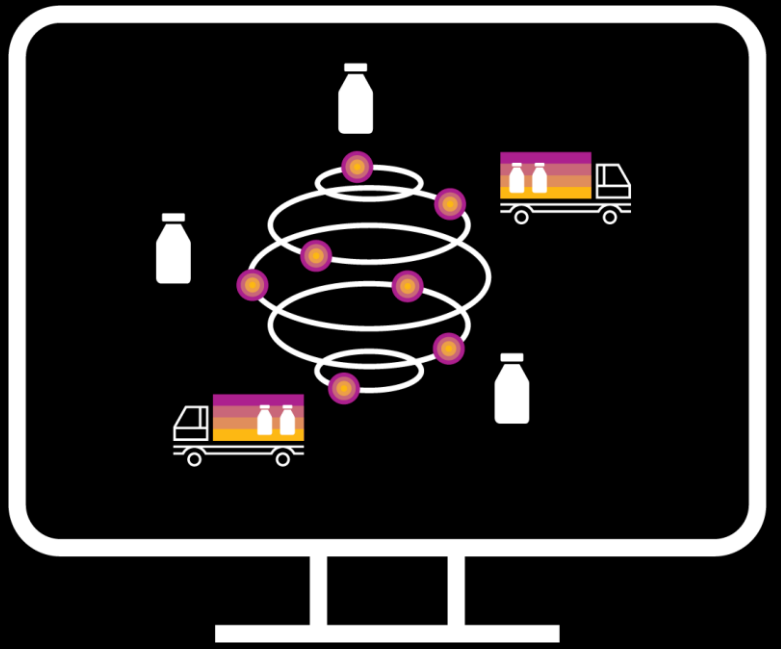
Industry accelerator packages for consumer products, distribution option

Benefits

- Improve forecast accuracy and capacity planning
- Optimize inventory levels
- Reduce logistics costs
- Increase on-time, in-full delivery rates

Accelerator includes:

- SAP Vehicle Insights
- SAP Global Track and Trace
- SAP Cloud Platform: applications run-time, IoT services, IoT application enablement services, extension package, premium edition
- SAP Leonardo Analytics (BI, predictive, digital boardroom)
- SAP Data Network*, machine learning*, Big Data hub*
- Preferred back end: SAP ERP or SAP S/4HANA with SAP Transportation Management and warehouse management



*Future Innovation

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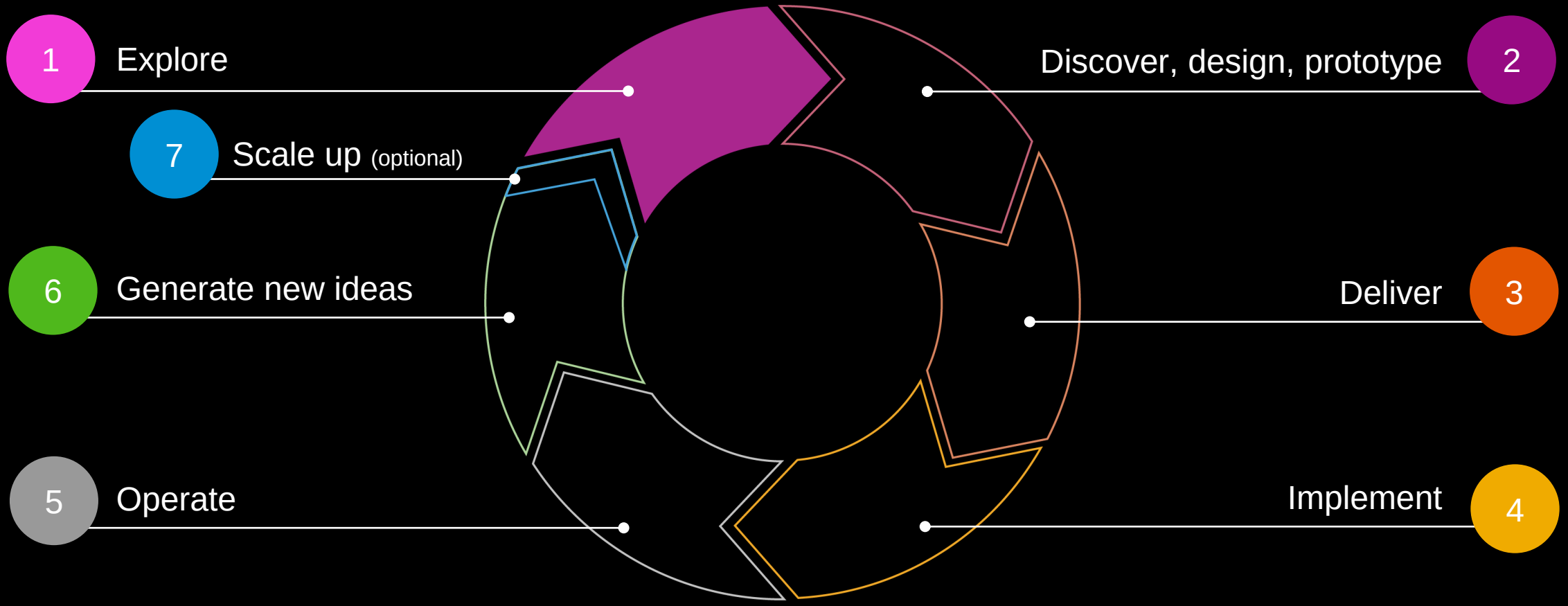
How do we engage with customers to innovate using SAP Leonardo?

Unlike off-the-shelf software, innovation requires collaboration and idea sharing



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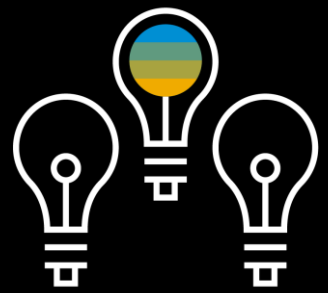
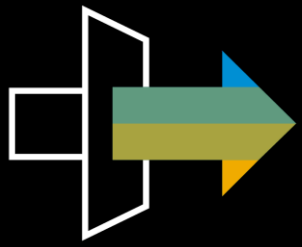
Next step: conduct an exploration workshop together

Find the right path



Strategize use cases



Build the road map to innovation

SAP Leonardo

How do I see innovation in action?
Visit SAP Leonardo Centers in New York or Palo Alto, California

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Run Simple