

# SAP Our purpose

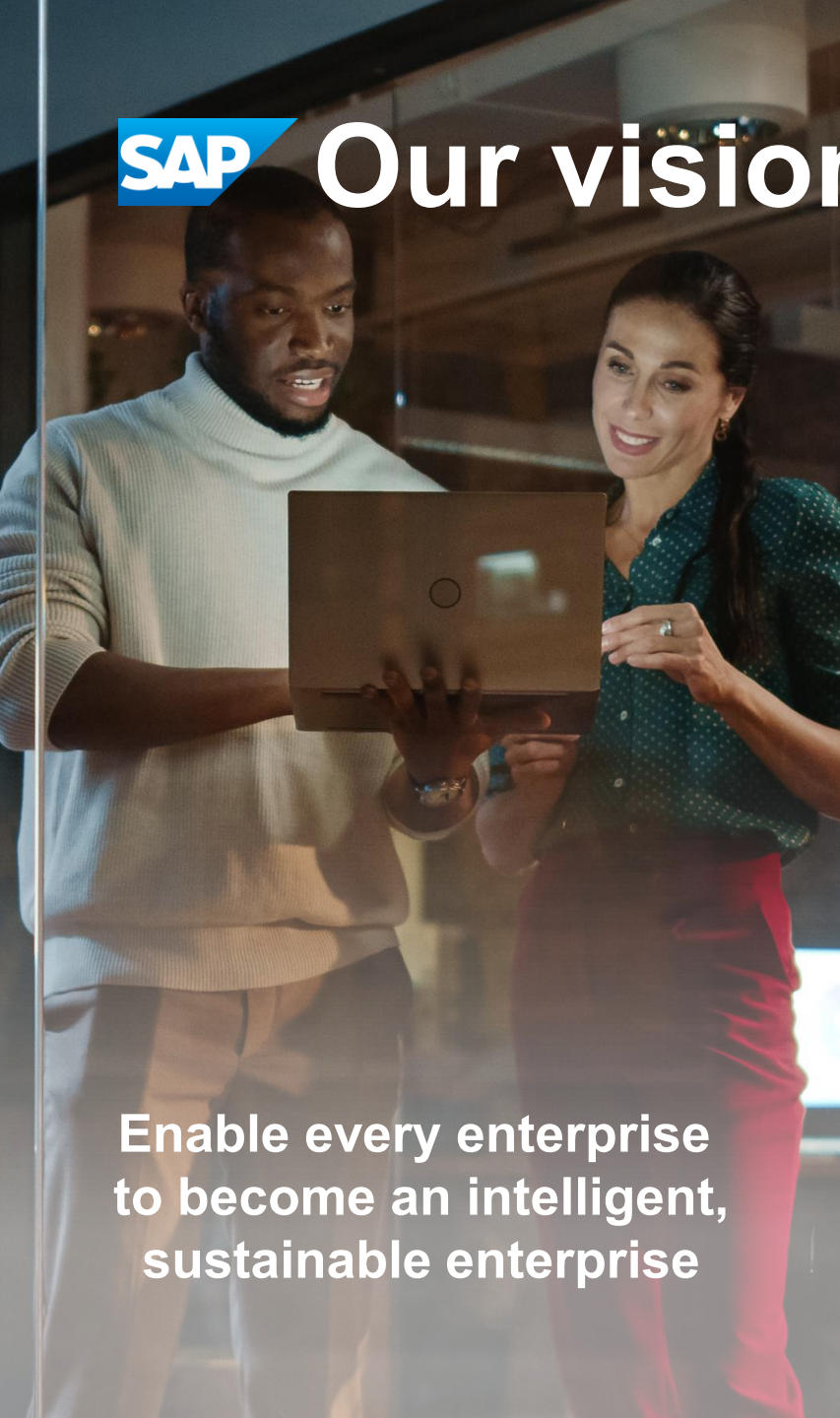


Help the world run better  
and improve peoples' lives





# Our vision

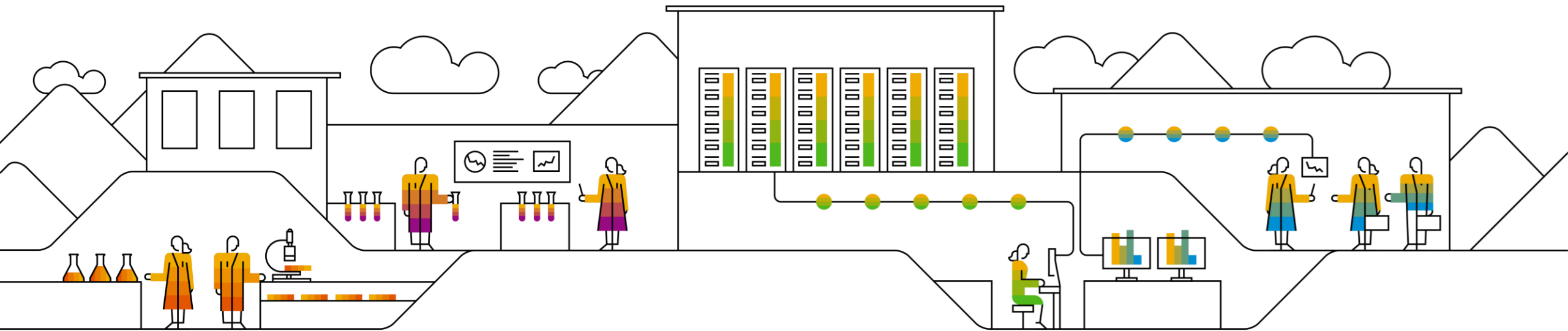
A man and a woman are standing in a modern office environment. The man, on the left, is wearing a light-colored turtleneck sweater and is holding a laptop. The woman, on the right, is wearing a green patterned blouse and red pants, and is pointing at the laptop screen. They both appear to be engaged in a collaborative work activity.

Enable every enterprise  
to become an intelligent,  
sustainable enterprise

A graphic of the Earth from space, showing the Western Hemisphere. Overlaid on the globe is a network of thin white lines connecting several circular nodes. The nodes are colored in shades of green and yellow. The globe itself shows cloud patterns and city lights at night.

Simplify and Enable digital  
transformation in an **uncertain**  
**world**

A wide-angle photograph of a vast solar farm. Rows of solar panels stretch far into the distance under a dramatic sky with orange and blue hues, suggesting a sunrise or sunset. The panels are arranged in neat, parallel lines, creating a strong sense of perspective.

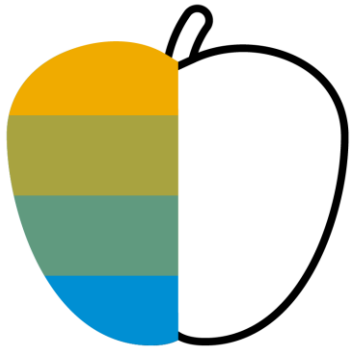


# Architecture Strategy of SAP

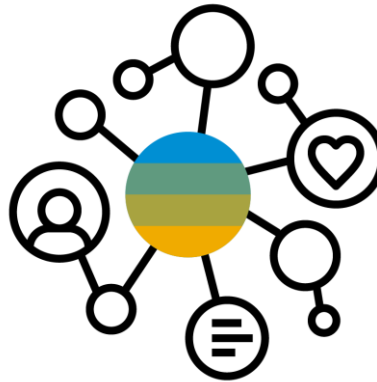
16<sup>th</sup> of March, 2023

# **Composable Architecture**

**Agenda:** Our vision to optimize and transform the way we build, run and deliver value for our customers can be broken down into three areas:



1. Keep the **core clean** and build industry focused differentiators



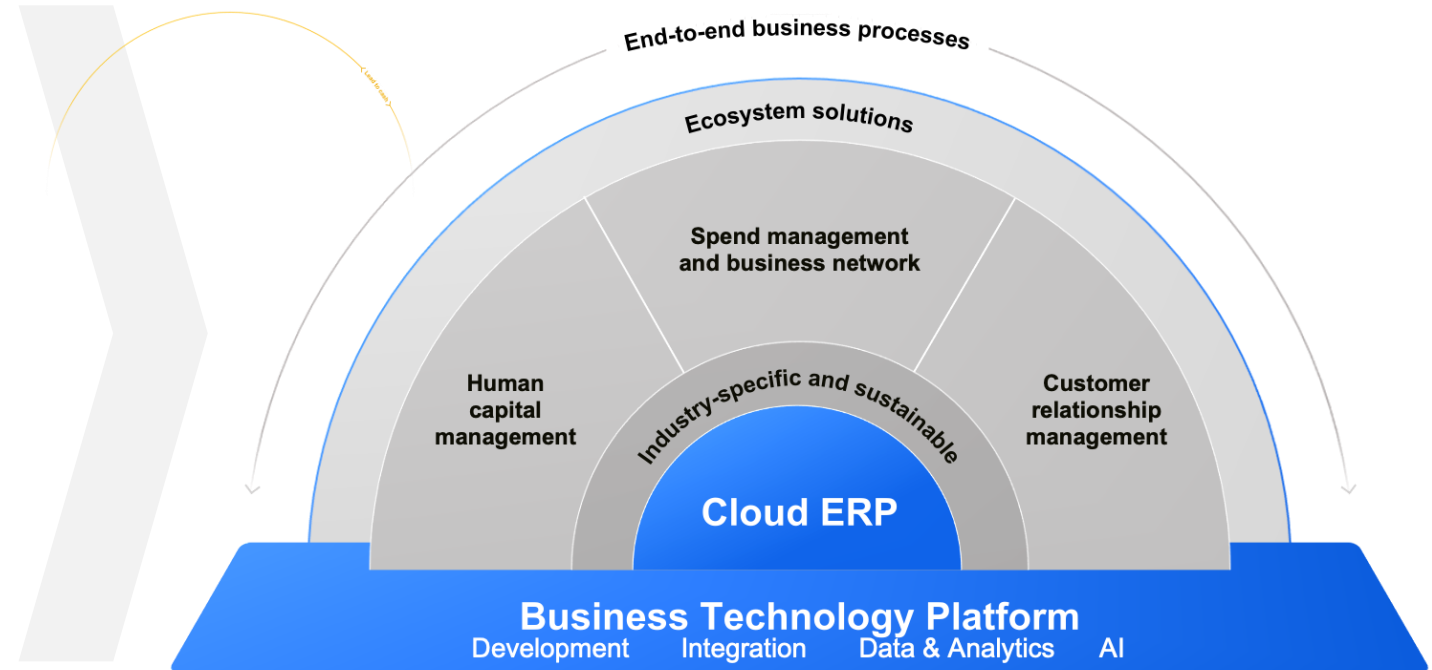
2. Build **end-to-end modular** solutions, not software



3. Build the best teams and **cultivate** an environment for **growth**

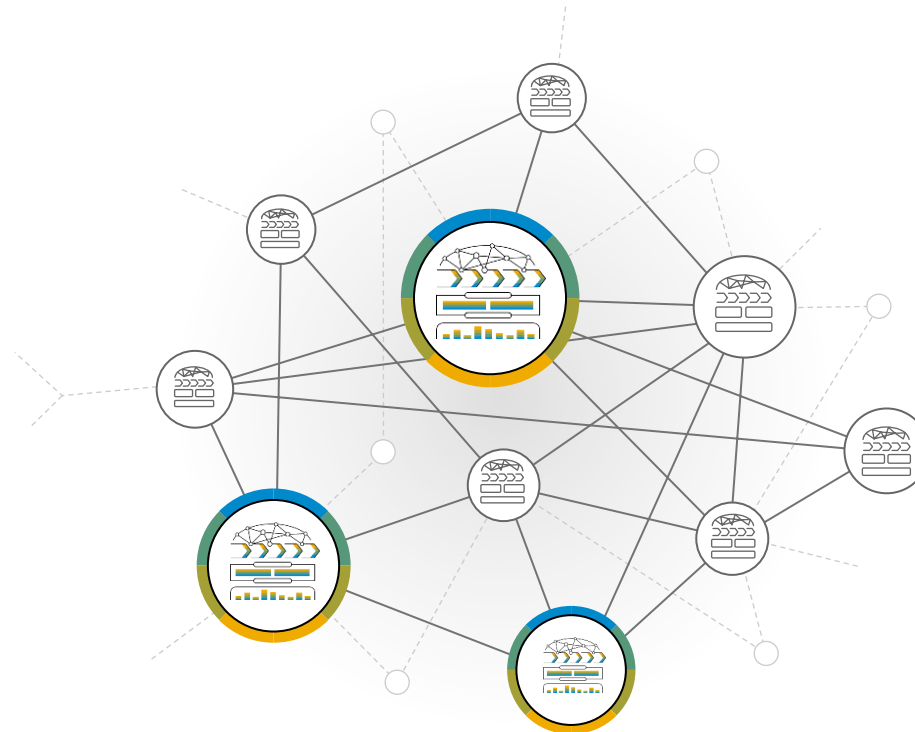
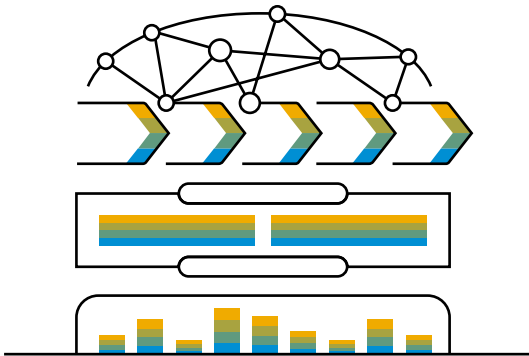


Enable every enterprise  
to become an **intelligent,  
sustainable enterprise**



# Our vision is clear: Network of intelligent, sustainable enterprises

From  
**intelligent**  
enterprises . . .



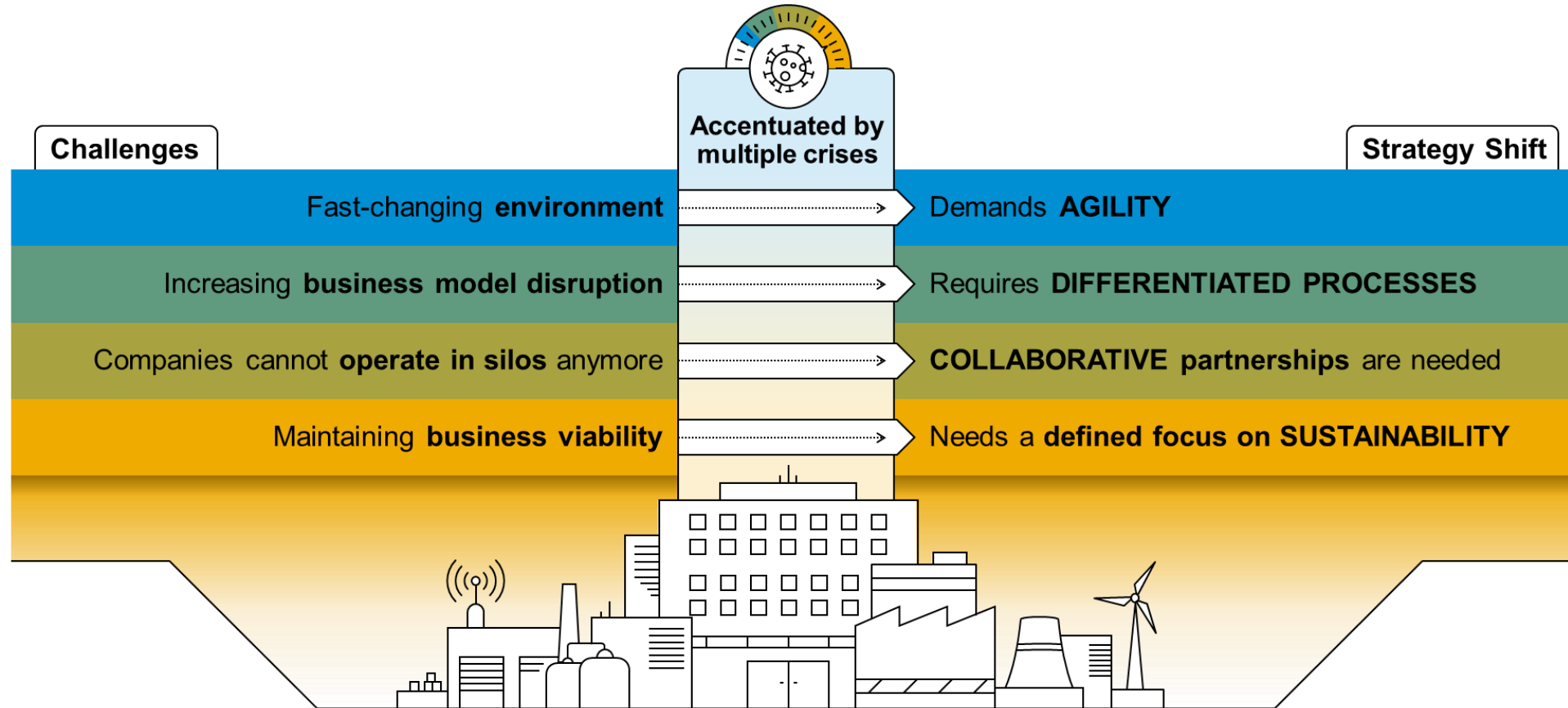
. . . to a  
**network**  
of intelligent enterprises



. . . to a

**sustainable  
world**

# Enterprises are facing many challenges, leading to seismic shifts in strategies



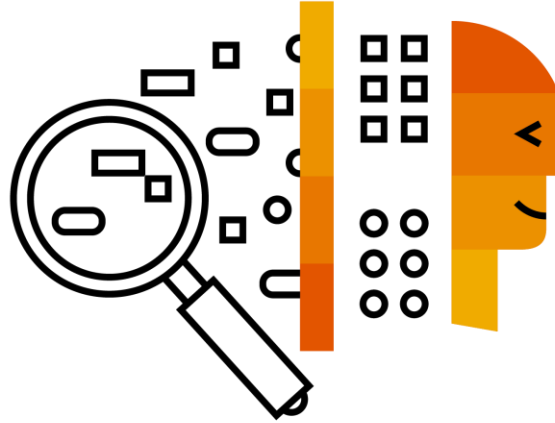
*"There can't be a crisis next week, my schedule is already full."*  
– Henry Kissinger



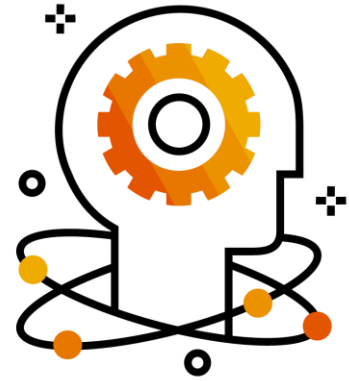
# Composability involves three phases



**Mindset**

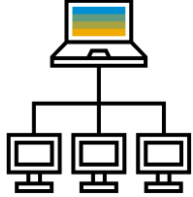
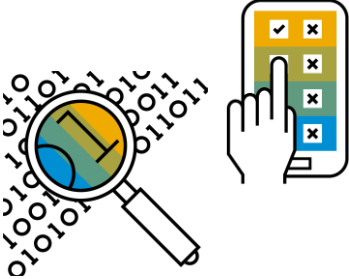
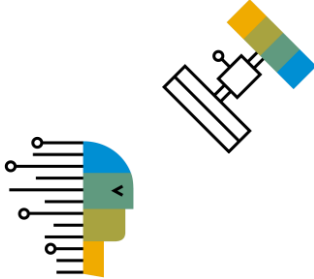



**Organizational and  
business architecture**

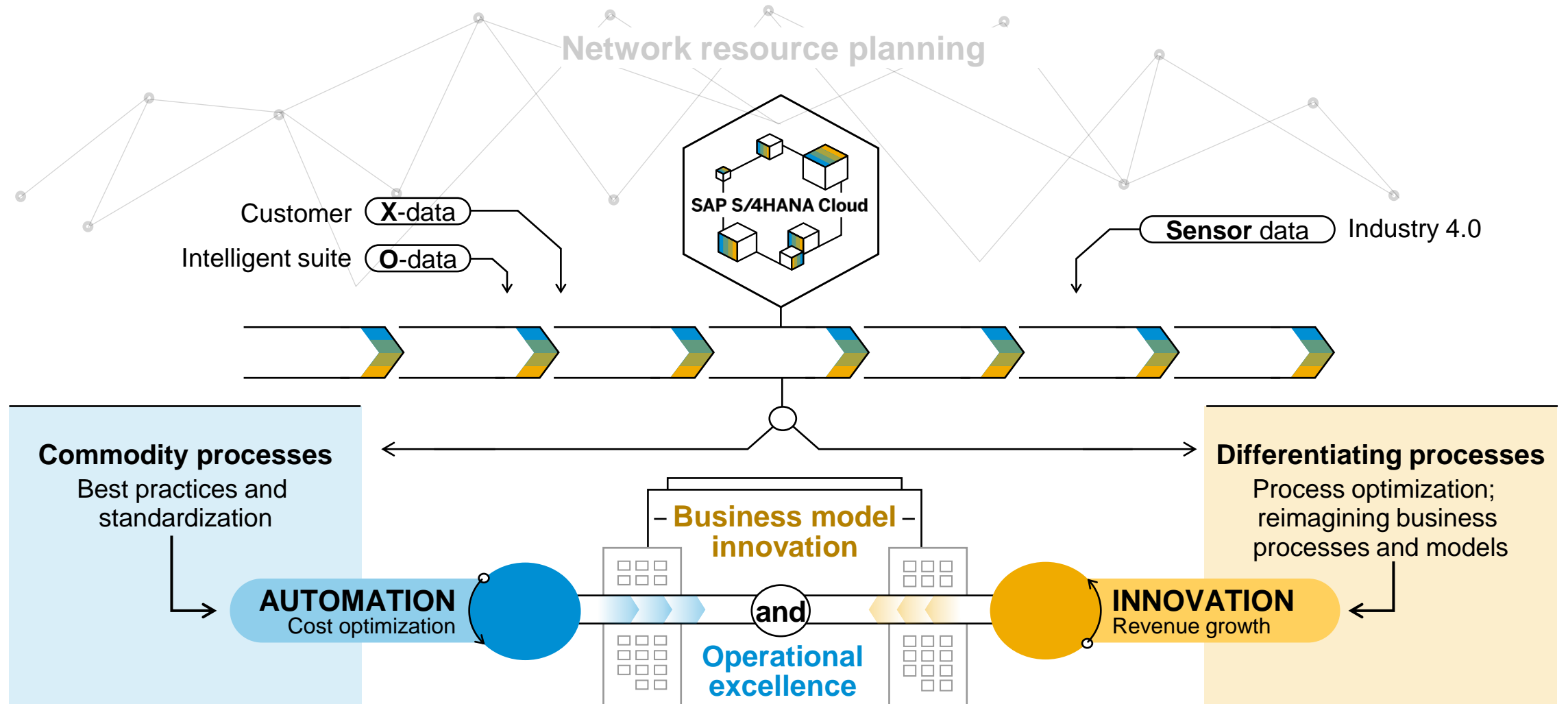


**Composable technology**

# You cannot solve today's challenges with yesterday's tools and mindset

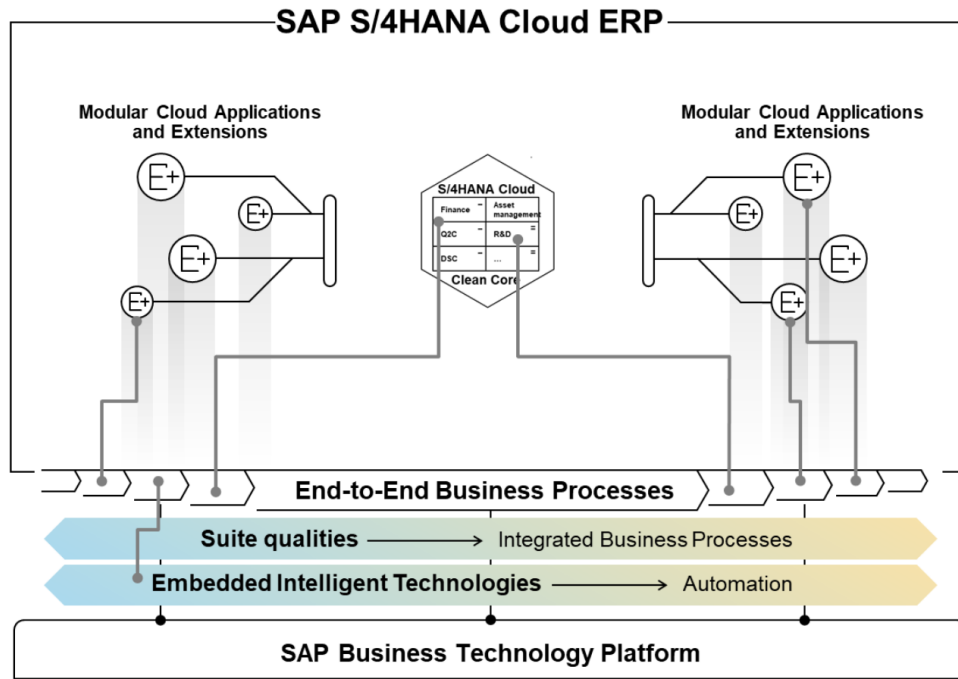
	<b>Client server and Internet</b> 1990s–2000s	<b>Cloud, mobile, and Big Data</b> 2000s–2010s	<b>Intelligent technologies</b> 2010s–2020s	<b>Connected ecosystems</b> The future
				
<b>Enabling technologies</b>	<ul style="list-style-type: none"> <li>▪ Widespread PC adoption</li> <li>▪ Broadband Internet</li> <li>▪ ERP and business process technologies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mobile and smartphone ubiquity</li> <li>▪ Cloud computing</li> <li>▪ Social networks</li> <li>▪ Big Data</li> </ul>	<ul style="list-style-type: none"> <li>▪ Conversational UX</li> <li>▪ Machine learning (ML)</li> <li>▪ Internet of Things (IoT)</li> <li>▪ Blockchain</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vaccines collaboration</li> <li>▪ Catena X</li> <li>▪ Sourcing networks</li> <li>▪ Green token</li> <li>▪ Large Language Models</li> </ul>
<b>Customer value creation</b>	<b>Business process automation</b>	<b>Digital transformation</b>	<b>Intelligent enterprise</b>	<b>Networked intelligent enterprises</b>

# The future of SAP S/4HANA is data driven – automating processes and driving insights to steer operations and make the right decisions





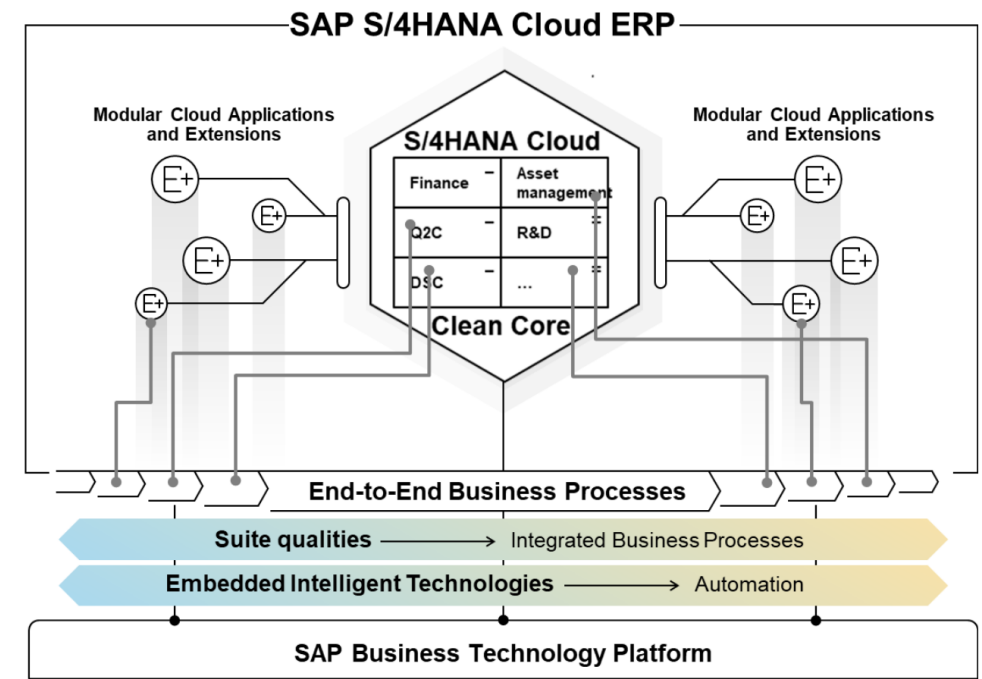
# One Cloud ERP solution – two core and process options



Simplified, most intelligent and automated next generation business processes based on a streamlined “Public Cloud Core”



Finance-led ERP, Operational ERP and 2-Tier ERP



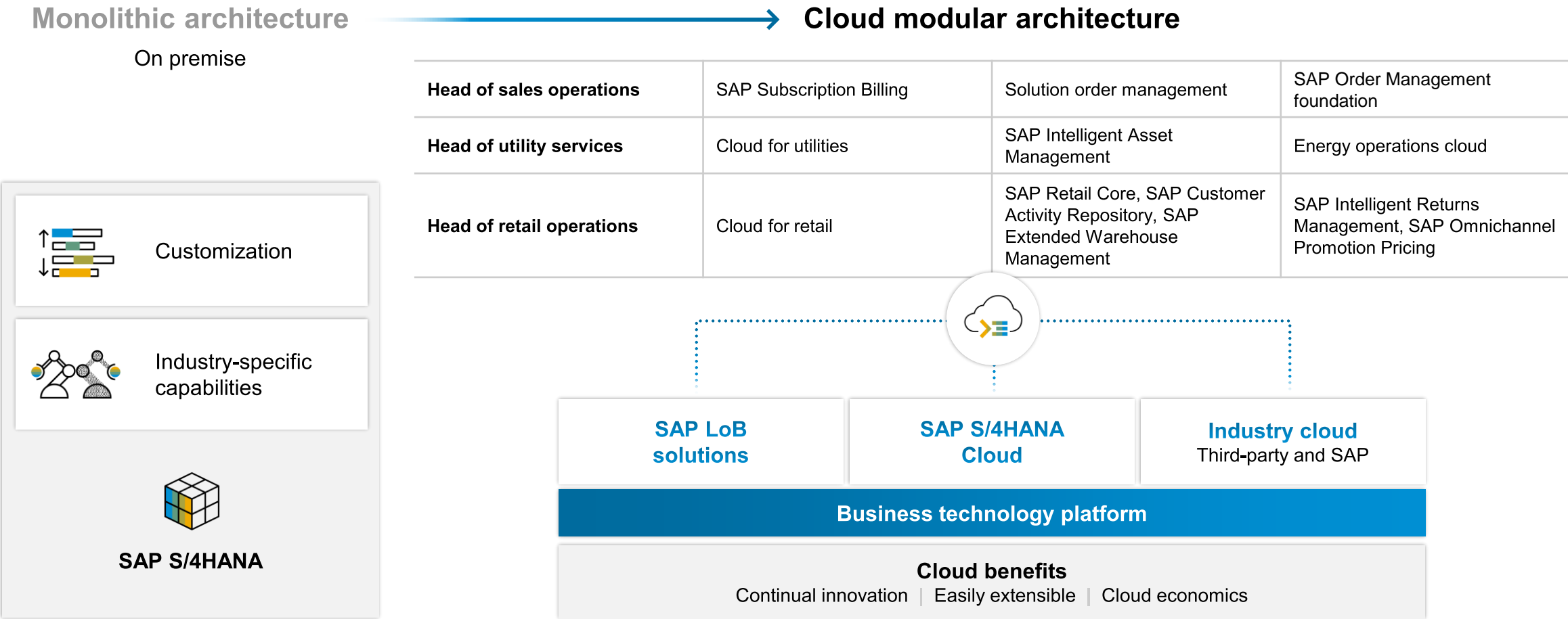
SAP ECC compatibility and individualization-oriented business processes based on an optimized “Private Cloud Core”



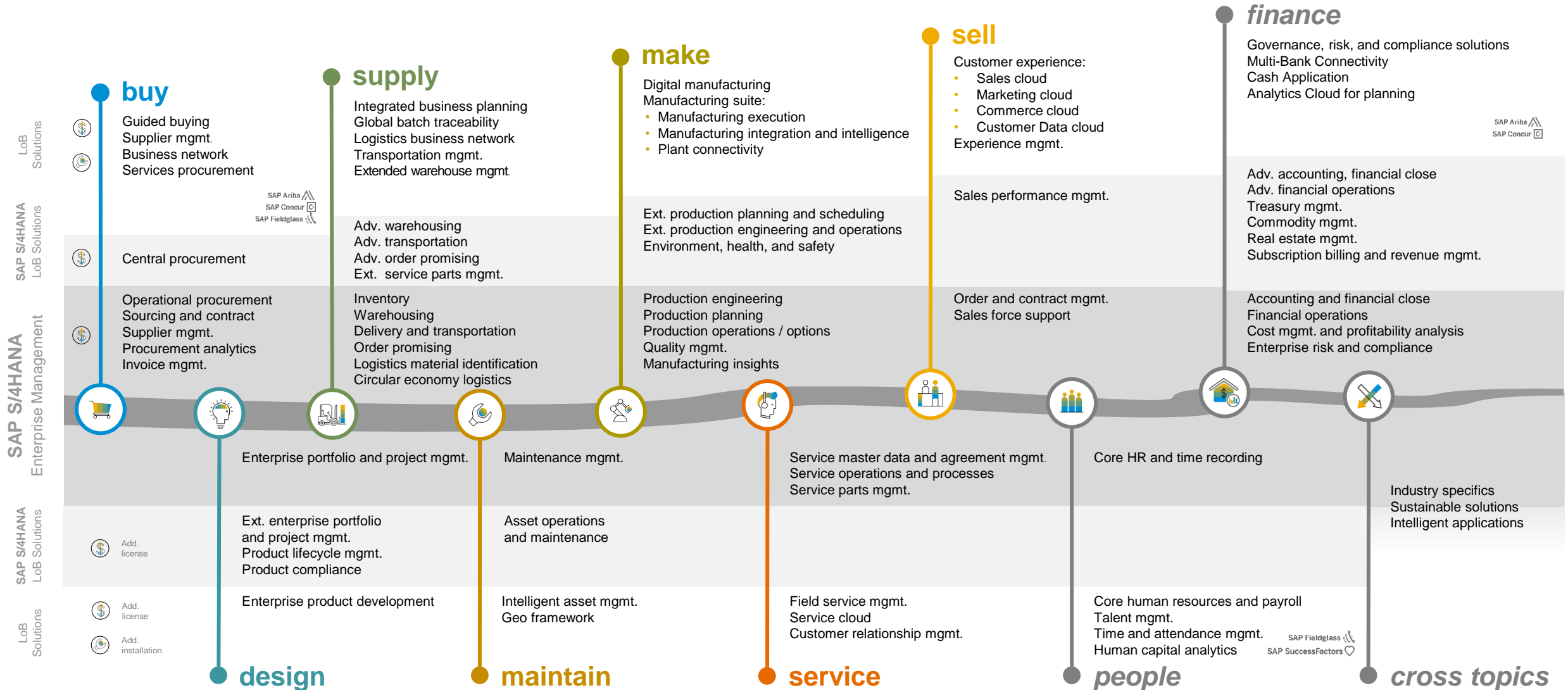
Large scale and complex ERP

# Moving to the cloud from a heavy, complex, and highly customized monolith

It's a journey, not a destination



# SAP S/4HANA Modular Application Portfolio (MAP)





# Fit for future technology strategy – Composable architecture

WHAT



## Business specific

*Competitive advantage, tuned to business and customer needs*

### Principles

- Fit for purpose → Customer focus
- Agile → Flexible, adapt to change
- Speed → Deliver value early

### Examples

- R&D development
- Verticalization differentiation
- Price determination
- Produce product



## Enterprise core

*Competitive necessity, driving operational effectiveness, across your company globally*

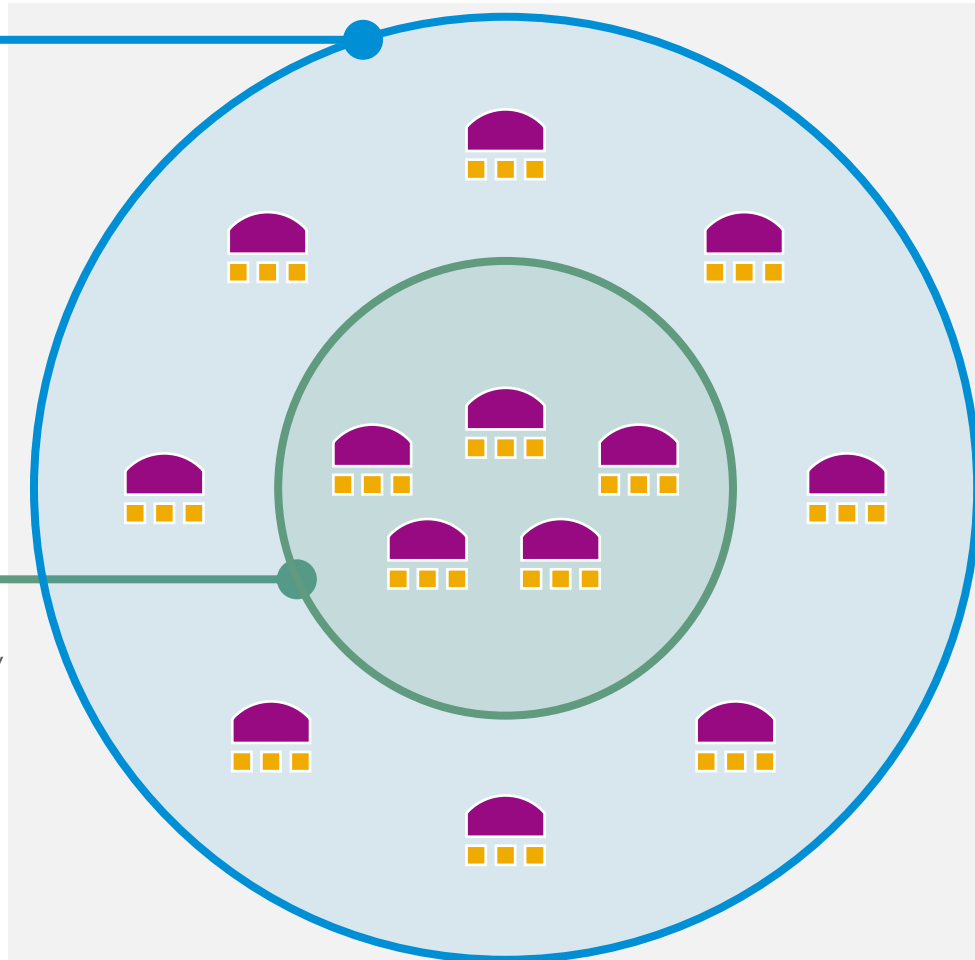
### Principles

- Standardized → Out-of-the-box functionalities
- Quality and cost optimized → Max automation
- Clearly governed → One decision-maker

### Examples

- Managing account receivables and payables
- Inventory planning and forecasting
- Managing payroll

Business capabilities



## Data

*Structured, organized quality data for the enterprise*

### Principles

- Data governance
- Data management
- Data models

### Examples

- Democratized data
- Ownership, quality
- Trusted reporting, AI-supported decisions



## Composable architecture

*Modular technology to enable business resilience*

### Principles

- Modularity – packaged business capability
- Discovery – easier to find, integrate, and (re)use
- Autonomy – easier to change, replace, remove
- Orchestration – secure by design and ready to be used

### Examples

- A “pricing engine” is used for price determination for a wide variety of products by different business lines



## Connected enterprise through suite qualities

*Ready access to technology capabilities*

### Principles

- Commoditization of connectivity
- Accessibility and usability
- Innovation enabled through zero friction

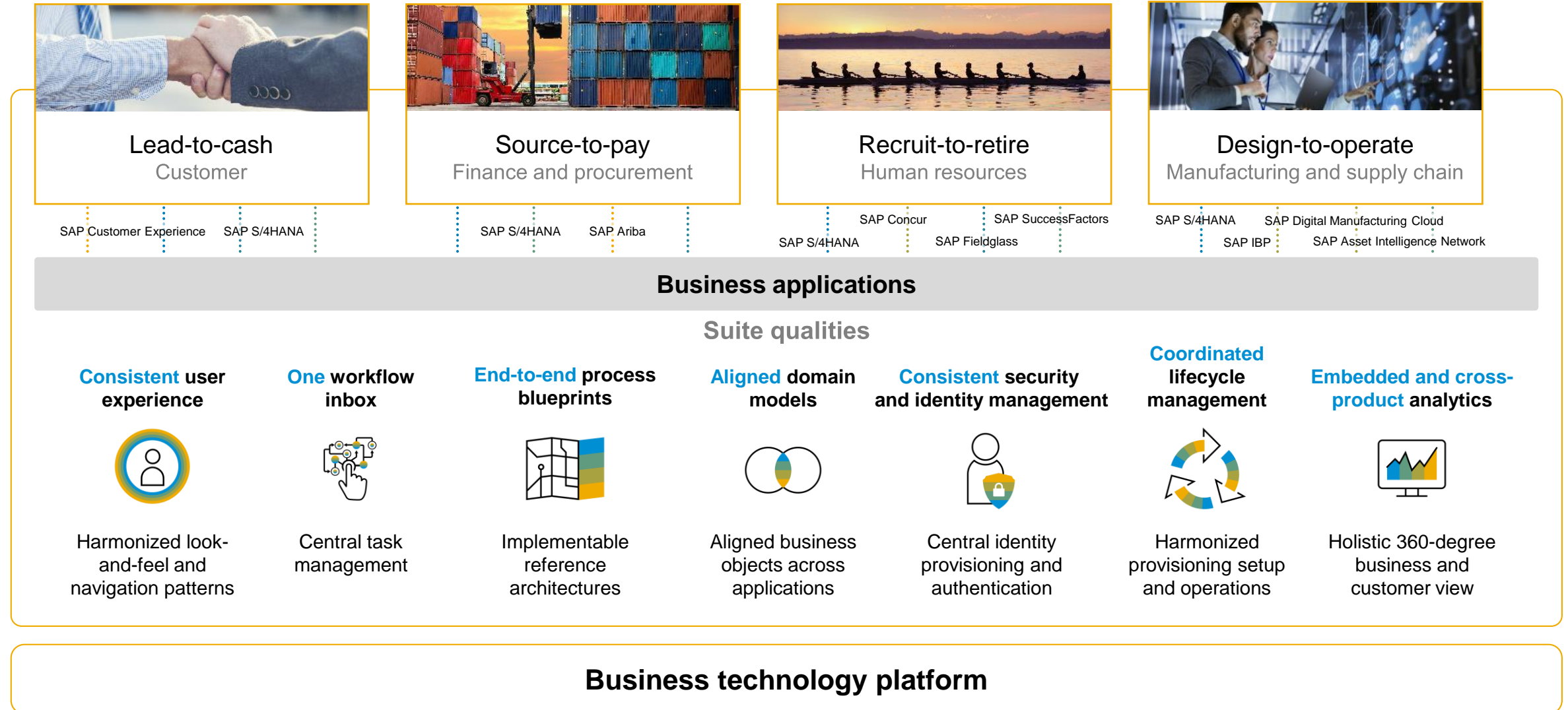
### Examples

- Every (business) capability is digitally published
- Exposed capabilities may be consumed, combined, and innovated upon without consent of the owner

Fit for future technology

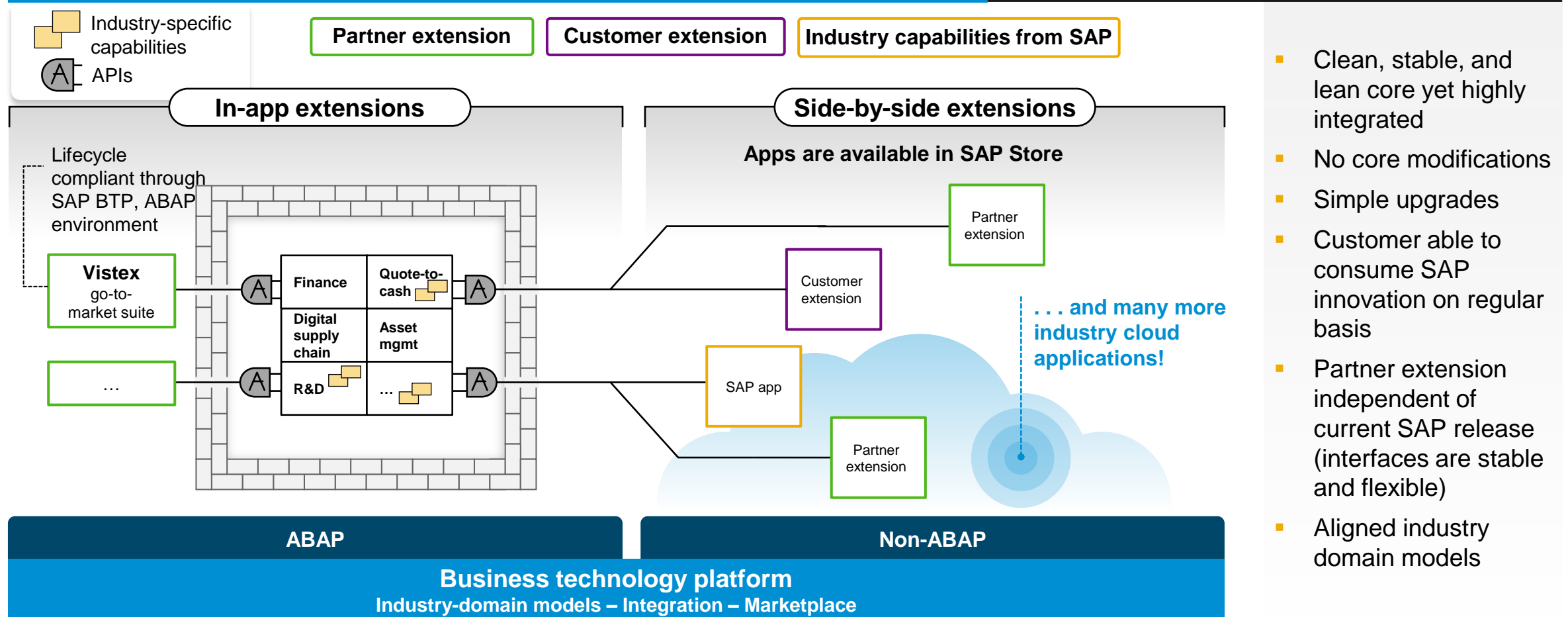
HOW

# The Intelligent Enterprise: Connected enterprises through suite qualities



# With industry cloud, we keep the cloud core lean and clean, leveraging SAP Business Technology Platform for modular and innovative developments

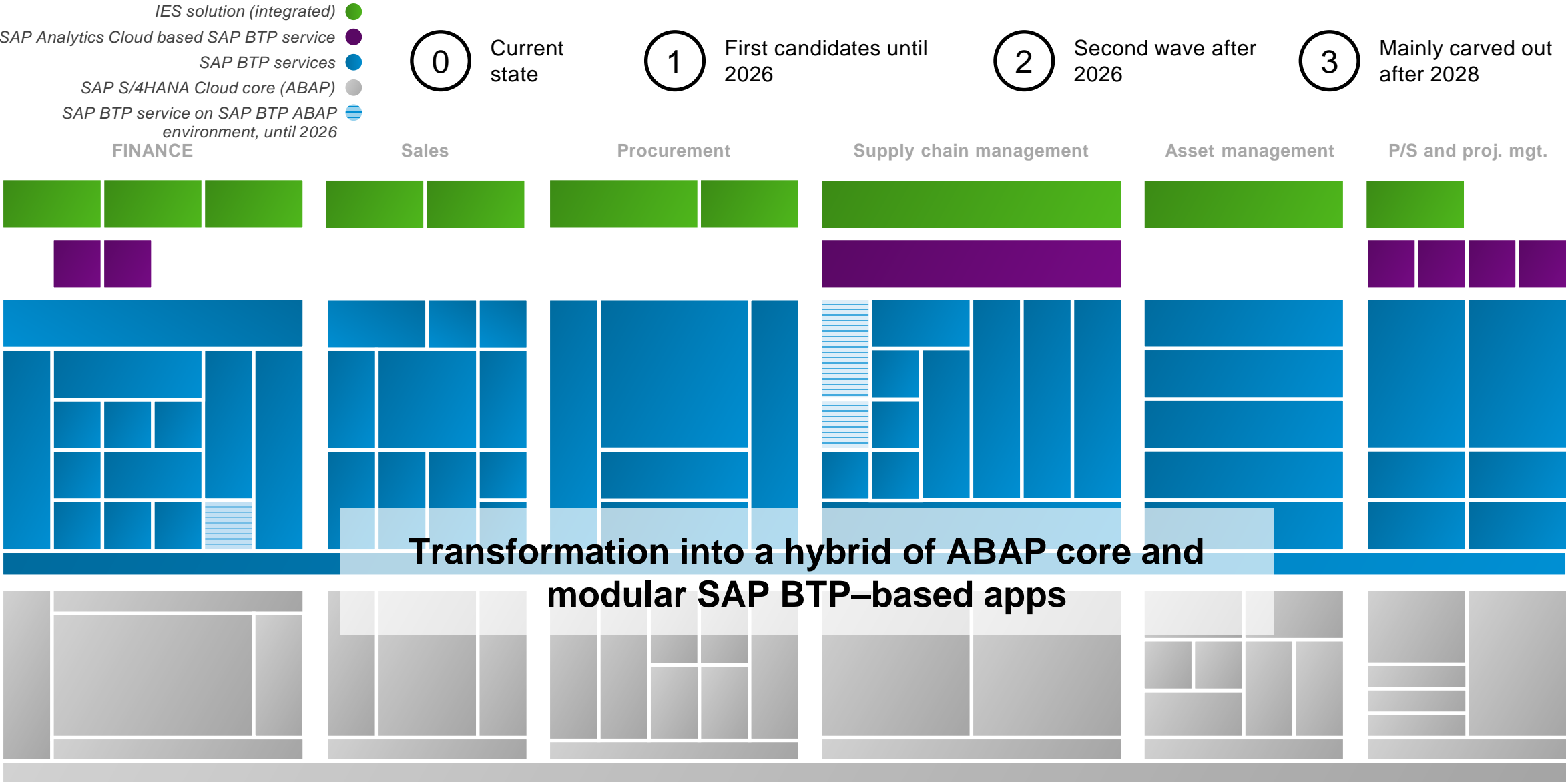
## SAP S/4HANA Cloud: Modular architecture with a lean, clean, and protected core



- Clean, stable, and lean core yet highly integrated
- No core modifications
- Simple upgrades
- Customer able to consume SAP innovation on regular basis
- Partner extension independent of current SAP release (interfaces are stable and flexible)
- Aligned industry domain models



# The business architecture will heavily evolve from today to 2028

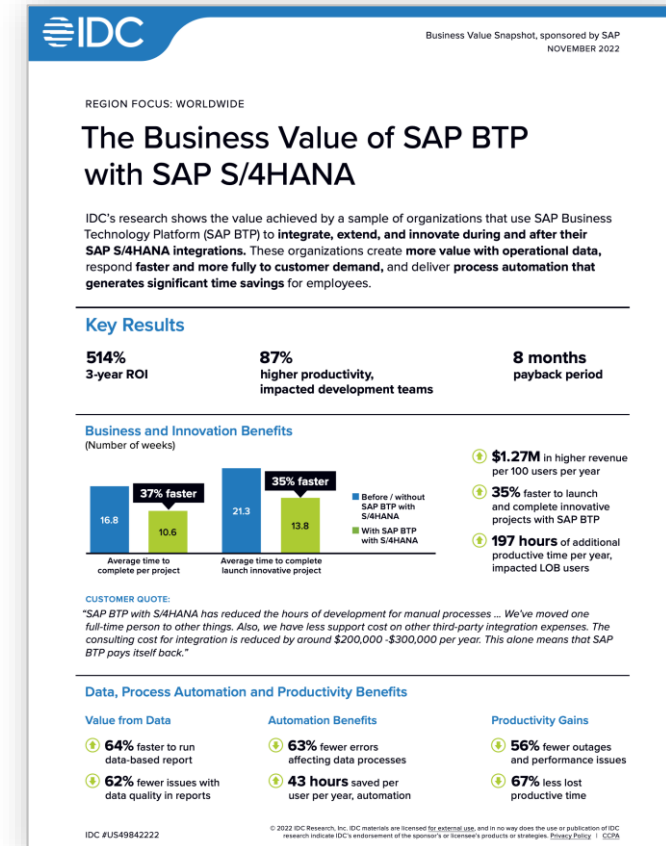


# IDC Business Value Study: SAP BTP for SAP S/4HANA Cloud

**514%**  
three-year ROI

**8 months**  
to payback

**87%**  
higher productivity  
to development  
teams



*IDC Study - Infographic*

# SAP's intelligent suite – Example of a composable architecture

Customer example

