



Passion. People. Performance.

Supercharge Your Analytics Capabilities with

- *SAP Profitability and Performance Management (PaPM)*
- *SAP Analytics Cloud (SAC)*



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Three Takeaways Today

- Importance of Cross-Enterprise Granular Analytics
- Power of SAP BTP Analytics ...
 - ✓ *SAP Profitability and Performance Management (PaPM)*
 - ✓ *SAP Analytics Cloud (SAC)*
- Cost-to-Serve – Real-World Example

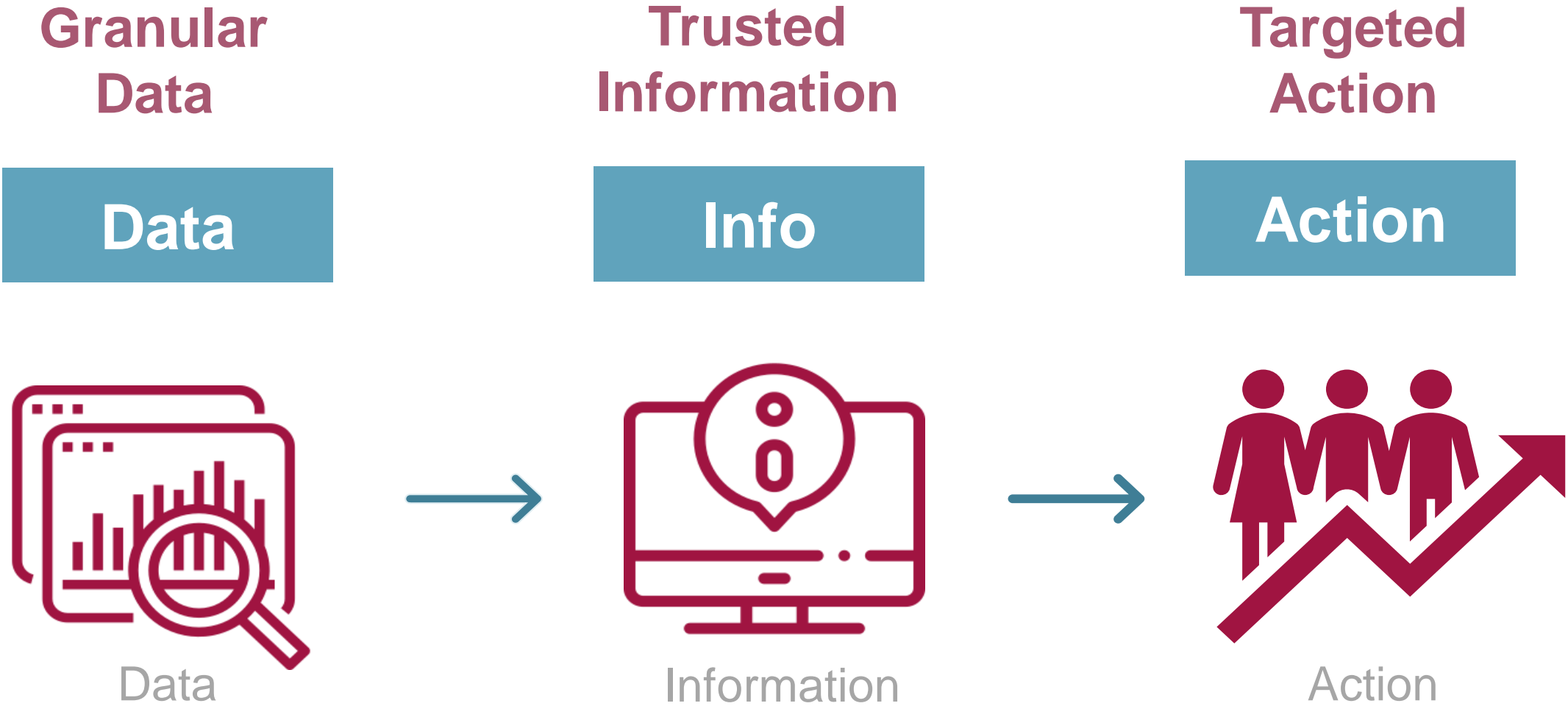
**Adapting to
Uncertainly**

Means ...

**Making
Better
Decisions
Faster.**

From Superstorms to Factory Fires: Managing Unpredictable Supply-Chain Disruptions





1

SAP PaPM

- Integration and Harmonization
- High-Performance Allocations
- Automated Business Calculations

2

SAP Analytics Cloud

- Self-Service Data Exploration
- Augmented Analytics
- What-if Simulations

3

Data-Driven Decision-Making

Fueled by a lot of Trusted Info
Machine-Generated Insights
Simulate the Impact of Potential Decisions

Monthly Financial Reports Are Not Enough

Monthly Finance Reports vs Analytics Solution

Monthly Summary vs Drill to Month, Day, Hour Details

Historical Data to look backward vs Historical Data to predict the future

Standard, Static Report vs Exploration and Discovery

Compromise was Always a Challenge ... until now!

Compromises Mean:

- summarized data
- less accurate information
- reduced confidence in decisions

Performance
(Time)



Granularity

*(Data Available at
Sufficient Detail)*

Accuracy

*(Data Processed by
trusted Business Rules)*

Delivers Trusted Information Without Compromises

SAP Profitability and Performance Management (PaPM)

High Performing Native SAP
HANA Application

Runs Complex Business Rules
to Ensure Accuracy

Real-Time Allocations Ensure
Granularity

Performance

Speed of
Native SAP
HANA

Minimal IT
involvement

Real-time
Allocations

Granularity

PaPM supports
simple or really
complex
allocations

Data from
many sources
can be
captured and
allocated to
Lowest Level of
Granularity

Accuracy

Build trust
with
automated
data
integration
and
harmonization
with rule-
based
accuracy

Supports Decision Making Based on Trusted Information

SAP Analytics Cloud

Trusted
Information



Targeted
Action



Data Exploration

Gain deeper insights with interactive visualizations and data stories by slicing and dicing data, regardless of volume size.

Augmented Analytics

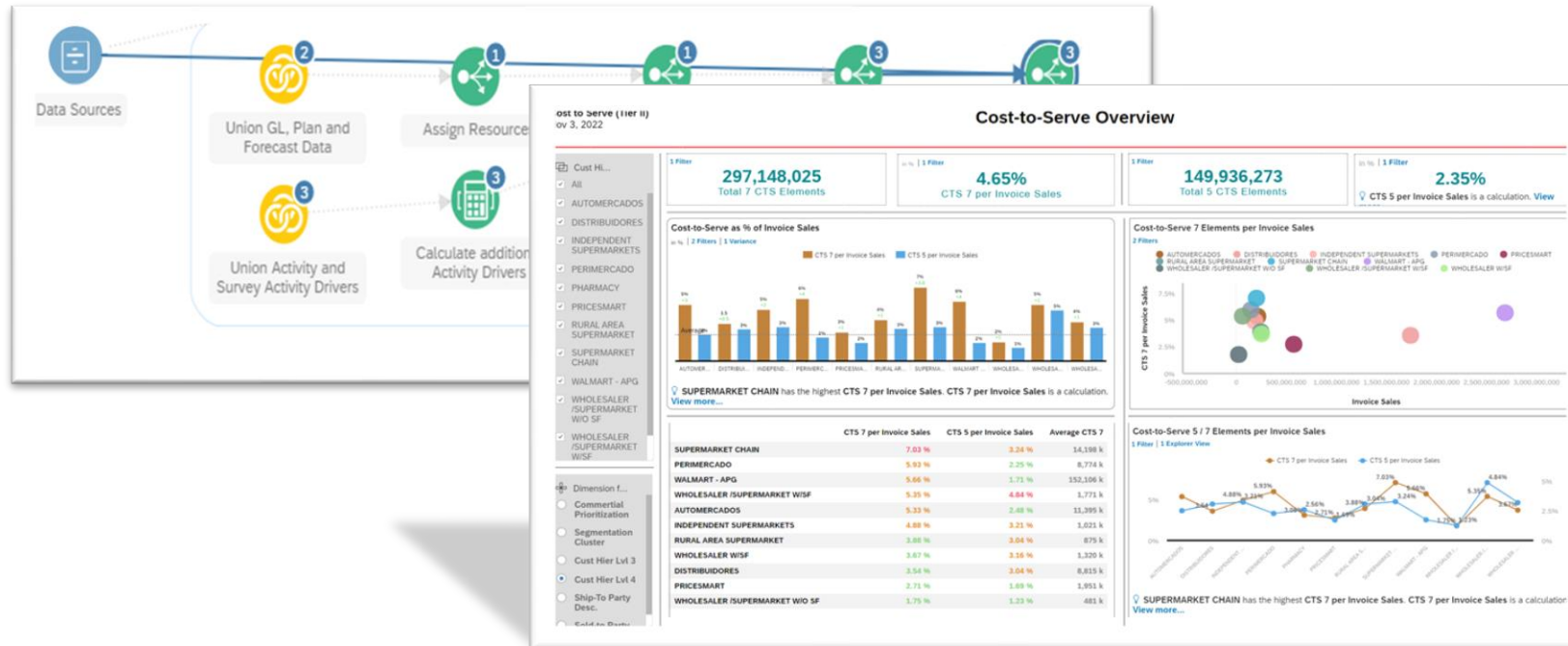
Go the last mile of data-driven decision-making with machine-generated analytics and insights.

What-if Simulation

Simulate any scenario and visualize the impact of decisions for better business outcomes.

SAP Performance and Profitability Management (PaPM)

Automation, Allocation, Integration and Harmonization of data



SAP Analytics Cloud (SAC)
Data Exploration and Visualization,
Augmented Analytics, What-If Analysis

Create Trusted
Information

Explore for
Insights

Identify
influencing
factors

Visualize Impact
of Decisions

Take Targeted
Action



Passion. People. Performance.

Real-World Example: Cost-to-Serve



Cost-to-Serve

Challenge:

Fortune 250 CPG Multinational

needed insight into the costs associated with servicing customers in Latin America.

- **Data Sources:**
 - BigQuery, SAP Freight, Google Sheets**
 - **Comprised of ...**
 - Freight Costs, Shipping charges,
 - Variable Warehouse Costs,
 - Pricing Discounts, Returns ... and more
- **Hours of Manual Effort**
- **Monthly Reporting**
- **Aggregated, Not Standardized Data**

What is Cost-to-Serve Analysis?

Cost-to-serve analysis aims to calculate the actual costs associated with servicing each customer for the purposes of improving processes and reducing costs.

State of the Art: Analytics and Cost Management

1

SAP Performance and Profitability Management (PaPM)

- Allocates data to the lowest level
- Aligns data from financial, operational, and external systems
- Allocates costs to activities and customers

2

Easy as 1 ... 2 ... 3.

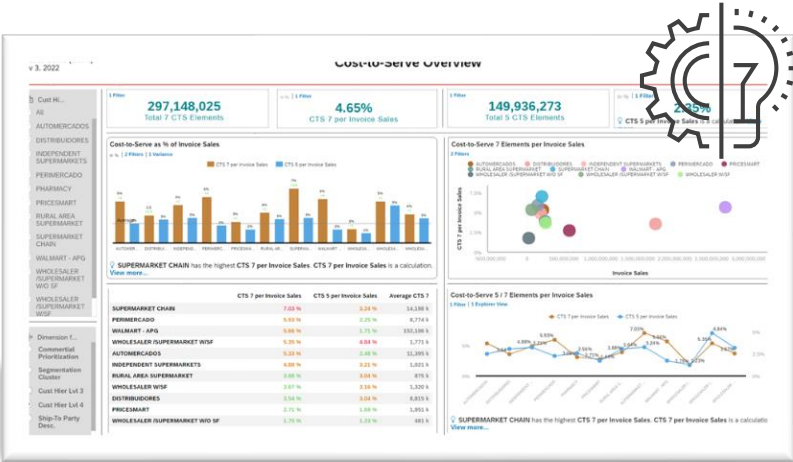
SAP Analytics Cloud (SAC)

- Self-Service Analytics
- Machine Learning-Based Discovery
- What-if Analysis

3

Cost-to-Serve Solution

- Advanced Insights
- Minimal IT Involvement
- Supercharged Decision Making!



SAP Performance and Profitability Management (PaPM)

PaPM Delivers data integration, harmonization, and allocation for cost-to-serve analysis.



Data from across the business is turned into usable information.

Calculates cost of delivering products and services to each customer.

Explore for Insights

Data exploration

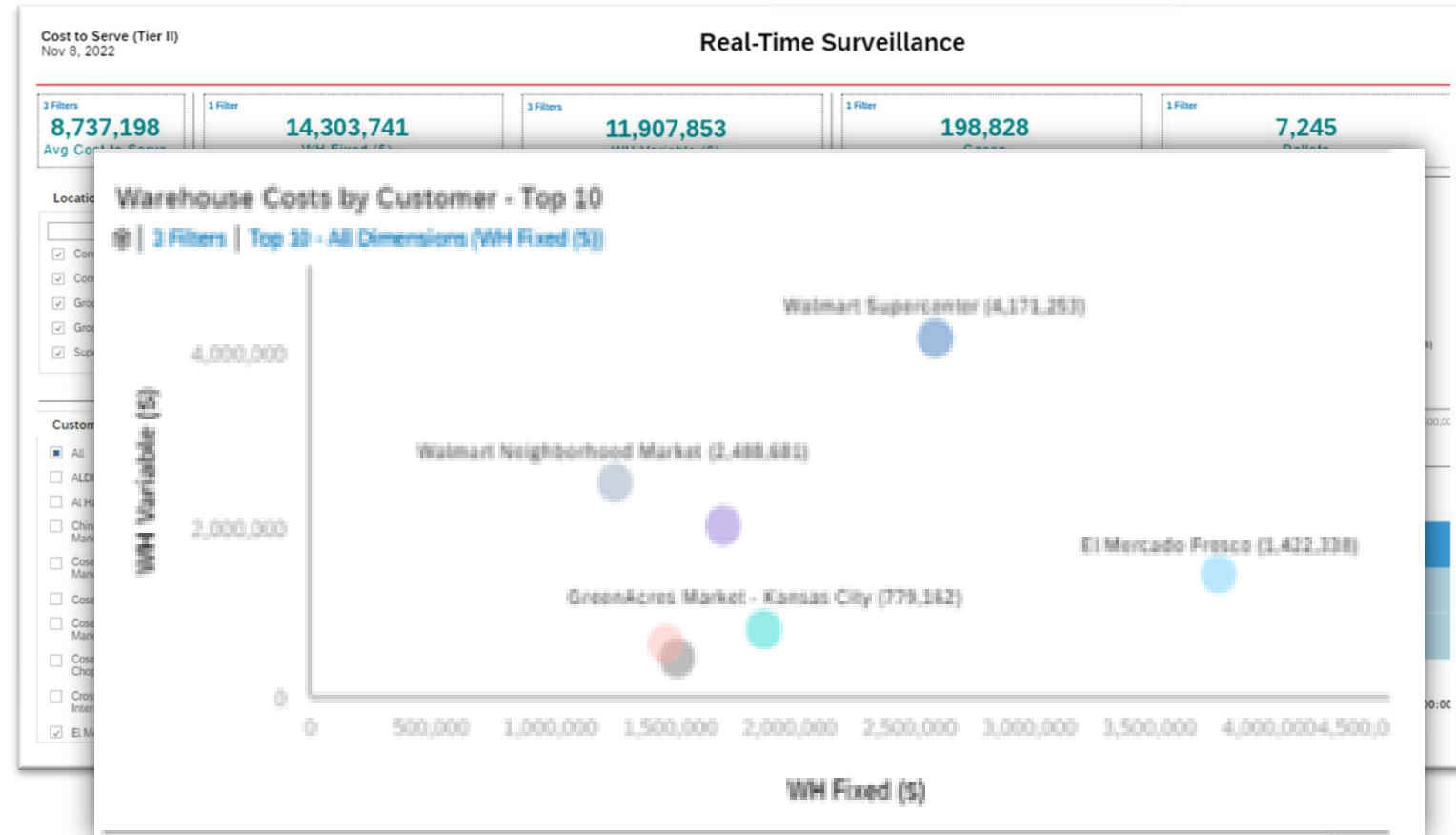
Gain deeper insights with interactive visualizations and data stories by slicing and dicing data, regardless of volume size.

Explored the data - comparing customers on dozens of dimensions and metrics

Visually Identified Customers with high cost-to-serve on the scatterplot

SAP Analytics Cloud

Surveillance Dashboard



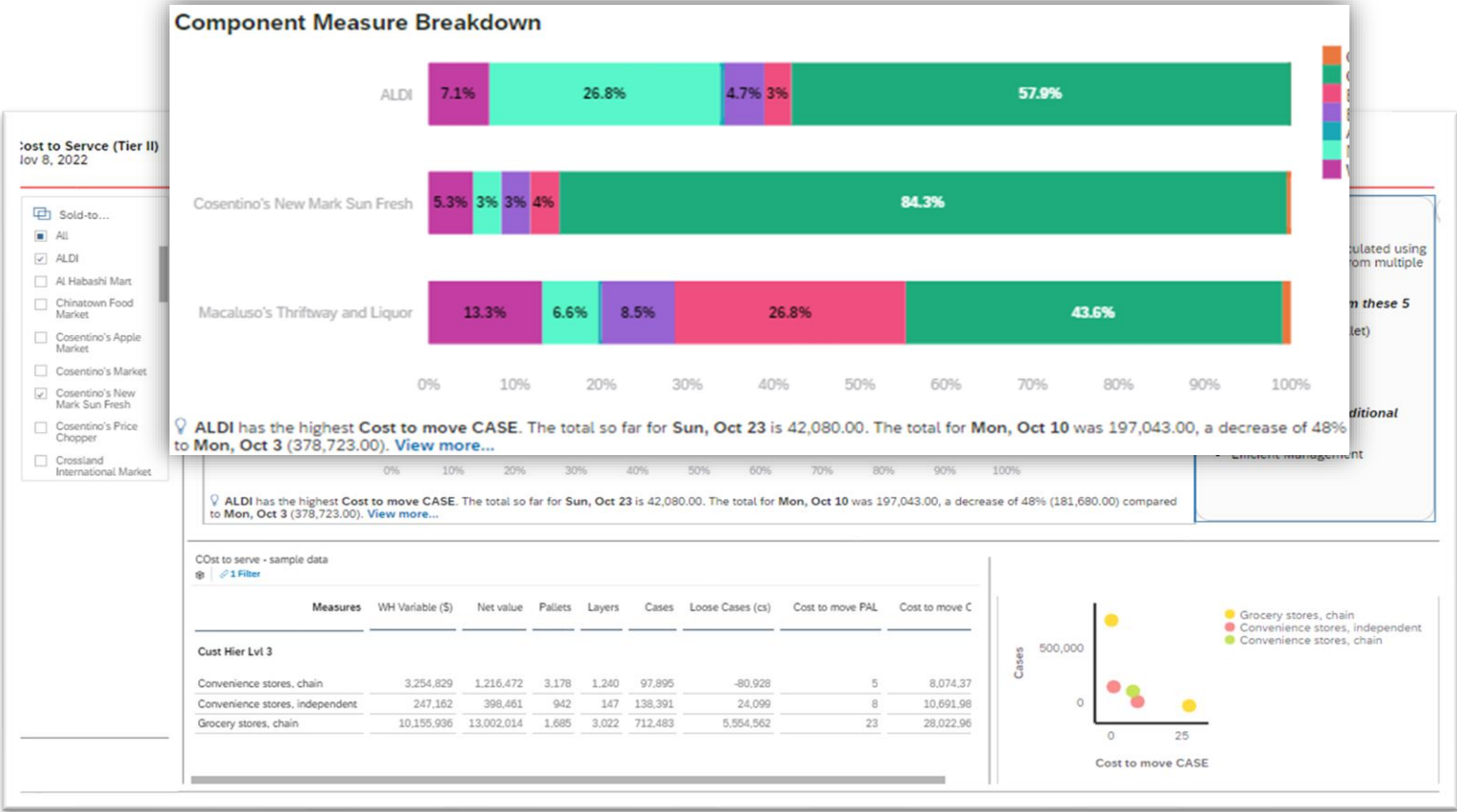
SAP Analytics Cloud

Visualize

Visualized each customer's total cost-to-serve but broken down into the different fees, costs, and discounts.

Some big customers had negotiated large discounts, which showed up in some of the scores

We also discovered that some of the costs were related to high Variable Warehouse Costs.



SAP Analytics Cloud

Identify the Influencing Factors

Using Smart Discovery to automatically analyze “Variable Warehouse Costs”.

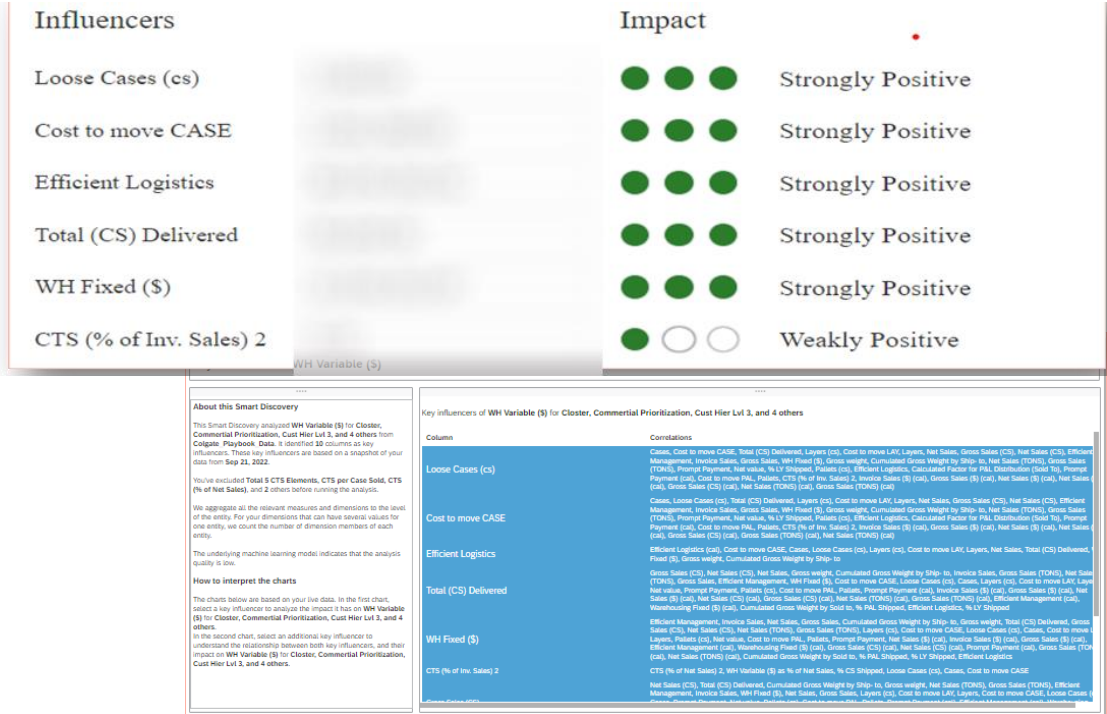
We determined that “Loose Cases” (not on a pallet) is correlated to the Variable Warehouse costs.

Other variables like the Amount of Discounts was also relevant (this was immediately actionable)

Visualize the Impact of Decisions

Prior to calling the warehousing team, we ran some predictive scenarios to see the impact of reducing the number of Loose Cases.

What-if simulation for warehouse costs showed we could get a 7% reduction.



Provide Answers To Powerful Questions

*How much
does it cost
to serve each
customer?*

*Which
customer
locations
contribute
more to the
cost-to-serve?*

*What are the
key cost
drivers
required to
serve each
customer?*

*What effect
would
changing
discounts
have on
customer
order size?*

*Can we link
carbon
footprint to
my supply
chain and
improve
sustainability?*

Conclusions / Questions



Integrated, fast and flexible,
source and destination agnostic for
reporting and simulation
at the finest or lowest level of detail.