SAP S/4HANA Value Starter Engagement
Result Document – Example Customer

Q1, 2021
Disclaimer

This presentation outlines our general product direction and should not be relied on in making a purchase decision. This presentation is not subject to your license agreement or any other agreement with SAP. SAP has no obligation to pursue any course of business outlined in this presentation or to develop or release any functionality mentioned in this presentation. This presentation and SAP's strategy and possible future developments are subject to change and may be changed by SAP at any time for any reason without notice. This document is provided without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. SAP assumes no responsibility for errors or omissions in this document, except if such damages were caused by SAP intentionally or grossly negligent.
Intro to this report
This document is a summary of your customer specific Value Starter results.

The output in this document is based on the discussion points during the interactive sessions.

Details and documentation can be found in your customer specific SharePoint.
What happened during the SAP S/4HANA Value Starter Engagement

SAP S/4HANA Value Starter

1st half day

Session 1: WHY?
Experience the value of SAP S/4HANA with SAP S/4HANA Simulation

powered by:
SAP S/4HANA Simulation by Baton Simulations

2nd half day

Session 2: WHY?
Discussing customer-specific Point of View Document created by SAP

Session 3: WHY?
Identify SAP S/4HANA innovation & improvement potential based on SAP Business Scenario Recommendations

powered by:
SAP S/4HANA Simulation
by Baton Simulations
powered by:
SAP Business Scenario Recommendations

3rd half day

Session 4: WHAT?
Sketch the future based on a pre-populated customer-specific product map

developed by:
SAP Transformation Navigator

Session 5: WHY?
Identify incremental financial benefit through pre-populated outside-in value assessment

developed by:
SAP Value Lifecycle Manager

Session 6: HOW?
Plan the Change

powered by:
SAP Business Scenario Recommendations

powered by:
SAP Business Scenario Recommendations
powered by:
SAP Transformation Navigator
Management Summary – Define your Strategy

SAP’s Outside-In view

01 Continue to **grow company’s main business and in emerging markets**

02 Focus on **Process Excellence**

03 Ensure to **meet sustainability commitments**

04 **Expand** internationally

05 React on **trends and new mandatory regulations**

Critical Areas

**SG&A expense**
8,4% of revenue
(top: 5,4% - last 15,0%)

**Operating Margin**
0,6% of revenue
(top: 6,8% - last: 0,6%)

Focus Value Drivers

- **LOB Finance / Value Driver Reduce Finance Cost**
- **LOB Manufacturing / Value Driver Reduce Total Manufacturing Cost**
Management Summary – Incremental Benefits

**LoB - Finance / Value Driver - Reduce Finance Cost**

**Incremental Capabilities for selected LoB**
- enhancing the functional scope on 11 currently used capabilities
- providing 13 additional new capabilities to be considered for future use (e.g. Financial Reporting, Cash Management, Collections Management)

**Potential Cumulative Value for selected LoB**
- $xxx.xxx of recurring benefits every year
- $xxx.xxx of one-time benefit

**LoB - Manufacturing / Value Driver - Reduce Total Manufacturing Cost**

**Incremental Capabilities for selected LoB**
- enhancing the functional scope on 13 currently used capabilities
- providing 5 additional new capabilities to be considered for future use (e.g. Manufacturing Analytics, Repetitive Manufacturing)

**Incremental Capabilities for selected value driver**
- 8 related SAP S/4HANA capabilities supporting the value driver (e.g. A/R with Automated Line Item Matching, Cash & Liquidity Management, Entity Close)
- The improvement coming mainly trough automatization of repetitive tasks or improved productivity through time savings for general tasks

**Potential Cumulative Value for selected LoB**
- $xxx.xxx of recurring benefits every year
- $xxx.xxx of one-time benefit

© 2021 SAP SE or an SAP affiliate company. All rights reserved. ǀ PUBLIC
**Management Summary – Plan the change and move forward**

**Evaluation of transition scenario**
- Example Customer is currently not decided about their transformation strategy, but is showing a slight tendency for conversion type transition

**Next steps together with SAP**
- Discuss the cloud opportunities using RISE with SAP
- Familiarize with the changes of existing capabilities via Feature Scope Description
- Create your own STN Product Map based on your usage data
- Prepare for SAP S/4HANA with the Readiness Check
- Review SAP Fiori Scenarios presented in the Fiori Apps Library for Manufacturing
- Review recommended additional capabilities and decide further usage
  - WM <=> EWM
  - Cash and Liquidity Management
- Explore SAP S/4HANA via Trial version
Business starting point

Strategic priorities

Identify Improvements

Sketch the Future

Build the Case

Plan the change
Define your priorities for the Intelligent Enterprise
Your selected focus Lines of Business

Lines of Business

- Asset Management
- Finance
- Manufacturing
- Sales
- Sourcing and Procurement
- Supply chain

Selected focus
Lines of Business

- Finance
- Manufacturing
Define your priorities for the Intelligent Enterprise

Business starting point

Lines of Business

Finance

Manufacturing

Need for differentiation

Finance: 1
Manufacturing: 9

Happiness with the existing solution

Finance: 7
Manufacturing: 6

Radicality of future change

Finance: 0
Manufacturing: 6
Define your priorities for the Intelligent Enterprise

IT strategy

Lines of Business
Finance
Manufacturing

Customization

Innovation

Cloud preference

Finance
1

Manufacturing
9

0
5
10

© 2021 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC
Define your priorities for the Intelligent Enterprise

Beneficial aspects

- **Embedded real-time insight and analytics**
  - Score: 1

- **Intuitive role-based User Experience**
  - Score: 6

- **Best Practice processes, reduced customizations and native integration to SAP solutions**
  - Score: 9

© 2021 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC
While doing so, Example Customer needs to focus on...

• ...accelerated revenue growth (~5% increase in main business, and ~20% in emerging markets)

• ...cost control & margin improvement (Decrease costs for raw materials and logistics with improved Sourcing)

• ...improve operational efficiency

Example Customer’s STRATEGY IS FOCUSED ON...

...continuing to grow business

...continuing to focus on Process Excellence
Use of the most modern IT & equipment
Standardized processes

...ensure to meet sustainability commitments
(reduction of 30% greenhouse gas emissions by 2025)

...expanding internationally into markets in Africa and South America (new offices in Nigeria and Colombia)

...reacting on trends and new mandatory regulations
(European regulation on chemical building products ECBP)
# Benchmarking indicates significant Value Potential

**KEY PERFORMANCE INDICATORS**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>BOTTOM QUARTILE</th>
<th>Example Customer</th>
<th>TOP QUARTILE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue growth (in %)</strong></td>
<td>Peer company 1</td>
<td>-9.9</td>
<td>5.8</td>
</tr>
<tr>
<td></td>
<td>Peer company 2</td>
<td>-9.7</td>
<td></td>
</tr>
<tr>
<td><strong>Operating margin (in %)</strong></td>
<td>Example customer</td>
<td>0.6</td>
<td>6.8</td>
</tr>
<tr>
<td></td>
<td>Peer company 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost of goods/services sold (% revenue)</strong></td>
<td>Peer company 4</td>
<td>84.1</td>
<td>67.1</td>
</tr>
<tr>
<td></td>
<td>Example customer</td>
<td>8.4</td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A expense (% of revenue)</strong></td>
<td>Peer company 2</td>
<td>15.0</td>
<td>5.4</td>
</tr>
<tr>
<td></td>
<td>Peer company 3</td>
<td>8.4</td>
<td></td>
</tr>
<tr>
<td><strong>Days in inventory</strong></td>
<td>Peer company 4</td>
<td>68.3</td>
<td>48.1</td>
</tr>
<tr>
<td></td>
<td>Peer company 1</td>
<td>51.6</td>
<td></td>
</tr>
</tbody>
</table>

Financial numbers of Example customer are based on Group/Parent level information.
Directional overview based on Peer set: Peer company 1, Peer company 2, Peer company 3, Peer company 4
Source: S&P Global Market Intelligence. Data is normalized by S&P for comparative purposes and might not exactly match the financial filings of the companies.
## Your selected Value Drivers

<table>
<thead>
<tr>
<th>Finance</th>
<th>Sourcing &amp; Procurement</th>
<th>Sales</th>
<th>Supply Chain</th>
<th>Manufacturing</th>
<th>Asset Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accelerate revenue growth</strong></td>
<td>Reduce G/L Effort and Financial Closing Time: by enabling automated, highly efficient closing tasks supported by single source of truth</td>
<td>Reduce revenue loss due to stock-outs: by searching inventory using rich, descriptive item descriptions, multiple images, videos, and stock levels by location</td>
<td>Improve customer satisfaction: by generating clear, easy-to-understand invoices for all services on a single bill</td>
<td>Reduce manufacturing cycle time by seamlessly integrating quality monitoring and tracking in the manufacturing cycle</td>
<td>Reduce unplanned downtimes or outages: Leverage preventive or condition based maintenance strategies to keep assets in a high performance status</td>
</tr>
<tr>
<td><strong>Cost control &amp; margin improvement</strong></td>
<td>Reduce finance cost by providing a holistic view of the drivers of cost and the causes of underperformance</td>
<td>Reduce inventory carrying cost: by optimizing inventory using prediction about purchase order item delivery date</td>
<td>Reduce service and support cost: by automatically recording costs incurred as a result of providing services, which are then rolled up to profitability analysis</td>
<td>Improve demand forecast accuracy: by leveraging sophisticated forecasting algorithms that take into account seasonality, trend, and all known demand-influencing factors</td>
<td>Reduce total manufacturing cost: by embedding quality engineering in the product design process</td>
</tr>
<tr>
<td><strong>Manage credit &amp; receivables</strong></td>
<td>Reduce days sales outstanding: by taking a strategy-based approach to prioritizing customers for collections activities</td>
<td>Improve days payable outstanding: by enabling effective liquidity planning by updating cash management records with invoice data</td>
<td>Reduce accounts receivables management cost: by consolidating invoices and billing items from multiple lines of billing</td>
<td>Reduce fixed asset service and maintenance costs: Enable streamlined work order planning and execution, while including effective safety measures</td>
<td></td>
</tr>
<tr>
<td><strong>Reduce service and support cost</strong></td>
<td>Increase revenue from cross-sell/up-sell: by recommending contextual offers that are more likely to be accepted by customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reduce Sales Cost</strong></td>
<td>Reduce Sales Cost: by promoting trusted customer and partner relationships</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reduce service and support cost</strong></td>
<td>Improve supply chain FTE productivity: by establishing effective collaboration with internal and external partners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reduce days in inventory</strong></td>
<td>Reduce days in inventory: by analyzing inventory coverage and ensuring inventory is aligned with demand through total visibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC
1. Business starting point
2. Strategic priorities
3. Identify Improvements
4. Sketch the Future
5. Build the Case
6. Plan the change
Your Recommended SAP S/4HANA Business Scenarios
Line of Business Finance

The below information is based on the results of the Business Scenario Recommendations Report. Further investigation into the relevant capabilities should be carried out.

<table>
<thead>
<tr>
<th>Incremental Value based on your Current Usage</th>
<th>Additional Value based on New Capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Accounting</td>
<td>Financial Reporting</td>
</tr>
<tr>
<td>Sales Order Management and Processing</td>
<td>Cash Management</td>
</tr>
<tr>
<td>Delivery Management</td>
<td>Collections Management</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>Commodity Sales</td>
</tr>
<tr>
<td>Sales Billing</td>
<td>Convergent Invoicing</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>Corporate Close</td>
</tr>
<tr>
<td>Product Costing</td>
<td>Credit and Collection Management</td>
</tr>
<tr>
<td>Profitability Analysis</td>
<td>Debt and Investment Management</td>
</tr>
<tr>
<td>Overhead Cost Management</td>
<td>Dispute Resolution</td>
</tr>
<tr>
<td>Cash and Liquidity Management</td>
<td>Financial Risk Management</td>
</tr>
<tr>
<td>Entity Close</td>
<td>Financial Shared Services Management</td>
</tr>
<tr>
<td></td>
<td>Joint Venture Accounting</td>
</tr>
<tr>
<td></td>
<td>Payment and Bank Communications</td>
</tr>
</tbody>
</table>

The below information is based on the results of the Business Scenario Recommendations Report. Further investigation into the relevant capabilities should be carried out.
Selected Business Scenario to Optimize Finance
Financial Reporting (1/2)

**Purpose**
- Accelerate financial reporting and disclosure with fact-based decision-making
- Access relevant information anytime and anywhere to better understand business needs for quick and confident action
- Generate pixel-perfect reports and clear, understandable metrics to gain visibility into what's driving the business
- Gain transparency and insight that can help boost profitability, reduce risk, and achieve compliance with International Financial Reporting Standards (IFRS) and local GAAP or US GAAP

**Benefits**
- Reduce audit cost by using comprehensive audit trails, audit information functions, and tax data retention and reporting functions
- Reduce days to close annual books by streamlining financial reporting, disclosure, and filing processes
- Reduce finance cost by streamlining financial reporting, disclosure, and filing processes
- Increase finance FTE productivity by utilizing the comprehensive portfolio of business intelligence solutions

**Value Drivers**
- Reduce G/L Efforts And Financial Closing Time
- Reduce Audit Costs

SAP Road Maps for innovations related to Financial Reporting (S/4 OP)
Selected Business Scenario to Optimize Finance
Financial Reporting (2/2)

**Functional changes**
- Financial statement KPIs
- Financial statement grid reporting

**User experience improvement**
- SAP Fiori–based user experience across all process steps
- Role with new, dedicated SAP Fiori apps:
  - General Ledger Accountant
For additional information on roles and apps, visit the SAP Fiori apps reference library.

**Value Drivers**
- Reduce G/L Efforts And Financial Closing Time
- Reduce Audit Costs

SAP Road Maps for innovations related to Financial Reporting (S/4 OP)
## Your Recommended SAP S/4HANA Business Scenarios
### Line of Business Manufacturing

The below information is based on the results of the Business Scenario Recommendations Report. Further investigation into the relevant capabilities should be carried out.

### Incremental Value based on your Current Usage
- Production Execution
- Material Requirements Planning
- External Processing
- Production Control
- Quality Inspection
- Quality Improvement
- Production Scheduling
- Subcontracting
- Just-In-Time Processing
- Production BOM Management
- Kanban
- Recipe/Routing Management
- Quality Planning

### Additional Value based on New Capabilities
- Manufacturing Analytics
- Repetitive Manufacturing
- Constraint Based Production Planning
- Extended Production Operations
- Manufacturing Engineering

The below information is based on the results of the Business Scenario Recommendations Report. Further investigation into the relevant capabilities should be carried out.
Selected Business Scenario to Optimize Manufacturing
Production Execution (1/2)

Purpose

- Initiate and control manufacturing processes
- Monitor and adjust production worklists
- Release production and process orders
- Transfer raw materials from the warehouse to the shop floor
- Provide shop-floor worker with simple instructions
- Record production progress, scrap, and yield
- Record inspection characteristics during production

Benefits

- Satisfy customer demand for individualized products by using engineer-to-order or configure-to-order processes
- Manage manufacturing processes efficiently
- Gain more transparency with integration to production with planning

Value Drivers

- Improve on-time Delivery Performance
- Reduce G/L Efforts And Financial Closing Time
- Reduce Total Manufacturing Costs

SAP Road Maps for innovations related to Production Execution (S/4 OP)
Selected Business Scenario to Optimize Manufacturing
Production Execution (2/2)

Functional changes

* Integration with SAP S/4HANA Manufacturing solution for production engineering and operations* or manufacturing execution systems for enhanced shop-floor control

User experience improvement

* SAP Fiori–based user experience across all process steps
* Roles with new, dedicated SAP Fiori apps:
  - Material Planner - External Procurement
  - Production Operator - Discrete Manufacturing
  - Production Operator - Process Manufacturing
  - Production Planner
  - Production Supervisor - Discrete Manufacturing
  - Production Supervisor - Process Manufacturing

For additional information on roles and apps, visit the SAP Fiori apps reference library.

Value Drivers

* Additional installation and license

SAP Road Maps for innovations related to Production Execution (S/4 OP)
1. Business starting point
2. Strategic priorities
3. Identify Improvements
4. Sketch the Future
5. Build the Case
6. Plan the change
Sketch your Product Map
SAP Transformation Navigator

Access your individual Product Map

- [Link to your Product Map](#)
  - Login with your personal S-User
  - Amend your Product Map
## Sketch your Product Map

**Selected Value Driver - Reduce finance cost**

<table>
<thead>
<tr>
<th>Related Capabilities (8)</th>
<th>Rationalization - &quot;Reduce finance cost...&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable with Automated Line Item Matching (S/4 OP)</td>
<td>by automating postings and enabling self-service, mobile access to key account receivables information</td>
</tr>
<tr>
<td>Cash and Liquidity Management (S/4 OP)</td>
<td>by effective exception handling enabled by a high degree of process automation and monitoring capabilities</td>
</tr>
<tr>
<td>Entity Close (S/4 OP)</td>
<td>by enabling automated, highly efficient closing tasks supported by single source of truth</td>
</tr>
<tr>
<td>Financial Accounting with intelligent GR/IR Account Reconciliation (S/4 OP)</td>
<td>by enabling real-time insights into open goods and invoice receipts for accounting and procurement organizations</td>
</tr>
<tr>
<td>Overhead Cost Management (S/4 OP)</td>
<td>by providing a holistic view of the drivers of cost and the causes of underperformance</td>
</tr>
<tr>
<td>Product Costing (S/4 OP)</td>
<td>by enabling effective calculation of cost of goods manufactured and sold at each step of the production process</td>
</tr>
<tr>
<td>Profitability Analysis (S/4 OP)</td>
<td>by enabling what-if analysis to determine budget scenarios throughout the year</td>
</tr>
<tr>
<td>Sales Billing (S/4 OP)</td>
<td>by automating routine tasks and providing intuitive, role-based applications</td>
</tr>
</tbody>
</table>
## Sketch your Product Map

### Selected Value Driver – Reduce total manufacturing cost

<table>
<thead>
<tr>
<th>Related Capabilities (3)</th>
<th>Rationalization - &quot;Reduce total manufacturing cost...&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Processing (S/4 OP)</td>
<td>by outsourcing activities that are the company's core competency</td>
</tr>
<tr>
<td>Production Execution (S/4 OP)</td>
<td>by streamlining all pre- and post-production process steps, down- and wait-times are reduced</td>
</tr>
<tr>
<td>Subcontracting (S/4 OP)</td>
<td>by outsourcing noncore activities within your business network</td>
</tr>
</tbody>
</table>
1. Business starting point
2. Strategic priorities
3. Identify Improvements
4. Sketch the Future
5. Build the Case
6. Plan the change
### Example Customer Can Realize Significant Benefits

**Currency:** U.S. Dollar

#### Potential Cumulative Value

<table>
<thead>
<tr>
<th>Category</th>
<th>Recurring Benefits</th>
<th>One-time Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance</strong></td>
<td>12,674.7 K</td>
<td>20,341.9 K</td>
</tr>
<tr>
<td>Asset Management</td>
<td>505.1 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Reduce asset maintenance cost</td>
<td>411.5 K</td>
<td></td>
</tr>
<tr>
<td>Reduce un-planned downtime or outages</td>
<td>93.7 K</td>
<td></td>
</tr>
<tr>
<td>Improve days payable outstanding</td>
<td>3,017.1 K</td>
<td></td>
</tr>
<tr>
<td>Reduce finance cost</td>
<td>712.4 K</td>
<td></td>
</tr>
<tr>
<td>Reduce audit cost</td>
<td>54.9 K</td>
<td></td>
</tr>
<tr>
<td>Improve supplier/external partner compliance</td>
<td>24.9 K</td>
<td></td>
</tr>
<tr>
<td>Improve accounts payable FTE productivity</td>
<td>16.8 K</td>
<td></td>
</tr>
<tr>
<td>Improve days sales outstanding</td>
<td>5,124.0 K</td>
<td></td>
</tr>
<tr>
<td><strong>Human Resources</strong></td>
<td>465.4 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Reduce manual transaction and HR administration effort</td>
<td>182.8 K</td>
<td></td>
</tr>
<tr>
<td>Reduce turnover</td>
<td>103.9 K</td>
<td></td>
</tr>
<tr>
<td>Improve payroll management function efficiency</td>
<td>78.0 K</td>
<td></td>
</tr>
<tr>
<td>Reduce time to fill</td>
<td>77.5 K</td>
<td></td>
</tr>
<tr>
<td>Reduce employee manual transaction effort</td>
<td>23.1 K</td>
<td></td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td>1,500.2 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Reduce total manufacturing cost</td>
<td>1,034.3 K</td>
<td></td>
</tr>
<tr>
<td>Reduce time to market for new products</td>
<td>234.4 K</td>
<td></td>
</tr>
<tr>
<td>Reduce inventory carrying cost</td>
<td>231.4 K</td>
<td></td>
</tr>
</tbody>
</table>

#### Note:
The steady state benefit represents the potential benefit that can be gained in an year by considering 100% realization for the value driver.
Example Customer Can Realize Significant Benefits

Currency : U.S.Dollar

Potential Cumulative Value

<table>
<thead>
<tr>
<th>Value Driver</th>
<th>Recurring Benefits</th>
<th>One-time Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase revenue share of new customers</td>
<td>621.8 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Optimize digital marketing spend</td>
<td>346.0 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Reduce time to market for new products</td>
<td>39.1 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Increase revenue from new products/services</td>
<td>968.6 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Reduce time to market for new products</td>
<td>508.0 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Optimize research and development expense</td>
<td>187.0 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Increase revenue growth with better product personalization</td>
<td>43.2 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Reduce days sales outstanding</td>
<td>2,316.1 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Reduce days in inventory</td>
<td>700.2 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Reduce sales cost</td>
<td>447.1 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Increase revenue from cross-sell/up-sell</td>
<td>287.5 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Increase revenue from new products/services</td>
<td>265.3 K</td>
<td>0.0 K</td>
</tr>
<tr>
<td>Reduce customer churn</td>
<td>166.2 K</td>
<td>0.0 K</td>
</tr>
</tbody>
</table>

Note: The steady state benefit represents the potential benefit that can be gained in a year by considering 100% realization for the value driver.
# Example Customer Can Realize Significant Benefits

**Potential Cumulative Value**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Mobility and Transportation</td>
<td>778.9 K</td>
</tr>
<tr>
<td>Sourcing and Procurement</td>
<td>4,008.7 K</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>1,469.0 K</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Value (K)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce days sales outstanding</td>
<td>778.9 K</td>
</tr>
<tr>
<td>Improve days payable outstanding</td>
<td>3,017.1 K</td>
</tr>
<tr>
<td>Improve sourcing savings on indirect spend</td>
<td>1,958.8 K</td>
</tr>
<tr>
<td>Improve user compliance</td>
<td>812.2 K</td>
</tr>
<tr>
<td>Improve sourcing savings on direct spend</td>
<td>715.3 K</td>
</tr>
<tr>
<td>Improve procurement FTE productivity</td>
<td>274.7 K</td>
</tr>
<tr>
<td>Improve tactical sourcing savings</td>
<td>156.8 K</td>
</tr>
<tr>
<td>Improve supplier/external partner compliance</td>
<td>49.9 K</td>
</tr>
<tr>
<td>Reduce days in inventory</td>
<td>5,388.5 K</td>
</tr>
<tr>
<td>Reduce total logistics cost</td>
<td>761.4 K</td>
</tr>
<tr>
<td>Reduce inventory carrying cost</td>
<td>694.3 K</td>
</tr>
<tr>
<td>Reduce revenue loss due to stock-outs</td>
<td>13.3 K</td>
</tr>
</tbody>
</table>

**Note:** The steady state benefit represents the potential benefit that can be gained in one year by considering 100% realization for the value driver.

© 2021 SAP SE or an SAP affiliate company. All rights reserved.
Example Customer Can Realize Significant Benefits

Currency: U.S. Dollar

Potential Cumulative Value

12,674.7 K  20,341.9 K

Sourcing and Procurement

4,008.7 K  3,017.1 K

Supply Chain

1,469.0 K  5,388.5 K

Smart Mobility and Transportation

0.0 K  778.9 K

Note: The steady state benefit represents the potential benefit that can be gained in an year by considering 100% realization for the value driver.
Plan the change

1. Business starting point

2. Strategic priorities

3. Identify Improvements

4. Sketch the Future

5. Build the Case

6. Plan the change
## Plan the Change

Questions influencing the choice of the transition scenario to SAP S/4HANA

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>Unsure</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do your current business processes support long-term strategy of the company?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can you adopt the Best Practices to modernize Core Business Process or do you want to keep your existing customization?</td>
<td>Keep Customization</td>
<td>Unsure</td>
<td>Adopt Best Practices</td>
</tr>
<tr>
<td>Is your project funded by the IT department?</td>
<td>IT Funding</td>
<td>Mixed Funding</td>
<td>Business Funding</td>
</tr>
<tr>
<td>Is Landscape consolidation a key value driver for SAP S/4HANA adoption?</td>
<td>No</td>
<td>Unsure</td>
<td>Yes</td>
</tr>
<tr>
<td>Do you require previous transactional data to be available in SAP S/4HANA?</td>
<td>Yes</td>
<td>Unsure</td>
<td>No</td>
</tr>
<tr>
<td>Can you move to SAP S/4HANA in a one-step procedure?</td>
<td>Yes</td>
<td>Unsure</td>
<td>No</td>
</tr>
<tr>
<td>Do you have a large number and/or very complex interfaces to other systems?</td>
<td>Yes</td>
<td>Unsure</td>
<td>No</td>
</tr>
<tr>
<td>Can your company sustain a multiyear innovation plan with incremental innovations?</td>
<td>Yes</td>
<td>Unsure</td>
<td>No</td>
</tr>
</tbody>
</table>
## Transition Pattern
### Conversion & New Implementation

<table>
<thead>
<tr>
<th>Conversion Main Phases</th>
<th>System Conversion</th>
<th>System Consolidation</th>
<th>Continuous Business Process Optimization</th>
<th>Cloud Transition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prerequisites &amp; Clean-up</td>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
<td><img src="image3.png" alt="Image" /></td>
<td><img src="image4.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Implementation Main Phases</th>
<th>Business Process Redesign</th>
<th>Cloud Transition</th>
<th>New Implementation (+ Consolidation)</th>
<th>Continuous Business Process Optimization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prerequisites &amp; Clean-up</td>
<td><img src="image5.png" alt="Image" /></td>
<td><img src="image6.png" alt="Image" /></td>
<td><img src="image7.png" alt="Image" /></td>
<td><img src="image8.png" alt="Image" /></td>
</tr>
</tbody>
</table>
Explore SAP S/4HANA
See how SAP S/4HANA can help your business accelerate growth

SAP S/4HANA Customer Story Finder

Find out how organizations that have made the shift to an intelligent ERP system are realizing remarkable results.

More on the SAP S/4HANA Customer Story Finder

SAP S/4HANA Fiori Apps Library

Explore, plan and implement SAP Fiori, the latest user experience from SAP including all relevant content for the SAP Fiori launchpad

Check out Fiori Lighthouse scenarios

SAP S/4HANA Trials

Experience SAP S/4HANA in the cloud or on-premise first-hand to see the benefits of the world’s first intelligent ERP

Start your SAP S/4HANA trial here
Prepare for SAP S/4HANA
Evaluate both technical and process related aspect of the SAP S/4HANA Adoption

SAP Readiness Check
Learn the **technical requirements and actions** for a system conversion to SAP S/4HANA.

Based on configuration and usage data for customers already on SAP ECC 6.x.

SAP Spotlight
Actionable insights From All Your Systems
Spotlight helps you become **operationally excellent** and focus on what matters most.

To your personal process report with **Spotlight**