SAP S/4HANA – The Intelligent ERP

Sven Denecken
SVP, Head of S/4HANA Product Success, Co-Innovation and Content
SAP SE
@SDenecken

CUSTOMER
Disclaimer

The information in this presentation is confidential and proprietary to SAP and may not be disclosed without the permission of SAP. Except for your obligation to protect confidential information, this presentation is not subject to your license agreement or any other service or subscription agreement with SAP. SAP has no obligation to pursue any course of business outlined in this presentation or any related document, or to develop or release any functionality mentioned therein.

This presentation, or any related document and SAP’s strategy and possible future developments, products and or platforms directions and functionality are all subject to change and may be changed by SAP at any time for any reason without notice. The information in this presentation is not a commitment, promise or legal obligation to deliver any material, code or functionality. This presentation 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. This presentation is for informational purposes and may not be incorporated into a contract. SAP assumes no responsibility for errors or omissions in this presentation, except if such damages were caused by SAP’s intentional or gross negligence.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.
Why ?
Digitalization Today

Technology & Speed

Customer Expectations

Processes & Business Models
Digitalization Today

Customer Expectations

- Real Time
- Anytime, Anywhere
- Intuitive
- Customized
- Unique Customer Experience
- Connected
- Zero Repeats

Technology & Speed

Processes & Business Models
Processes & Business Models change everything …

... predict
... analyze
... shop
... communicate
... produces
... maintain
... pay
... sell

Digitalization Today
Customers face many **challenges** in the digital economy

- **Operational**
  - Complex processes
  - Cost Pressure
- **Strategic**
  - Customers demand Omni Channel Experience
  - New business models
  - Industry disruption
  - Globalization & Growth Expectation
- **IT**
  - On-Premise vs Cloud
  - Integration
  - Custom Code & Data Architecture
Customers face many challenges in the digital economy.

### Business Model Transformation
- Industry disruption
- Mass Customization
- Complex processes
- Globalization & Growth Expectation
- Cost Pressure
- Gain (Keep) market share
- Multi Enterprise Orchestration

### Consequence On Core Processes
- Mass customization
- Number of items, lots
- Value, size of items, lots
- Digital economy
- Time

### IT Orchestration
- Integration
- On-Premise vs Cloud
- Degree of Automation
- Shorter time to value
- Make touchpoints great
- Agility across value chain
- Custom Code & Data Architecture

---

Hyperindividuation and mass customization of services

Keep the promise

© 2020 SAP SE or an SAP affiliate company. All rights reserved.
What?
SAP S/4HANA helps you to navigate and run your business on three levels

**Grow Top Line:**
**Business Model Innovation**
- From Product to Services
- Flexible consumption models / pay-per-use
- Own customer experience from ordering to delivery and invoicing
- Moving to a network economy

**Focus on:**
**Sustainability**
- Become a sustainable company with an entire view on your carbon consumption per business process

**Optimize Bottom Line:**
**Operational Excellence**
- Automation
- Integration
- Scalability
- Reliability
- Data Protection

**Route options**
- Fastest route
- Economical route
- Shortest route
SAP S/4HANA: Next generation ERP giving complete choice

Industry Best Practices

LoB Coverage

Intelligence & Automation

Security & Compliance

Openness & Extensibility

UX (role based, any device, digital assistant)

SAP S/4HANA Cloud
SaaS

SAP S/4HANA AnyPremise
on any infrastructure
SAP S/4HANA offers flexibility of consumption

As a Service

SAP S/4HANA

As a Product

ONE Codeline
ONE Data Model -- ONE Semantic -- ONE User Experience

SAP S/4HANA Cloud
SaaS

Degree of Standardization

Degree of Flexibility

SAP S/4HANA AnyPremise
on any infrastructure

Implementation
Upgrades
Scope
Extensibility
Deployment
Configuration
Operations
Security
Licensing

ONE Codeline
ONE Data Model -- ONE Semantic -- ONE User Experience

Google Cloud
Microsoft Azure
aws
Alibaba Cloud

© 2019 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC
Automation Of Repetitive Tasks Is Key

- **60%** of human tasks will be automated by 2025
- **97%** Image recognition accuracy today (better than human rate of 95%)
- **95.1%** Speech recognition accuracy today (better than human rate of 94.1%)
- **$18B** Enterprise machine learning market by 2020
- **94%** of companies see ML as critical capability for competitive advantage

**Source:** SAP CSG analysis, McKinsey Quarterly Report, July 2016, Google PR, Microsoft PR, SAP Market Model
Intelligence and innovation

INCREASE TOTAL VALUE FOR EACH CUSTOMER

30% increase in on-time delivery
15% reduction of order lead times
10% reduction of manufacturing costs
15% decrease of revenue processing
25% decrease in A/R cost
15% reduction of revenue loss
20% increase in customer satisfaction
25-50% reduction in cycle time for financial forecasting and reporting
50-100% reduction in cash forecast error rate

PROCURE-TO-PAY
- Requisition
  - New: Image-based ordering
- Source
  - Central contract consumption
- Purchase Order
  - Predict delivery for purchase order items
- Invoice
  - Cash discount at risk

QUOTE-TO-CASH
- Quote
  - New: Predict quote conversion rate
- Sales Order
  - Create sales order from unstructured data
- Delivery
  - Predict delivery for delays
- Invoice
  - Sales performance prediction (revenue)

RECORD-TO-REPORT
- Record
  - New: Automated, integrated collection of business transactions
- Financial Accounting
  - Accurate registration and comprehensive view of all business activities
- Financial Close
  - Continuous entity and group view on (reconciled) financials
- Financial Reporting
  - Disclosure of financial statements
How?
Intelligent Technologies all work together for End-to-End Automation

**Optimize**
existing processes for more efficiency or reliability

**Extend**
current business processes beyond efficiency gains to capture new sources of value

**Transform**
the company’s value chain or business model to capture new revenue streams

- **Optimize**
  - Machine Learning

- **Extend**
  - Conversational AI

- **Transform**
  - Robotic Process Automation
The Evolution Intelligent Automation in SAP S/4HANA
Procurement as example of the Evolution from Digital to Autonomous

Market pressure forces customers to …
- Deal with increased innovation speed
- Automate procurement and invoicing
- Cope with shorter product lifecycles
- Source for best possible suppliers

Digital Procurement
- Fully digitalized Source-to-Pay process across SAP S/4HANA and SAP Ariba
- Real-time Analytics
- Collaboration via SAP CoPilot

Intelligent
- Proactive insight-to-action in Source-to-Pay Process based on Situations
- Recommendations by Machine Learning
- Predictive Analytics
- SAP CoPilot as Digital Assistant

Automated
- Automated process steps by Situations and Machine Learning
- Robotic Process Automation (RPA) for recurring tasks
- Continuous auditing via Blockchain
- Sensor-based triggering based on IoT
- Invoice automation via OCR

Autonomous
- Autonomous operational procurement processes by RPA and Machine Learning
- Autonomous sourcing decisions
- Strategic decisions carried out by intelligent assistants
- Conversational chatbots for proactive procurement decisions

Cope with shorter product lifecycles
Deal with increased innovation speed
Source for best possible suppliers
Automate procurement and invoicing

© 2020 SAP SE or an SAP affiliate company. All rights reserved.

from 2018 to 2025+
The Value of Integration across the **Intelligent Enterprise**

SAP ensures integration of its solutions around **four strategic scenarios**…

1. **Lead to Cash**
   - Deliver unprecedented customer experience

2. **Total Workforce Management**
   - Attract, manage and retain the best talent

3. **Design to Operate**
   - Develop and manufacture the most innovative products

4. **Source to Pay**
   - Manage procurement and spend like never before

---

© 2019 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC
SAP Activate Builds on Proven Techniques
Assemble to Order, Agile, Cloud

Business-Driven Innovation with SAP Activate
Launch quickly and efficiently, standardized for integration

1. Start with working system, based on SAP Best Practices or Model Company
   Dramatic value, delivered fast...

2. Leverage cloud for speed and flexibility

3. Build solution iteratively with frequent feedback loops. Here's what you get:

   - **Preassembly**
     - Rapid deployment solutions and engineered services

   - **Customization**
     - In cloud or on premise

   - **Delivery**

40%-60% Decrease in time to business value
50% Reduction in consulting fees
50% Decrease in project costs
40% Reduction in TCO

© 2019 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC
SAP ROAD MAPS describe recent and upcoming highlights in SAP’s portfolio to help you plan and implement your IT landscape.

INTERACTIVE ROAD MAPS PLATFORM

SAP INTERACTIVE ROAD MAPS connect thought leadership with solution capabilities, business value, and innovations. This digital platform is the future of Road Maps, with more content being added regularly.

https://roadmaps.sap.com

CUSTOM ROADMAPPING TOOL

SAP TRANSFORMATION NAVIGATOR brings together industry trends with the customer’s business and IT priorities to create a custom road map to SAP S/4HANA.

https://support.sap.com/stn
How to get there?
13,800+

SAP S/4HANA customers*

<table>
<thead>
<tr>
<th>Large Enterprises</th>
<th>Midsize Businesses</th>
<th>Small Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi High-Tech</td>
<td>RSG</td>
<td>EE</td>
</tr>
<tr>
<td>LaLiga</td>
<td>RYAN GROUP</td>
<td>enable injections</td>
</tr>
<tr>
<td>BASF</td>
<td>Delivery Hero</td>
<td></td>
</tr>
<tr>
<td>DAIMLER</td>
<td>HERSHEY</td>
<td></td>
</tr>
<tr>
<td>DAIMLER</td>
<td>Edgewell PERSONAL CARE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HERSHEY</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 30% Shorter delivery lead time
- 80% Faster report generation
- 48% Reduction in days sales outstanding
- 60% Increase in operational efficiency
- 95% Faster material requirements planning
- 100% Visibility of inventory across all locations

*as of January 2020
SAP S/4HANA MOVEMENT PROGRAM

Drive adoption of SAP S/4HANA in ERP Installed Base

S/4HANA MOVEMENT Program is a Cross-board initiative to answer the customers most critical questions:

• Why would it be beneficial to “MOVE” now?
• Can SAP S/4HANA address my business and IT requirements?
• How does SAP optimize my TCI / TCO?
• Is there sufficient capacity on the market to manage all aspects of the transformation?

Main activities: All program activities are linked to the questions above:

- Continue to enhance SAP S/4HANA product attractiveness
- Optimize Tools for the entire customer journey
- Optimize & Scale customer engagement frameworks
- Engage & educate the Ecosystem

Customer Momentum

- 13,800+ SAP S/4HANA Customers
- 4,200+ Live Customers
- 7,100+ Deployment Projects
S/4HANA MOVE Planning Tools

**Business Scenario Recommendations**

*For Project Leaders*

The Next-Generation Business Scenario Recommendations for SAP S/4HANA help customers and partners to drive innovation adoption and to consume maintenance services.

Receive a report identifying business scenarios what would immediately benefit from SAP S/4HANA and digital transformation.

**SAP Transformation Navigator**

*For Business and IT Leaders*

This tool analyzes the goals and builds a technical business case including a roadmap on where to go in the future with SAP S/4HANA. It's a web-based and free self-service road-mapping tool. It uses the information about the existing SAP system landscape to create a recommendation for a new SAP S/4HANA-centric landscape with the latest SAP solutions.

**SAP S/4HANA Readiness Check**

*For IT Leaders*

It checks the readiness of multiple aspects of the running SAP ERP 6.x system to migrate to SAP S/4HANA. The tool assesses the functional and technical aspects of an implementation of SAP ERP, including: Custom-code compatibility, System sizing and data volume management, Add-on and extractor compatibility and other items.
Join the SAP S/4HANA Movement

The time is right to move to SAP S/4HANA

Thousands of SAP customers are already using intelligent ERP to run their businesses in new ways – and reaping the rewards. Discover why now is the time to join them.

Watch the webinar series →

Transition to intelligent ERP with the SAP S/4HANA Movement program

Businesses that move to an intelligent platform gain critical momentum over their competitors. Learn how you can unlock new business value with our intelligent ERP – and transition seamlessly with packaged tools and services.
Where to go for more information?

**Engage in the SAP S/4HANA Communities:**

- **S/4HANA Cloud Customer Community**
- **Join the SAP S/4HANA Community**

**SAP S/4HANA Release Info**

- SAP S/4HANA Roadmaps
- SAP S/4HANA Trials
SAP S/4HANA – The Intelligent ERP

Sven Denecken
SVP, Head of S/4HANA Product Success and Customer Co-Innovation
SAP SE
@SDenecken