



SAP S/4HANA **Movement**

SAP S/4HANA Value Starter Engagement **Overview & Introduction**

William 'Bill' Bowers, SAP SE
May 2021

PUBLIC

25+ Years Experience Delivering the Value of SAP.....

A Partner of SAP

(Trilogy & JDA/i2 Technologies)



A Consultant of SAP

(IBM, Trilogy & JDA/i2 Technologies)

AT SAP (18 years)

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A Customer of SAP

(IBM – PC Company)

A Competitor to SAP

(JDA/i2 Technologies)



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Why SAP S/4HANA Value Starter?

2

What is SAP S/4HANA Value Starter?

3

**SAP S/4HANA Value Starter in Action;
CustomerX**

4

Summary and Q&A

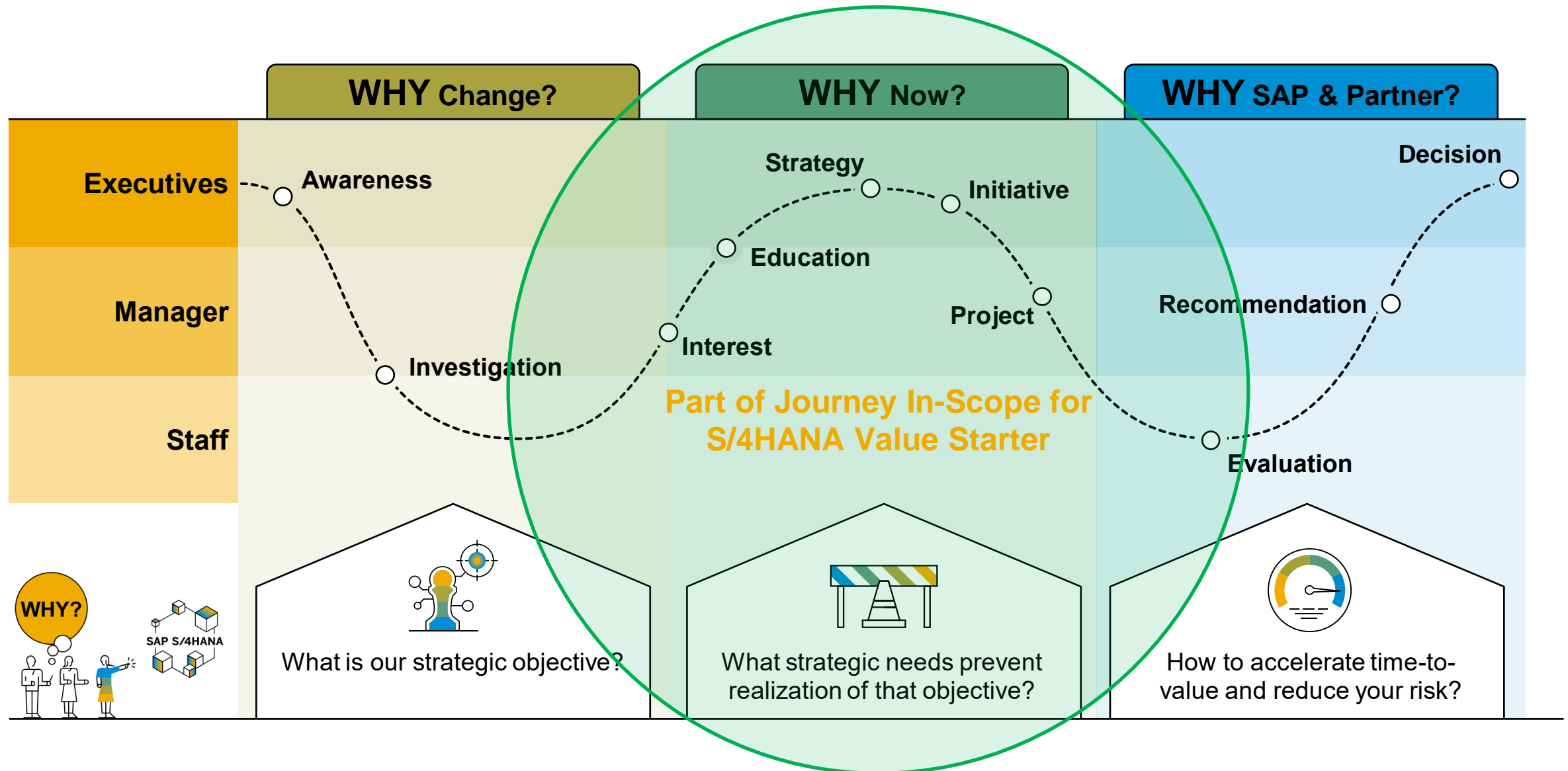


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Why S/4HANA Value Starter?

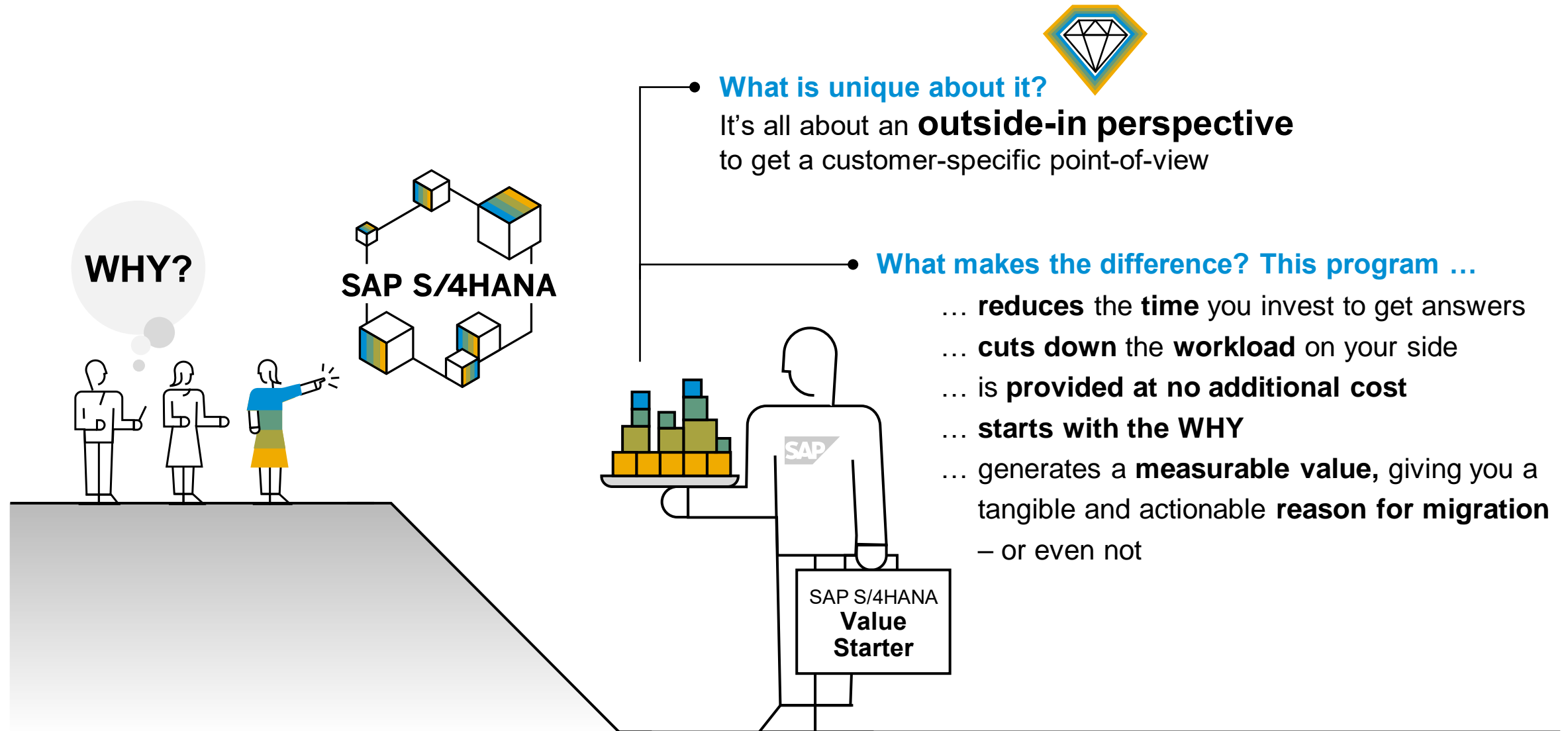
Assist you in answering key 'why' questions

Help defining relevance of SAP S/4HANA to your business & IT strategy

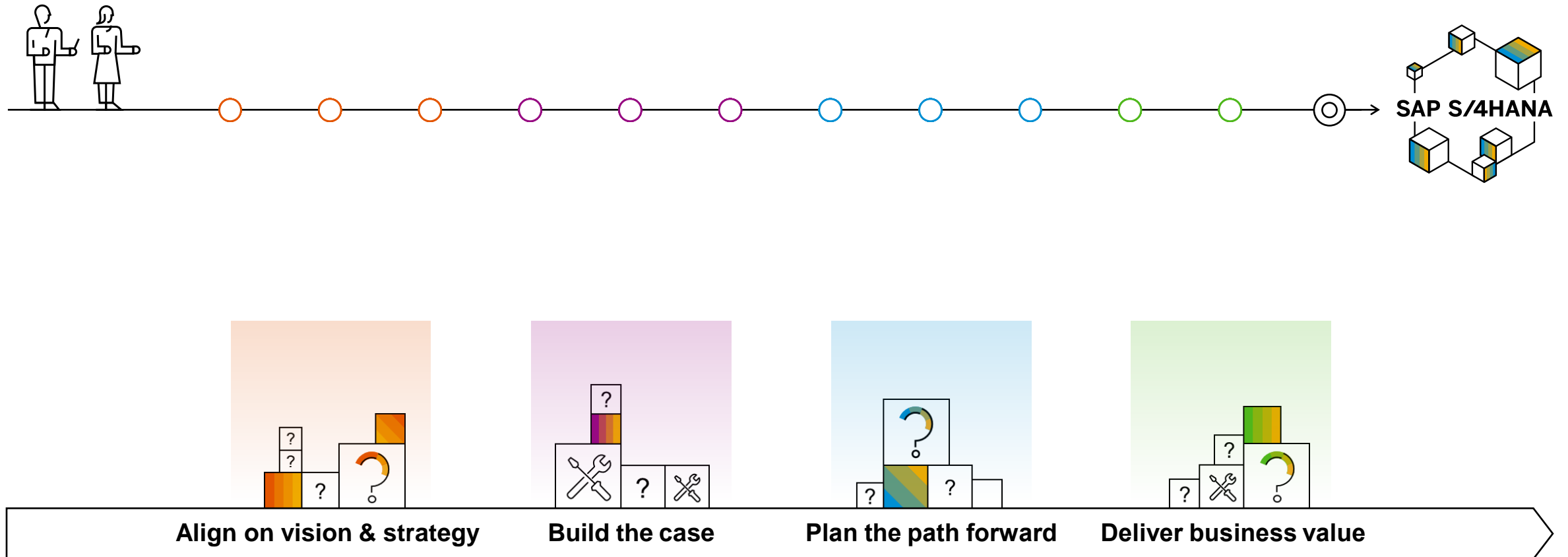


SAP S/4HANA Value Starter Engagement

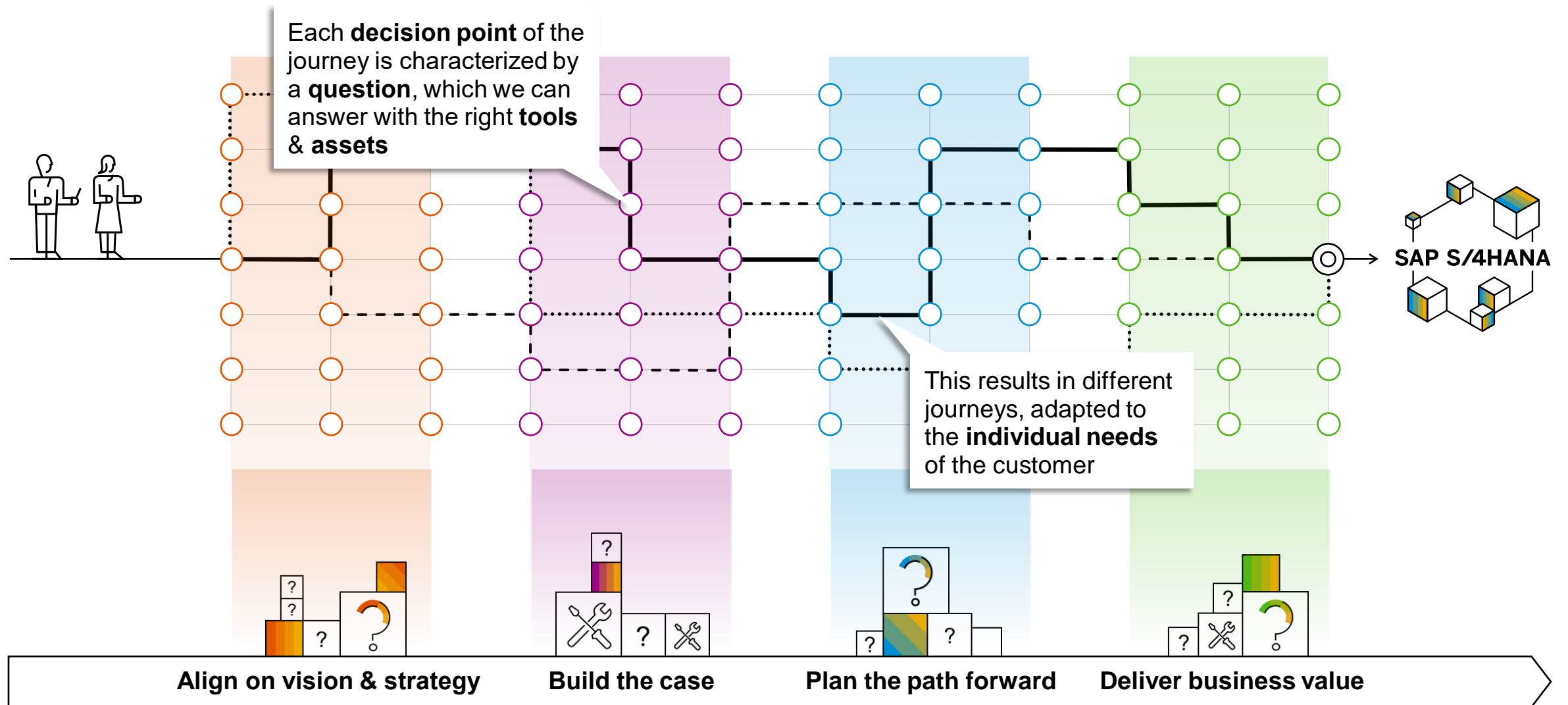
Why SAP S/4HANA Value Starter?



My individual journey to my benefit case for SAP S/4HANA

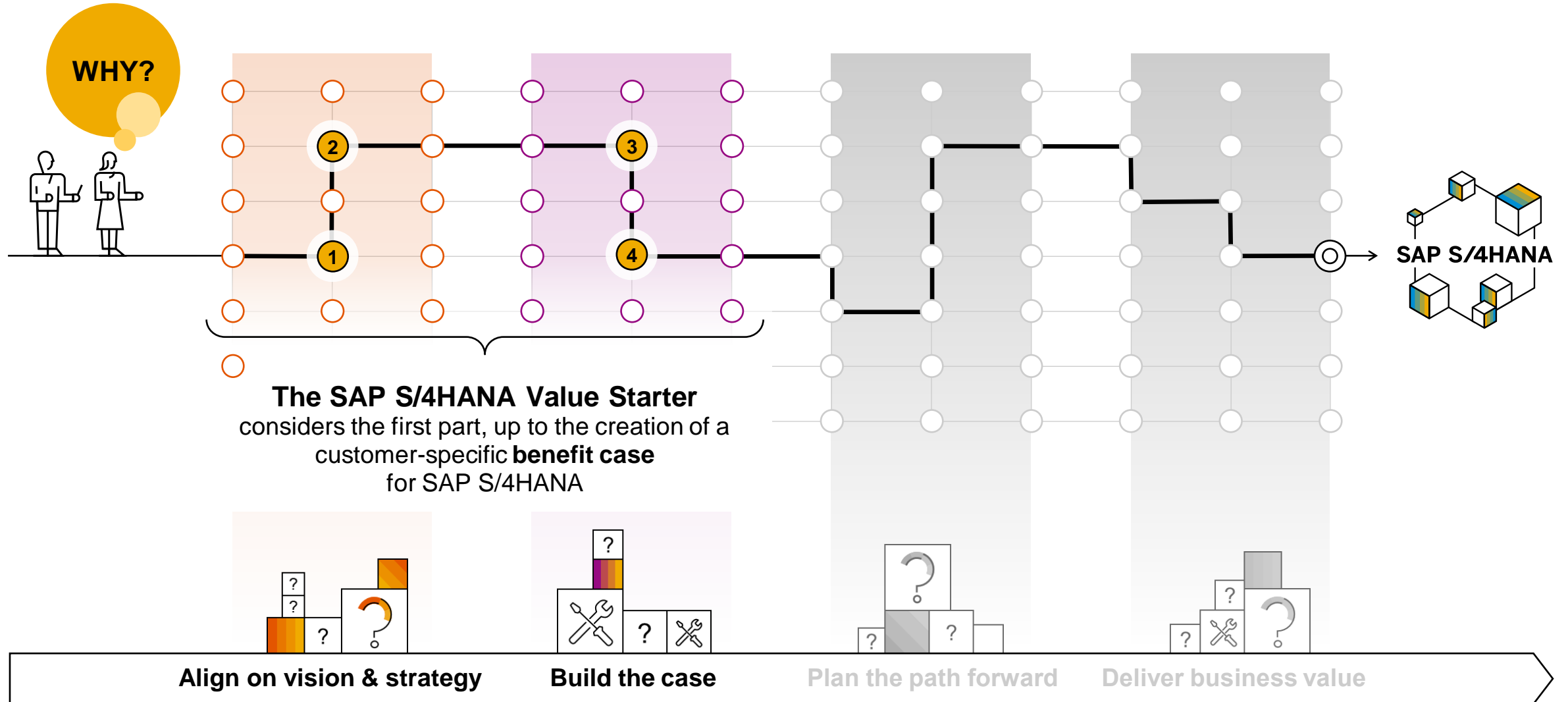


My individual journey to my benefit case for SAP S/4HANA



SAP S/4HANA Value Starter Engagement

Start my individual journey to SAP S/4HANA

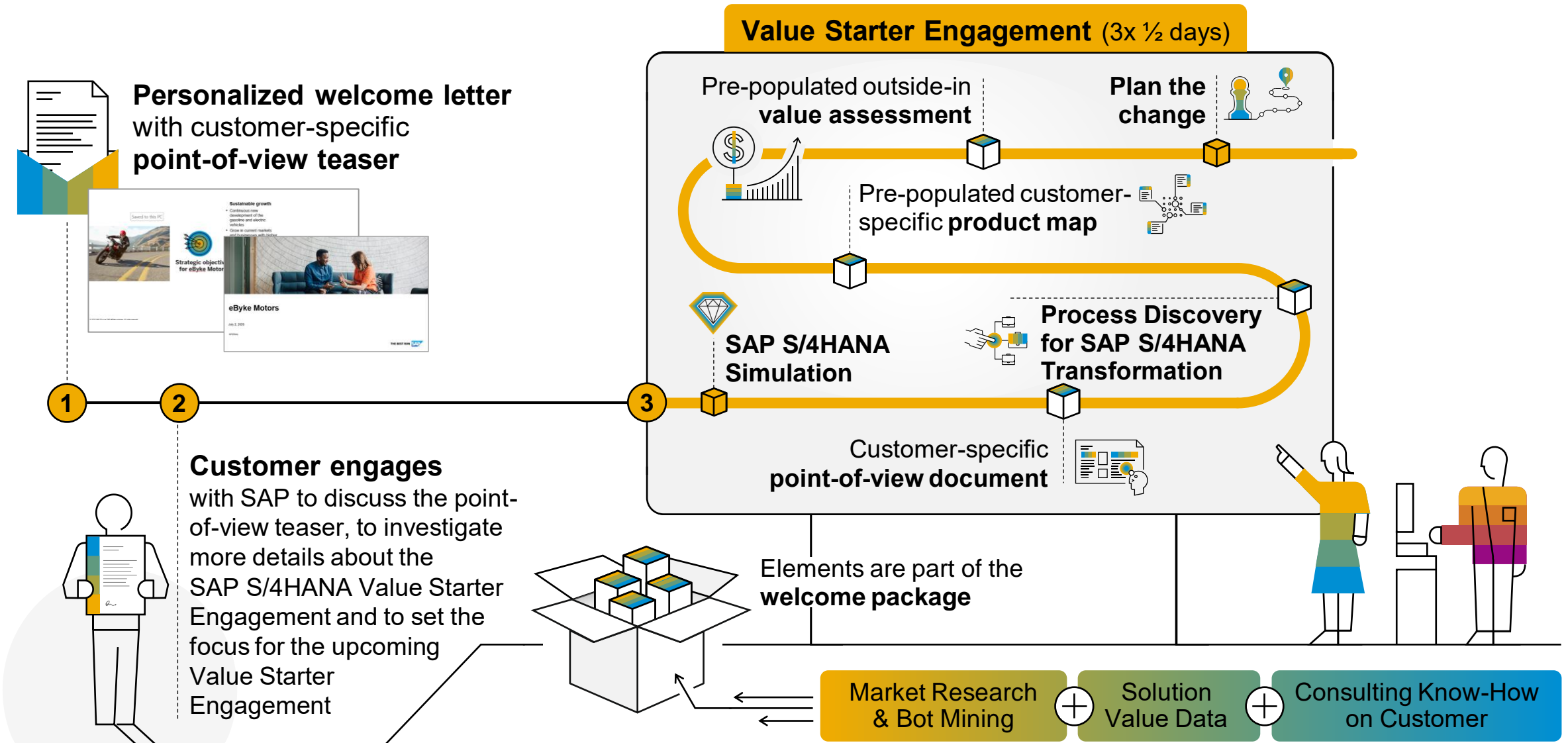




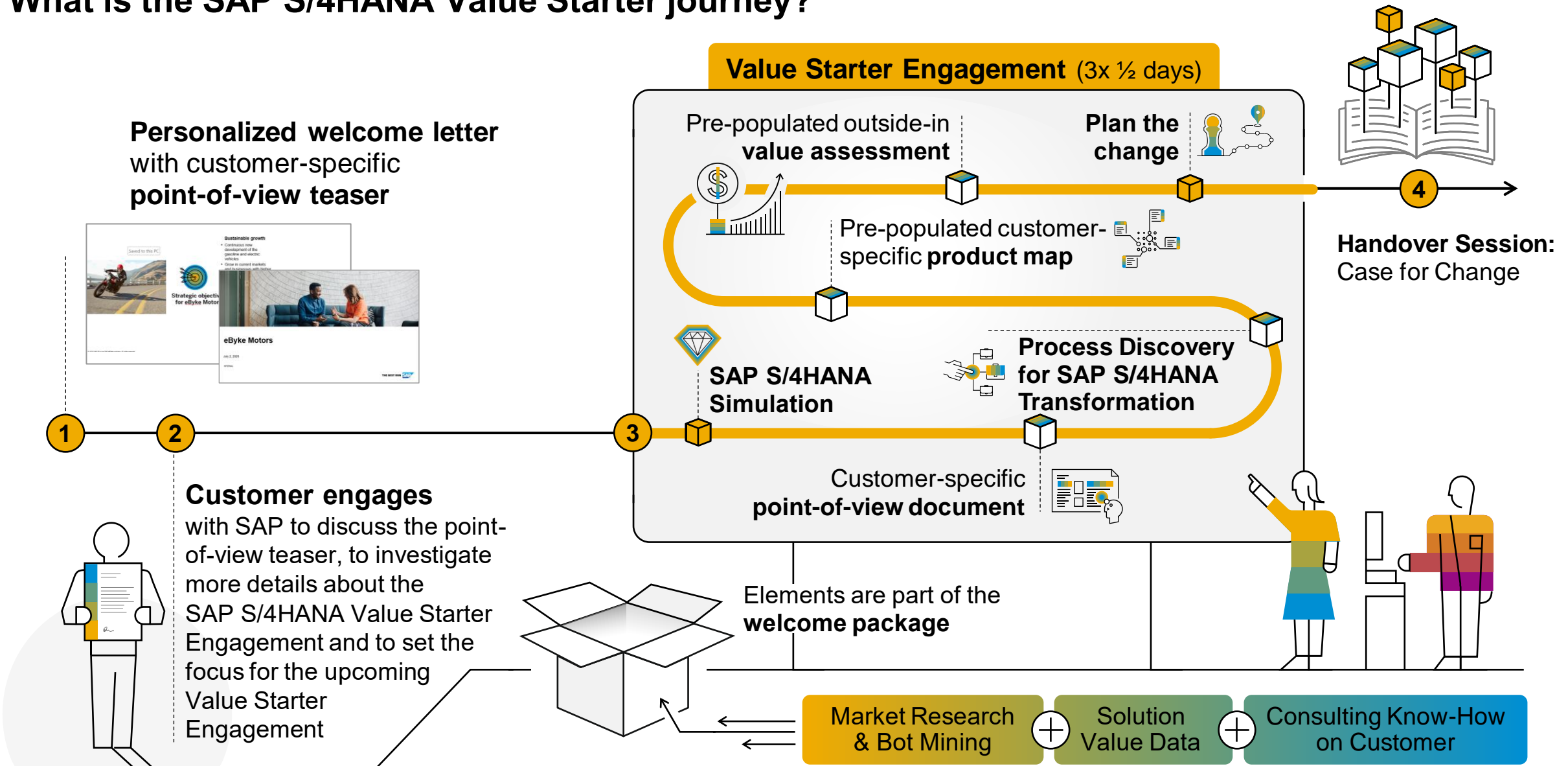
2

What is S/4HANA Value Starter?

What is the SAP S/4HANA Value Starter journey?



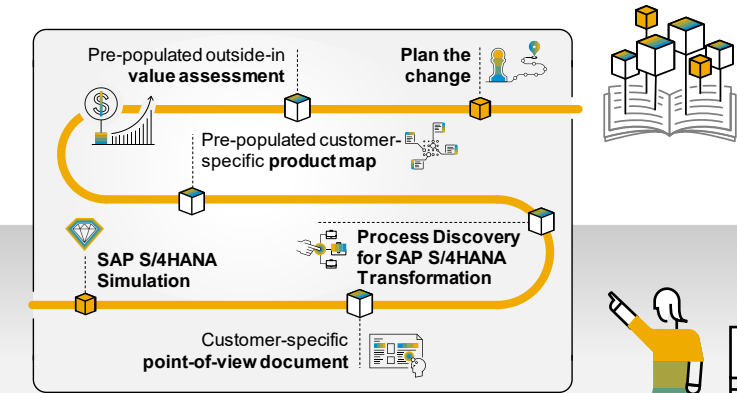
What is the SAP S/4HANA Value Starter journey?



SAP S/4HANA Value Starter Engagement

What is covered?

Overview of topics for the individual days



- Engagements starting every week / second week with an SAP S/4HANA Simulation (half day)
- 2 half-days 1-2-1 customer-specific, remote-delivered series of workshops over one / two weeks
- Based on the welcome package, the "outside-in" view is continued in order to present the relevant (or specific) best practices for the customer
- Free-of-charge with active maintenance

1st half day

Session 1: WHY?

Experience the value of SAP S/4HANA with SAP S/4HANA Simulations



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

2nd half day

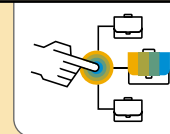
Session 2: WHY?

Discuss customer-specific point-of-view document created by SAP



Session 3: WHY?

Identify SAP S/4HANA innovation & improvement potential based on your system data.



powered by:
Process Discovery

3rd half day

Session 4: WHAT?

Sketch the future based on a prepopulated customer-specific product map



powered by:
SAP Transformation Navigator

Session 5: WHY?

Identify the incremental financial benefit with a pre-populated outside-in value assessment



powered by:
SAP Value Lifecycle Manager

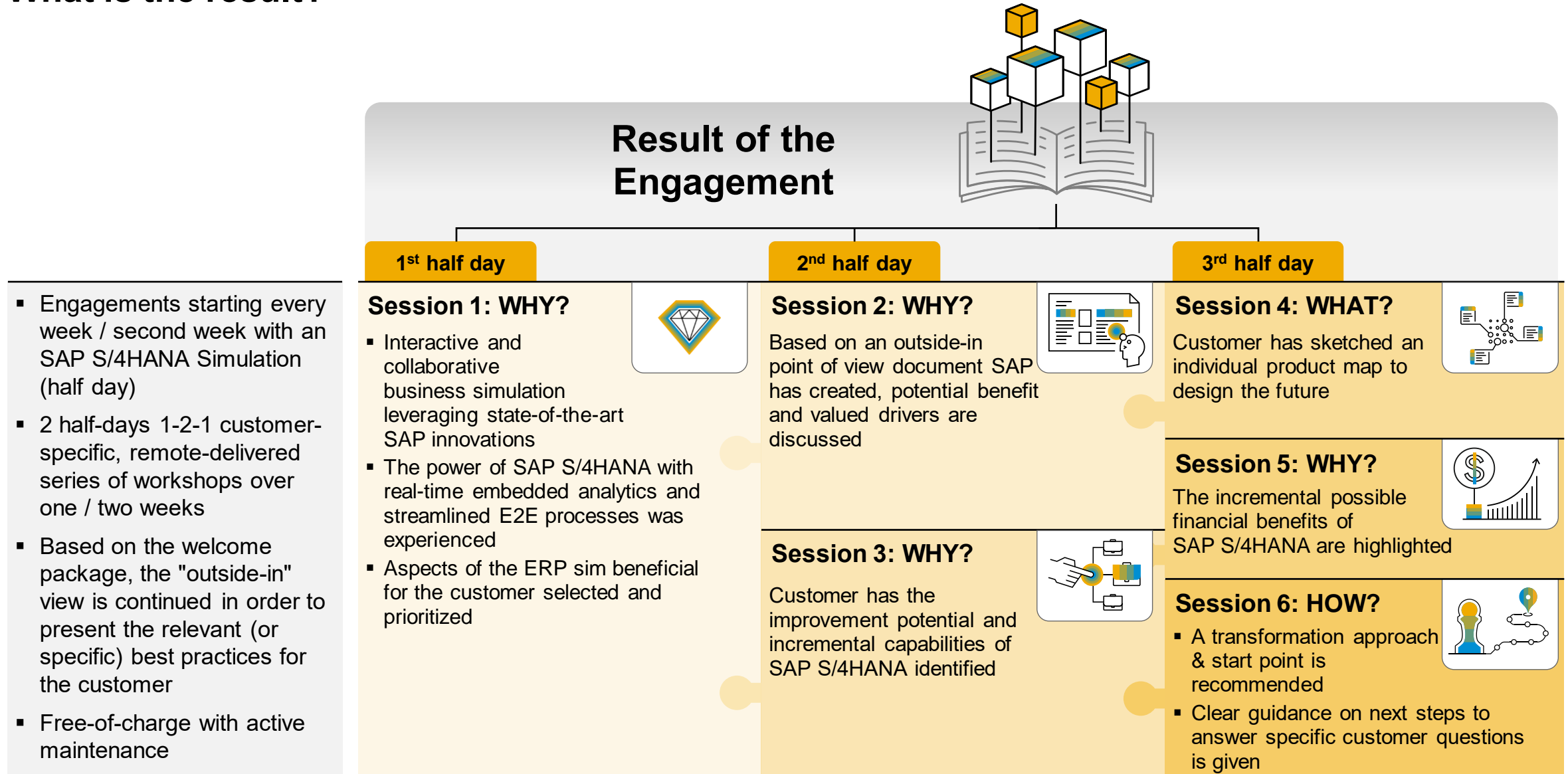
Session 6: HOW?

Plan the change



SAP S/4HANA Value Starter Engagement

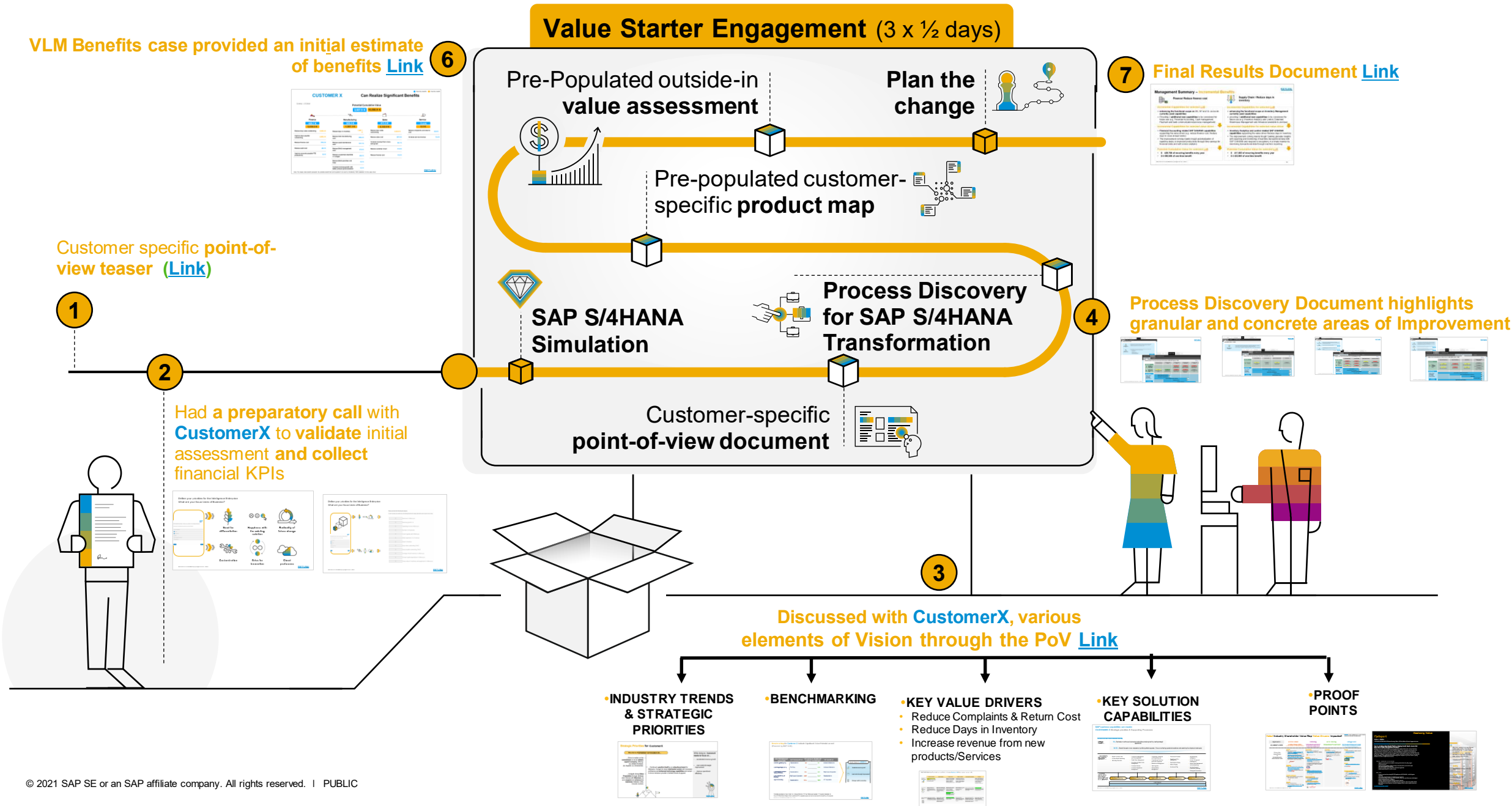
What is the result?





SAP S/4HANA Value in Action: Customer X

SAP S/4HANA Value Starter in Action: CustomerX

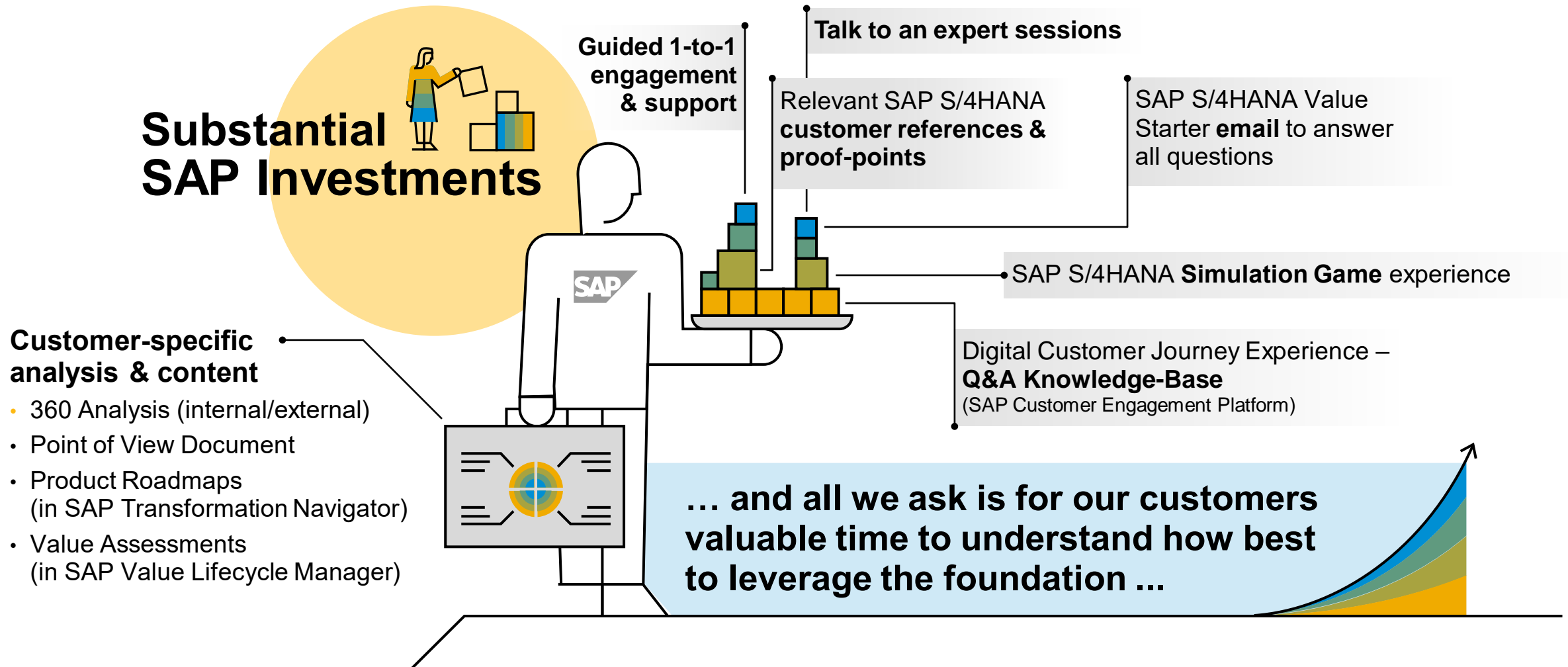




4

Summary and Q&A

Key takeaways



Thank you.

Your Questions
Our Answers



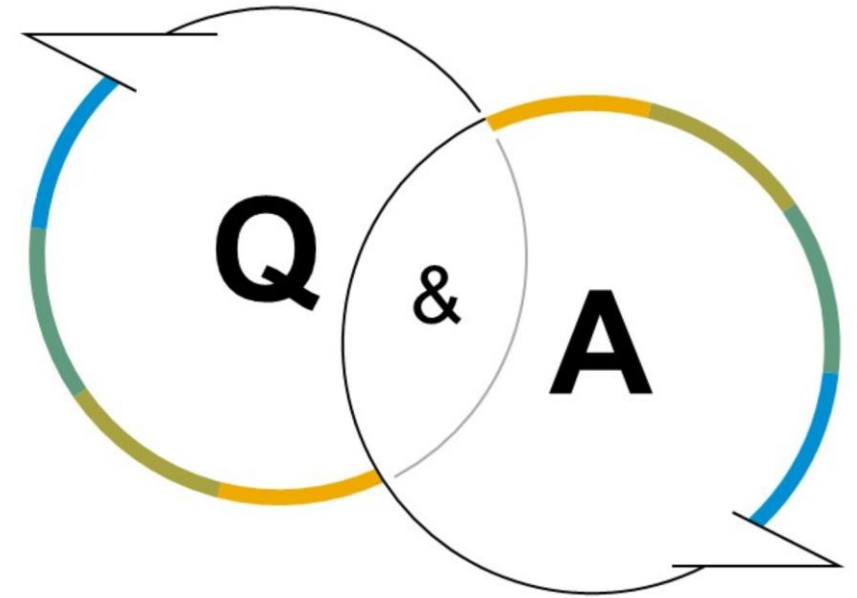
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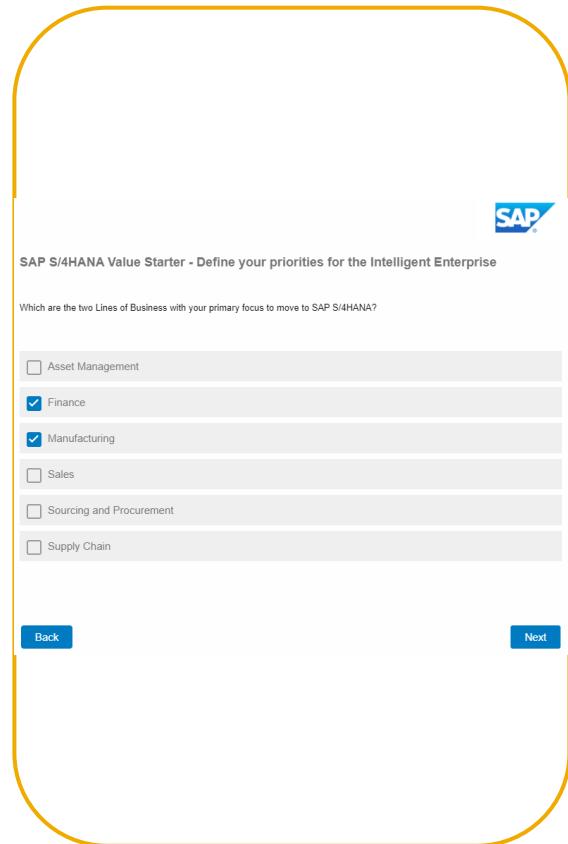
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APPENDIX

Define your priorities for the Intelligence Enterprise

What are your focus Lines of Business?



SAP S/4HANA Value Starter - Define your priorities for the Intelligent Enterprise

Which are the two Lines of Business with your primary focus to move to SAP S/4HANA?

- ☐ Asset Management
- ☒ Finance
- ☒ Manufacturing
- ☐ Sales
- ☐ Sourcing and Procurement
- ☐ Supply Chain

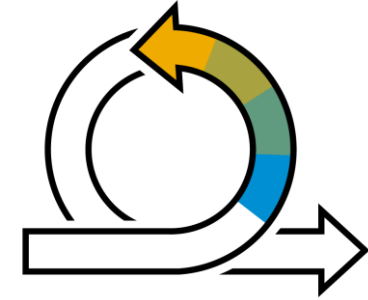
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**Need for
differentiation**



**Happiness with
the existing
solution**



**Radicality of
future change**



Customization



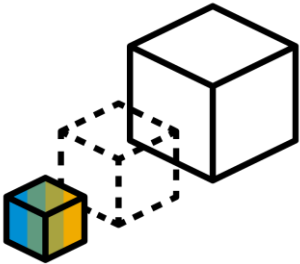
**Drive for
Innovation**



**Cloud
preference**

Define your priorities for the Intelligence Enterprise

What are your focus Lines of Business?



SAP

SAP S/4HANA Value Starter - Define your priorities for the Intelligent Enterprise

Which are the two Lines of Business with your primary focus to move to SAP S/4HANA?

☐ Asset Management

☒ Finance

☒ Manufacturing


☐ Sales


☐ Sourcing and Procurement

☐ Supply Chain

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Next





Please provide the following key figures.

In order to prepare your benefit case, the following financial and company data will be used to improve the accuracy.

0	Revenue in millions p.a.
0	Revenue growth in %
0	Operating income millions p.a.
0	Number of employees
0	Cost of goods sold millions p.a.
0	SG&A expenses in % of revenue
0	Days in inventory
0	Days sales outstanding (DSO)
0	Days payable outstanding (DPO)
0	Average Annual Inventory in millions p.a.
0	Annual Capital Expenditure in millions p.a.
0	Gross value of machinery and equipment in millions p.a.

Strategic Priorities for CustomerX

CustomerX STRATEGY IS FOCUSED ON...

...Strive to realize on the **commitment**, to be an **athletic apparel company**, offering:
(a). Athletic footwear,
(b). Apparel, (c). Accessories.

...Instigate strong **Value Proposition** through strategic Joint Venture with **Skechers**, so as to **expand** and **enhance** the **business** in Mexico, USA, Canada markets.

...Continue to **position itself** as an **ubiquitous brand** for Mexicans, through its robust **distribution centre** with increased proficiency and **enhanced technology capabilities** and remain to be an exclusive provider of athletic shoes & apparel.



While doing so, CustomerX needs to focus on...

- ...accelerated revenue growth
- ...cost control & margin improvement
- ...improve operational efficiency



[RETURN](#)

SAP business capabilities can enable CUSTOMER X Strategic priorities & Supporting Processes

[Click here for the Retail Products Shareholder Value Map](#)

**Strategic
Priorities ...**

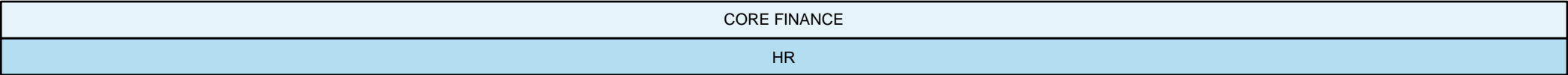
03 – Emphasis on continuous improvement and achieve market growth by creating strategic agreements.

01 / 02 – Remain focused on core competency by offering athletic apparels , Focus on achieving operational excellence and sustaining the ubiquitous brand equity

**... are enabled by
SAP Business
Capabilities ...**

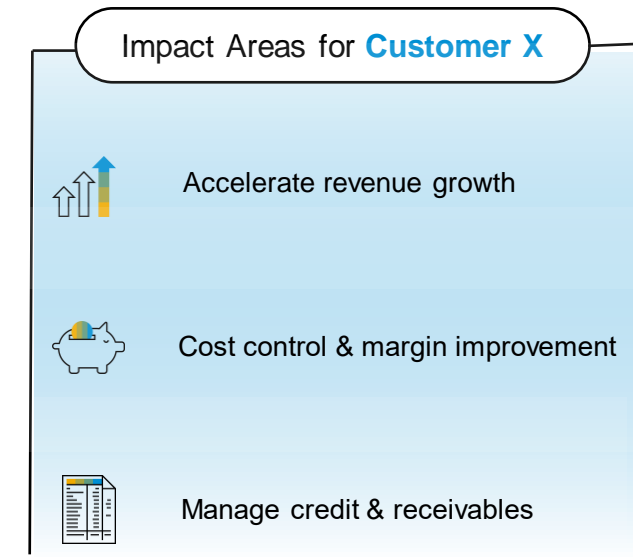
- | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Single Customer View• Consent-Based Marketing• Marketing Execution | <ul style="list-style-type: none">• Commerce Management and Personalization• Retail Store Management• Omnichannel Sales Order Management• Customer Service• Customer Experience Management | <ul style="list-style-type: none">• Forecasting, Allocation, and Replenishment• Omnichannel Inventory and Order Response• Warehouse Management• Yard Logistics• Transportation Management | <ul style="list-style-type: none">• Source and Contract Management• Supplier and Risk Management• Merchandise Buying• Indirect Buying• Invoice and Pay | <ul style="list-style-type: none">• Merchandising Intelligence• Product Design and Development• Master Data Management for Merchandising• Merchandise and Assortment Planning• Pricing and Promotions |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**... by driving
maturity across
best practices
across Core LoBs
& E2E processes**



Benchmarking for Customer X Indicate Significant Value Potential as well (Powered by SAP VLM)




KEY PERFORMANCE INDICATORS	BOTTOM QUARTILE	IS Customer X LEADING OR LAGGING THE PEER SET		TOP QUARTILE
Revenue growth (in %)	Hanesbrands Inc.	-4.3	21	Lululemon Athletica Inc.
Operating margin (in %)	PVH Corp.	7.6	22.4	Lululemon Athletica Inc.
Cost of goods/services sold (% revenue)	Hanesbrands Inc.	61.6	38.1	Ralph Lauren Corporation
SG&A expense (% of revenue)	Ralph Lauren Corporation	50.02	25.32	Hanesbrands Inc.
Days in inventory	Hanesbrands Inc.	132.5	101.1	V.F. Corporation



















Directional overview based on Peer set: Carter's, Inc., Lululemon Athletica Inc., PVH Corp., Ralph Lauren Corporation, V.F. Corporation, Hanesbrands Inc.

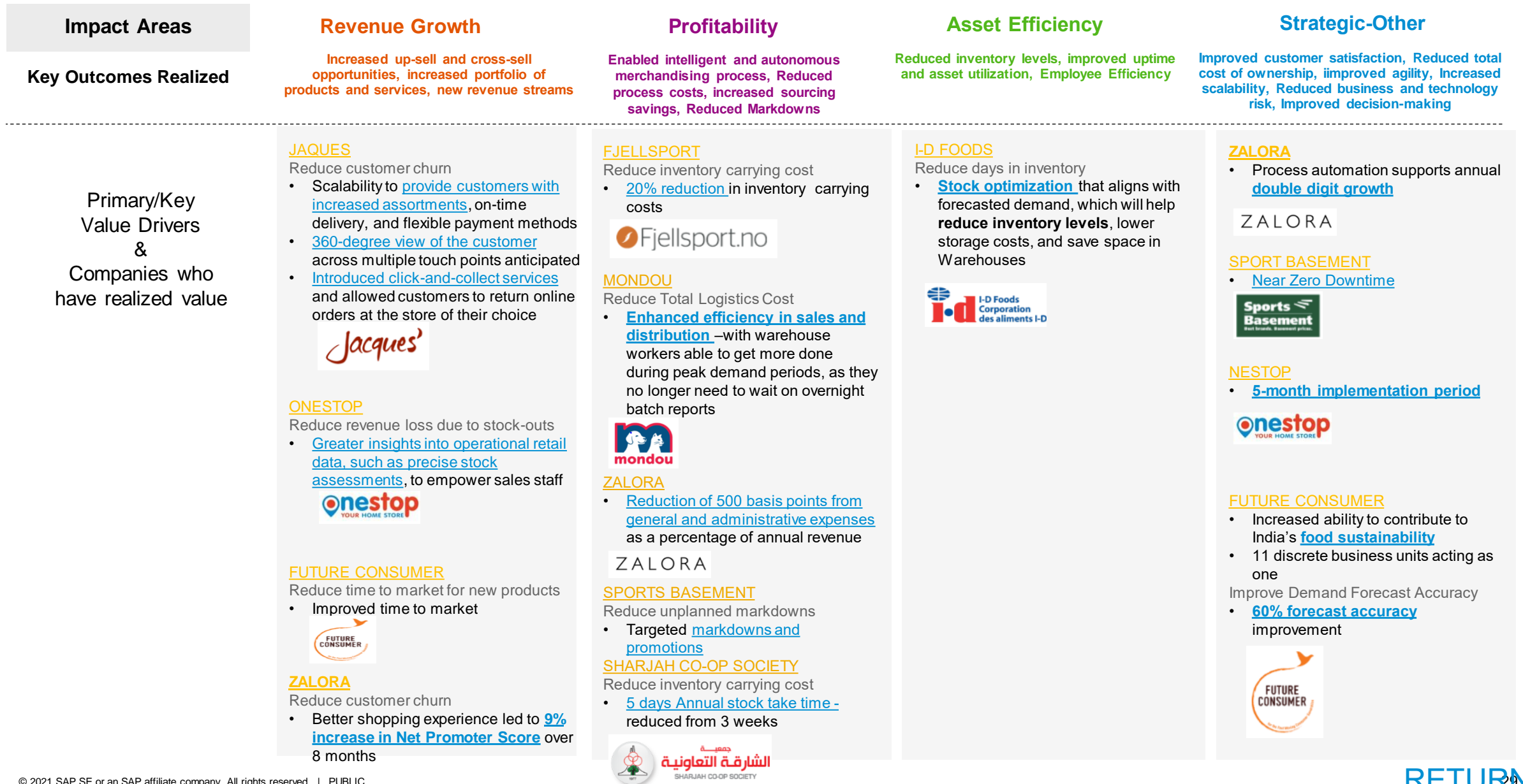
Source: S&P Global Market Intelligence. Data is normalized by S&P for comparative purposes and might not exactly match the financial filings of the companies.

SAP S/4HANA Can Play An Important Role In Helping Customer X Drive Values across LoBs

	Product Innovation	Manufacturing	Supply Chain	Sales & Service	Sourcing & Procurement	Finance
Accelerate revenue growth 	Increase revenue from new products/services by enabling decision-makers to identify the more feasible initiatives		Reduce revenue loss due to stock-outs by improving the accuracy and visibility of warehouse inventory and activities as well as of impacting supply and demand	Increase service revenue by providing insights into cost and revenue drivers for specific projects to establish consistent method to compare different bids and projects		Reduce revenue loss due to poor contract management by managing processes related to the governance of legal content, including full traceability of all legal transactions and documents
Cost control & margin improvement 	Optimize research and development expense by prioritizing projects based on market situations and company strategy	Reduce total manufacturing cost by seamlessly integrating design, process planning, and manufacturing change management collaboration capabilities	Reduce inventory carrying cost by enforcing better inventory management procedures for reduced shrinkage and obsolescence Reduce Complaints and Return Costs: by accelerating the handling process due to logically triggered follow-ups	Reduce sales cost by viewing historical, real-time, and projected operational performance	Improve sourcing savings on direct spend by acting on cost savings based on clear direct spend visibility	Reduce finance cost by providing a holistic view of the drivers of cost and the causes of underperformance
Improve Operational Efficiency 	Reduce time to market for new products by accelerating the implementation of planned and scheduled project activities	Improve on-time delivery performance by quickly adapting production plant configurations and workflows based on new or modified production demands	Reduce days in inventory by providing real-time visibility into inventory positions	Reduce days sales outstanding by making bills easier to understand to ensure prompt payment without disputes	Improve procurement FTE productivity by analyzing and monitoring central purchasing documents, such as central purchase contracts and central purchase orders in real time	Reduce days to close annual books by automating the revenue recognition and accounting process to simplify the tasks

Impact Areas	Revenue Growth	Profitability	Asset Efficiency	Strategic-Other
Key Outcomes Realized	Increased upsell and cross-sell opportunities, Increased portfolio of Products/Services, New Revenue Streams, Reduced Time To Market	Enabled Intelligent and autonomous processes, Reduced Costs, Increased Sourcing Savings, Improved Sales Productivity	High cash conversion cycle efficiency, Improved uptime and asset utilization	Improved customer satisfaction, Reduced TCO, Improved Agility, Reduced Business & Technology Risk, Improved Decision Making
Primary/Key Value Drivers & Companies who have realized value	<p><u>JAPAN TOBACCO INTL.</u> Reduce Time to Market for new products</p> <ul style="list-style-type: none"> 22%-30% Faster time to market for new high-quality, innovative products  <p><u>EXIDE</u> Reduce customer churn</p> <ul style="list-style-type: none"> 25% improvement in customer retention  <p><u>ROYALSTAR</u> Reduce manufacturing cycle time</p> <ul style="list-style-type: none"> Improve production and management efficiency and increase the rate of on-time completion to more than 95%  <p><u>WUHAN QIAN (Kengee Foods)</u> Increased Revenue Growth</p> <ul style="list-style-type: none"> 25% Revenue growth due to improved process efficiency <p>New Revenue Streams</p> <ul style="list-style-type: none"> 300% Increase in Online Revenue 	<p><u>EXIDE</u> Reduce service and support cost</p> <ul style="list-style-type: none"> Upto 40% fewer warranty returns anticipated  <p><u>TAT DUZEY</u> Reduce total logistics cost</p> <ul style="list-style-type: none"> 2.5% decrease in macro logistics costs  <p><u>CHEKIZOVO</u> Reduce scrap cost</p> <ul style="list-style-type: none"> Reduce defect Rate to <1% due to consistent quality at every production stage in the consolidated production plan  <p><u>ILOLAY</u> Reduce scrap cost</p> <ul style="list-style-type: none"> 1% Savings in scraps for raw materials, supplies, and packaging  <p><u>NATURA</u> Increase order management FTE productivity</p> <ul style="list-style-type: none"> 15.2% Increase in sales consultant productivity in one year. Can process 200 sales order requests per minute 	<p><u>THAI WAH</u> Reduce Days In Inventory</p> <ul style="list-style-type: none"> 15% Reduction in inventory levels  <p><u>GUANGZHOU SHUANGQIAO CO. LTD.</u> Reduce Days in Inventory</p> <ul style="list-style-type: none"> Increased inventory turnover rate by 30%, and reduced inventory cost by 10%  <p><u>ANTA</u> Reduce Days in Inventory</p> <ul style="list-style-type: none"> 90% more efficient inventory consumption thanks to automatic updates for a large number of orders  <p><u>R&B FOOD SUPPLY</u> Reduction of un-planned downtime or outages</p> <ul style="list-style-type: none"> 80% of all maintenance actions now preventive rather than corrective 	<p><u>ROYALSTAR</u> Improve on-time delivery performance</p> <ul style="list-style-type: none"> Increase the rate of on-time delivery by 20% and improve the rate of on-time arrival to between 90% and 98%  <p><u>NATURA</u> Reduction of carbon footprint</p> <ul style="list-style-type: none"> 3% Fewer carbon emissions through improvements across supply-chain, logistics, and production processes <p>Sustainability</p> <ul style="list-style-type: none"> Using blockchain technology for transparent procurement & sustainable sourcing have helped Natura become one of the largest Certified B Corporations in the world <p>Improve Customer Satisfaction</p> <ul style="list-style-type: none"> A better customer experience with secure purchasing and rapid delivery aided by "last-mile tracking" <p>Improved Decision Making</p> <ul style="list-style-type: none"> Real-time data analysis supporting sales activities and helping satisfy customer demand more quickly  <p><u>AGRIPAC</u> Improve Demand Forecast accuracy</p> <ul style="list-style-type: none"> Mean absolute % error in demand planning reduced by 40% 

Retail Industry Shareholder Value Map Value Drivers: Impacted!



Fjellsport

Retail | EMEA

SAP S/4HANA, SAP BW/4HANA, SAP Business Technology Platform, SAP Cloud Platform, & Premium Engagements services

How Is a Cutting-Edge Digital Platform Helping Nordic Sports Lovers Get More Out of Their Favorite Gear Provider?

Fjellsport chose SAP S/4HANA® as its next-generation digital solution and worked with Pearl Consulting on the implementation. SAP S/4HANA adapts to the company's growth goals and helps streamline its operations processes, allowing Fjellsport employees to concentrate on superior customer service. As the first company in the Nordic region to go live with SAP S/4HANA in the cloud, Fjellsport is realizing higher profit margins and better customer service. Working with Pearl Consulting, the deployment was within budget and complete in just four months – putting Fjellsport on track for digital transformation

Before: Challenges & Opportunities

- Migrate its current system to a scalable, in-memory solution that will quickly support business processes
- Improve inventory visibility in order to manage seasonal products and to offer the right mix of sports equipment and clothing
- Empower employees by providing them with the best digital tools
- Maintain high standards of customer service

Why SAP?

- Desire to move from the existing SAP ERP application to SAP S/4HANA – with full logistics capabilities
- User-friendly interface based on the SAP Fiori user experience
- In-memory data fabric architecture in SAP S/4HANA, which uses smart data access technology to deliver accelerated business intelligence
- Building a Digital Transformation Strategy with SAP S/4HANA
- Leveraging Granular analytics on marketing and product segments, down to the smallest details
- Better customer service experience, with quick employee access to clients' profiles and account information

[Access the Reference Asset](#)



When your ambition is to build the best outdoor retail outlet on the Internet, you're aiming high. To reach that goal, you need the **best possible solutions and business partners**. With SAP S/4HANA and the Pearl Consulting team, we're on the right track,,

-Eric Sandtrø, Founder and CEO, Fjellsport AS

20%

Reduction in inventory carrying costs

Real Time

Inventory information

Higher

Profitability margin

RETURN

Realizing Value ANTA Sports Products Group CO., Limited

Retail | GCH

SAP S/4HANA and SAP Integrated Delivery Framework

Building a solid business engine for growth on a high-performing ERP

On a mission to infuse the sporting spirit of going beyond oneself into daily life, ANTA Sports Products Limited is a leading Chinese sportswear brand focused on customer-centric value retailing. The company designs, markets, and distributes high-profile global brands, including ANTA, FILA, DESCENTE, and SPRANDI, from its own stores and through retail partners. With the rapid growth of its business as the company pursued a multi-brand, omnichannel strategy, ANTA began to outgrow its legacy business systems. To support this strategy, the company needed to rebuild its operations on an enterprise-wide business management platform. To integrate multiple brands and connect its production, supply, sales, and finance value chain while supporting continuous retail transformation, ANTA needed to move to a next-generation ERP

Before: Challenges & Opportunities

- Support rapid growth and solve system performance issues from the business volume generated from 100,000 stores by moving to a high-performing, enterprise-wide business management platform
- Integrate multiple brands and connect production, supply, sales, and finance value chain, while supporting continuous retail transformation
- Optimize inventory management to enable systematic distribution, replenishment, and allocation

Why SAP?

- Ability to support a multi-brand, multiformat, and multi-business model strategy with a next-generation business platform built on SAP S/4HANA, integrating business processes and financial management
- Access to SAP Integrated Delivery Framework, leveraging global and domestic expert resources to support a successful go-live
- IBM Services' strong relationship with SAP and proven knowledge of SAP industry solutions, helping accelerate the move to a next-generation ERP

[Access the Reference Asset](#)



Thanks to the joint efforts of SAP's specialized solution team and IBM Services' implementation team, ANTA has successfully upgraded its business landscape to SAP S/4HANA, significantly enhancing the performance and reliability of our operations.



-Donghai Chen, IT Head of ANTA Group, ANTA Sports Products Limited

10x

More proficient physical inventory management

10x

More effective credit control


5x

Faster order scheduling

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INTRODUCTION FINDINGS RECOMMENDATIONS

OPTIMIZE MANUFACTURING:



Accelerate Manufacturing Cycle Time

- Manufacturing cycle time is the time of actual production from when a customer order is released to the plant floor for a particular product through to the completion of all manufacturing, assembly, and testing for that specific product (does not include front-end order-entry time or engineering time spent on customized configuration of nonstandard items, or time in finished goods inventory)



Reduce Total Manufacturing Costs


- Total manufacturing cost is the sum of costs of all resources consumed in the process of making a product
- The manufacturing cost is classified into the following categories:
 - Direct materials cost
 - Direct labor cost
 - Manufacturing overhead
 - Manufacturing extraordinary costs
 - Outsourced manufacturing costs








[Go to findings »](#)

INTRODUCTION FINDINGS RECOMMENDATIONS

OVERVIEW DETAILS

Manufacturing: Your Current Process Performance in SAP ERP System "PRD"




	Production planning	Production order creation	Production order release	Production order confirmation	Production order delivery
Value Drivers:					
 <p>Accelerate Manufacturing Cycle Times</p>			0% Production orders automatically released »	22 days Lead time: Prod. order release to confirmation »	22 days Lead time: Prod. order release to delivery »
 <p>Reduce Total Manufacturing Costs</p>	2,625 Planned but not converted in time »	100% Production orders automatically created »	10 days Lead time: Prod. order creation to release »	7,419 Failed goods movements during prod. order confirmation »	No data Overdue orders assigned to sales
How SAP helps:					
Build an intelligent enterprise with recommended SAP S/4HANA business scenarios.	Material Requirements Planning » 				
	Demand-Driven Replenishment » 				
	Constraint Based Production Planning » 				
	Production Control » 				
All innovation recommendations »			Production Execution » 		

OVERVIEW
EXECUTIVE SUMMARY
FINANCE
SOURCING AND PROCUREMENT
SALES
SUPPLY CHAIN
MANUFACTURING
ASSET MANAGEMENT
NEXT STEPS

INTRODUCTION
FINDINGS
RECOMMENDATIONS

OPTIMIZE SUPPLY CHAIN:




Reduce Days In Inventory







- Days in Inventory defines the average number of days that the company holds its inventory (finished goods, work-in-progress goods and raw materials) before selling it
- Days in inventory is calculated as: $\text{Days in Inventory} = \frac{\text{Average Annual Inventory} \times 365}{\text{Cost of Goods Sold}}$

OVERVIEW
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OVERVIEW DETAILS

Supply Chain: Your Current Process Performance in SAP ERP System "PRD"


	Unrestricted Stock	Sales Order Stock	Customer Consignment Stock	Project Stock
Value Driver:  Reduce Days In Inventory	3,351 Stock level of unrestricted-use stock »	No data Stock level of sales order stock	1,442 Stock level of customer consignment stock »	No data Stock level of project stock
How SAP helps: Build an intelligent enterprise with recommended SAP S/4HANA business scenarios.	Inventory Analytics and Control » 			
All innovation recommendations »	Warehouse Management »			 ★★★★★
	Extended Warehouse Management »			 ★★★★★
	Available to Promise »			 ★★★★★
		Advanced Available to Promise »  ★★★★★		

INTRODUCTION FINDINGS RECOMMENDATIONS

OPTIMIZE FINANCE:

Reduce G/L Efforts And Financial Closing Time

- Reduction of G/L efforts is related to simplification of processes within G/L and increased automation
- Reduce financial closing time is about the reduction of days to close annual books and to complete the annual hard close on entity and corporate level, and includes the time for regulatory disclosures such as a 10-K report in the United States or similar financial statements in other countries

Reduce Finance Costs

- Finance costs include all finance function-related costs such as cost of finance staff (headcount costs), external spend, technology spend and all other finance function-related spend

[Go to findings »](#)

Reduce Days Sales Outstanding

- Days sales outstanding is a measure of the average number of days that a company takes to collect revenue after a sale has been made
- A low number means that it takes a company fewer days to collect its accounts receivable
- A high number shows that a company is selling its product to customers on credit and taking longer to collect money
- Days sales outstanding calculation: $\text{Accounts Receivables} / \text{Total Credit Sales} \times \text{Number of Days}$

[Go to findings »](#)

OVERVIEW SUMMARY **FINANCE** SOURCING AND PROCUREMENT SALES SUPPLY CHAIN MANUFACTURING ASSET MANAGEMENT NEXT STEPS

INTRODUCTION FINDINGS RECOMMENDATIONS

REDUCE FINANCE COSTS & CLOSING TIME

REDUCE DAYS SALES OUTSTANDING

DETAILS

Finance: Your Current Process Performance in SAP ERP System "PRD"



	Accounts Receivables	Accounts Payables	General Ledger Accounting	Product Cost Controlling
Value Drivers:				
Reduce G/L Efforts And Financial Closing Time	206,522 Overdue & open finance AR items »	37,834 Overdue & open finance AP items »	3,002,433 Open items on finance general ledger accounts »	7,419 Failed component consumptions during prod. order confirmation »
Reduce Finance Costs	0% Customer payments autom. cleared »	33% Vendor payments autom. cleared »	No data Open items on goods receipt/invoice receipt clearing accounts	No data Errors during production order settlement
How SAP helps:				
Build an intelligent enterprise with recommended SAP S/4HANA business scenarios.	Cash Management »			
	Payments and Bank Communications »			
	Financial Shared Services Management »			
	Financial Accounting »			Product Costing »
	Entity Close »			
All innovation recommendations »				

INTRODUCTION FINDINGS RECOMMENDATIONS

OPTIMIZE SALES:

Improve On-Time Delivery Performance

- On-time delivery performance is the percentage of orders that are fulfilled on, or before the customer's requested date. Delivery measurements are based on the date a complete order is shipped or the ship-to date of a complete order.
- A complete order has all items on the order delivered in the quantities requested. An order must be complete to be considered fulfilled. Multiple line items on a single order with different planned delivery dates constitute multiple orders, and multiple planned delivery dates on a single line item also constitute multiple orders.
- On-time delivery performance is calculated as: $\frac{[\text{Total number of orders delivered in full and on time to the customer's request date}]}{[\text{Total number of orders received}]} \times 100$

Increase Sales Force Efficiency

- Sales force efficiency measures the ratio of the cost of "sales full-time equivalent employees" and revenue.
- Sales force efficiency is calculated as: $[\text{Sales FTE Cost} / \text{Revenue}] \times 100$

Reduce Complaints And Return Costs

- This value driver focuses on the management of complaints and returns.
- The goal is to reduce overall return costs in both frequency of returns and costs per return. This covers the logistics part of returns as well as managing complaints and analytics options to improve overall customer satisfaction.
- Related process performance indicators are e.g. the number of sales order items that are rejected, the number of return order items and credit memo requests created.

INTRODUCTION FINDINGS RECOMMENDATIONS

IMPROVE ON-TIME DELIVERY PERFORMANCE AND SALES FORCE EFFICIENCY **REDUCE COMPLAINTS AND RETURN COSTS** DETAILS

Sales: Your Current Process Performance in SAP ERP System "PRD"



	Sales Order Rejections	Sales Order Returns	Credit Memos	Customer Complaint Management
Value Driver:				
 Reduce Complaints And Return Costs	<div>2,459</div> <div>Sales order items rejected »</div>	<div>48,848</div> <div>Return order items created »</div>	<div>607</div> <div>Credit memo request created »</div>	<div>No data</div> <div>QM notifications pending</div>
	<div>7</div> <div>Sales order items deleted »</div>	<div>1,424</div> <div>Open return orders »</div>	<div>1,484</div> <div>Credit memos created »</div>	<div>No data</div> <div>QM notifications open & overdue</div>
				<div>No data</div> <div>Lead time: QM notifications creation to completion</div>
How SAP helps:				
Build an intelligent enterprise with recommended SAP S/4HANA business scenarios.	Claims, Returns, and Refund Management »			
	Sales Order Management and Processing »			
	Sales Billing			
	Complaints Mgmt. »			
	Sales Monitoring and Analytics »			
All innovation recommendations »				

CUSTOMER X

Can Realize Significant Benefits

Currency : U.S.Dollar



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

RETURN

Management Summary – Incremental Benefits



Finance/ Reduce finance cost

Incremental Capabilities for selected LoB

- **enhancing the functional scope on AR, AP and GL accounts currently used capabilities**
- Providing 3 **additional new capabilities** to be considered for future use (e.g. Financial Accounting, Cash management, Payment and bank communications) services management)

Incremental Capabilities for selected value driver

- **Financial Accounting related SAP S/4HANA capabilities** supporting the value driver (e.g. reduce finance cost, Reduce days to close annual books)
- The improvement coming mainly through automatization of repetitive tasks or improved productivity through time savings for financial tasks and self service analytics.

Potential Cumulative Value for selected LoB

- \$ 429,700 of recurring benefits every year
- \$ 5 000,600 of one-time benefit



Supply Chain / Reduce days in inventory

Incremental Capabilities for selected LoB

- **enhancing the functional scope on Inventory Management currently used capabilities**
- providing 3 **additional new capabilities** to be considered for future use (e.g. Inventory Analytics and control, Extended Warehouse Management and Advanced available to promise)

Incremental Capabilities for selected value driver

- **Inventory Analytics and control related SAP S/4HANA capabilities** supporting the value driver Reduce days in Inventory
- The improvement coming mainly through Gaining granular insights with reporting and monitoring of real time transactional data with SAP S/4HANA and respond to exceptions in a timely manner by monitoring transactional data through real time reporting.

Potential Cumulative Value for selected LoB

- \$ 411,500 of recurring benefits every year
- \$ 2 322,900 of one-time benefit

Management Summary – Plan the change and move forward

[RETURN](#)

Evaluation of transition scenario

- **Customer X** is currently not decided about their transformation strategy, but is showing a slight tendency for New Implementation type transition
- It is important to analyze in more detail what previous transactional data is required to be available in S/4HANA and evaluate different options for archiving and data clean up.
- Deep analysis on the interfaces that will be required in the new system.

Next steps together with SAP

- Discuss your cloud opportunities using RISE with SAP
- Review SAP Fiori Scenarios presented in the Fiori Apps Library
- Review recommended additional capabilities and decide further usage
- Familiarize with the changes of existing capabilities via [Feature Scope Description](#)
- Create your own [STN](#) Product Map based on your usage data
- Explore SAP S/4HANA via [Trial version](#)
- Schedule a session with an expert to explain the capabilities of the bot recommendations in S/4HANA.
- Schedule a session with S/4HANA Fashion Industry expert to clarify all question could not be answered during the VSE.
- Follow up on the Business Process Intelligence services for data cleanup and more details about KPIs presented in Business Process Discovery Summary document.
- Follow up on archiving options and evaluate which information will be required in S/4HANA.

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