



Procurement across a heterogeneous multi-backend environment S/4HANA for Central Procurement - Overview

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Public

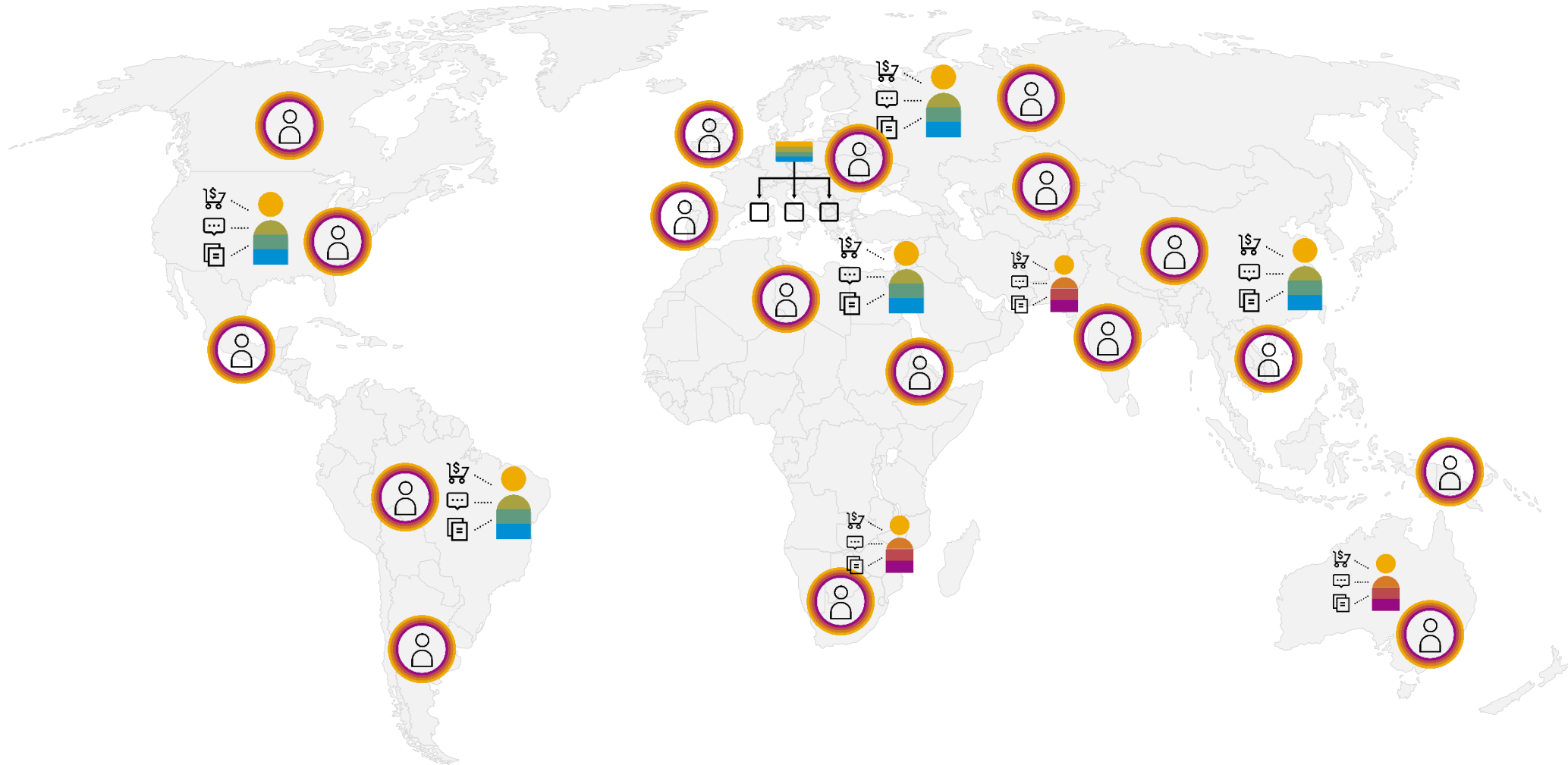
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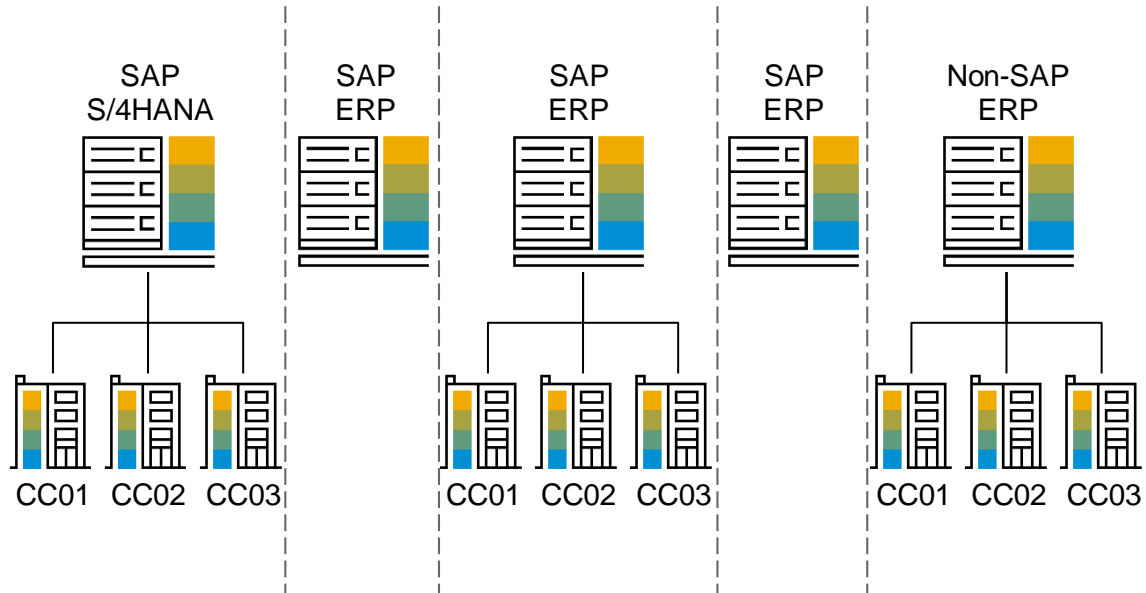
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Business happens de-centrally ... “on the ground”

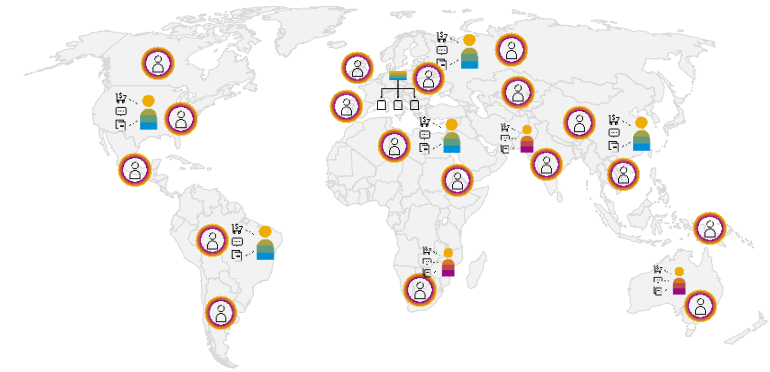


... and isn't this where you end up, in an **heterogenous** landscape?

IT-Architecture



Organization

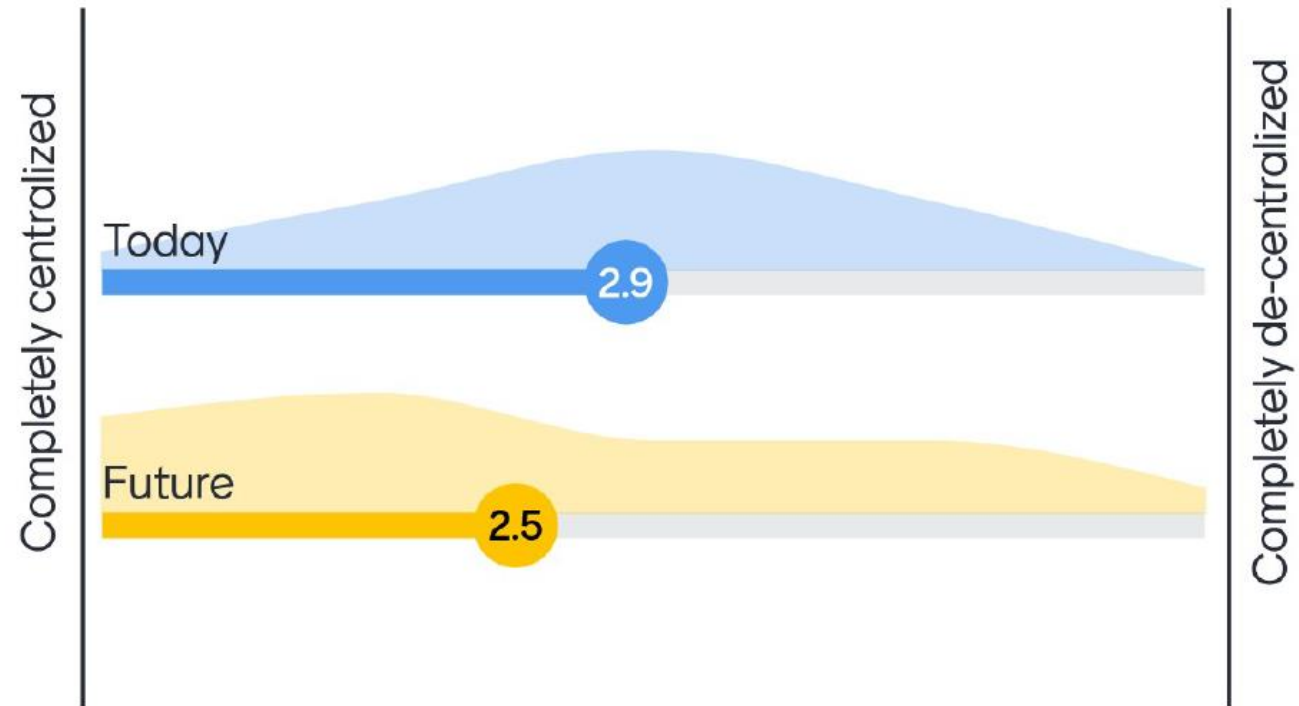


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Menti Result #1

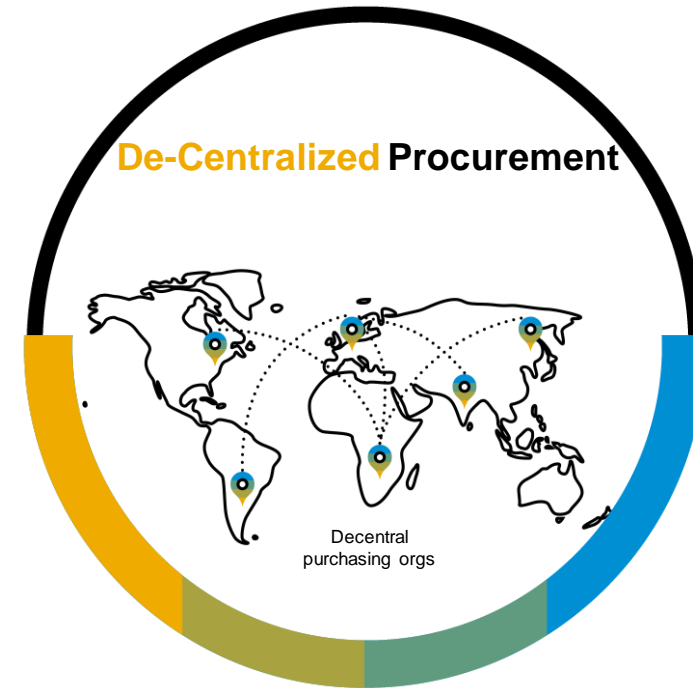
How do you see / define your Procurement organization?



Centralized vs. De-centralized: **Both** have their advantages



- Lower processing costs
- Higher standardization
- Lower maverick spending
- Automation of repeated orders
- Transparency
- Cost savings through ordering larger quantities
- Favorable conditions through framework agreements

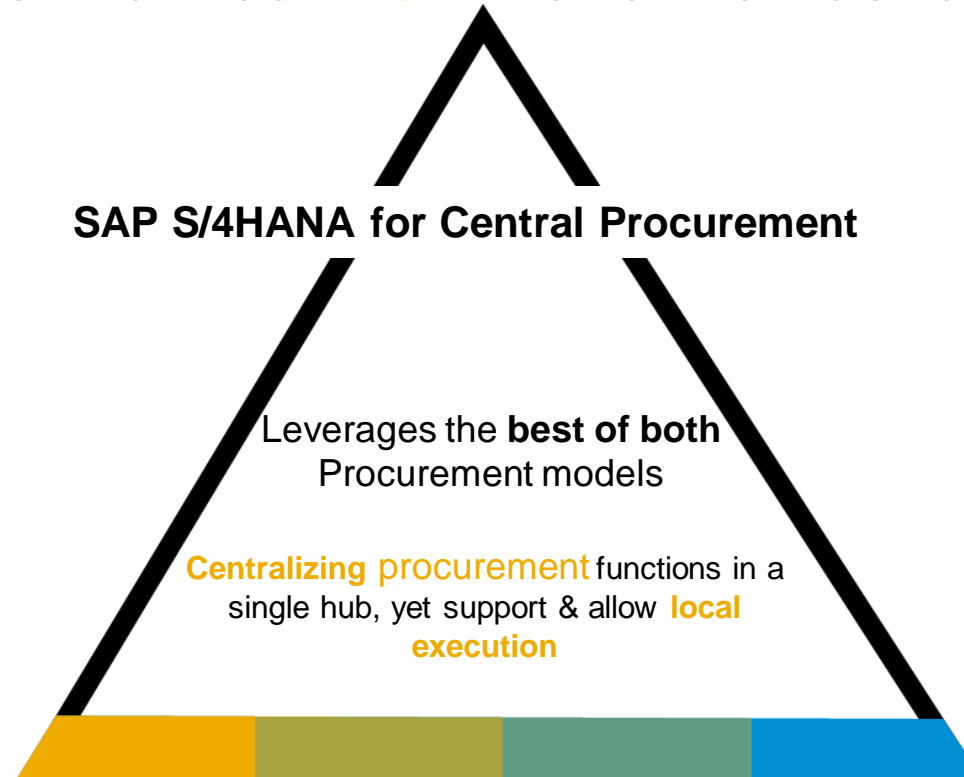


- Flexibility
 - Use of special offers
 - Less administrative effort
 - Products arrive quickly in departments
- More flexibility towards deadlines and emergencies
- More responsibility and motivation in the departments
- Local purchasers understand the needs of their divisions

Centralized vs. De-centralized: **Both** have their advantages



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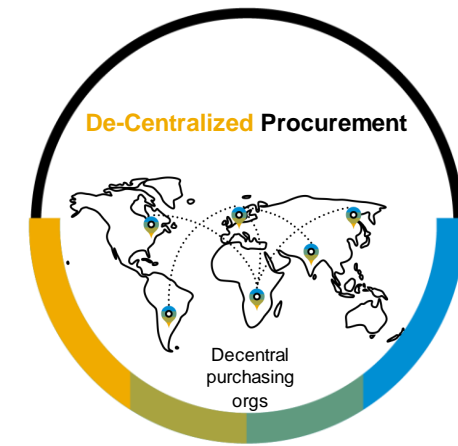
Transparency

Leverage buying power (demand aggregation)

Better usage of supplier contracts across organization

Support of centralization and standardization as desired / needed

& more



- Flexibility
- Use of special offers
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Menti Result #2

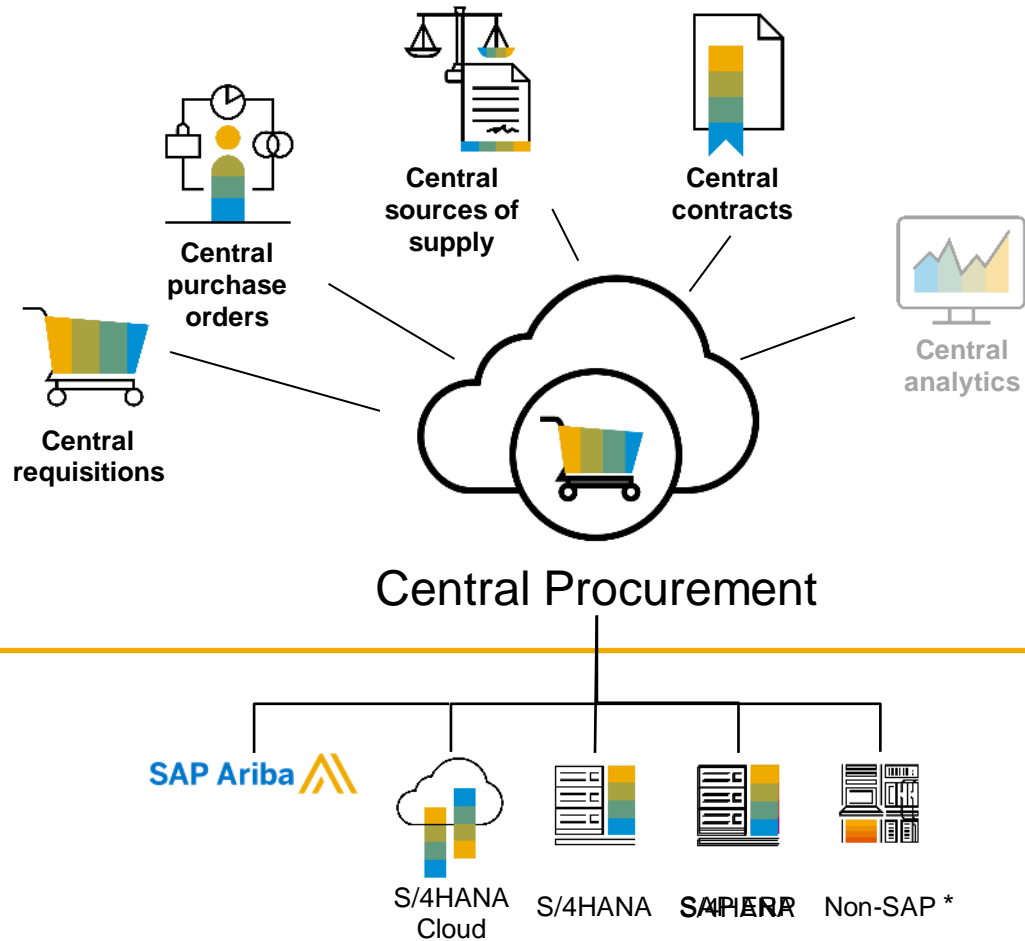
What would you like to achieve / improve in your current environment?





Overview of **S/4HANA** for Central Procurement

SAP S/4HANA Central Procurement



Central Procurement offers

- Central control and compliance
- Decentral operations
- More insights into buying decisions
- Comprehensive central spend analytics
- An ideal solution for shared service centers or centralized procurement teams

SAP S/4HANA Central Procurement is

- Lightweight and in the cloud (or on-premise)
- Flexible and detached from master data
- Like a controller for the connected backend systems
- The basis for application of innovative technologies (e.g. machine learning)
- Open for non-SAP backends*

Central Procurement as Core of every Multi-ERP Procurement Landscape

Control Center

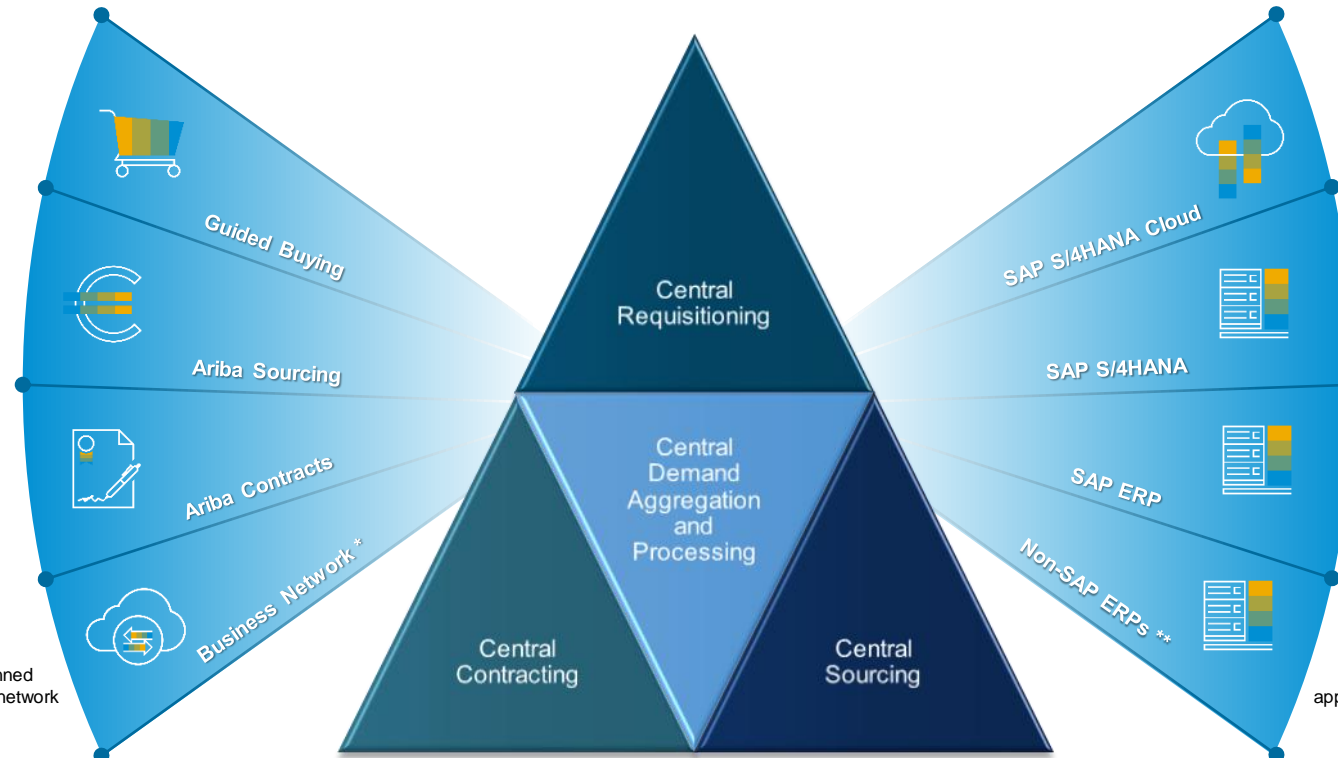
centralize compliance, process control, approval workflows and document output into **one single procurement control center**

Automated Demand Processing

free up your purchaser's time by **reducing repetitive tasks** through a **powerful automation** framework for external demands

Central demand channel
Higher Automation
Increased productivity
Incremental cost savings
Wider spend visibility

Freed-up capacity



Managing the procurement landscape
Greater control of spend
Reduced operating costs
Shared Services enabled
Heightened compliance

* available for 5JT Quote Automation and planned in future for Central PO output via business network

** available for PR/PO creation and central approval, planned for central contracting & sourcing

Enterprise Contract Orchestration

centrally negotiate and monitor **global contracts** for all legal entities of your enterprise incl. integrated **commodity pricing**

Central Demand Aggregation

aggregate and **bundle external demands** from all your SAP and **non-SAP connected systems** to take advantage of better volume pricing

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Menti Result #3

Which benefits to you expect from S/4HANA for Central Procurement?



Value of SAP S/4HANA for Central Procurement



Business Value



IT Value



Strategic Value



Reduce Process Cost by

15-20%

Reduce Purchasing Prices by

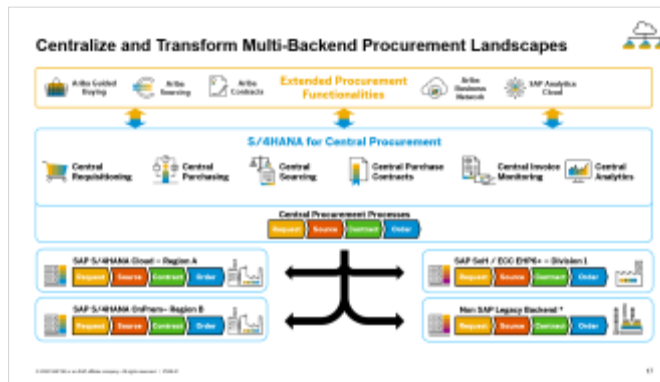
0,5-1,5%

Increase User Compliance by

25-35%

Reduce Analysis Costs by

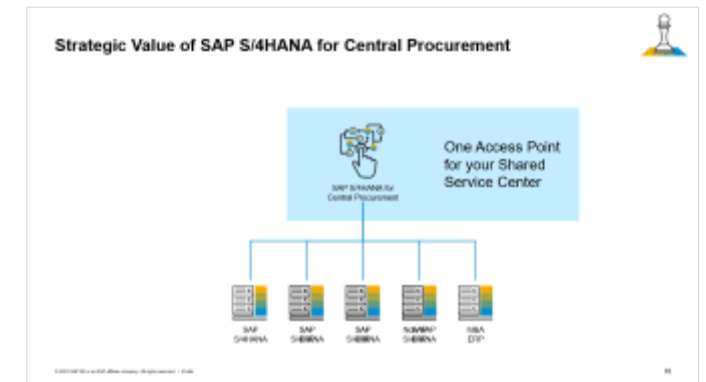
20-40%



Reduce Governance and Workflow Management Costs

Reduce Interface Costs

Reduce Upgrading Costs



Start your S/4 transformation journey

Flexible adaption of your M&A Strategy

Enable Shared Services

AGENDA

Time	Topic	Duration
15:00 CEST	The Road to Intelligent Spend Baber Farooq, SVP Procurement Product Strategy	30 min
15:30 CEST	Innovate with Demand-Driven Material Requirements Planning (DDMRP) Jay Foster, Director Solution Management	30 min
16:00 CEST	Procurement across a heterogeneous multi-backend environment Frank Bade, Business Architect and for SAP Procurement Regional Strategy	30 min
16:30 CEST	How Procurement Leaders Can Plan for the Future Mark Harris, Senior Director Product Strategy	30 min
17:00 CEST	End & Poll	

THE BEST RUN



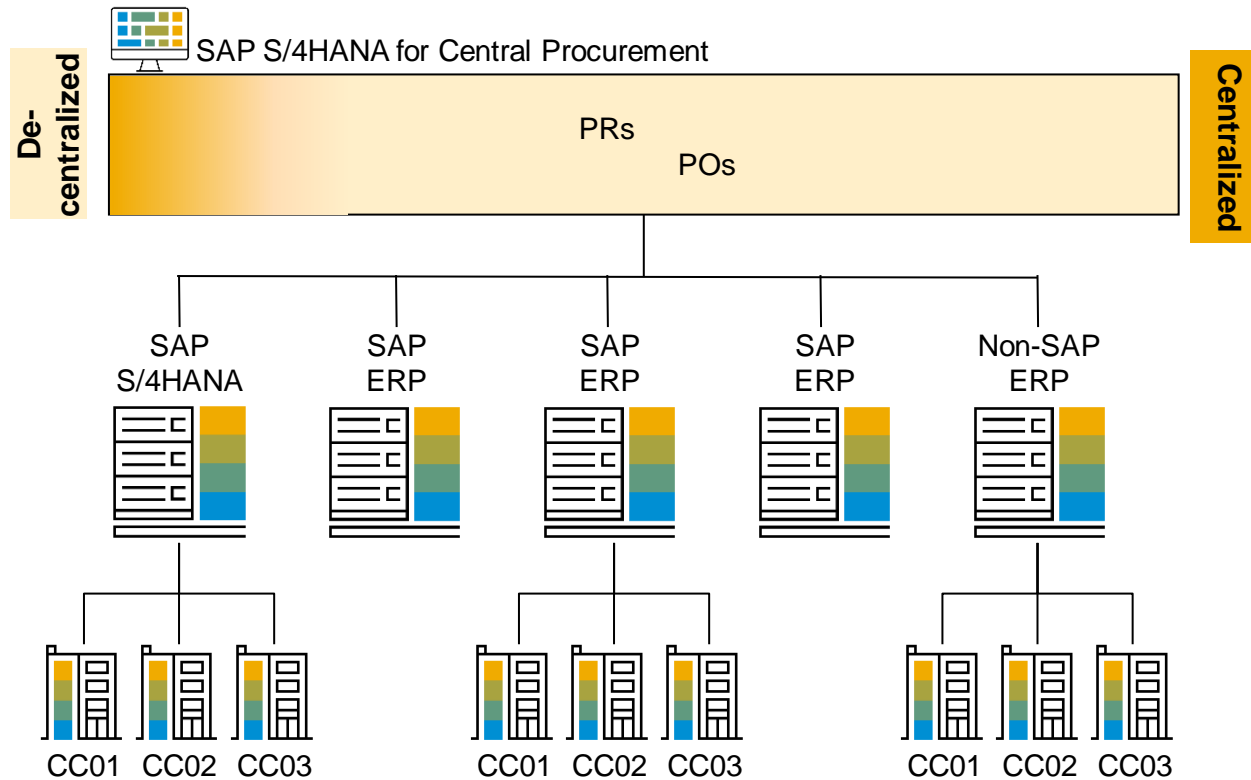
THANK YOU

Frank Bade, frank.bade@sap.com





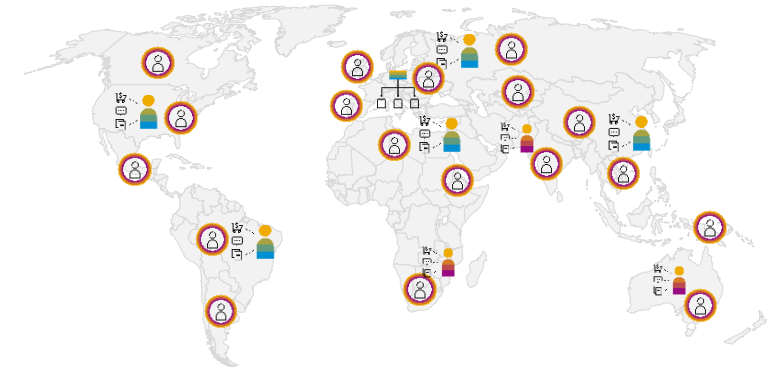
Digital Transformation journey with S/4HANA for Central Procurement

IT-Architecture



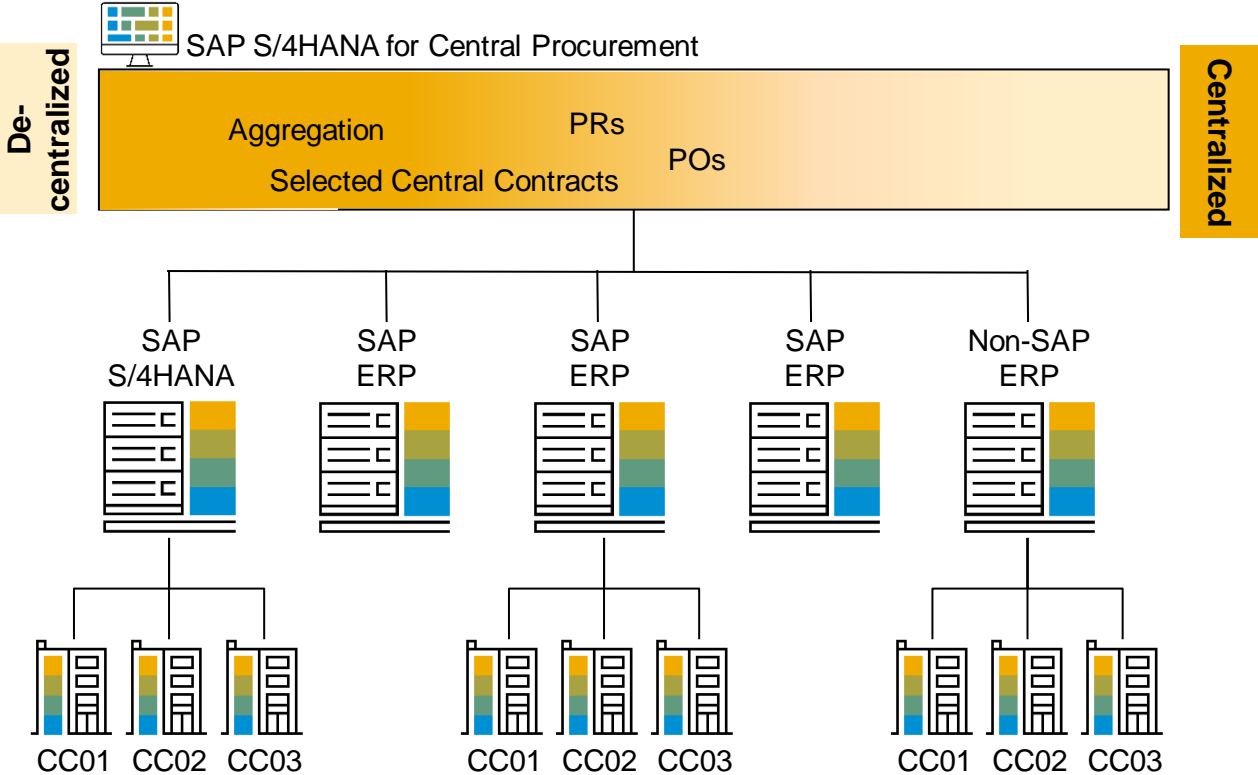
Organization

-  Transparency across organizations & systems
-  Execution solely de-central



Digital Transformation from disjunct operations ...

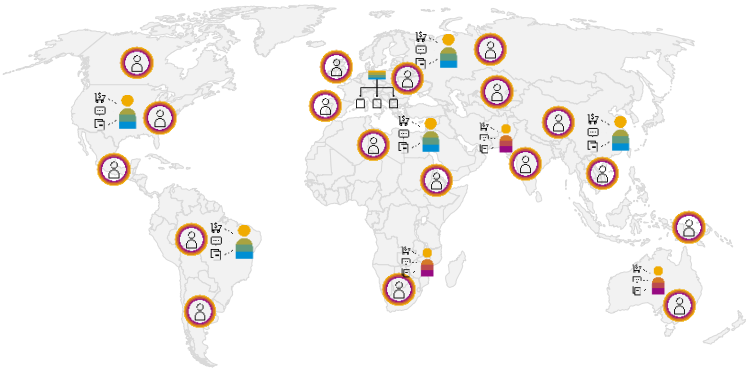
IT-Architecture



e.g. ONE connected Sourcing tool, instead of a sourcing tool connected to each backend

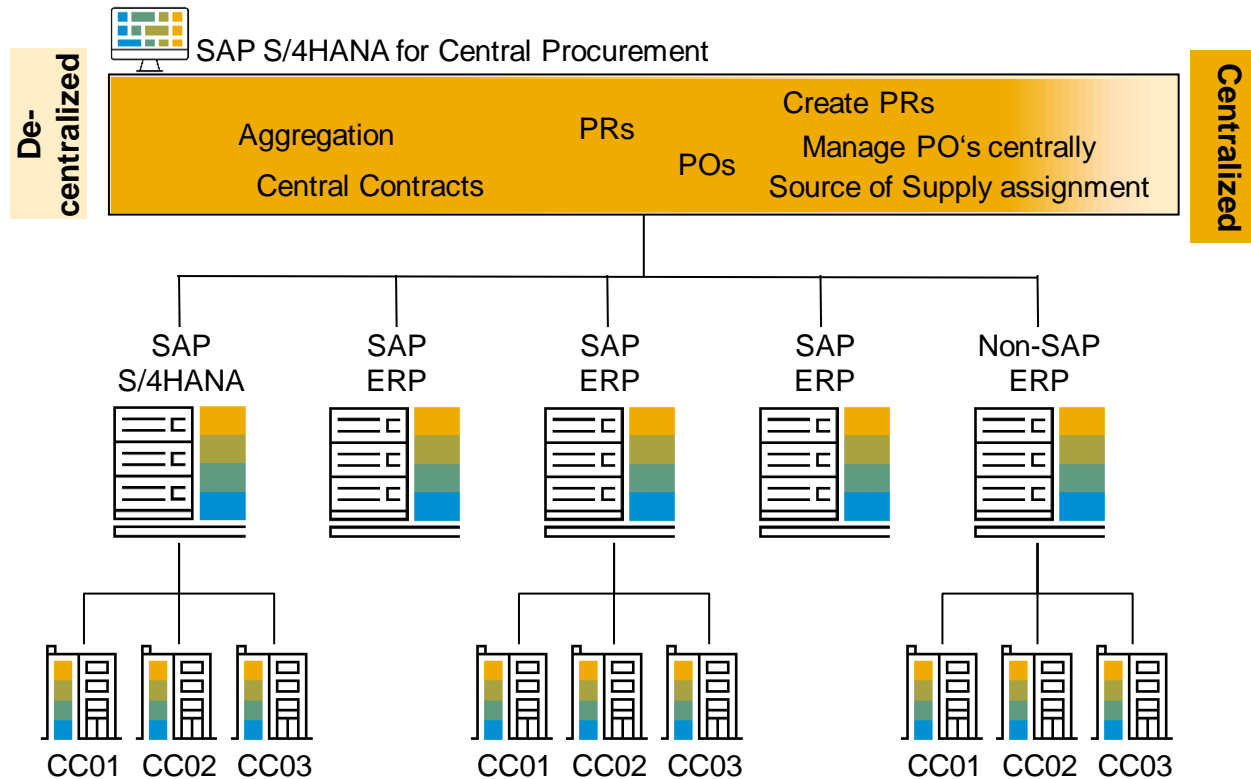
Organization

- Transparency & Analysis
- Identify opportunities across organizations, e.g. category specific Demand Aggregation
- Optimize contract consumption across multiple plants, backends
- Still execute de-centrally










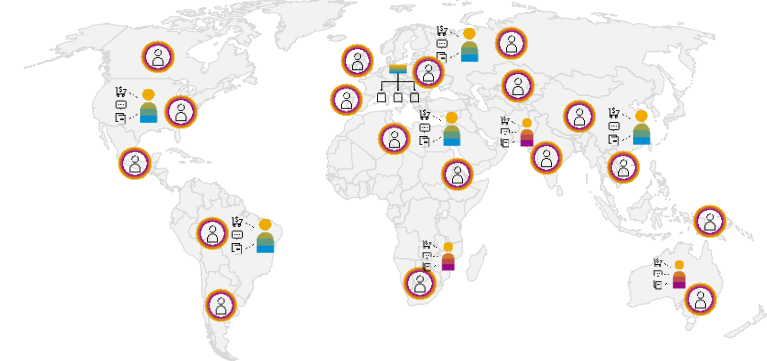
... to harmonized end-to-end Procurement process

IT-Architecture



Organization

-  Transparency & Analysis
-  Identify opportunities across organizations, e.g. category specific
-  Demand Aggregation & Central Sourcing & Central Contracts
-  Enable shared service functions
-  Harmonize and Automate processes across orgs & systems
-  Yet enable local execution – leading document always in the backend
-  Collaboration between central processes and de-central execution



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