SAP Business AI
L1 Overview

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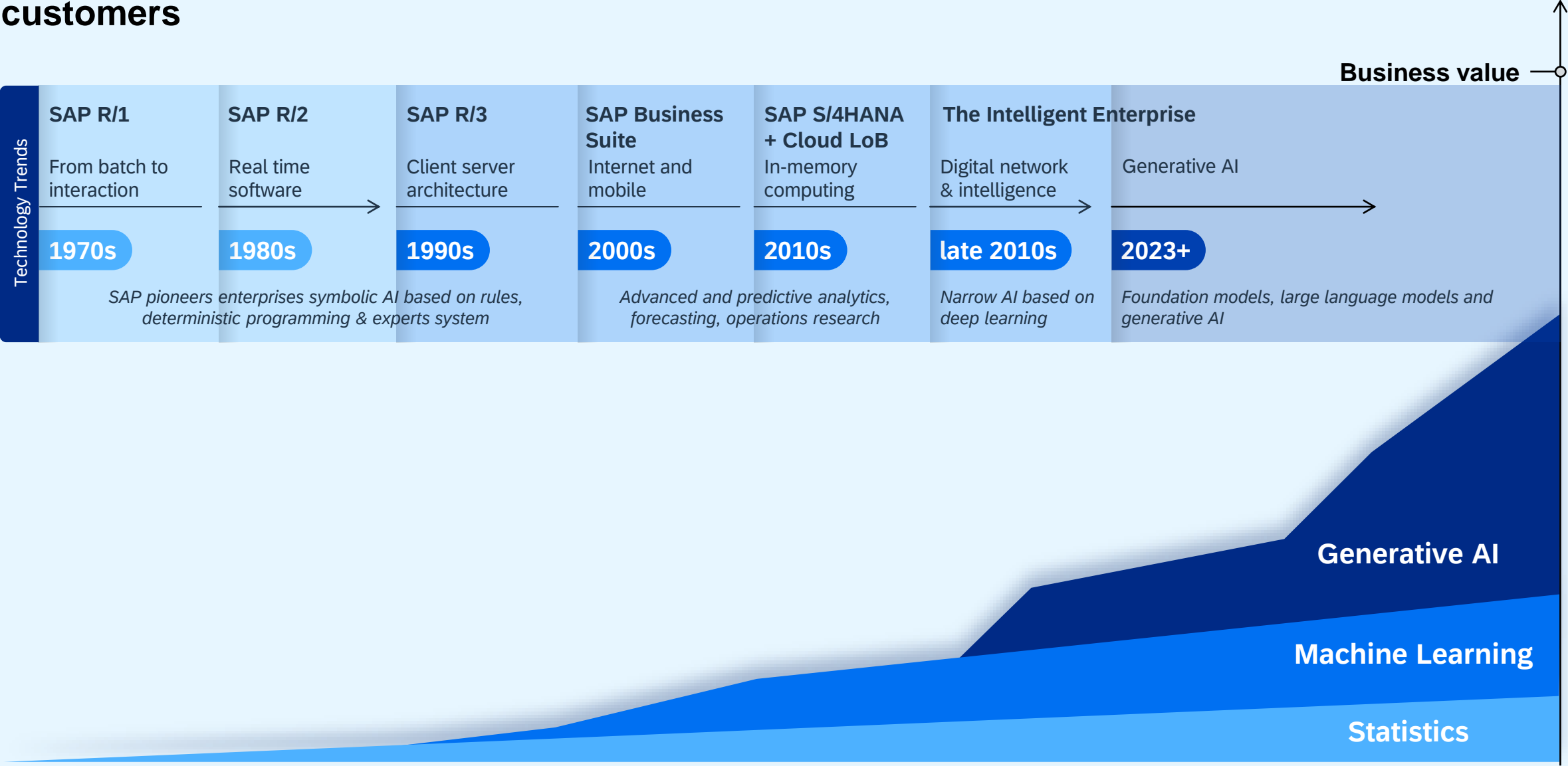
Agenda

SAP Business AI Strategy

SAP Business AI Value Proposition

SAP Business AI Offerings

Recent technology advancements mark a paradigm shift in how SAP will deliver value to customers

Business value

Technology Trends	SAP R/1	SAP R/2	SAP R/3	SAP Business Suite	SAP S/4HANA + Cloud LoB	The Intelligent Enterprise	Generative AI
	From batch to interaction	Real time software	Client server architecture	Internet and mobile	In-memory computing	Digital network & intelligence	
	1970s	**1980s**	**1990s**	**2000s**	**2010s**	**late 2010s**	**2023+**
	SAP pioneers enterprises symbolic AI based on rules, deterministic programming & experts system			*Advanced and predictive analytics, forecasting, operations research*		*Narrow AI based on deep learning*	*Foundation models, large language models and generative AI*

Generative AI

Machine Learning

Statistics

We will fundamentally change the way in which companies operate

Relevant

The most relevant AI delivered in the context of your business processes.

Reliable

Uniquely reliable AI trained on the industry's broadest business data sets.
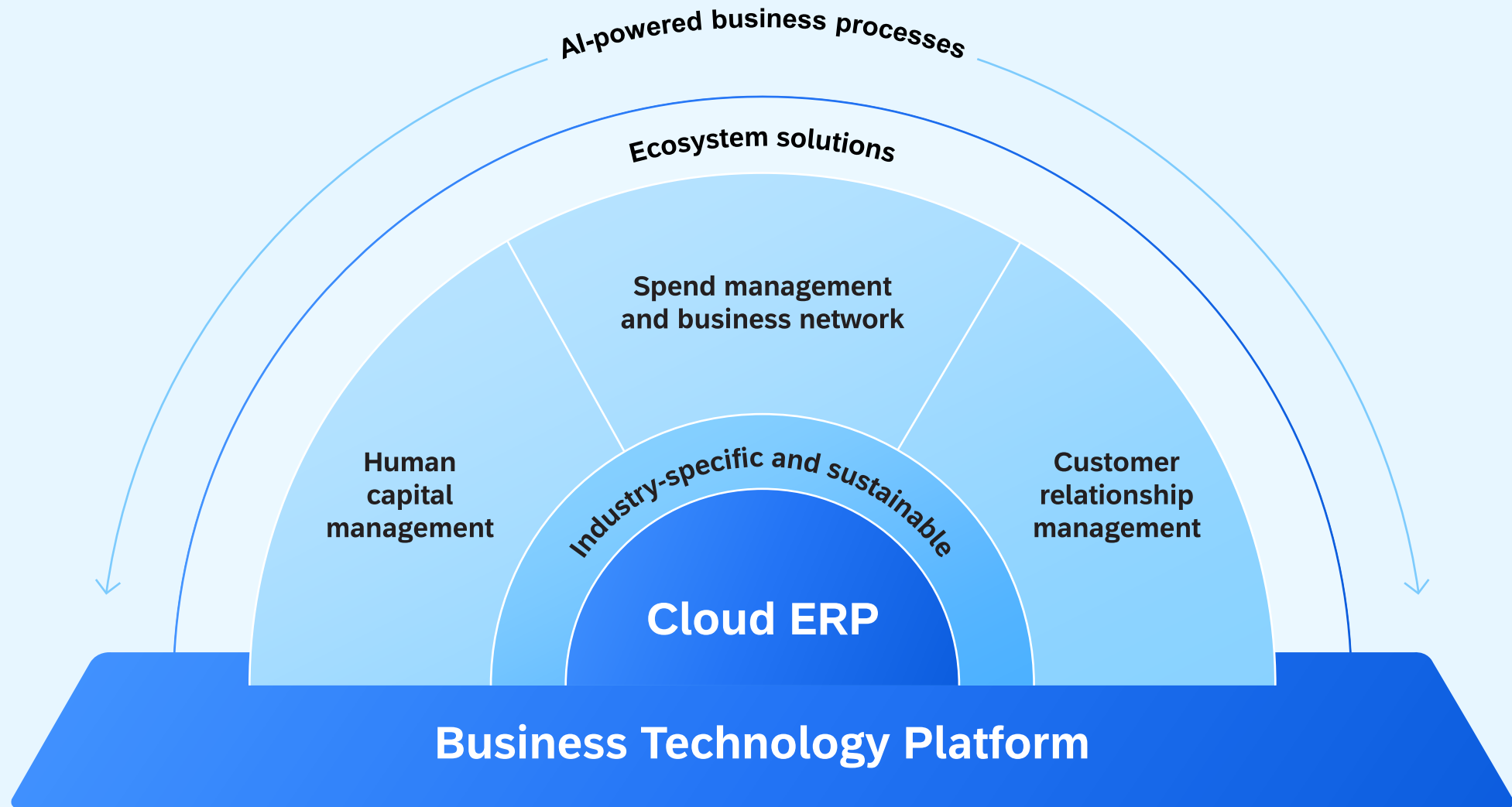
Responsible

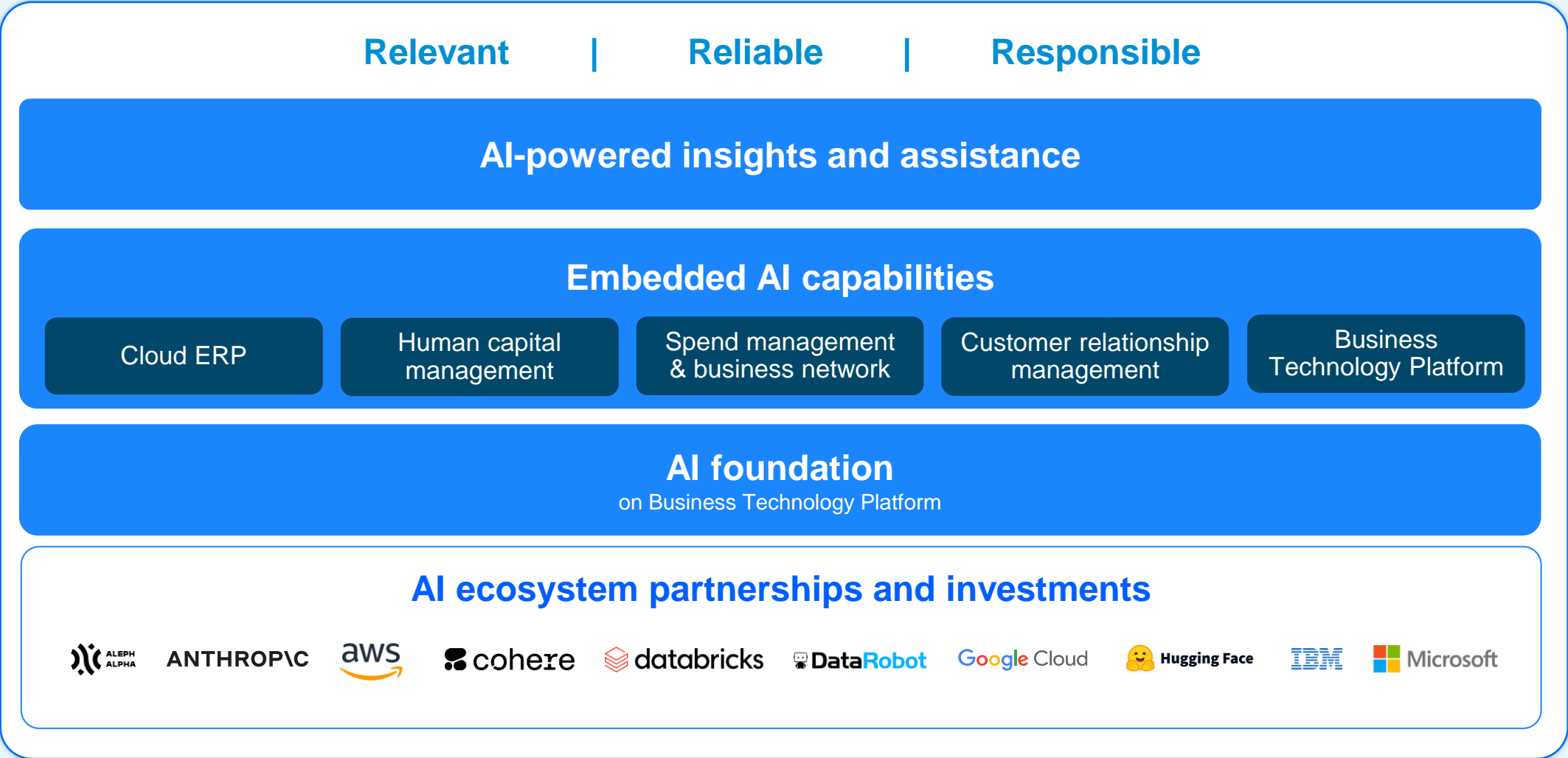AI built on leading ethics and data privacy standards.

Real business results

SAP Portfolio

AI-powered business processes

Ecosystem solutions

Spend management and business network

Human capital management

Industry-specific and sustainable

Cloud ERP

Customer relationship management

Business Technology Platform

We believe in providing AI built for business. That is, AI that enriches all your business processes and empowers you to steer your business with agility.

Relevant | Reliable | Responsible

AI-powered insights and assistance

Embedded AI capabilities

| Cloud ERP | Human capital management | Spend management & business network | Customer relationship management | Business Technology Platform |

AI foundation
on Business Technology Platform

AI ecosystem partnerships and investments

ALEPH ALPHA   ANTHROP\C   aws   cohere   databricks   DataRobot   Google Cloud   Hugging Face   IBM   Microsoft

Relevant AI capabilities delivered through 50 years of deep understanding of business and processes

RELEVANT

Empower every employee to interact with SAP application in the most natural way possible

Benefit from AI embedded in your applications that improves and optimize your desired business outcomes

AI trained from real data that learns and adapts from your utilization

Accelerate your cloud journey with automated code generation and migration tools
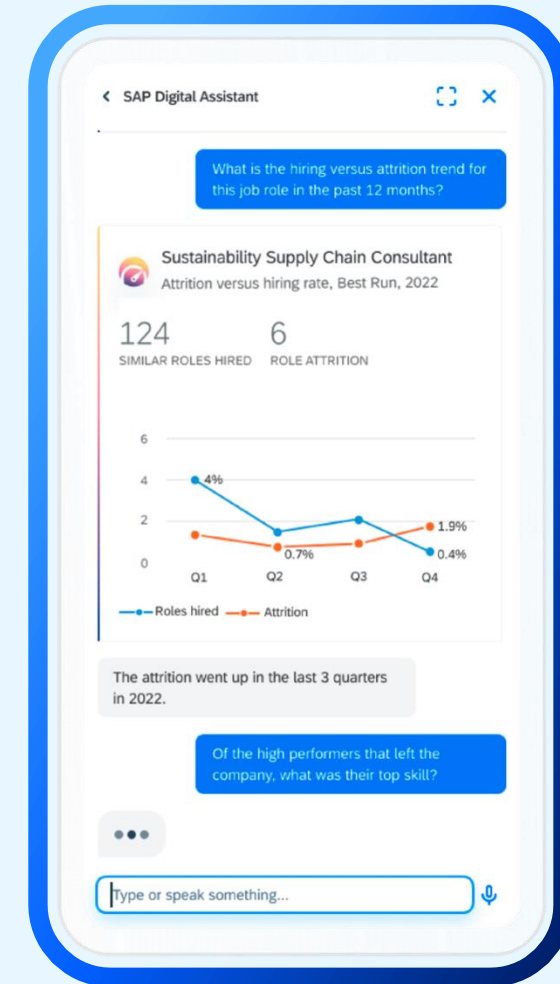
Integrating the business and process data that resides within SAP applications with the power of AI to deliver unmatched reliability of output

RELIABLE

Grounded in the truth of customer business context and SAP's business and process data

Data protection and privacy standards that you can trust to run your business on

World-class authorization concepts protect employees and business partners from unwanted consequences
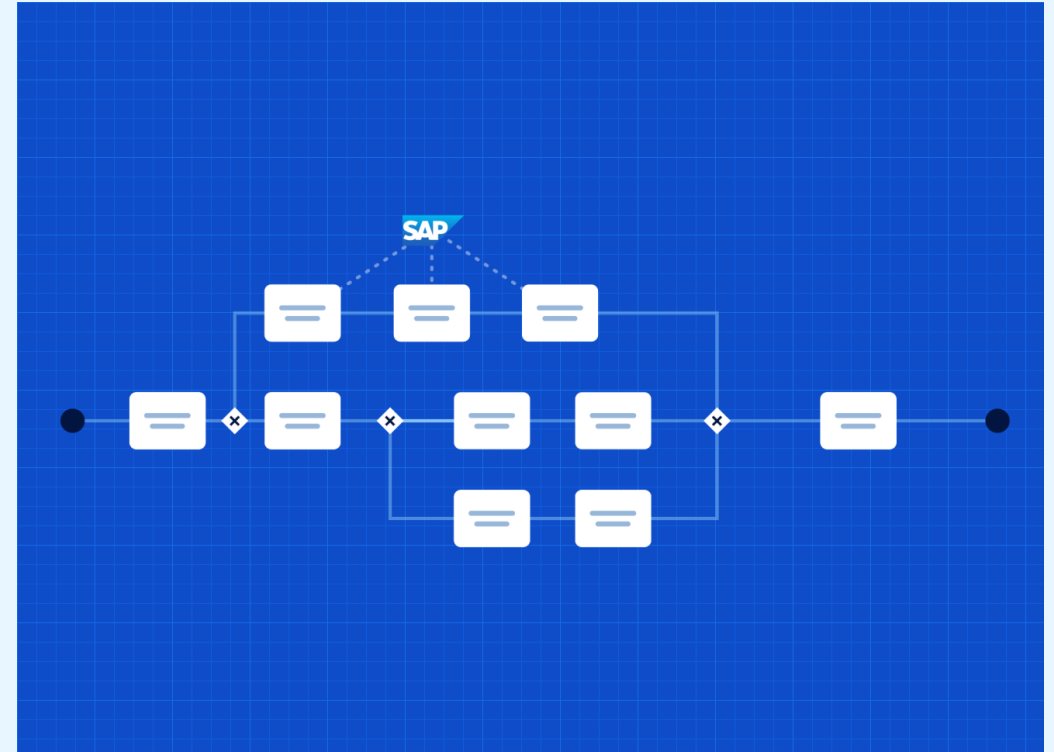
Artificial intelligence built on leading ethics and privacy standards

RESPONSIBLE

Guiding principles and policies that steer the development and avoid biases

AI designed for people to get their most valuable work done while keeping humans in the loop

Governance model with external AI ethics advisors and cross-functional operationalization

The AI Ethics Policy.

The AI Ethics Policy clarifies how SAP's Guiding Principles for Artificial Intelligence relate to AI use cases. The policy applies to SAP and all its employees worldwide. It defines intent, expectations and obligations for employees involved in development, deployment and sale of AI systems.

The Pillars of the Policy.

01.
Human Agency
& Oversight

02.
Addressing Bias
& Discrimination

03.
Transparency
& Explainability

"With SAP's rich history and business process expertise, it is uniquely positioned to deliver AI that helps customers better leverage data to achieve measurable business outcomes."

Ritu Jyoti, IDC, Group Vice President,

Worldwide Artificial Intelligence and Automation

Research Practice Global AI Research Lead

Today, more than 24,000 customers are using SAP Business AI across multiple scenarios, and SAP is further committing to AI as a pillar for future innovation

24,000+ customers

>$1B investment via venture capital

$6.1B in annual total R&D investment

3 direct investments in Generative AI leaders

ALEPH ALPHA   ANTHROP\C   cohere

Agenda

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SAP Business AI Value Proposition

SAP Business AI Offerings

AI represents a huge value creation potential across industries, many organizations are actively looking into expanding their adoption

Generative AI could add

$2.6 to $4.4 trillion

incremental value annually to the global Economy

Existing productivity value from previous generation of AI and analytics

Widespread adoption, despite early days

33% companies globally are using gen AI regularly in at least one business function

40% organizations will increase their investment in AI overall because of advances in gen AI

60% organizations with AI adoption are using gen AI

Organizations are seeing both top and bottom line growth improvement by leveraging AI across functional areas

Revenue and/or Cost improvements from AI adoption in the function using AI capabilities[1]
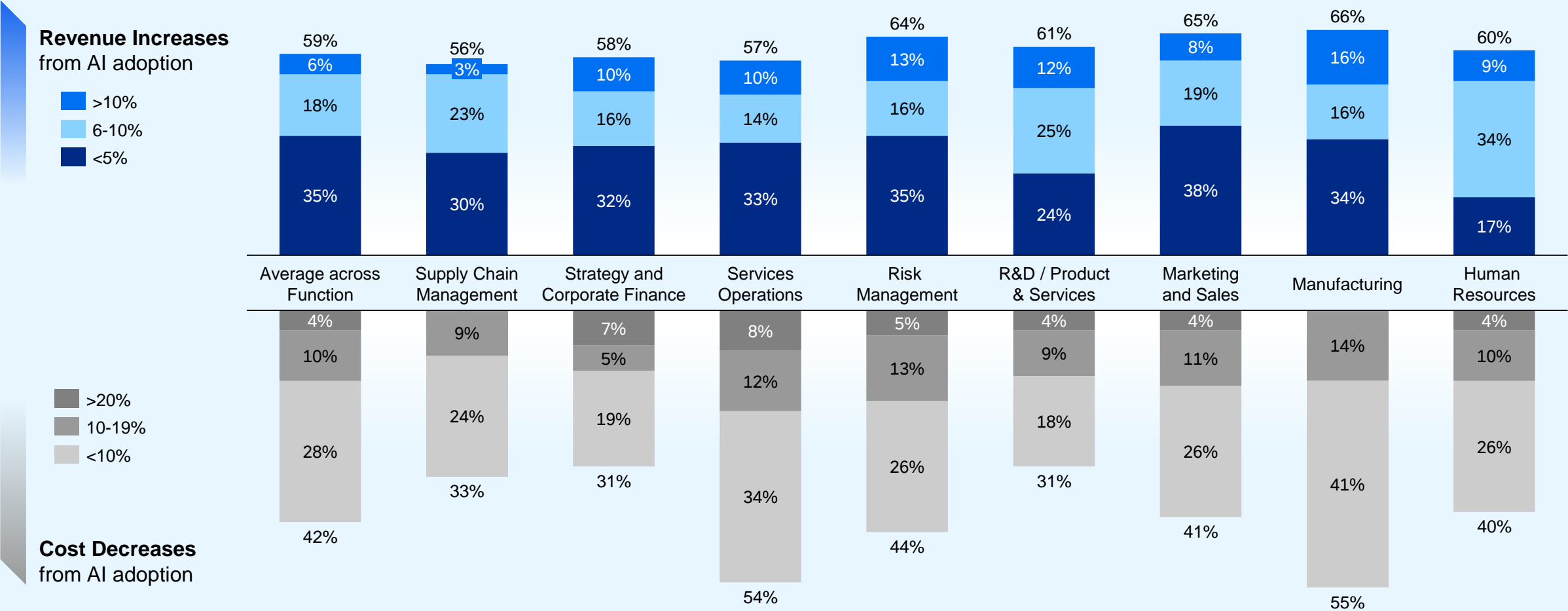
Revenue Increases
from AI adoption
- ■ >10%
- ■ 6-10%
- ■ <5%

	Average across Function	Supply Chain Management	Strategy and Corporate Finance	Services Operations	Risk Management	R&D / Product & Services	Marketing and Sales	Manufacturing	Human Resources
Total	59%	56%	58%	57%	64%	61%	65%	66%	60%
>10%	6%	3%	10%	10%	13%	12%	8%	16%	9%
6-10%	18%	23%	16%	14%	16%	25%	19%	16%	34%
<5%	35%	30%	32%	33%	35%	24%	38%	34%	17%

Cost Decreases
from AI adoption
- ■ >20%
- ■ 10-19%
- ■ <10%

	Average across Function	Supply Chain Management	Strategy and Corporate Finance	Services Operations	Risk Management	R&D / Product & Services	Marketing and Sales	Manufacturing	Human Resources
>20%	4%	9%	7%	8%	5%	4%	4%	14%	4%
10-19%	10%		5%	12%	13%	9%	11%		10%
10-19% (cont)		24%							
<10%	28%	33%	19%	34%	26%	18%	26%	41%	26%
Total	42%		31%	54%	44%	31%	41%	55%	40%

Only SAP Business AI can help customers unlock three sources of value in relevant, reliable and responsible manner for better performance

Relevant | **Reliable** | **Responsible**

AI-powered insights and assistance

Embedded AI capabilities

| Cloud ERP | Human capital management | Spend management & business network | Customer relationship management | Business Technology Platform |

AI Foundation
on Business Technology Platform

AI ecosystem partnerships and investments

ALEPH ALPHA · ANTHROP\C · aws · cohere · databricks

DataRobot · Google Cloud · Hugging Face · IBM · Microsoft

NATURAL USER EXPERIENCE
Facilitates human-machine interaction

AUTOMATION
Enable machines to complete repetitive tasks like humans

INSIGHTS, OPTIMIZATION, & PREDICTIONS
Augment human decisions and cognition

Joule - the AI copilot that truly understands your business

Work faster with an AI copilot that truly understands your business

Benefit from smarter insights and quick answers on demand

Achieve better outcomes when creating content, code, and more

Maintain full control over decision-making and your data privacy
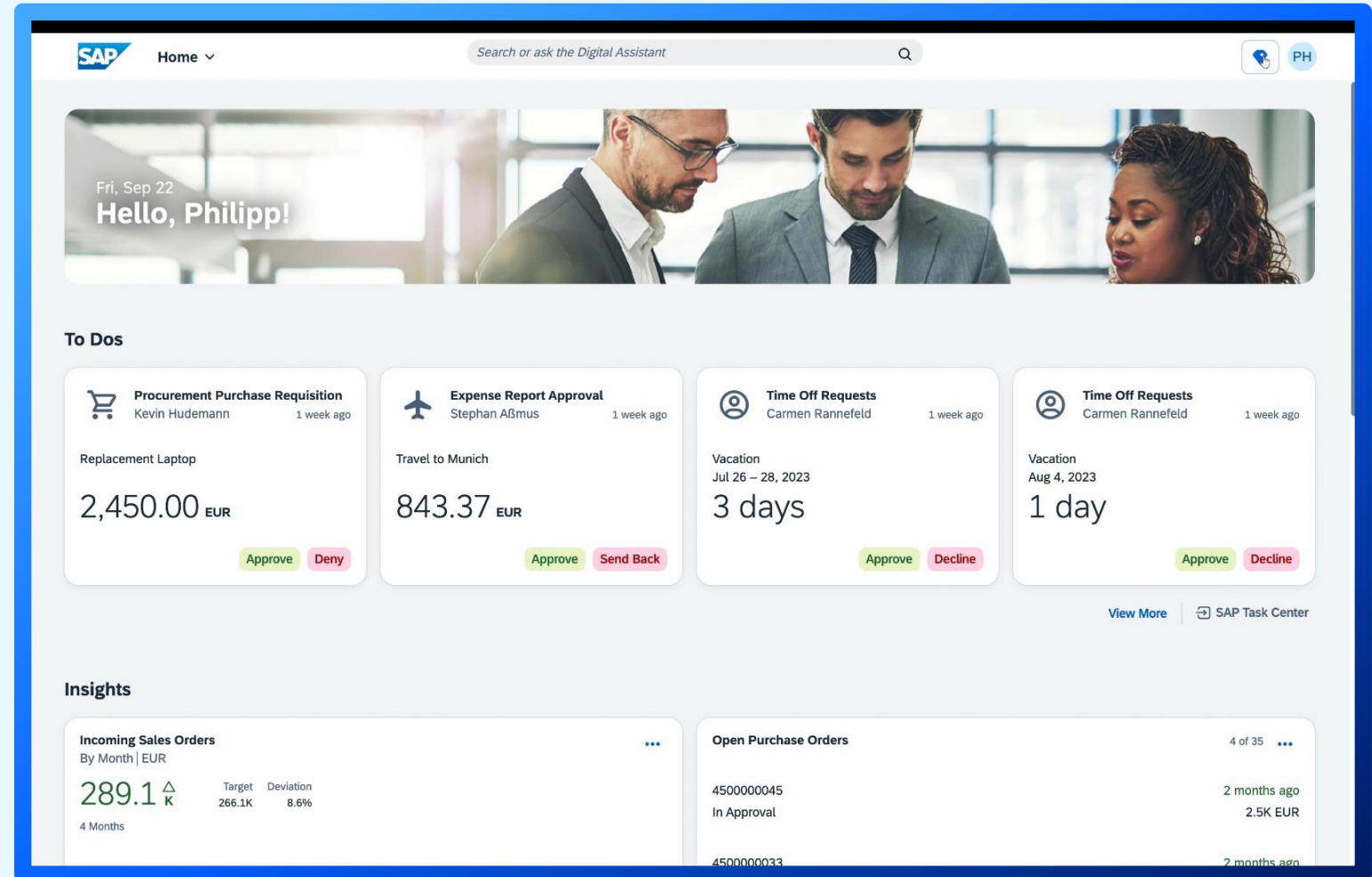
Joule

Note: Planned availability in SAP business applications at different times, starting with SuccessFactors and SAP Start in Q4 2023.

Joule

User enters something they are looking for in the search bar

Joule

Joule displays where it can support and then guides the user through their journey

Accomplishment of the user's takes
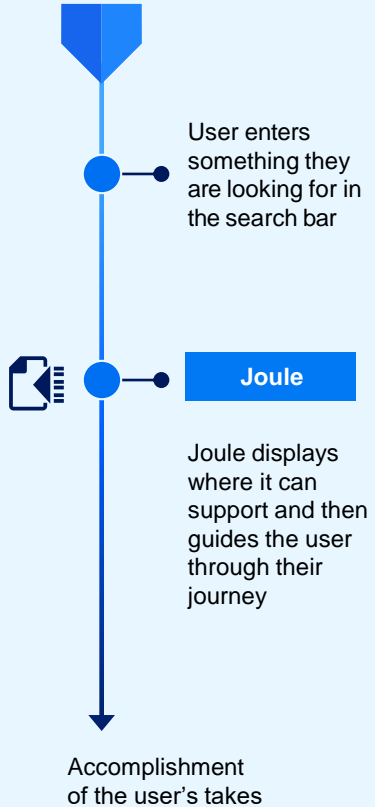
Challenge

- Delivering an intelligent user experience is challenging for todays Enterprise and stay competitive with intelligent user experience
- Users want to be guided through the SAP ecosystem to get relevant information or task to be done e.g., Get to the point from an entry page and retrieve the needed support

Solution

SAP Start

The central entry point for all SAP business applications – federating information and application into one place

Joule embedded into SAP Start

- Offers unintrusive his services to the user from the search bar integration
- All Capabilities and content at your fingertips in one place
- Appears as a single line up to the full chat window
- Gives access to all SAP Business Software Systems connected to SAP Start

Benefits

- Step-by-step augmented user journey gives the adequate help at the right point
- All defined Business Capabilities for Joule are available at the fingertips of the user
- Serves the full variety of the transactional, informational and navigational patterns of Joule
- Augments the SAP Start from a pure Launchpad to a Business Interaction center
- Everything inside the familiar user interface of Joule

Average Business Value for Customers
Time gain for occasional SAP users

Up to **10mins**[**]
time saved
per usage on transactional patters

Up to **10mins**[*]
time saved
on informational patterns

Up to **5mins**[**]
time saved
per usage on navigational patters

[*] Processing time in interaction with Joule leveraging LLM support compared with « classical » approach, based on assumptions:
— Leave for the different help pages of SAP (SAP User Enablement content
— Search for the policy documents (customer individual) – planned Q1/24
[**] gained from SAP experiments based on semi experienced users

Reach new frontier of efficiency with embedded AI into core business processes

AI-powered business processes

Ecosystem solutions

Spend management and business network

Industry-specific and sustainable

Human capital management

Customer relationship management

Cloud ERP

Business Technology Platform
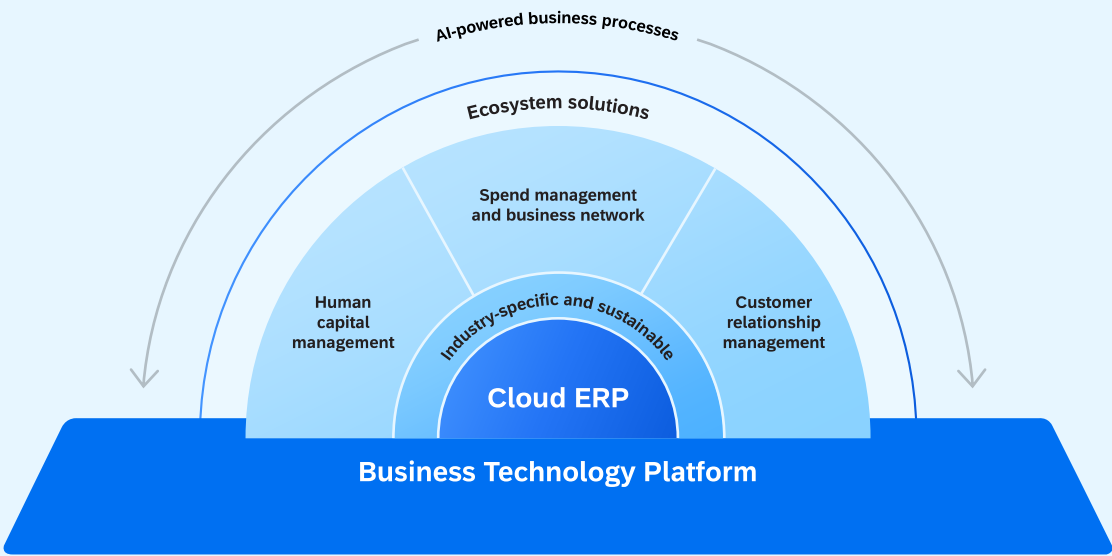
A I   S H W O C A S E S

Automate visual inspections on the shopfloor
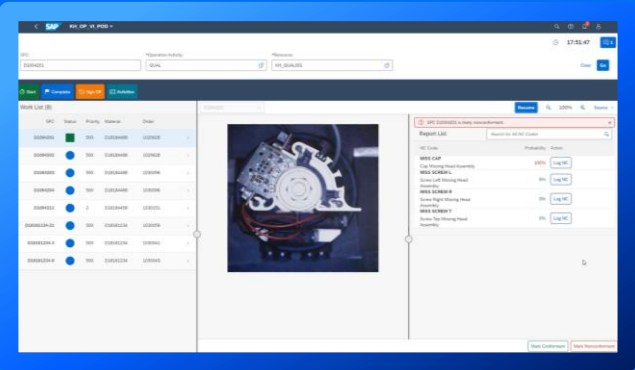
Close your books faster with fewer errors
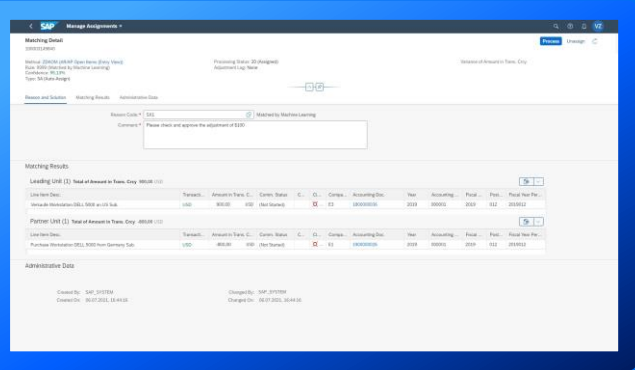
Expedite freight verification and documentation
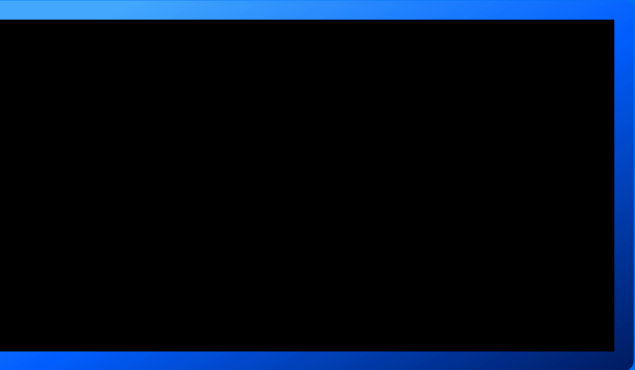
Detailed value proposition

Save up to 55% of delivery note processing costs with SAP Transportation Management Intelligent goods receipt analysis

Large amount of delivery notes

Document Information Extraction

Automatically extract information and safe to the system

Transport Management

Perform automatic checks

Transport Management

Final Processing & exception handling if needed

Quickly return to regular process
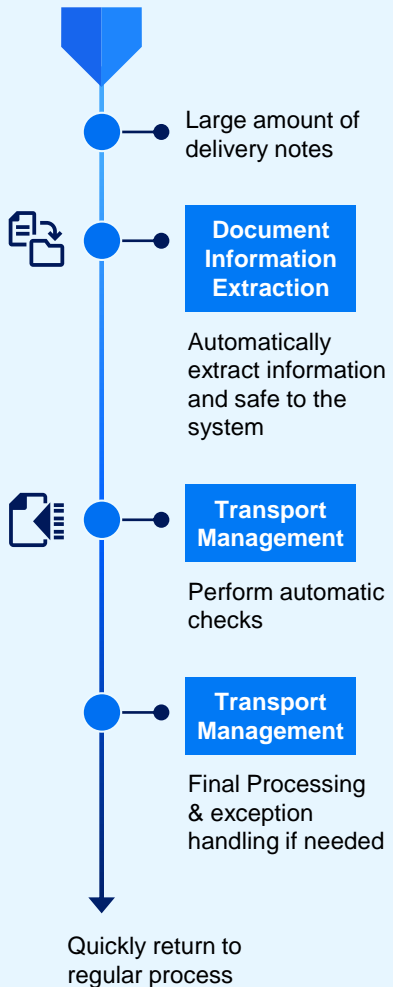
Challenge

- Processing **high volumes** of daily deliveries while ensuring accurate freight orders
- Manual process is time-consuming, error-prone, and leads to **manual rework**, with the potential to cause significant delays and inefficiencies

Solution

Digital Supply Chain – Transportation Management

- Extraction of all relevant information automatically from the document – e.g., Delivery note and post data to the system
- Automating processing incl. Checks
- System can flag exceptions in freight orders, allowing clerks in the back-office to handle them and speed up the process for trucks without exceptions

Benefits

- Automated checks can be conducted with **greater accuracy, minimizing errors** and **reducing the time** required for manual checks
- Leading to overall a **significant reduction** in the **hours spent** on manual checks and waiting times for logistics carriers
- Ultimately improving operational efficiency and saving valuable time

Average Business Value for Customers
Calculation Method / Assumption In Notes

Saves €0.42
Per page of a delivery note*

Up to **80%** Instant Accuracy

Customer / LoB Spotlight

Up to ~730k€/yr Expected Savings
Per Factory

* Assumptions:
- Average field recognition rate: 80%
- Human cost rate: 50,- Euro/hour
- Today's manual processing time per page: 1 minute
- Calculated by savings of labor cost minus cost for DOX service

Obtain optimal recommendations at all times to enhance decision making process

Automate ordering for a more profitable future

- **Optimize** inventory levels and costs while maximizing product availability and margins

- **Balance** inventory and calculate order proposals that minimize procurement costs
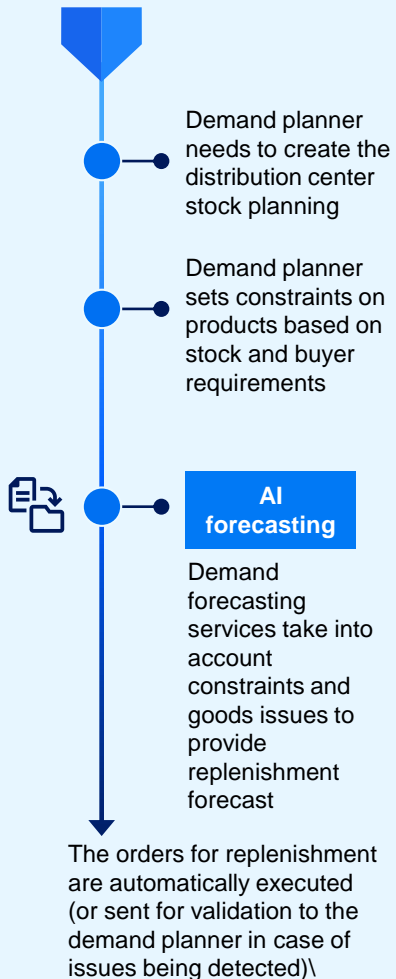
- **Reduce** waste and avoid lost revenue from stock-outs

Visibility into skills & capabilities of your workforce

- **Find** and attract the best talent for new job postings equitably with gender bias detection

- **Help** your workforce reach its potential with personalized development paths

- **Identify** highly qualified talent in less time with intelligent resume analysis

SAP Predictive Replenishment

SAP SuccessFactors Job Description & Interview Question Generation

Nolan Waters

Hiring Manager
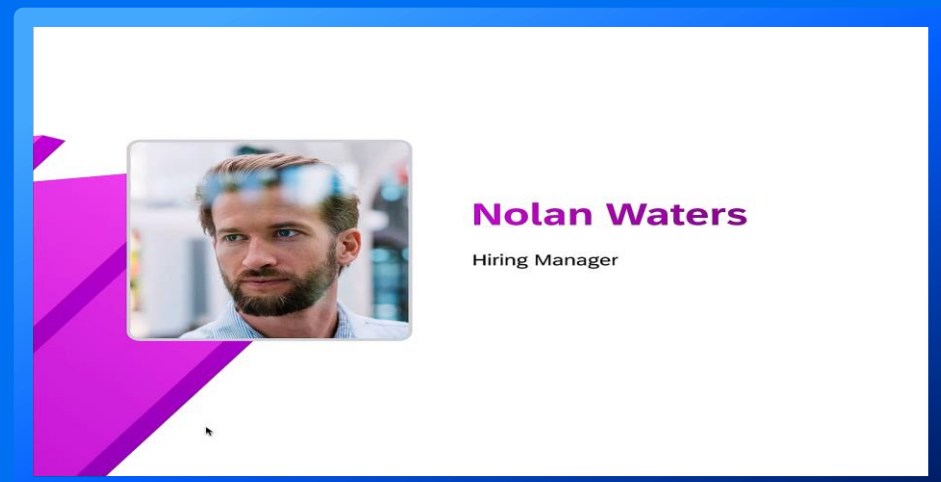
Automating the optimization of your stock with SAP Predictive Replenishment

Demand planner needs to create the distribution center stock planning

Demand planner sets constraints on products based on stock and buyer requirements

AI forecasting

Demand forecasting services take into account constraints and goods issues to provide replenishment forecast

The orders for replenishment are automatically executed (or sent for validation to the demand planner in case of issues being detected)\

Challenge
- Retailers are challenged by supply chain disruption volatility and therefore are seeking to achieve supply chain resiliency and tackle the delicate balance between missing out on revenue potential and handling excess inventory

Solution
SAP Predictive Replenishment provides an automatic ordering of replenishable retail products with the help of forecasted demand and highly automated services
- Automatic ordering of replenishable products for distribution centers
- Service level–driven replenishment for distribution centers by considering a multitude of aspects such as constraints, demand volatility, and more
- Alerts for monitoring and controlling, order proposal reviews, exception handling
- Easy configuration of planner responsibility and business objectives

Benefits
- Reduced revenue loss due to stock out
- Lower inventory costs and increased margins
- Increased productivity of replenishment planners
- Decreased manual workload with high levels of automation

Average Business Value for Customers
Calculation Method / Assumption In Notes

1%−30%
Reduced revenue loss due to stock out

1%−25%
Reduced inventory costs

10%−20%
Increased order management
FTE productivity

Build a future ready workforce with SAP SuccessFactors Learning Recommendation

Analysis of user skills, previous browsing history and company recommended skills

Personalized Recommendation

Recommend the most appropriate learning and skills to employees

Employees take training or improve skills
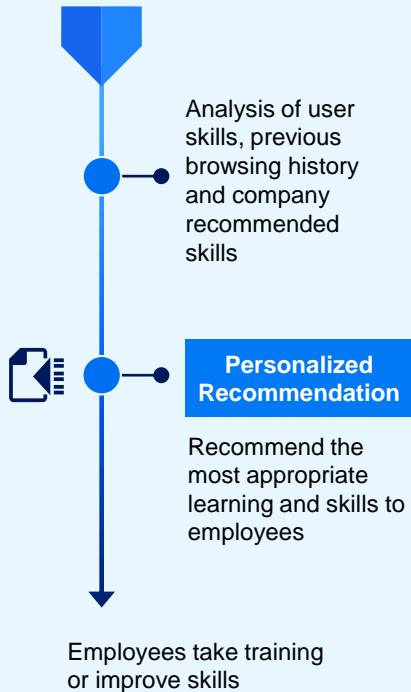
Challenge

- Overwhelming volume of learning information that makes it difficult to notice and keep track of useful information, thus lack of individualized learning experience
- Learning is primarily organization driven today with a focus on maintaining compliance and is manual / tactical rather than being strategic and programmatic
- Lack of effective tools that makes it difficult for the employees to find the most useful information or learnings
- Companies need to grow specific skills in their workforce to increase their competitiveness in their market

Solution

Talent Intelligence in SAP SuccessFactors

- Connects employees with personalized learning beyond traditional course catalogues to fit their learning goals and situation
- Lets company push forward skills that are expected for the growth of the business
- Significantly improves often chronically low training completion rates
- Analyzes employee profile & interaction history to recommend personalized learnings beyond traditional course catalogues

Benefits

- Employees see that the company is supporting with suitable learning recommendations for their growth plan
- Personalized / Individualized experience results in enhanced employee engagement / satisfaction
- Make better use of vast amounts of relevant and current learning content available
- Companies grow the skills they target for their future evolution

Average Business Value for Customers
Calculation Method / Assumption In Notes

78% Completion rate for recommended trainings, delivering targeted skills to complete employee profiles

Talent development to **build a better workforce**

Help organizations **create a culture of learning**

Customer / Telefónica

77% Of talent profiles completed, enabling intelligent matching of candidates to positions

"With support from SAP, we have been able to extend the functionality in SAP SuccessFactors solutions to create an innovative solution that helps employees identify and develop the skills that will be Vital in the digital world and the future of our company"

Gabriel de Diego, HR Strategy and Transformation Director, Telefónica S. A

Extend capabilities by deploying and managing new AI models and natively integrate to your SAP systems with SAP Business Technology Platform

Run AI models cost-efficiently at scale while preserving privacy and compliance

Strike the right balance between cost and performance while gaining peace of mind with fully SAP managed deployments

Accelerate time to value with AI designed for SAP applications

Quickly embed AI in SAP applications and business processes while enforcing consistent authorization policies

Ensure governance and compliance

Centralize ML lifecycle management across the enterprise and monitor and continuously improve model performance
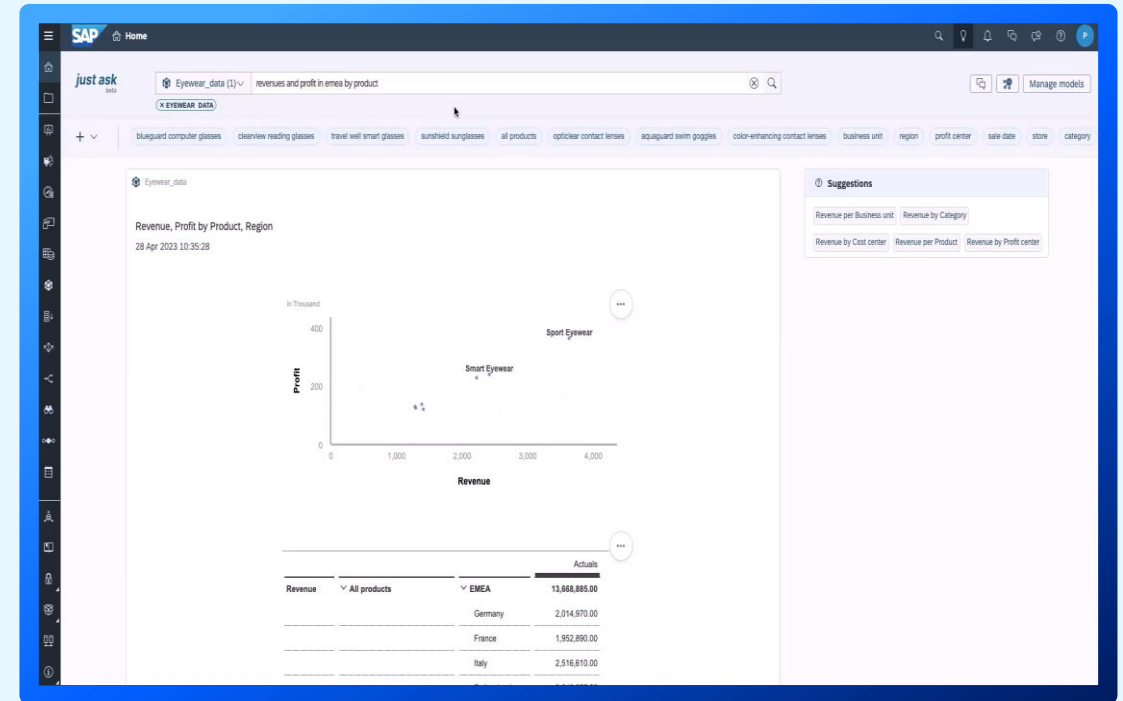
Quickly access trusted insights via natural language

Leverage Natural Language-driven Analytics Just Ask + SAP Analytics Cloud

Users

Give me revenue by regions

Natural Language Query

just ask

LLM find, query the right datasets
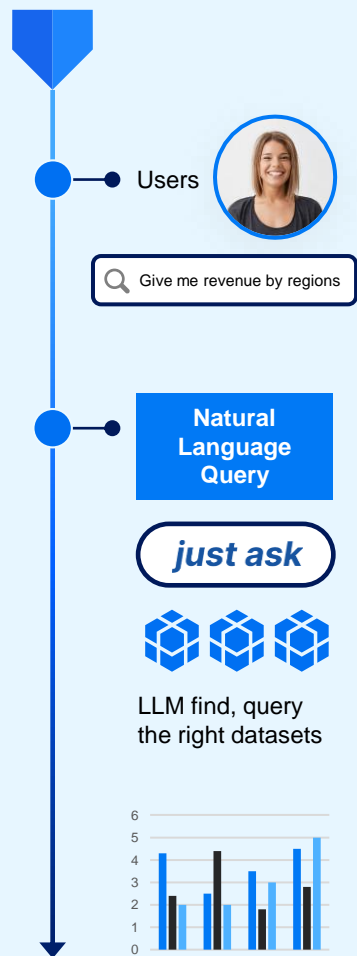
Answers are instantly provided to the end users

Challenge

- **Missing Skills:** Finding answers in data requires a deep understanding of technological concepts such as data-warehousing
- **Cognitive Overload:** Modern tools are designed for analysis. Dashboards have tried to solve the cognitive load, but they are too rigid to go after general use
- **Data Fragmentation:** Data is fragmented in silos in a way that makes data discovery slow and nearly impossible for non-technical users to enrich the simplest of the answers

Solution

- **Just Ask:** Natural Language-driven access of your trusted insights with SAP Analytics Cloud enabling fact-based decision-making through natural language queries and conversational analytics.

Benefits

- **Faster Insights:** Fast natural language querying with all the value of business semantics
- **Trusted Retrieval:** Proprietary LLMs ensure a secure information retrieval preserving data policies
- **Business Agility:** Offers multi-cloud workflow compatibility and integrates external data sources

Average Business Value for Customers
Calculation Method / Assumption In Notes

20% Average time spent in information retrieval by knowledge workers.

That's 1 resource on a team of 5 persons.

Source: CB Insights knowledge worker's report

It's time to realize your potential with Business AI from SAP

99%
of incoming payments
automatically assigned

15 minutes
to run forecasts down
from 3 hours

350 hours
saved each month
by reducing repetitive tasks

91.5%
of employees use
intelligent reskilling
application

SBB CFF FFS

ZF | AFTERMARKET

ASPEN® PUMPS

Telefónica

Agenda

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SAP Business AI Value Proposition

SAP Business AI Offerings

Today, SAP offers a large catalogue of AI-powered scenarios across all business functions

Finance	Supply Chain	Customer Experience	Procurement	Human Resources	IT and Cross-Function
▪ Tax Compliance	▪ Stock in transit	▪ Predicted delivery processing	▪ Guided buying	▪ Skill and career path recommendations	▪ Joule
▪ Cash Application	▪ Visual Inspection	▪ Discount recommendations	▪ Sourcing item and supply prediction	▪ Learning recommendations	▪ Process automation
▪ Intelligent accrual	▪ Demand forecasting & sensing	▪ Intelligent sales execution	▪ Material group recommendations	▪ Job analyzer	▪ Business rule mining
▪ Travel expense auditing	▪ Project-cost prediction	▪ Relationship intelligence	▪ Invoice object recommendations		▪ Intrusion detection
▪ Travel expense verification	▪ Predicted delivery processing	▪ Sales route optimization	▪ Job matching for contingent workforce		
▪ Invoice processing	▪ Demand-driven replenishment	▪ Sales order automation	▪ Resume ranking for contingent workforce		
▪ Business Integrity screening	▪ Forward scheduling	▪ Opportunity scoring	▪ O'Net labelling		
▪ Goods and invoice receipt matching	▪ Field service scheduling	▪ Customer insights			
▪ Intercompany matching & reconciliation	▪ Asset prediction & optimization	▪ Guided selling			
▪ Mobile expense entry	▪ Slow-moving materials prediction	▪ Lead scoring			
		▪ Product recommendations			

…Find out more on **SAP Business AI**

Get the latest roadmap information

AI roadmap:
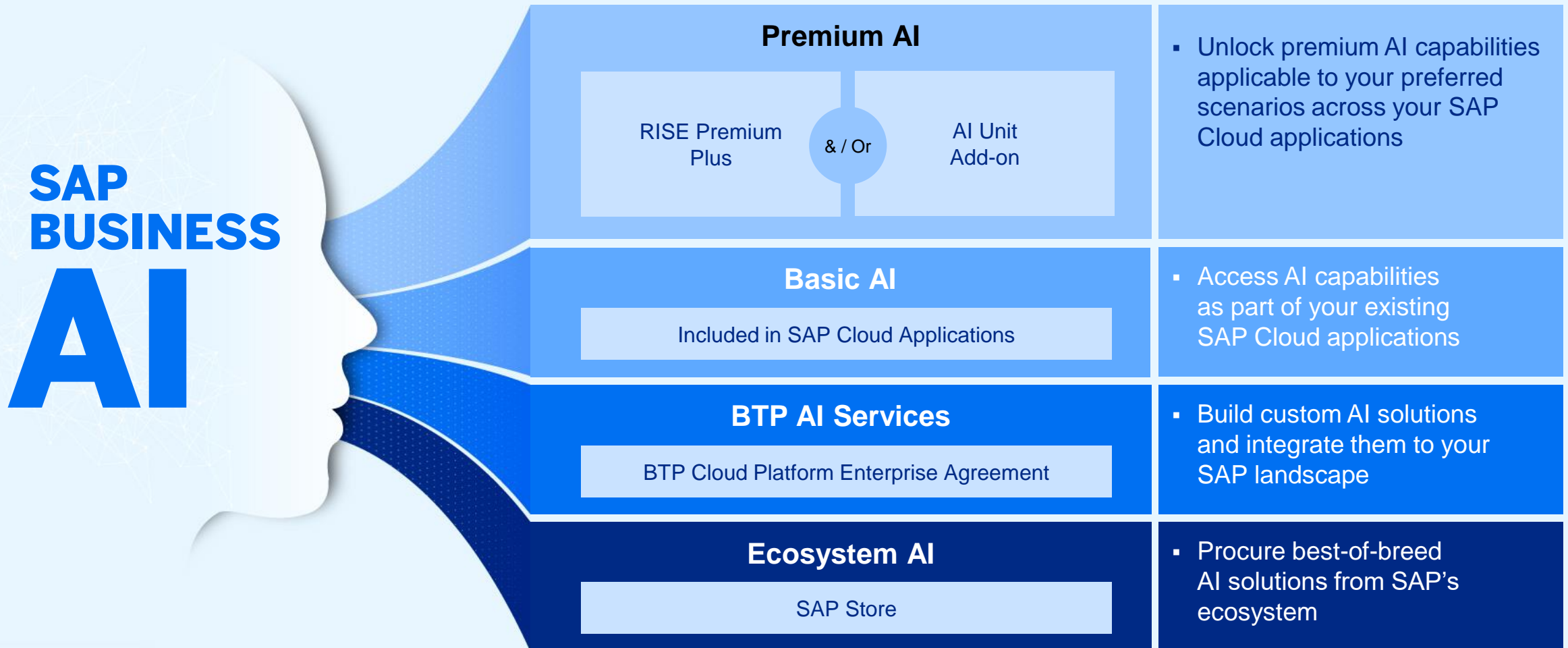https://dam.sap.com/mac/app/p/pdf/asset/preview/MVCpjyr?ltr=a&rc=68
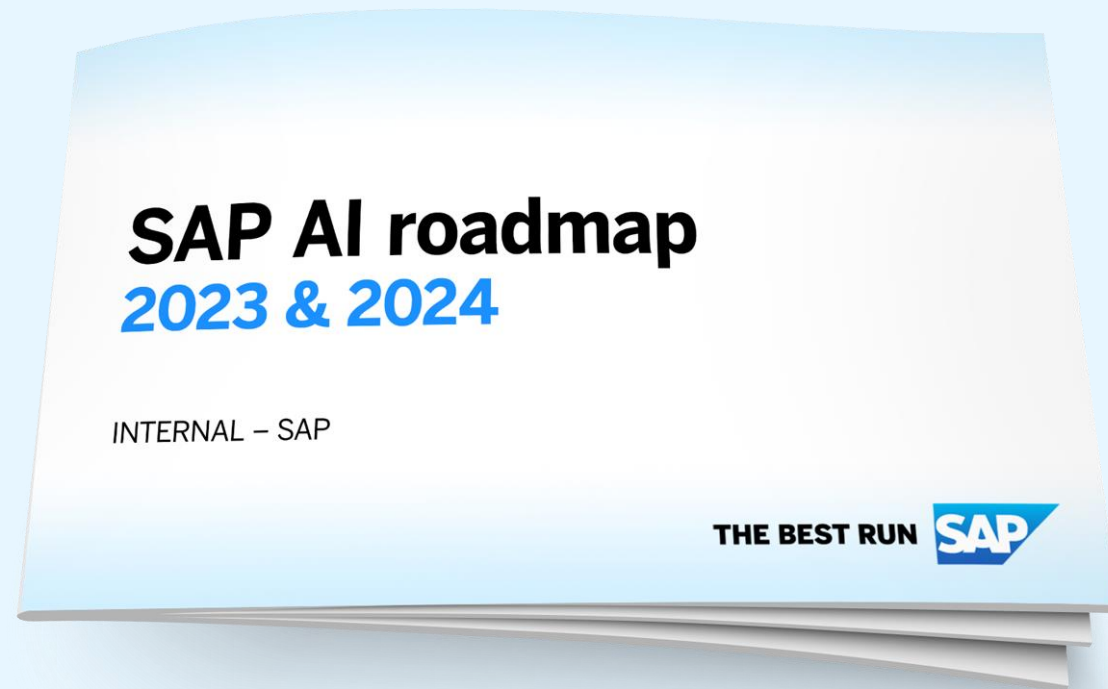
SAP's ecosystem also supplies over 360 AI-based solutions readily available on SAP Store

Functional Area	Partner	Solution Description *Sample of AI-powered partner solutions available on SAP Store*
IT & Cross-Function	BigID	Machine learning tools and data insight to help enterprise better manage and **protect their customer, sensitive and regulated data**
Customer Experience	bloomreach	Generative AI-powered search, **content generation, product recommendations** and predictive analytics
	coveo	**AI-enabled search and recommendation** platform integrated into SAP commerce cloud with Generative Answering Capabilities
	pricefx	AI-enabled and **Machine learning-enabled price optimization** capabilities
	yellow.ai	**Generative AI supported chatbots** and voice-bots
Human Resources	shyftplan	**AI-supported solution for shift scheduling**, scalable to thousands of employees, even for complex cases
	PARADOX	**Conversational AI recruiting** to automate candidate screening, text campaigns, 1:1 texting, interview scheduling, mobile-first
	degreed.	AI-powered tools to identify skill gaps across businesses and **deriving learning and talent development opportunities**
	eightfold.ai	Talent Intelligence Platform uses AI to radically increase the **efficiency and effectiveness of talent operations**
Procurement	scoutbee	AI-driven supplier search to **identify potential suppliers who meet specific sourcing requirements**
	SHIPPEO	**AI-powered real-time transportation visibility** of multimodal shipments globally, giving an end-to-end view of supply chain
	Icertis	Offers new suite of Apps that **applies AI to pool of digitized data incl. integration of new large language models**

Customers already benefit from artificial intelligence capabilities as part of SAP's Cloud applications and will soon be able to unlock new premium features

SAP BUSINESS AI

Premium AI

| RISE Premium Plus | & / Or | AI Unit Add-on |

- Unlock premium AI capabilities applicable to your preferred scenarios across your SAP Cloud applications

Basic AI

Included in SAP Cloud Applications

- Access AI capabilities as part of your existing SAP Cloud applications

BTP AI Services

BTP Cloud Platform Enterprise Agreement

- Build custom AI solutions and integrate them to your SAP landscape

Ecosystem AI

SAP Store

- Procure best-of-breed AI solutions from SAP's ecosystem

Explore more on
[SAP.com/ai](SAP.com/ai)

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