



Next Generation Benchmarking

Improve Performance and Enable the Intelligent Enterprise

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THE BEST RUN



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Agenda

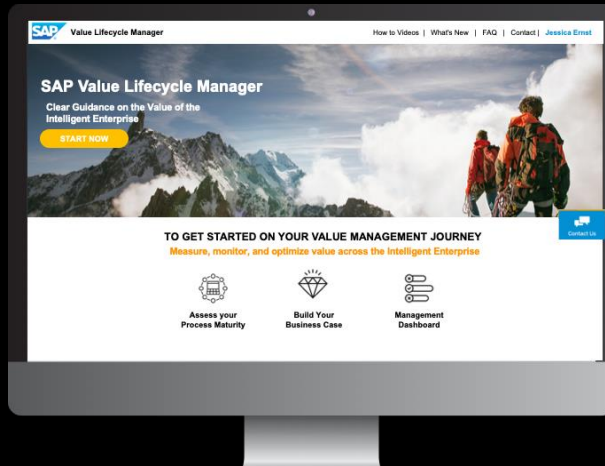
- Performance Benchmarking in Experience Economy
- SAP's Next Generation Benchmarking
- Top KPIs & Best Practices that matter
- Making it real – Addressing CFO challenges
- Customer Success
- Getting Started



The Reinvention of SAP's Value Lifecycle Manager

Next Generation Benchmarking

Helps organizations **benchmark** themselves, identify **critical process maturity gaps** and envision an **Intelligent Enterprise**

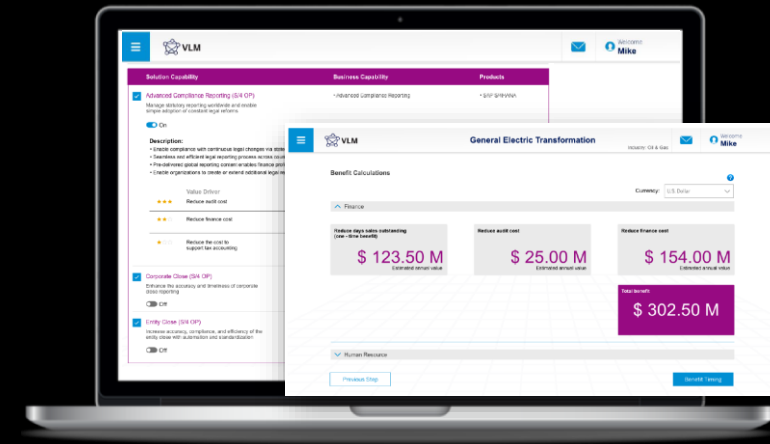


Available Now

45 survey assessments
~ **500** submissions
All LoBs and 5 industries

Guided Business Case

Create business case with ease by linking process / products to business value to capabilities to Investments to project economics (NPV, ROI, etc.)



2020

Tool Link -

<https://valuemanagement.sap.com/nextgenerationbenchmarking>

Next Generation Benchmarking

Unlock Value in the Experience Economy with X + O Data

WHAT
is Happening?



**Operational
data**

Performance Benchmarking to assess
Operational Metrics & Practices

WHY
is it Happening?



**Experience
data**

Benchmarking is One of the Preferred Value Management Tools

Helps Guide Customers to be Peer Best



Process Gap Analysis & Prioritization

Identify key areas of process improvement opportunity



Establish Performance Baseline to gauge Success

KPI and process measurement before a transformation



Intra-company/ Global Benchmark

Comparison between divisions and/or regions

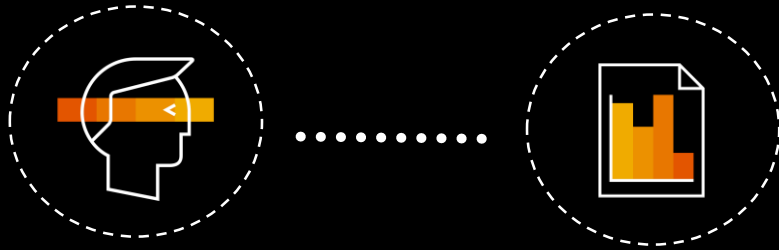


On-going Performance Management

Comparison of current performance to past performance

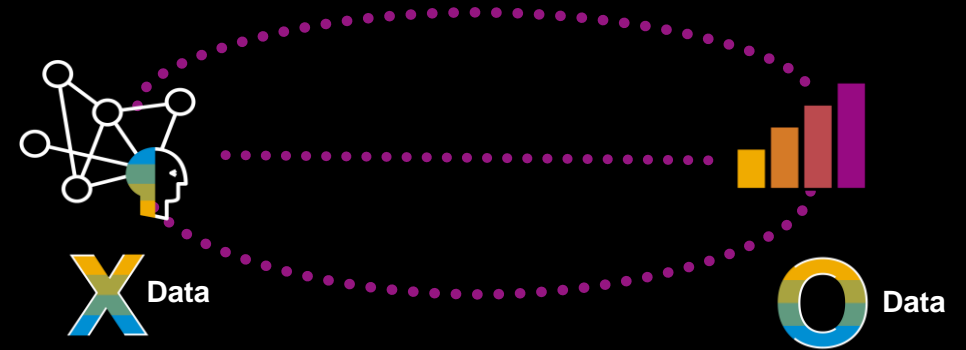
The SAP Benchmarking Journey

Performance Benchmarking in the Experience Economy



From Then...

- 2004 ASUG / SAP collaboration
- Structured, codified way to measure process maturity
- E2E business process benchmarking and business case creation
- **15,000** customer submissions, **11,000** companies participate
- Focus on one-time participation



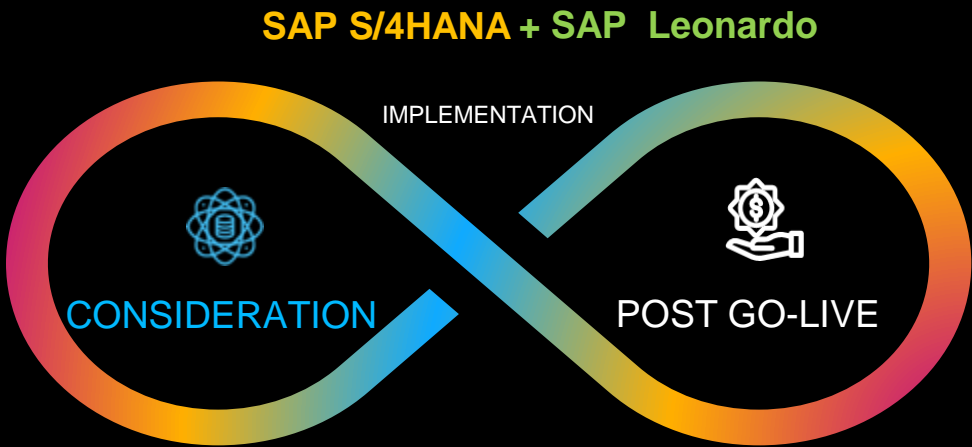
To the Future...

- **Next Generation Benchmarking**
- Performance measurement based on **top KPIs and Best Practices**, helping organizations better understand the digital maturity of their processes
- **500+ submissions** already on the new platform
- Focus on **Continuous Value Measurement**

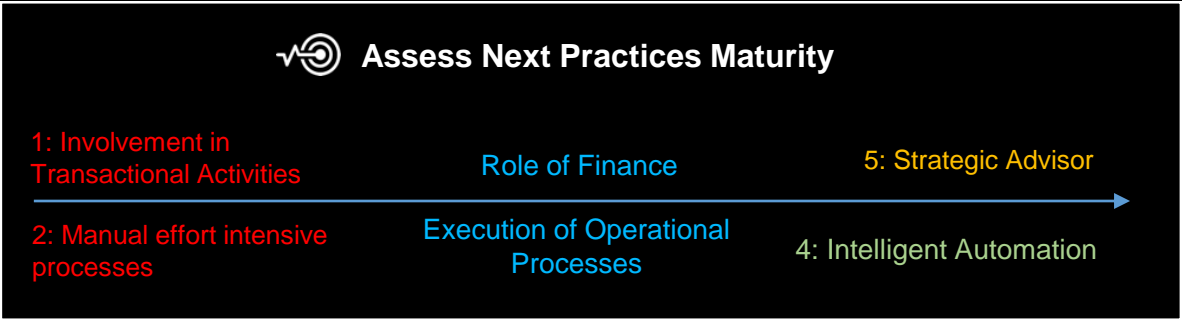
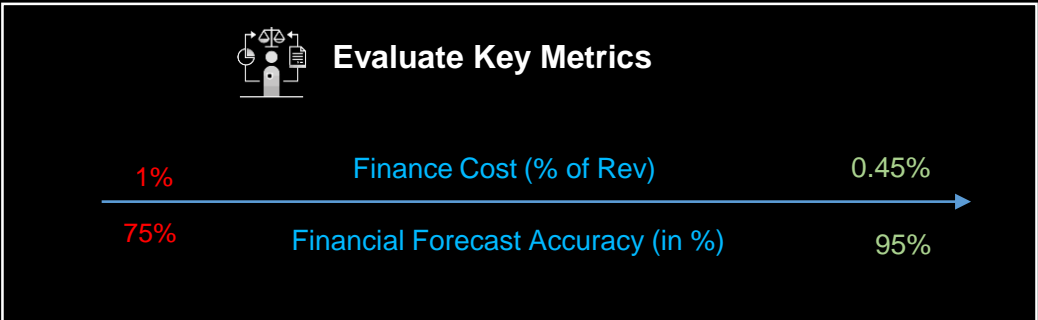
Next Generation Benchmarking powered by SAP

Continuous value measurement as you move through your journey to an intelligent enterprise!

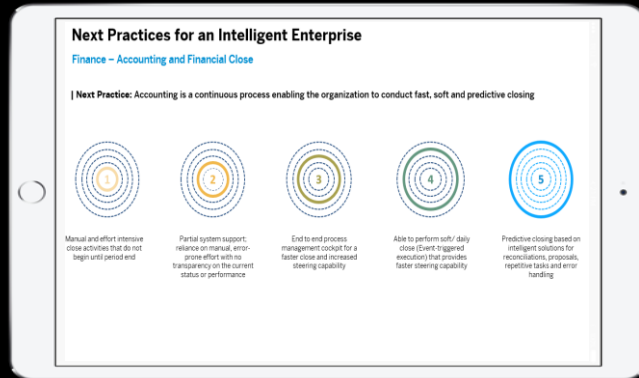
Driving Your Finance Transformation Journey



MEASURE
MONITOR
OPTIMIZE

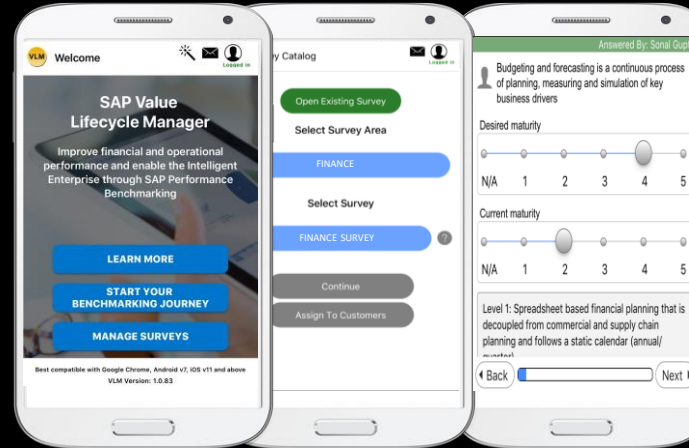


Next Generation Benchmarking powered by SAP



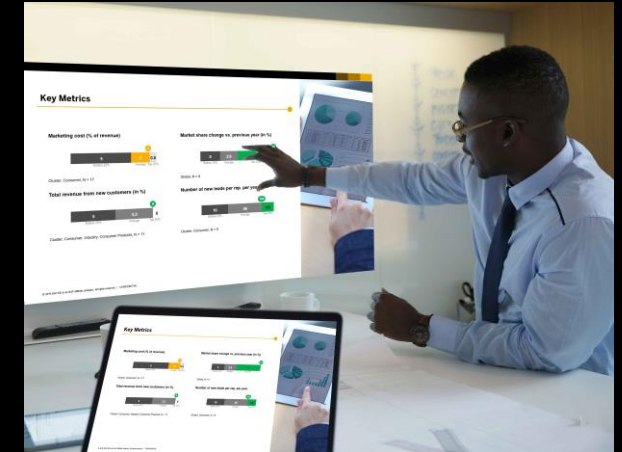
Next-Practices for the Intelligent Enterprise

- Designed to help organizations **benchmark** themselves, identify **critical gaps** and envision an **Intelligent Enterprise**
- **Top KPIs and Next Practices** aligned to the end to end value chain enabled by the **power of digital technologies**



Delivered via One Global Value Framework

- Collaborative & Interactive Platform built on **SAP HANA and SAP Cloud Platform technologies**
- The platform is designed to ensure that customer data is protected and adheres to **GDPR compliance** policies



Personalized Insights for Customer Follow Up

- **Online Scorecard** - An interactive online scorecard providing insights in real-time for KPIs and best practices
- **Detailed Report** - A detailed PowerPoint report with benchmarking scorecard and customer success stories

Data Privacy & Usage Guidelines



Customer and Peer Data

Customer data are highly confidential and managed securely from start to completion

Our portals are **GDPR compliant**

Data Usage

Company-specific profile data is not shared outside of any pre-existing (if any) collaboration and is used to create benchmark peer sets which are fully neutralized

Benchmarking Assets and Publications

SAP may create thought leadership assets leveraging insights from mining benchmarking database. These are fully neutralized and will never reveal company-specific data

Content to Measure Value in Digital Economy

Business Operational KPIs + Next Generation Best Practices + Maturity Models

MARKETING

- Core Marketing Operations
- Customer Data Mgt.
- Customer Experience
- Marketing Automation
- Marketing Insights

COMMERCE

- Customer Experience
- Product Catalog Mgt.
- Pricing and Promotions
- Distributed Order Mgt.

SALES

- Collaborative Quote to Cash
- Sales Performance Mgt.
- Sales Force Automation

SERVICE

- Omni-channel Customer Service
- Field Service Execution
- Service Planning and Administration

R&D

- Ideate
- Prioritize
- Design
- Validate
- Scale-up Production
- Manage Lifecycle

SUPPLY CHAIN

- Demand Management and Insights
- Response and Supply Planning
- Sales, Inventory and Operations Planning
- Warehouse Management
- Transportation Management
- Logistics Network

ASSET MGMT

- Capital Portfolio and Project Mgt.
- Asset Operations and Maintenance
- Environment, Health & Safety (EHS)

PROCUREMENT

- Supplier Management
- Collaborative Sourcing & Contract Management
- Spend Analysis
- Operational Procurement
- Invoice and Payables Mgt.
- Supply Chain collaboration

MANUFACTURING

- Production Planning and Detailed Scheduling
- Manufacturing Engineering
- Manufacturing Execution
- Manufacturing Network
- Manufacturing Analytics
- Quality Management
- Environment Health and Safety

FINANCE

- Financial Planning and Analysis
- Accounting & Financial Close
- Treasury Mgt.
- Receivables Mgt.
- Payables Mgt.
- Finance Shared Services
- Real Estate Mgt.
- Enterprise Risk & Compliance
- Employee Initiated Spend (T&E)
- Working Capital Mgt.

HR

- HR Strategy & Planning
- Talent Acquisition
- Talent Mgt.
- Core Human Resources & Payroll
- Time and Attendance Mgt.

IT

- Analytics
- DDM
- Best Run IT
- Cloud ERP

CROSS PROCESSES

- Enterprise Health Check - Manufacturing
- Quote to Cash
- Intelligent Enterprise

INDUSTRY

- Professional Services
- Consumer Products
- Retail
- Defense & Security
- Industry Machinery & Components

Top KPIs that matter across end-to-end value chain

600+ KPIs Overall



MARKETING

- Cross-Sell/Up-Sell Revenue
- Offer / Promotion Conversion Rate
- Customer Churn
- Revenue from new customers
- Marketing cost



COMMERCE

- Cart abandonment rate
- Digital channels conversion rate
- Average order value
- Commerce revenue growth
- Unique visitors
- Returning visitors



SALES

- Sales achievement
- Sales forecast accuracy
- Proposal conversion rate
- Qualified sales lead
- Order to cash cost
- Sales force turnover rate



SERVICE

- Customer service satisfaction
- Service and support revenue growth
- Service support cost
- Average SLA compliance
- Complaints and returns cost



R&D

- Time to market for new products
- New products revenue
- Personalized products revenue
- Revenue from product-as-a-service
- R&D expense



SUPPLY CHAIN

- Forecast accuracy
- Days in Inventory
- Supply Chain Costs
- Losses due to stock outs
- On-time delivery performance
- Transportation spend
- Inventory carrying cost



ASSET MGMT

- Overall equipment effectiveness
- Unplanned downtime
- Asset maintenance cost
- Capital projects on time and on budget
- EH&S penalties and fines
- Accident frequency rate



MANUFACTURING

- Manufacturing cycle time
- Manufacturing costs
- Plant on-time delivery
- Capacity utilization rate
- Revenue loss due to plant fulfilment issues
- Quality first pass



PROCUREMENT

- Spend under management
- Strategic sourcing savings rate
- Supplier discounts captured
- Procurement costs
- % Suppliers performance tracked and measured
- Maverick spend



FINANCE

- Financial forecast accuracy
- Finance Costs
- Days to Close Books
- Audit Cost
- Days Sales Outstanding
- Losses from unforeseen risk events
- Travel & expense spend



HR

- Employee Turnover
- Revenue per employee
- Time and Cost to Hire
- HR cost per employee
- Employee engagement
- Gender Mix



IT

- IT spend
- Unplanned IT downtime
- Business processes using embedded analytics
- Data accuracy

Next Practices for an Intelligent Enterprise

Finance: Accounting and Financial Close

600+ Best Practices

| **Next Practice:** Accounting is a continuous process enabling the organization to conduct fast, soft and predictive closing



Manual and effort intensive close activities that do not begin until period end



Partial system support; reliance on manual, error-prone effort with no transparency on the current status or performance



End to end process management cockpit for a faster close and increased steering capability



Able to perform soft/ daily close (Event-triggered execution) that provides faster steering capability



Predictive closing based on intelligent solutions for reconciliations, proposals, repetitive tasks and error handling

Next Practices for an Intelligent Enterprise

Marketing

| **Next Practice:** The organization has a process to optimize marketing offers to boost marketing returns



Manual

Ad-hoc marketing offers are in place to increase product sales



Fragmented

Product / service usage drive marketing offers



Descriptive

Direct offers sent as email based on statistical techniques while satisfying budget constraints



Predictive

In-moment real time offers align to customer preferences to increase activity with recommendation engines



Prescriptive

Continuous optimization of next best offers based on behavior data through machine learning. Leverages game theory to create direct offers

Making it real: Helping CFO's in Transforming Finance



Please provide:

Forecast Accuracy

Finance Cost

Rate on a scale of 1 to 5

All operational receivable processes are automated

Desired Maturity

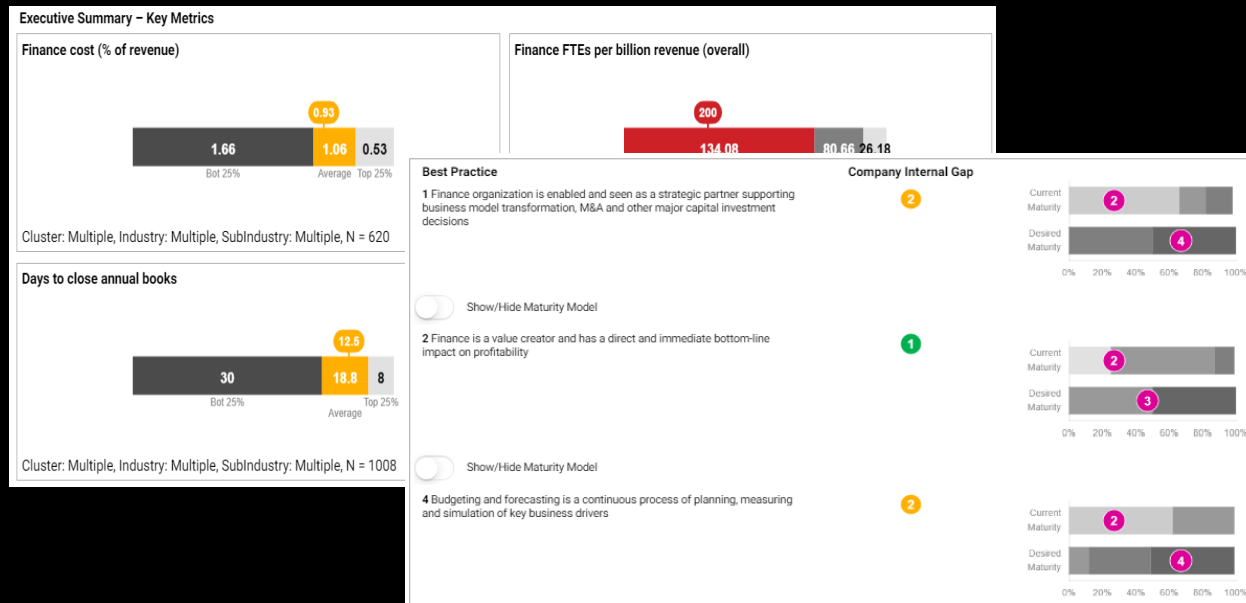
1 2 3 4 5

Current Maturity

1 2 3 4 5

Take Next Generation Benchmarking Finance Assessment focusing on:

- **Top KPI's** – Financial Forecast Accuracy, Finance Cost, Uncollectible write-offs
- **Next Practices** – Is finance a strategic business partner? Are operational processes automated?



- **Assessment scorecard** with peer benchmark comparison
- Helps benchmark, identify critical gaps and develop a solution road map
 - Finance a key enabler for strategic initiatives powered by “what if” analytics and instant visibility
 - Transactional finance processes are intelligent & automated
 - Budgeting and forecasting is a continuous process with simulation of key business drivers

Customer Success

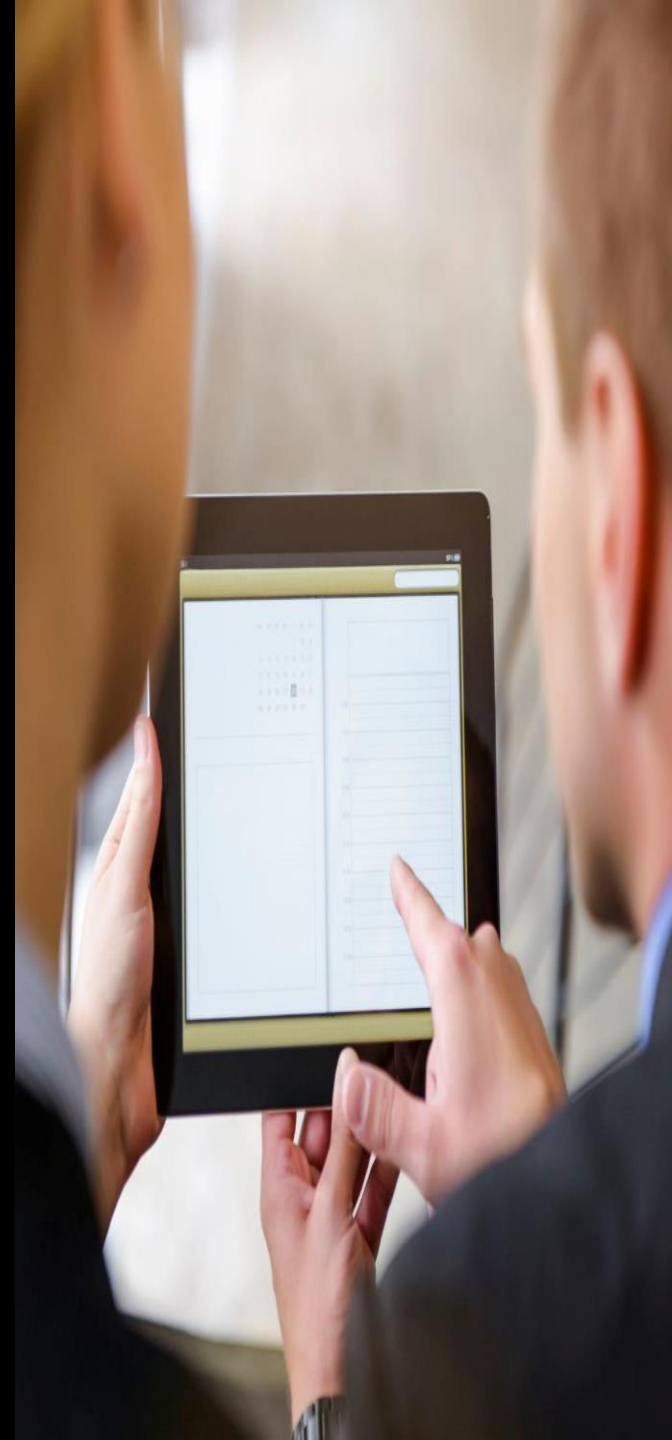
500+ submissions

“It’s a good initiative by SAP to gain a better understanding of the Client’s Industry and business practices. The questions helped us to **benchmark our maturity levels** in various finance areas and focus on areas of improvement. It was easy to use, had **insightful questions and re-confirmed our approach in resolving our Finance issues.**”

- Major Pharmaceutical Company in UK/I

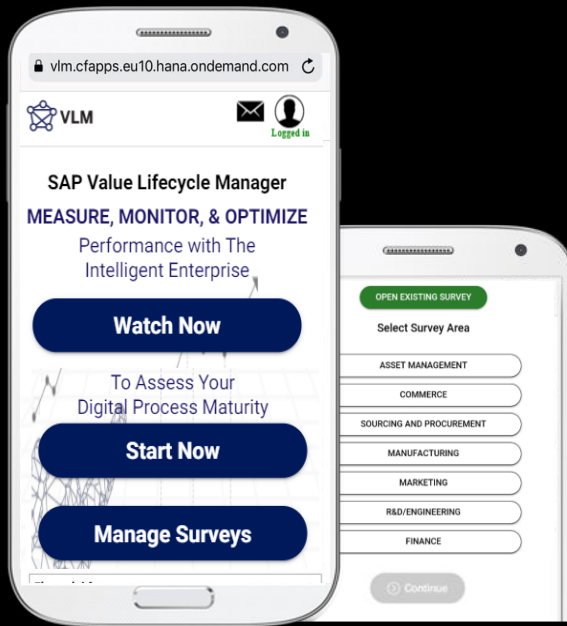
“Report was very interesting; **used it directly as input for one of the strategy meetings in finance & controlling.** Best Practice 1-5 maturity model provided as aid and help create immediately a lot of new ideas for how to move forward.. **Didn’t expect something like this** in a benchmarking survey”

- Manufacturing company, Germany



Start now!

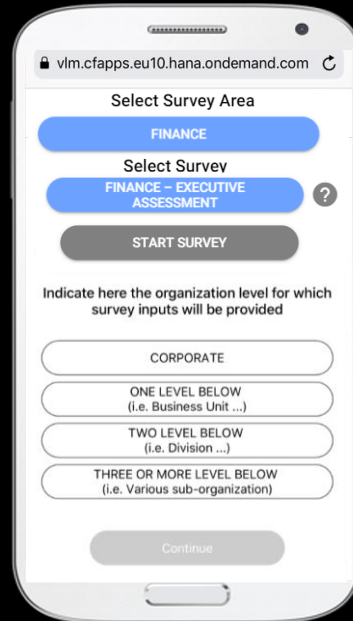
Here's a simple 4-step process



1. Access

Click on [NGB platform link](#)

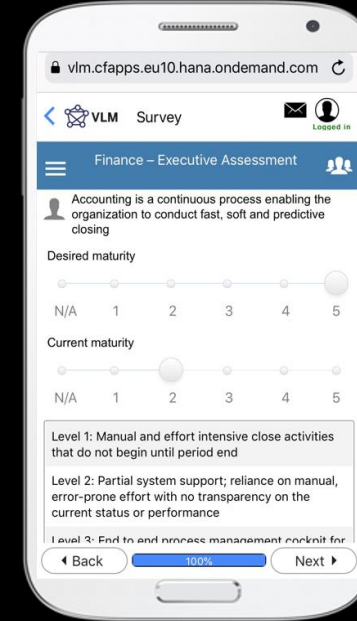
Login through Single Sign on or



2. Profile Information

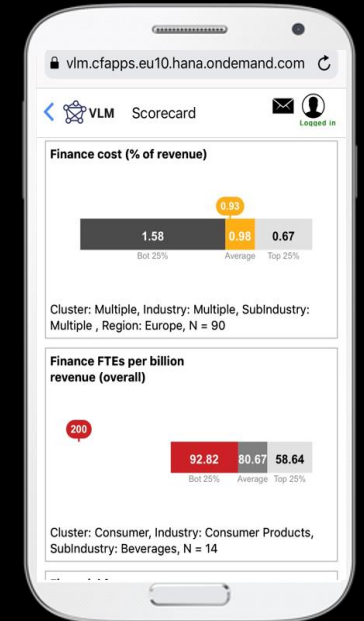
Start Benchmarking Journey and Select Process Scope

Input Profile Data and Start the survey



3. Data Collection & Validation

Complete the Survey and validation checks



4. Get Results

Click on View Scorecard to see the results in real-time (downloadable in PPT).

For any changes to peer group selection, reach out to an SAP PoC or valuemanagement@sap.com

Thank you.

Please reach out to sonal.gupta01@sap.com or [SAP Value Management](#) for more information

Appendix – Survey Catalogue

Survey Catalog – Line of Business

MARKETING	COMMERCE	SALES	SERVICE	R&D	SUPPLY CHAIN	ASSET MGMT	MANUFACTURING
Marketing - Executive	Commerce - Executive	Sales - Executive	Service - Executive	R&D - Executive	Supply Chain - Executive	Enterprise Asset Management - Executive	Manufacturing - Executive
Marketing - Detailed	Commerce - Detailed	Sales - Detailed	Service - Detailed	R&D - Detailed	Supply Chain - Detailed	Enterprise Asset Management - Detailed	Manufacturing - Detailed
					Transportation Management		
					Warehouse Management		
PROCUREMENT	FINANCE	HR	IT		CROSS PROCESSES		
Sourcing and Procurement - Executive	Finance - Executive	HR Short Survey	Cloud ERP		Enterprise Health Check - Manufacturing		
Sourcing and Procurement - Detailed	Finance - Detailed	HR Comprehensive Survey	Analytics		Quote to Cash		
Ariba Customer Benchmarking Survey	Employee Initiated Spend		Best Run IT		Intelligent Enterprise		
External Workforce	Working Capital Management		Database and Data Management				
Services Procurement							
Sourcing and Procurement Diversity and Purpose Survey							

Survey Catalog – Industries

PROFESSIONAL SERVICES	CONSUMER PRODUCTS	RETAIL	DEFENSE & SECURITY	INDUSTRY MACHINERY & COMPONENTS
Business Development & Sales	Agile Manufacturing	Customer-Centric Merchandising	Maintenance & Engineering	Sales and Marketing Assessment
Core Finance	Real-Time Supply Chain	Finance	Planning and Operations	
Procurement	Sales and Marketing	Human Resources	Supply Chain	
Project & Managed Services	Sourcing and Procurement	Marketing as Growth Driver		
Talent Supply Chain	Sustainable Product Innovation	Omnichannel Customer Experience		
		Platform and Technology		
		Procurement Excellence		