SAP Innovation And Optimization
Pathfinder
for SAP ERP

Procurement Edition

Customer Name: Sample Inc.
Customer Number: 12345
Date of analysis: 15 Nov, 2018
System ID: PRD
Current Release: SAP ERP - EHP7
Database: Oracle
Country: Germany

Oil and Gas Industry

SAMPLE REPORT
**Customer-specific improvement and innovation opportunities** based on your current core SAP ERP system usage and business performance

**Industry benchmarks and best-practice recommendations** as guidance from other SAP customers on how to optimize your business areas

**Interactive report** navigates business decision makers to relevant information, services and tools
Procurement in the Digital Economy

**Total Spend Management**
- Native integration between SAP S/4HANA and Cloud/LoB solutions to enable total spend visibility across all categories, and to build and optimize sourcing pipelines for more saving opportunities.

**Consumer-Grade Ordering Experience**
- Easy-to-navigate, smart-search-based, and rules-driven requisitioning as well as guided sourcing for items not in catalogs for efficient and compliant procurement.

**Predictive Analytics**
- Embedded, machine learning-based analytics to predict contract consumption for better negotiation capability and proactive material management.

**Holistic Supplier Evaluation**
- Real-time KPI monitoring based on transactional and employee survey data, flexible configuration of weights and categories, and integration into market reviews to enable a more complete supplier evaluation.

**Flexible Skills Sourcing**
- Streamlined processes for discovering, sourcing, and managing external workers and service providers for wider access to critical skills, and greater responsiveness.

Read the whitepaper »
Selected End-to-End Business Scenarios in Procurement

**STRATEGIC PROCUREMENT**

Strategic procurement involves determining the sources of supply that deliver the most savings and manage supply risks. It includes analyzing the marketplace, defining sourcing strategies, identifying suppliers, putting a contract in place, and managing supplier performance and risk.

**OPERATIONAL PROCUREMENT**

The objective of operational procurement is to execute and deliver on purchase requisitions in the most efficient and compliant manner. It encompasses managing requests and creating orders in compliance with policies, procuring from suppliers, verifying delivery, matching invoices, and settling payments.

**SKILLS MANAGEMENT**

Flexible skills management covers activities associated with the hiring-to-retiring lifecycle of an external workforce to ensure their gainful and risk-free engagement.
SAP Innovation and Optimization Pathfinder for SAP ERP

Provides tailored, scenario-specific recommendations for Procurement

1. BUSINESS PROCESS IMPROVEMENT:
   - Proactively control and improve your business processes with SAP Support tools and services

2. INNOVATION RECOMMENDATIONS:
   - Personalized innovation recommendations based on your current SAP data:

   OPTIMIZE
   - Your ERP
   - Benefit from functional enhancements for SAP ERP and an improved user experience with SAP Fiori

   EXTEND
   - Your ERP
   - Grow your SAP ERP footprint and leverage SAP Leonardo and SAP Cloud

   MOVE
   - SAP S/4HANA
   - Move your SAP ERP to the most advanced real-time business processes in SAP S/4HANA
### Key Findings in Your SAP ERP System

#### Strategic Procurement
- **No business key figures related to this scenario are available in SAP EarlyWatch Alert.**
- **SAP EarlyWatch Alert gives a preview of capabilities available in SAP Solution Manager:** With SAP Solution Manager, you can analyze and monitor 1000+ business key figures.
- **Consider potential value for your business from the recommended SAP innovations available for Strategic Procurement**

<table>
<thead>
<tr>
<th>Business Key Figures</th>
<th>Your Value</th>
<th>You vs. Industry Benchmark</th>
<th>Improvement Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>MM invoice items blocked for payment</td>
<td>19,842,761 invoices</td>
<td>![Benchmark Icon]</td>
<td>![Improvement Icon] Reduce procurement total spend</td>
</tr>
<tr>
<td>Purchase order items open &amp; overdue</td>
<td>140,981 order items</td>
<td>![Benchmark Icon]</td>
<td>![Improvement Icon] Increase productivity</td>
</tr>
<tr>
<td>Inbound deliveries overdue for GR</td>
<td>283,199 deliveries</td>
<td>![Benchmark Icon]</td>
<td>![Improvement Icon] Improve invoice processing FTE efficiency</td>
</tr>
</tbody>
</table>

#### Operational Procurement
- **No business key figures related to this scenario are available in SAP EarlyWatch Alert.**
- **SAP EarlyWatch Alert gives a preview of capabilities available in SAP Solution Manager:** With SAP Solution Manager, you can analyze and monitor 1000+ business key figures.
- **Consider potential value for your business from the recommended SAP innovations available for Skills Management**

<table>
<thead>
<tr>
<th>Business Key Figures</th>
<th>Your Value</th>
<th>You vs. Industry Benchmark</th>
<th>Improvement Value</th>
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<tr>
<td>MM invoice items blocked for payment</td>
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<td>![Benchmark Icon]</td>
<td>![Improvement Icon] Reduce revenue loss due to stock-outs</td>
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<td>![Improvement Icon] Increase productivity</td>
</tr>
</tbody>
</table>

#### Skills Management
- **Reduce cost**

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SAP EarlyWatch Alert gives a preview of capabilities available in SAP Solution Manager: With SAP Solution Manager, you can analyze and monitor 1000+ business key figures.

Consider potential value for your business from the recommended SAP innovations available for Strategic Procurement.
1. Identify root-causes and proactively control and improve your business processes
With tools and services included with SAP Support*

Creating Purchase Requisitions is a number of process steps which should be controlled to avoid inconsistencies and errors in the requisition process.

A high automation indicates a high efficiency with low purchasing costs.

With SAP Solution Manager such a KPI tree can be defined and tracked.

* All these functions are already included in your SAP Enterprise Support agreement with no additional costs.
2. Monitor progress: Track the impact of your improvement projects and compare to baselines and defined thresholds
From a single source on your desktop or tablet. No manual data collection anymore.

Track your progress along defined business goals:
Actual values, thresholds, progress and remaining gaps

Quick and powerful overview about the current status and progress of Business KPIs in real-time:
- Always up-to-date without additional effort
- Accessible on desktops and mobile devices
- Illustration of KPI dependencies
- Tracking along organizational structures
- Restricted access based on authorization
- Drill-down to the individual documents

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Optimize your ERP

Functional enhancements for SAP ERP and an improved user experience with SAP Fiori

Top enhancements:
- Services for Business Partner
- Commodity analytics: mark-to-market (MtM) snapshot reporting for soft commodities
- Commodity management – delivery allocation to pricing lots

Modern user experience for:
- Controller
- Accounts Payable Accountant
- Commodity Risk Manager

Many enhancements and SAP Fiori apps for the SAP Business Suite are included with your underlying SAP software license and maintenance agreement*

Details »

Extend your current solution

Explore SAP Leonardo & cloud solutions

Top additional SAP cloud solutions:
- Sourcing and Contract Management
- Strategic Sourcing
- Category Management, Projects, Workflow

Top SAP Leonardo recommendations:
- Connecting and Monitoring Business Assets
- Planning, Budgeting, and Forecasting
- Profit and Cost Simulation

SAP Leonardo offers business process improvements based on the newest innovations like machine learning and Internet of Things (IoT)

Details »

Move to SAP S/4HANA

Build an intelligent enterprise with SAP S/4HANA and SAP Model Company

Top business scenarios:
- Procurement Contract Management
- Spend Visibility
- Requirements Processing

Top additional SAP cloud solutions:
- Procurement Contract Management
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Top additional SAP cloud solutions:
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- Spend Visibility
- Requirements Processing

Details »

SAP Model Company

- SAP S/4HANA is the “digital core” natively supports the Internet of Things, Big Data, real-time analytics, mobile, business networks, and more

Details »
**Latest enhancements for your SAP ERP system**

**Top enhancements:**

<table>
<thead>
<tr>
<th>Enhancement Name</th>
<th>Industry Usage</th>
<th>Relevant Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services for Business Partner</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Commodity analytics: mark-to-market (MtM) snapshot reporting for soft commodities</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Commodity management – delivery allocation to pricing lots</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Enhanced SAP Commodity Procurement</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
</tbody>
</table>

* Recommendations based on best practices, since we could not find any usage of standard SAP-transactions in your data to support a usage-based recommendation.

**Increase the productivity of your end users**

Modern user experience for:

<table>
<thead>
<tr>
<th>Role Name</th>
<th>Industry Usage</th>
<th>Relevant SAP Fiori Apps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controller</td>
<td>★★★</td>
<td>9</td>
</tr>
<tr>
<td>Accounts Payable Accountant</td>
<td>★★★</td>
<td>2</td>
</tr>
<tr>
<td>Commodity Risk Manager</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Strategic Buyer</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Purchaser</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Order Fulfillment Specialist</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
</tbody>
</table>

* Next Steps »
Extend your solution with SAP Cloud solutions

Accelerate digital transformation by rapidly deploying SAP’s cloud solutions

- Sourcing and Contract Management
- Strategic Sourcing
- Category Management, Projects, Workflow
- Direct Material Sourcing
- Contract Authoring, Execution, and Repository
- Self-Service Requisitioning
- Guided Buying, Procurement Policies, and Buying Channels
- Spot Buy Marketplace

SAP Cloud solutions

Extend your solution with SAP Leonardo

Integrate all your data – IoT, supply chain, product, and more

- Connect, monitor, and control customer facing products
- Increase productivity and performance with agile planning, budgeting, and forecasting
- Optimize profitability and resource allocation with profit and cost simulation
- Get detailed, integrated insight into product costs and margins to maintain a profitable product portfolio

Next Steps
**INTRODUCTION**

**EXECUTIVE SUMMARY**

**STRATEGIC PROCUREMENT**

**OPERATIONAL PROCUREMENT**

**SKILLS MANAGEMENT**

**NEXT STEPS**

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**BUSINESS KEY FIGURES**

**BUSINESS PROCESS IMPROVEMENT**

**INNOVATION RECOMMENDATIONS**

**OVERVIEW**

**OPTIMIZE**

**EXTEND**

**MOVE**

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**Transform your core**

Next-Generation digital business with SAP S/4HANA:

<table>
<thead>
<tr>
<th>Business Scenario Name</th>
<th>Industry Usage</th>
<th>Relevant Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Contract Management</td>
<td>★★★</td>
<td>15</td>
</tr>
<tr>
<td>Spend Visibility</td>
<td>★★★</td>
<td>2</td>
</tr>
<tr>
<td>Requirements Processing</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Source Assignment</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Supplier Evaluation</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Classification and Segmentation</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Central Requisition</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
</tbody>
</table>

* Recommendations based on best practices, since we could not find any usage of standard SAP-transactions in your data to support a usage-based recommendation.

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**SAP Model Company: State of the art digital foundation**

Realize your digital vision quickly based on proven best-practices:

- 'Strategic Procurement' involves determining the sources of supply that deliver the highest savings and best manage supply risks.
- Specifically for the Model Company Oil & Gas there is a preconfigured scenario for 'Procurement of Crude by Marine':
  - Easy and comfortable scheduling of bulk transport and the impact on projected (future) stock.
  - Link of nominations to Purchase Contracts; automatic creation of nomination from simulations.
  - Handling of Oil Specific Quantity conversions and invoices based on actual quantities and formula price values.

- Predictable results through state-of-the-art architecture and best practices, proven end-to-end solutions and business and implementation guides
- Faster adoption through reduced complexity, ready-to-run appliances, and deployments of reference solutions

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**SAP Innovation and Optimization Pathfinder for Procurement**

### INTRODUCTION

Sample Inc. | System: PRD
Oil and Gas Industry

### EXECUTIVE SUMMARY

**STRATEGIC PROCUREMENT**

**OPERATIONAL PROCUREMENT**

**SKILLS MANAGEMENT**

**NEXT STEPS**

### BUSINESS KEY FIGURES

**BUSINESS PROCESS IMPROVEMENT**

**INNOVATION RECOMMENDATIONS**

### OVERVIEW

#### Traditional Procurement

- Multiple disconnected data sources
- Disparate and disconnected data sources, and inability to extract meaningful insights

#### The New World with SAP

- Increased visibility into internal and external data
  - 360-degree view of spend and supplier and market data through business network integration
- Automated supplier evaluation and qualification
  - Access to global supplier pool with ready visibility into qualified sources of supply
  - Embedded capabilities to view additional supplier data for better decisions
- E-mail-based collaboration and manual evaluation of supplier responses
  - Inefficient bid management with RFx coordination through e-mails; limited buyer-supplier collaboration; and manual processing and analysis of supplier responses
- Automated contract collaboration and compliance
  - Mismanaged and misplaced paper-based contracts
  - Manual authoring, longer cycle times, and high legal costs
  - Streamlined, tool-based bid management process
  - Comprehensive RFx management with reverse- and forward-auction capabilities that enables value-optimized cost savings and faster sourcing cycle
  - Contract lifecycle management capabilities including authoring, negotiation, execution and digital signature

### OPTIMIZE

### EXTEND

### MOVE

**BUSINESS PROCESS IMPROVEMENT**

**INNOVATION RECOMMENDATIONS**

**INTRODUCTION**

**EXECUTIVE SUMMARY**

**STRATEGIC PROCUREMENT**

**OPERATIONAL PROCUREMENT**

**SKILLS MANAGEMENT**

**NEXT STEPS**

### BUSINESS KEY FIGURES

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## Operational Procurement

### Business Key Figures

<table>
<thead>
<tr>
<th>Key Figure</th>
<th>Your Value</th>
<th>Industry Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>MM invoice items blocked for payment</td>
<td>19,842,761</td>
<td>418,708 - 5,884</td>
</tr>
<tr>
<td>Purchase order items open &amp; overdue</td>
<td>140,981</td>
<td>8,775 - 2,207</td>
</tr>
<tr>
<td>Inbound deliveries overdue for GR</td>
<td>283,199</td>
<td>19,140 - 94</td>
</tr>
<tr>
<td>Planned orders with opening date in the past</td>
<td>187,990</td>
<td>14,684 - 37</td>
</tr>
<tr>
<td>Purchase requisition items open &amp; overdue</td>
<td>20,314</td>
<td>12,631 - 1,521</td>
</tr>
</tbody>
</table>

### What's next

1. **Business Process Improvement for Operational Procurement**
2. **Innovation Recommendations for Operational Procurement**
### Operational Procurement

#### Business Key Figures

<table>
<thead>
<tr>
<th>Metric</th>
<th>Your Value</th>
<th>Industry Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase order items w/o ‘final invoice’ indicator</td>
<td>11,762 order items</td>
<td><em>Bottom 25%</em> 30,974</td>
</tr>
<tr>
<td>Overdue stock transport order schedule lines</td>
<td>932 order lines</td>
<td><em>Bottom 25%</em> 7,961</td>
</tr>
</tbody>
</table>

#### What’s next

1. Business Process Improvement for Operational Procurement
2. Innovation Recommendations for Operational Procurement
Operational Procurement

Findings
What we measured

19,842,761
MM invoice items blocked for payment

<table>
<thead>
<tr>
<th>0-3 months old</th>
<th>4-11 months old</th>
<th>12+ months old</th>
</tr>
</thead>
<tbody>
<tr>
<td>56,872</td>
<td>18,214,968</td>
<td>1,570,921</td>
</tr>
<tr>
<td>0%</td>
<td>92%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Implication
Understand the problem

- Vendor invoices are blocked for payment
- Blocked invoices may not be paid with the payment run
- Cash discount could be lost

Possible Approaches
Improve or innovate

- Determine which of the invoices with a payment block still have to be released and paid
- Clean up and eliminate process obstacles
- Optimize Financial Supply Chain and Invoice Management

What's next

1. Business Process Improvement for Operational Procurement
2. Innovation Recommendations for Operational Procurement
## Operational Procurement

### Findings

**What we measured**

**140,981**

Purchase order items open & overdue

<table>
<thead>
<tr>
<th></th>
<th>0-3 months old</th>
<th>4-11 months old</th>
<th>12+ months old</th>
</tr>
</thead>
<tbody>
<tr>
<td>928</td>
<td>128,649</td>
<td>11,404</td>
<td></td>
</tr>
<tr>
<td>1%</td>
<td>91%</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

**Possible Approaches**

**Improve or innovate**

- Determine which of the overdue purchase order items are still active and have open quantities that are still to be delivered
- For overdue purchase order items for which the outstanding goods receipt quantity will no longer be delivered, set the ‘Delivery Completed’ indicator

### Implication

**Understand the problem**

- Purchase order items not yet fully delivered and the planned delivery date is already overdue
- Indication of current delays in the purchasing process
- Indication of (old) supplying elements that are considered in current available to promise planning (ATP) and material requirement planning (MRP)
Operational Procurement

Findings
What we measured

283,199 Inbound deliveries overdue for GR

<table>
<thead>
<tr>
<th>Status</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 months old</td>
<td>13,081</td>
<td>5%</td>
</tr>
<tr>
<td>4-11 months old</td>
<td>119,131</td>
<td>42%</td>
</tr>
<tr>
<td>12+ months old</td>
<td>150,987</td>
<td>53%</td>
</tr>
</tbody>
</table>

Implication
Understand the problem
- Inbound Deliveries that are overdue for goods receipt posting
- The planned delivery date is older than one day and the goods receipt is not yet fully posted
- Indication of current delays in the internal purchasing process
- Indication of (old) supplying elements that are considered in current available to promise planning (ATP) and material requirement planning (MRP)

Possible Approaches
Improve or innovate
- Determine whether goods receipt for inbound deliveries are still required
- If yes, post the missing goods receipts

What's next
1 Business Process Improvement for Operational Procurement
2 Innovation Recommendations for Operational Procurement
**Operational Procurement**

### Findings
What we measured

<table>
<thead>
<tr>
<th>Planned orders with opening date in the past</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>187.990</strong></td>
</tr>
<tr>
<td><strong>0-3 months old</strong></td>
</tr>
<tr>
<td><strong>4-11 months old</strong></td>
</tr>
<tr>
<td><strong>12+ months old</strong></td>
</tr>
<tr>
<td>176</td>
</tr>
<tr>
<td>-25.642</td>
</tr>
<tr>
<td>213.456</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>-14%</td>
</tr>
<tr>
<td>114%</td>
</tr>
</tbody>
</table>

### Implication
Understand the problem

- Planned orders (external procurement) for which the opening date is in the past and not yet converted into purchase requisition
- Indication of current delays in the internal purchasing process
- Indication of (old) supplying elements that are considered in current available to promise planning (ATP) and material requirement planning (MRP)

### Possible Approaches
Improve or innovate

- Determine whether obsolete planned orders still need to be converted to purchase requisitions.
- If not, check whether the planned orders are still needed. If yes, delete the obsolete planned orders

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**Findings**

What we measured

<table>
<thead>
<tr>
<th>Category</th>
<th>0-3 months old</th>
<th>4-11 months old</th>
<th>12+ months old</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase requisition items open &amp; overdue</td>
<td>276</td>
<td>3,117</td>
<td>16,921</td>
</tr>
<tr>
<td>% of total</td>
<td>1%</td>
<td>15%</td>
<td>83%</td>
</tr>
</tbody>
</table>

**Implication**

Understand the problem

- Purchase requisition items not fully converted into purchase orders and the required delivery date is overdue
- Indication of current delays in the purchasing process
- Indication of (old) supplying elements that are considered in current available to promise planning (ATP) and material requirement planning (MRP)

**Possible Approaches**

Improve or innovate

- Determine whether the open overdue purchase requisition items still have to be converted to purchase orders
- Determine whether they can be closed by setting the “Closed” flag
- Archive the closed items

**What’s next**

1. Business Process Improvement for Operational Procurement
2. Innovation Recommendations for Operational Procurement
Operational Procurement

Findings
What we measured

11.762
Purchase order items w/o 'final invoice' indicator

<table>
<thead>
<tr>
<th></th>
<th>0-3 months old</th>
<th>4-11 months old</th>
<th>12+ months old</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14</td>
<td>2.077</td>
<td>9.671</td>
</tr>
<tr>
<td>0%</td>
<td>18%</td>
<td>82%</td>
<td></td>
</tr>
</tbody>
</table>

Implication
Understand the problem

- Purchase order items without final invoice indicator older than 30 days and not yet fully paid
- Indication of situations that can lead to incorrect open commitment items in controlling

Possible Approaches
Improve or innovate

- Determine whether obsolete planned orders still need to be converted to purchase requisitions.
- If not, check whether the planned orders are still needed. Otherwise, delete the obsolete planned orders.

What's next
1. Business Process Improvement for Operational Procurement
2. Innovation Recommendations for Operational Procurement
**Operational Procurement**

**Findings**
What we measured

<table>
<thead>
<tr>
<th>Overdue stock transport order schedule lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 months old</td>
</tr>
<tr>
<td>123</td>
</tr>
<tr>
<td>13%</td>
</tr>
</tbody>
</table>

**Implication**
Understand the problem

- Stock transport orders that are not yet fully delivered and for which the planned delivery date is already overdue
- Indication of current delays in the internal purchasing process
- The supplying plant has been posted but the complete quantity has not yet been received
- Indication of (old) supplying elements that are considered in current available to promise planning (ATP) and material requirement planning (MRP)

**Possible Approaches**
Improve or innovate

- Determine which of the stock transport orders are not fully delivered and for which the planned delivery date is already overdue
- Determine why the supplying plant has been posted but the complete quantity has not yet been received

---

**What's next**

1. **Business Process Improvement for Operational Procurement**
2. **Innovation Recommendations for Operational Procurement**
1. Identify root-causes and proactively control and improve your business processes

With tools and services included with SAP Support*

Days Payable Outstanding (DPO) indicates how many days on average a company pays off its accounts payables during an accounting period.

There are different influencing factors and dependencies to DPO which should be made transparent and tracked. Only with transparency the required decisions can be taken. DPO shows the true average payment terms granted to a company by its suppliers. The higher the ratio, the better credit terms a company gets from its suppliers with impact on the company's cash flow.

With SAP Solution Manager such a KPI tree can be defined and tracked.

* All these functions are already included in your SAP Enterprise Support agreement with no additional costs.
2. Monitor progress: Track the impact of your improvement projects and compare to baselines and defined thresholds
From a single source on your desktop or tablet. No manual data collection anymore.

- Track your progress along defined business goals:
  Actual values, thresholds, progress and remaining gaps

  Quick and powerful overview about the current status and progress of Business KPIs in real-time:
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  - Accessible on desktops and mobile devices
  - Illustration of KPI dependencies
  - Tracking along organizational structures
  - Restricted access based on authorization
  - Drill-down to the individual documents

  * All these functions are already included in your SAP Enterprise Support agreement with no additional costs.

Next Steps »
Optimize your ERP
Functional enhancements for SAP ERP and an improved user experience with SAP Fiori

- Top enhancements:
  - Procurement - SRM Integration
  - Procure-to-Pay for Commodities
  - Regulatory compliance

- Modern user experience for:
  - Accounts Payable Accountant
  - Master Data Specialist
  - Commodity Risk Manager

- Many enhancements and SAP Fiori apps for the SAP Business Suite are included with your underlying SAP software license and maintenance agreement*

* Details can be found in SAP Note 152246 and http://news.sap.com/sapphire-now-sap-fiori-user-experience/

Extend your current solution
Explore SAP Leonardo & cloud solutions

- Top additional SAP cloud solutions:
  - Procurement Operations
  - Receiving
  - Inventory Search and Reservation

- Top SAP Leonardo recommendations:
  - Management Reporting
  - Embedded Reporting and Insight

Move to SAP S/4HANA
Build an intelligent enterprise with SAP S/4HANA and SAP Model Company

- Top business scenarios:
  - Purchase Order Processing
  - Real-Time Reporting and Monitoring
  - Invoice Processing

- SAP Model Company

- SAP S/4HANA is the “digital core” natively supports the Internet of Things, Big Data, real-time analytics, mobile, business networks, and more
### Latest enhancements for your SAP ERP system

**Top enhancements:**

<table>
<thead>
<tr>
<th>Enhancement Name</th>
<th>Industry Usage</th>
<th>Relevant Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement - SRM Integration</td>
<td>★★★</td>
<td>9</td>
</tr>
<tr>
<td>Procure-to-Pay for Commodities</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Regulatory compliance</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Settlement channel for service purchases</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Subcontractor Management</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Billing in Contract Accounts A/R and A/P</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Flexible deployment option for SD</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Incoterms 2010</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Enhancements in Purchasing for Buyer Role</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Materials Management, Analytics</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
</tbody>
</table>

*Recommendations based on best practices, since we could not find any usage of standard SAP-transactions in your data to support a usage-based recommendation.

### Increase the productivity of your end users

**Modern user experience for:**

<table>
<thead>
<tr>
<th>Role Name</th>
<th>Industry Usage</th>
<th>Relevant SAP Fiori Apps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable Accountant</td>
<td>★★★</td>
<td>2</td>
</tr>
<tr>
<td>Master Data Specialist</td>
<td>★★★</td>
<td>2</td>
</tr>
<tr>
<td>Commodity Risk Manager</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Order Fulfillment Specialist</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
</tbody>
</table>

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Extend your solution with SAP Cloud solutions

Accelerate digital transformation by rapidly deploying SAP’s cloud solutions

- Procurement Operations
- Receiving
- Inventory Search and Reservation
- Invoice, Discount, and Taxation
- Invoice and Taxation
- Service Entry Sheets
- Service Invoicing
- Invoice Workflow and Exception Management

Next Steps »

Extend your solution with SAP Leonardo

Integrate all your data – IoT, supply chain, product, and more

- Support financial and operational decision making with software analytics
- Keep intelligence on hand with embedded reporting and insight from the SAP SuccessFactors HCM Suite

Next Steps »
Transform your core
Next-Generation digital business with SAP S/4HANA:

<table>
<thead>
<tr>
<th>Business Scenario Name</th>
<th>Industry Usage</th>
<th>Relevant Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Order Processing</td>
<td>★★★</td>
<td>22</td>
</tr>
<tr>
<td>Real-Time Reporting and Monitoring</td>
<td>★★★</td>
<td>15</td>
</tr>
<tr>
<td>Invoice Processing</td>
<td>★★★</td>
<td>10</td>
</tr>
<tr>
<td>Purchase Order Collaboration</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Service Purchasing and Recording</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
<tr>
<td>Self-Service Requisition</td>
<td>★★★</td>
<td>Recommended*</td>
</tr>
</tbody>
</table>

SAP Model Company: State of the art digital foundation
Realize your digital vision quickly based on proven best-practices:

- The objective of ‘Operational Procurement’ is to execute day-to-day procurement based on purchase requisitions, scheduling agreements or purchase orders in the most efficient and compliant manner.
- This scenario encompasses managing requests and creating orders in compliance with policies, along with procurement from suppliers, verifying deliveries, matching invoices, and settling payments.

* Recommendations based on best practices, since we could not find any usage of standard SAP-transactions in your data to support a usage-based recommendation.
**BUSINESS KEY FIGURES**

**BUSINESS IMPROVEMENT**

**INNOVATION RECOMMENDATIONS**

**OVERVIEW**

**OPTIMIZE**

**EXTEND**

**MOVE**

**Pay and Settle**

**TRADITIONAL PROCIUREMENT**

Significant effort needed to search for items.
No guidance to preferred suppliers, resulting in lost savings opportunities.
Manual creation and updates to catalogs by e-mail or telephone.

**THE NEW WORLD WITH SAP**

Access to an online marketplace that provides a consumer-grade experience.
Guided buying that navigates users through proper buying channels to leverage preferred suppliers, negotiated pricing, and in-context policies.

**REQUEST**

**ORDER**

**RECEIVE**

**PAY AND SETTLE**

Manual and error-prone receiving and matching processes.
Inefficiencies caused by paper and e-mail invoices, resulting in delays or missed discounts.

**Proliferation of different payment terms and low acceptance of discount offers.**
Check-based payments with low visibility, and ad hoc and cumbersome payments process, leading to reconciliation issues and administrative redundancies.

**Electronic tracking of all purchasing-related documents for greater compliance.**
Automated three-way match for efficient, error-free processing.
Invoice exception handling through policy-based approval process.

**Small set of standard payment terms for seamless settlement.**
Electronic payments for complete visibility into related invoices and POs.
Holistic working capital strategy.
Skills Management

- No business key figures related to this scenario are available in SAP EarlyWatch Alert.
- SAP EarlyWatch Alert gives a preview of capabilities available in SAP Solution Manager: With SAP Solution Manager, you can analyze and monitor 1000+ business key figures.
- Consider potential value for your business from the recommended SAP innovations available for Skills Management
1. Identify root-causes and proactively control and improve your business processes

With tools and services included with SAP Support*

Business process improvement with different types of key figures:

- Throughput Key Figures: Enables the analysis of business volume performance and business usage analysis. Example: "Number of FI Postings per day/per month".

- Backlog Key Figures: Enables the root cause analysis of open business documents where the entered or calculated due date is already overdue. Example: "Number of overdue Sales Schedule Lines".

- Exception Key Figures: Enables the root cause analysis of error messages that have been raised during automated process steps. Example: "Number of Exceptions during billing run".

- Lead Time Key Figures: Enables the analysis of lead times/cycle times of certain pre-defined process steps. Example: "Lead time: sales order creation".

- Workflow Key Figures: Enables the root cause analysis of workflow errors in relation to the corresponding business documents. Example: "Purchase orders with erroneous workflow".

* All these functions are already included in your SAP Enterprise Support agreement with no additional costs.
2. Monitor progress: Track the impact of your improvement projects and compare to baselines and defined thresholds

From a single source on your desktop or tablet. No manual data collection anymore.

- Track your progress along defined business goals:
  Actual values, thresholds, progress and remaining gaps

  Quick and powerful overview about the current status and progress of Business KPIs in real-time:
  - Always up-to-date without additional effort
  - Accessible on desktops and mobile devices
  - Illustration of KPI dependencies
  - Tracking along organizational structures
  - Restricted access based on authorization
  - Drill-down to the individual documents

* All these functions are already included in your SAP Enterprise Support agreement with no additional costs.

Progress Management Board
Innovation Recommendations Summary for Skills Management

Extend your current solution
Explore SAP Leonardo & cloud solutions

Top additional SAP cloud solutions:
- Guided Work Sourcing
- Job Requisition Distribution
- Rate Management and Automation

Top SAP Leonardo recommendations:
- Workforce Analytics
- Workforce Planning


SAP Leonardo offers business process improvements based on the newest innovations like machine learning and Internet of Things (IoT)
Extend your solution with SAP Cloud solutions
Accelerate digital transformation by rapidly deploying SAP’s cloud solutions

- Guided Work Sourcing
- Job Requisition Distribution
- Rate Management and Automation
- Worker Review and Selection
- Worker Onboarding, Management, and Offboarding
- Live Insights
- Analytics and Reporting
- Statements of work Bid Management

SAP Cloud solutions

Next Steps »

Extend your solution with SAP Leonardo
Integrate all your data – IoT, supply chain, product, and more

- Improve business decisions with trusted intelligence from SAP
- Build the right workforce to remain competitive and succeed with SAP
SuccessFactors Workforce Planning

Next Steps »
The Intelligent Enterprise is on and we hope you found the recommendations relevant for discovering possibilities to improve your business.

The next steps below will provide some guidance on HOW you can move forward to further assess the different options and related business outcomes:

**Review the business KPIs provided to understand potential business impact and current practice**

**Get a better understanding of backlogs and improvement potential with “drill down” into the numbers using SAP Solution Manager**

**Assess the different opportunities to improve your business processes: enhancing your current ERP solution, extending your current ERP solution, or moving to the next SAP Digital core**

**Review in the next slides, for each option, which services are already included in your maintenance agreement or available to you from SAP DBS to provide guidance, and safeguard your digital transformation journey**

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**SAP Enterprise Support**

**SAP Digital Business Services**
LEARN MORE ABOUT:

Watch this video to better understand how the Business Process Improvement capabilities from SAP Solution Manager can provide your business stakeholders with relevant information on the current health of core processes and monitor their progress with quantifiable KPIs.

Watch the video »

ALREADY INCLUDED IN SAP ENTERPRISE SUPPORT:

Business Process Improvements Value Map

Leverage SAP Enterprise Support services to control template adherence to given standardized business processes and increase process efficiency. Furthermore you can reduce process costs, achieve faster period-end closing, improve working capital, ensure process compliance, improve the supply chain planning, improve data accuracy, increase technical performance, increase integration and process automation.

Discover the Value Map »

ADDITIONAL OFFERINGS FOR BUSINESS PROCESS IMPROVEMENTS*:

Premium Engagement Service for Business Process Improvement for SAP Solutions

• Initial process health check and mapping of Business Process Analytics key figures to customer business goals (e.g. perfect order fulfillment)
• Best practice implementation of Business Process Analytics and management tools for status and progress tracking in customer SAP Solution Manager

*SAP DBS Service offering, contract your SAP Services sales representative for more information  **Watch this video to learn about SAP Enterprise Support Value Map
LEARN MORE ABOUT:
Get a quick introduction on what SAP Fiori apps are and how they can improve your business processes leveraging an enhanced business users experience.

Watch the video »

ALREADY INCLUDED IN SAP ENTERPRISE SUPPORT:
Digital Innovation Value Map
Leverage SAP Enterprise Support to simplify the SAP Fiori adoption journey. Rapidly design, build, and deploy SAP Fiori apps for browsers and mobile devices and easily extend or build customized SAP Fiori apps with SAP developer tools and technology, give your users the best SAP user experience via SAP Fiori Cloud.

ADDITIONAL OFFERINGS*:
UX Design Services
Build role-based, custom solutions to bring your business monetary and human value and enhance user efficiency and effectiveness.

Mobile Engagement and Messaging Services
Extend your reach, innovate services, engage consumers, and speed decision-making with intelligent, interconnected services.

*SAP DBS Service offering, contract your SAP Services sales representative for more information

**Watch this video to learn about SAP Enterprise Support Value Map
LEARN MORE ABOUT:

Watch this video to better understand how new Intelligent Enterprise powered by SAP Leonardo will help your business to improve and transform your business.

Watch the video »

ALREADY INCLUDED IN SAP ENTERPRISE SUPPORT:

Digital Innovation Value Map

Leverage SAP Enterprise Support services to discover and enable IoT business applications in the cloud. Securely integrate your cloud applications into your business landscape and empower your organization to build and scale a simple, personalized, and responsive user experience and discover Blockchain and Machine Learning technologies of SAP Leonardo.

ADDITIONAL OFFERINGS*:

SAP Leonardo
Unlock breakthrough innovation to resolve business challenges. Explore, prototype, and build market-ready solutions quickly.

Cloud Professional services
Use flexible, value-driven expertise to craft a road map, execute migration, and manage your hybrid or cloud infrastructure securely.

Consulting Services for the Internet of Things
Create and execute a successful Internet of Things or machine-to-machine (M2M) communication strategy, road map, and..

*SAP DBS Service offering, contract your SAP Services sales representative for more information  **Watch this video to learn about SAP Enterprise Support Value Map
LEARN MORE ABOUT:

Watch this video to better understand how the Digital core of the new Intelligent Enterprise SAP S/4 HANA will help your business to improve and transform your business.

Watch the video »

ALREADY INCLUDED IN SAP ENTERPRISE SUPPORT:

**SAP S/4HANA on premise Value Map**

Leverage SAP Enterprise Support services to learn how to create your own product map and build your own business case based on your own system data. Plan your own digital transformation journey with SAP tools, products and services, discover the business value of SAP HANA and SAP S/4HANA and learn about new innovations, understand how to leverage SAP Activate framework and Best Practices to implement a successful SAP S/4HANA Project.

ADDITIONAL OFFERINGS*:

**SAP Model Company**

Kick-start your digital transformation with prepackaged solutions of tailored, ready-to-use functionality delivered as a service.

**SAP Advanced Deployment**

SAP Advanced Deployment provides customers with support throughout the entire deployment lifecycle of SAP S/4HANA.

**Value Assurance**

Follow a systematic approach to quickly implement SAP S/4HANA or SAP Business Warehouse with minimal risk and at a lower cost.

*SAP DBS Service offering, contract your SAP Services sales representative for more information

**Watch this video to learn about SAP Enterprise Support Value Map