Professional Services and ERP in the Experience Economy
Key Business Drivers in Professional Services

60%
of human tasks will be automated by 2025

$300k
The amount by which revenue generated per employee by digitally capable workforces exceeds that of legacy businesses

36%
of the US workforce works in the gig economy

Outcome-Based Engagements
- Move to outcome- or performance-based engagements
- Adopt intelligent bid management to increase predictability and decrease risk

Knowledge as a Service
- Create repeatable digital and IP-based services
- Adapt quote-to-cash process infrastructure for new business models

Talent Networks
- Gain infinite capacity through open talent economy
- Leverage internal and contingent workforce for scheduling and staffing engagements

“Digital transformation in the consumer space revolutionized expectations about what is possible in all interactions between two entities. Professional Services firms are just beginning to apply these lessons learned to their business, and the most important thing is the way they interact with their employees.”

Chad Huston, Research Manager, IDC
Customers of professional services are looking for new ways to interact with their professional services providers. Specifically, they are looking for: more **flexibility** including new digitally delivered services, **subscription** and on-demand consumption models, the utilization of **global talent networks** for the right resources on each engagement, and ultimately, payment **based on outcomes** instead of time and materials.
Traditional Processes Are No Longer Good Enough
Example: Engagement to Cash
Challenges

- Time-intensive manual processes and multiple quotes according to delivery channel
- Lack of single view across engagement. Completely separate handling of solution components
- Manual and/or difficult integration with minimal visibility
- Differing revenue recognition methods available separately and only through batch processing
- Several invoices for a single engagement based on differing delivery channels

Outcomes

- Missed engagement opportunities
- No visibility into impact or project performance
- Challenges understanding costs and retaining talent
- Unknown profitability
- Frustrated customer
Enabling Better Customer Experiences in Professional Services
Example: Engagement to Cash
Key capabilities delivered

Manage proposals, bids, and sales orders

- Easy-to-use user experience with configuration intelligence for fast and accurate quotes
- Digital services catalog
- Support for multiple engagement models in a single order
- Offerings, subscriptions, and usage-based engagement models provide flexibility and higher margins

Manage resources and projects

- Single view of all related services
- Visibility into revenue and margin performance
- Intelligent resource management
- Intelligent project forecasting
- Increased project management productivity reduces delivery cost, delays, and budget overruns

Procure products and services

- Quickly identify and intelligently assign required resources
- Automate sourcing and contract management
- Centralize purchasing across engagements
- Intelligent insights in real time
- Leverage economies of scale across projects and intelligent insights for cost savings and supply resiliency

Record time and manage expenses

- Streamlined time recording and processing on any device, anywhere
- Automated notifications
- Time and expense billing limits aligned to contractual agreements
- Granular end-to-end analytics provide detailed visibility into contract performance

Billing and invoicing

- One invoice consolidating fixed-price, subscription, and usage-based engagement models
- Intelligent billable items tracking
- Automatic merging of different billing types into a single invoice simplifies client and firm processes
- Real-time postings to recognize revenue and support different revenue-recognition methods

Recording and reporting

- Automated, intelligent, incoming cash matching
- Real-time and reconciliation-free processes and reporting

Intelligent technology outcomes

SAP S/4HANA® customers achieve

95% faster quote-to-order process
10% increase in project manager productivity
2% increase in utilization
0.5% increase in profitability
46% fewer customer complaints with real-time order, billing, and invoicing
40%–50% decrease in general ledger and financial closing costs
What **Industry Leaders** Are Doing Today

Examples
Challenges
Deloitte is one of the Big Four accounting firms who, collectively, operate the largest professional services network in the world. Deloitte has been transforming itself to keep pace with changes in technology and the industry and has evolved, expanding its consultancy business into what is now its largest business unit. This has resulted in the need to support new business models and change in terms of how the firm works with clients, the type of services it provides, and the supporting processes needed.

SAP S/4HANA Innovations
Deloitte’s goal is to operate as a global business in the truest possible sense, ensuring that the services and customer experience it delivers are consistent around the world. It recognized that for its client services to excel, it had to digitally transform its internal processes to support these changing client-facing activities and new business models. With SAP S/4HANA as its digital core, Deloitte has been able to realize this business transformation supporting its new business models and running its core engagement management process more efficiently and in real time, ensuring margins are protected.

Benefits
Deloitte now has integrated and streamlined client-to-cash processes with increased visibility and transparency allowing for:

- Real-time performance and profitability metrics
- Real-time revenue recognition eliminating lengthy batch processes
- Valuable insights into resourcing and deliverables
- Agility to imagine and develop new services or products
- Over 250,000 users benefiting from real-time visibility

“...We have a vision to be the undisputed leader in professional services by 2020. Our own business model has evolved. We are doing things like building software and putting it out in the cloud, as well as changing our services model. That is one of the reasons we adopted SAP S/4HANA. We need to provide visibility of engagements, financial performance, and how we can improve profitability.”

Paul Bray, Partner, Deloitte
**What Industry Leaders Are Doing Today**

**Delivery Hero**

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**Challenges**
To become the global online food delivery leader, Delivery Hero needed a fast and effective deployment of capital to support massive growth. The company needed a way to capture capital requests from around the globe, review them, approve projects that make sense, and then deploy funds to maintain growth, speed, and scale.

**SAP S/4HANA Innovations**
Delivery Hero chose SAP S/4HANA to set up an automated capital approval workflow that supports funding for >20,000 employees working on development and marketing projects across the company and around the globe. The solution provides speedy and effective capital reviews and deployment. It is critical to Delivery Hero’s ability to scale and become the largest global online food delivery platform.

**Benefits**
The automated workflows built with SAP S/4HANA enable approvals of multiple business cases and development projects a month, which keeps the business innovating, running, and growing. Benefits include:

- 30 more business cases approved every month to enable fast growth across the globe, allowing an exceptionally flexible direction for capital spend
- >20 days reduction in average time of approval to 2 days
- Easy to learn and use the solution that enables customized workflows as needed, without any requirement for training

“**Our SAP® software landscape has to be exceptionally flexible to enable the company to scale rapidly. SAP S/4HANA coupled with SAP Cloud Platform supports our innovation effort with new features by allowing us to automate business processes more quickly and develop new revenue streams.**”

Senior Director, Delivery Hero
“Our new cloud implementation of SAP S/4HANA lets us highlight our SAP S/4HANA skills and enhance customer confidence in our fully managed services.”

GIO, Larsen & Toubro Infotech

What Industry Leaders Are Doing Today
Larsen & Toubro

INDUSTRY
Professional Services

EMPLOYEES
45,000

Challenges
To enhance its global operational excellence and a faster time to market, LTI needed a robust platform to enable innovation and agility. It had to reduce hardware costs and IT administration work by moving core functions to the cloud. It also wanted to extend the services portfolio for clients to include SAP S/4HANA running on a public cloud and sought to advance its evolution to become an intelligent enterprise with multidimensional, scalable reporting.

SAP S/4HANA Innovations
LTI implemented SAP S/4HANA on Amazon Web Services with 5,000 users. LTI’s transformation includes finance and materials management for improved cash flow, data services, project system, HR functions, automated project creation, and a Goods and Services Tax (GST) application with intrafirm invoicing. LTI also implemented real-time timesheet booking with a mobile approval capability and chatbots for the end-user assistance.

Benefits
The new intelligent enterprise IT infrastructure:

• Supports new business models to grow revenue and shareholder value.
• Increases profitability through automation of manual tasks and reduces fraud and error rates.
• Improves cash flow with lower inventory and tighter receivables management through proactive asset maintenance.
• Lowers the cost of operational reporting while improving the agility, speed, reliability, and comprehensiveness of analytics.