



In the experience economy, intelligent **Industrial Machinery & Components** enterprises consistently deliver on their promise to provide efficient, reliable and high-performance equipment.

1. They provide the digitally enabled machinery and equipment so that other companies can innovate their business - driving **topline revenue**

2. They are spearheading innovative processes themselves leveraging digital capabilities of the equipment they use - achieving **bottom line cost savings**

To keep their customer promises, they focus on five strategic priorities which require new business capabilities

R&D / Engineering Sales & Marketing Supply Chain Manufacturing Aftermarket Service Procurement Finance Human Resources

- Customer centricity
- Serving the "Segment of One"
- Digital smart products
- Digital supply networks & smart factory
- Servitization & new business models

<ul style="list-style-type: none"> Enable concept testing with customers Deliver product innovations resulting from actual equipment use and operator experience feedback Collect structured requirement based on interactions with customers, design partners and market analysis 	<ul style="list-style-type: none"> Contextualize customer engagement Engage omnichannel solution selling Organize and empower sales teams Constantly monitor brand performance in the market Intelligent pricing optimization Differentiated customer experience 	<ul style="list-style-type: none"> Foster demand-driven, collaborative supply networks Enable on-time delivery and advanced availability-to-promise capabilities 	<ul style="list-style-type: none"> Adjust production orders with greater flexibility based on customer priorities Foster an agile and responsive manufacturing network Track and trace individual products 	<ul style="list-style-type: none"> Organize and empower teams Flow customer information across channels (including experience history) Personalize end-to-end service parts processes Access a service knowledge database Product satisfaction analysis 	<ul style="list-style-type: none"> Find and contract talent with specific noncore skills Drive new strategies outside the current business scope Derive insights to enhance situational awareness and speed-to-decision 	<ul style="list-style-type: none"> Use simulation and analysis to evaluate financial implications of strategic business choices Manage the customer portfolio strategically 	<ul style="list-style-type: none"> Maintain a pipeline of top talent Attract and secure top talent Monitor employee engagement Work with customers through flexible contracting Enable social collaboration among teams
<ul style="list-style-type: none"> Modularize product concepts and well-structured product families Use platform models across product families Select engineer-to-order capabilities during the sales configuration process 	<ul style="list-style-type: none"> Personalize marketing and sales Segment customers with sophistication Provide intelligently configure products and manage variants including costing 	<ul style="list-style-type: none"> Plan sales and operations with flexibility Support responsive material requirement planning Promote efficient and flexible internal and external logistics and supplier collaboration 	<ul style="list-style-type: none"> Produce for a lot size of one with high asset utilization and optimal set-up times Integrate seamlessly sales orders with specific parameters with the shop floor Give electronic work instructions 	<ul style="list-style-type: none"> Offer tailor-made services Deliver an equipment-specific service portfolio Gain full transparency into equipment lifecycle information Provide an easy buying of services and parts 	<ul style="list-style-type: none"> Enable economies of scale and flexible call orders with strategic and agile global supplier-network management Onboard alternative suppliers with flexibility 	<ul style="list-style-type: none"> Analyze profitability instantly across multiple dimensions such as product groups, customers, projects, profit centers, and plants 	<ul style="list-style-type: none"> Assess, forecast, and address skill gaps Onboard and train employees quickly and seamlessly
<ul style="list-style-type: none"> Adopt a systems engineering approach that includes mechanical, software, and electronic capabilities Embed the technology foundation for equipment networks Manage digital IP effectively Incorporate product feedback channels 	<ul style="list-style-type: none"> Enable collaborative solution and value selling Generate leads through predictive product replacement and precise segmentation Sell Software 	<ul style="list-style-type: none"> Track digital components Actualize efficient replenishment strategies Enable 3D printing for spare parts Use digital twin throughout entire supply chain 	<ul style="list-style-type: none"> Install and manage in-product software Support advanced testing and connectivity management 	<ul style="list-style-type: none"> Provide services for digital smart products Enable a feedback loop in internal business processes including operator experience Connect digital products in the field with an equipment network 	<ul style="list-style-type: none"> Execute procurement strategies for 3D-printed service parts Bundle third-party service with products Identify and contract suppliers closely connected with Product Design and Engineering 	<ul style="list-style-type: none"> Include payment models for digital services in product calculations and financial reporting Manage and help ensure digital rights compliance 	<ul style="list-style-type: none"> Train and certify workforce on new digital technologies Work with universities and external entities in a flexible manner Engage in knowledge sharing and community building
<ul style="list-style-type: none"> Integrate manufacturing engineering with electronic and manual management of bills of materials Visualize manufacturing processes digitally based on harmonized product data 	<ul style="list-style-type: none"> Forecast sales precisely and reliably Align supply chain and sales planning Route customer orders directly into the factory as production orders 	<ul style="list-style-type: none"> Achieve real-time end-to-end visibility into supply chain management Plan demand and supply flexibly Integrate material management—from shop floor to warehouse 	<ul style="list-style-type: none"> Integrate vertically up to the customer Support machine-to-machine integration Innovate plug-and-produce processes Provide benefit from a digital twin of the manufacturing facility 	<ul style="list-style-type: none"> Collaborate on equipment data through a network Handover as-built equipment information seamlessly to aftermarket services Produce service parts by 3D printing 	<ul style="list-style-type: none"> Allow contractual enablement of global supply chains with multi-tier suppliers management Automate and simplify the integration of material suppliers 	<ul style="list-style-type: none"> Optimize working capital Manage increased financial risks associated with highly flexible supply chains and manufacturing operations 	<ul style="list-style-type: none"> Empower employees to make decisions in real-time Manage external contractors with greater flexibility Enable agile work teams
<ul style="list-style-type: none"> Calculate actual equipment use Offer digital services with data platforms Support equipment information sharing along the value chain 	<ul style="list-style-type: none"> Support omnichannel solution selling Sell data and digital services Manage contract value Charge based on performance Enable customer self-service 	<ul style="list-style-type: none"> Collaborate with customers and suppliers Improve demand sensing and automate replenishment Optimize service parts planning and logistics performance 	<ul style="list-style-type: none"> Deliver on the highest quality requirements Avail manufacturing parameters to service processes Distribute product-use information for production planning 	<ul style="list-style-type: none"> Deliver performance-based services and products as a service Monitor remote asset conditions and performance as well as operator experience Measure satisfaction with crowd services Innovate digital value-add services 	<ul style="list-style-type: none"> Augment the workforce by integrating contingent workers efficiently Deliver the highest quality in the shortest time through service-parts collaboration 	<ul style="list-style-type: none"> Finance and manage the risk of assets that are operated for customers through a product-as-a-service contract Allow financial controlling of performance-based service contracts 	<ul style="list-style-type: none"> Procure and manage contingent labor and services for an optimized service delivery across regions

Typical business benefits*

<ul style="list-style-type: none"> New products revenue: + 10-20% R&D cost: - 20-30% Revenue targets met by production: +15-20% 	<ul style="list-style-type: none"> On-time delivery: + 10-20% Inventory levels: - 25-30% Customer satisfaction: + 10-20% 	<ul style="list-style-type: none"> Cost due to stock-outs: - 20-25% Days in inventory: - 10-12% Total logistics cost: - 10-12% 	<ul style="list-style-type: none"> Total manufacturing cost: - 10% Manufacturing cycle time: - 10% Scrap value: - 25% 	<ul style="list-style-type: none"> Revenue leakage: - 7-9% Service delivery cost: - 4-5% Cost of noncompliance: - 4-5% 	<ul style="list-style-type: none"> Procurement function cost: - 15-20% Worker acquisition time: - 30-40% Days payable outstanding: - 2-5 days 	<ul style="list-style-type: none"> Days to close annual books: - 40-50 Budgeting & forecasting cost: - 25-50% Audit cost: - 20-40% 	<ul style="list-style-type: none"> Lower time and attendance function cost HR full-time equivalents: -44%
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Intelligent Suite

Intelligent Technologies

Digital Platform

<p>Digital Core SAP S/4HANA</p> <ul style="list-style-type: none"> Product development and project control Product engineering Embedded software management Classic variant configuration 	<ul style="list-style-type: none"> Order and contract management Sales order fulfillment cockpit User experience and interface solutions Settlement management 	<ul style="list-style-type: none"> Basic inventory, warehousing, and transportation Production planning Real-time inventory management Multilevel goods receipt 	<ul style="list-style-type: none"> MRP live Production operations Quality management Manufacturing insights 	<ul style="list-style-type: none"> Service master data and agreement management Service operations and processes Service parts management 	<ul style="list-style-type: none"> Sourcing and contract management Operational and service procurement Invoice and payables management Supplier management Procurement analytics 	<ul style="list-style-type: none"> Core accounting Cost management and profitability analysis Basic financial operations 	<ul style="list-style-type: none"> Time recording
<p>Extensions</p> <ul style="list-style-type: none"> Enterprise portfolio and project management with embedded commercial project management Product lifecycle management Advanced variant configuration 	<ul style="list-style-type: none"> Sales planning and performance management Billing and revenue innovation management 	<ul style="list-style-type: none"> Extended production scheduling and delivery planning Advanced inventory, warehousing, and transportation Advanced order promising (AATP) 	<ul style="list-style-type: none"> Complex manufacturing Demand driven MRP Extended production scheduling and delivery planning 	<p>SAP C/4HANA</p> <ul style="list-style-type: none"> Field service mgmt. Commerce Revenue 	<p>SAP Ariba</p> <ul style="list-style-type: none"> Direct and indirect material sourcing Supply chain collaboration Supplier management and collaboration Guided end-user buying <p>SAP Fieldglass SAP Concur</p>	<ul style="list-style-type: none"> Financial planning and analysis Accounting and financial close Treasury management Commodity management Governance, risk, and compliance 	<ul style="list-style-type: none"> Core human resources and payroll Talent management Time and attendance management Human capital analytics <p>SAP Fieldglass SAP Concur</p>
<ul style="list-style-type: none"> Engineering control center Visual enterprise Innovation management Cloud for product stewardship Digital operations for R&D (Production engineering) 	<ul style="list-style-type: none"> Price and margin management Entitlement management Social collaboration <p>SAP C/4HANA</p> <ul style="list-style-type: none"> Sales Marketing Commerce <p>product EXPERIENCE brand EXPERIENCE</p>	<ul style="list-style-type: none"> IBP - Sales, inventory and operations planning IBP - Demand sensing and planning IBP - Response and supply orchestration Supplier network collaboration Extended warehouse management Transportation management 	<ul style="list-style-type: none"> Responsive manufacturing (ME, MII, QIM, VE) Production operations (MII, QIM) Digital operations for manufacturing Digital manufacturing insights (incl. Predictive Quality) 	<p>customer EXPERIENCE</p> <ul style="list-style-type: none"> Asset intelligence network Predictive maintenance and service Service ticket intelligence 	<p>SAP Ariba SAP Concur</p> <ul style="list-style-type: none"> Contract consumption Sourcing simulation and optimization Augmented decision-making for purchasing 	<ul style="list-style-type: none"> Governance, risk, and compliance Financial services network Digital payments add-on 	<ul style="list-style-type: none"> Core human resources and payroll Talent management Time and attendance management Human capital analytics <p>employee EXPERIENCE SAP Fieldglass SAP Concur</p>
<ul style="list-style-type: none"> Product lifecycle costing Intelligent product design 	<ul style="list-style-type: none"> Product configuration powered by machine learning Real-time predictions and scoring (marketing) 	<ul style="list-style-type: none"> Global track and trace Vehicle insights 	<ul style="list-style-type: none"> Remote condition monitoring of assets Distributed manufacturing (incl. additive) Industry 4.0 manufacturing performance management 	<ul style="list-style-type: none"> Asset intelligence network Predictive maintenance and service Service ticket intelligence 	<ul style="list-style-type: none"> Contract consumption Sourcing simulation and optimization Augmented decision-making for purchasing 	<ul style="list-style-type: none"> Digital boardroom Accounts payable Cash application 	<ul style="list-style-type: none"> Resume matching Job matching Job standardization
<p>Internet of Things</p>	<p>Machine Learning</p>	<p>Analytics</p>	<p>Data Intelligence</p>	<p>Blockchain</p>	<p>Big Data</p>	<p>SAP Cloud Platform: API Business Hub - Market Place - Portal - API Management - Collaboration Services - Mobile Services - UX Services - Big Data Services - Security Services - Analytics Services - Integration Services</p> <p>SAP Data Management: SAP HANA - SAP Data Hub - Meta Data & Lifecycle Management - SAP Vora - Orchestration & Governance - Smart Data Integration - 3rd Party Spark / Hadoop - Streaming Analytics - Data Lifecycle Management</p>	

* Benefits are based on early adopters of SAP S/4HANA, or conservative outside-in benefits due to moving from a traditional ERP to SAP S/4HANA. SAP Leonardo and other relevant SAP solutions. Digital Core: Core solution capabilities delivered as part of SAP S/4HANA Enterprise Management. Digital Core: Solution capabilities that are part of SAP S/4HANA Enterprise Management, but added or purchased as needed. For information or questions send email to georg.kube@sap.com