THE INTELLIGENT ENTERPRISE IN THE EXPERIENCE ECONOMY FOR PROFESSIONAL SERVICES FIRMS

Facing disruptions and introducing innovations to provide a positive customer experience
Dear Customers and Partners,

Will the largest services firms of the future have no employees? For years, the industry was built on the “leveraged talent” model – teams of highly educated people would grapple with a problem for a client and charge fees based on time and materials. Today, that model is giving way as professional services firms automate basic tasks, develop digital knowledge-based products, and rely more on a network of nonemployee workers.

Never before has technological advancement offered more innovation and transformation opportunities for this industry. Intelligent technologies allow firms to grow revenue without increasing headcount. They can also empower employees, so they can provide higher value-added services for customers.

Thanks to emerging business models, firms can reinvent themselves on the fly, creating new markets, reaching new clients, and tapping into an unlimited supply of talent unconstrained by geographical barriers. When combined with automation, machine learning, and digital platforms, professional services firms can scale up and down on demand.

In the past, intellectual property was available only for customers in formal engagements. However, forward-looking service firms are unbundling their service lines and monetizing institutional expertise through digital services, blurring the boundaries of firms and challenging traditional service lifecycle patterns. By providing access to digitalized expertise, professional services firms can rewrite the economics for their business. But to do so, they need to understand the full lifecycle of the digital service, including the initial cost to develop; ongoing support; and lifetime revenue.

We have identified three strategic priorities critical for making the transition:

- **Outcome-based engagements**: Clients are increasingly focused on business outcomes rather than the effort involved.
- **Knowledge as a service**: Clients have an increased demand for dynamic, subscription-based access to expertise and solutions.
- **Talent networks**: Digitalization of talent has made new business models possible with the ability to source talent from outside the boundaries of a firm and maintain high engagement levels.

Increased focus on the employee experience will improve employee engagement. It’s possible to attract, develop, and retain top talent by getting insight into total workforce engagement and enabling talent to be more productive. True engagement happens when employees have positive relationships with both the firm and its clients.

These priorities represent a dramatic strategic shift – one that requires business transformation driven by the adoption of technical, cultural, and organizational change. Firms must overcome concerns of cannibalization on their path to establishing these new substantial revenue streams. Perhaps most difficult, leadership must stress agility and flexibility in how they deliver their services – no small task for an industry that built its success on the leverage talent model.

Future-facing firms will enable flexible workforce models that meet the needs of a generation of talent that does not have a traditional “job for life” mindset.

This paper takes a deep dive into the trends shaping our industry over the next five years and the path forward. In it, we propose a set of priorities that will propel positive change and the tools that will make it possible.

The basic value proposition of services companies – providing specialized expertise to their clients – will not change. But in 2025 it will not just be what they know but also how they deliver their knowledge that drives the growth of professional services firms. Professional services companies are instrumental in helping their clients undergo digital transformation. Now is the time for those same firms to transform themselves.

Sincerely yours,

Jonathan Rhodes
Global Vice President
Professional Services Industry
SAP SE
TABLE OF CONTENTS

3 Welcome
5 Our Place in the New World
7 Paving the Way for Business Model Innovation
8 Three Priorities for Success
9 Outcome-Based Engagements
11 Knowledge as a Service
13 Talent Networks
15 Key Technologies
17 Getting There: A Phased Approach
18 SAP Framework for the Intelligent Enterprise in the Experience Economy
19 How to Plan Your Path to the Intelligent Enterprise
20 Comprehensive SAP Ecosystem Orchestrating The Partner Ecosystem To Deliver Value Faster
21 SAP Is Committed to Innovation
22 Resources

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Professional services firms are often seen as the vanguard of digital transformation for their clients. However, they are beginning to realize that no industry is immune to digital disruption.

Firms are now experiencing this disruption themselves, with major trends impacting how they engage with clients, how they are structured, and who they compete against.

- **Digital delivery**: For many years, the competitive advantage of a professional services firm has been its people and the expertise they offer. Traditionally, this expertise has been in the form of face-to-face engagement charged at an hourly rate plus expenses. Artificial intelligence (AI) and machine learning (ML) are now being applied to highly complex tasks and processes. These developments, coupled with data ubiquity and a higher degree of price and quality transparency, are empowering clients and changing the way clients obtain services.

  The most innovative firms are radically rethinking their business models and delivering services digitally through subscription platforms to deliver great client and employee experiences. This approach still requires expert resources to develop and train the platform and make it scalable and available across geographies. The result of this effort is enabling firms to unlock the value of nonlinear growth (see Figure 1).

  A recent study conducted by Duke University and the University of Southern California pitted 20 experienced human lawyers against an AI system trained to evaluate legal contracts. The results showed the humans achieved an accuracy rate of 85%; the AI system achieved a rate of 95%. Humans took an average of 92 minutes to complete the task; the AI system took 26 seconds.²

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**Figure 1: Driving Revenue with Nonlinear Growth**

![Nonlinear Growth Revenue Model](image)

- **Nonlinear-growth revenue model**: Intellectual property and automation embedded into service
- **Traditional linear revenue model**: Margin limited by the incremental variable cost of people
Rise of the virtual firm: We are seeing that new client demands are putting pressure on firms to be increasingly agile. A combination of new technologies such as AI and digital automation enable firms to improve productivity and increase the use of freelance or contingent resources to enable a flexible workforce, manage capacity, and crowdsource specialists for specific tasks. Technology platforms now support the matching of demand from firms to often scarce supply, and global collaboration tools enable freelancers to work from anywhere, allowing the virtual firm to become a reality.

We are seeing an evolution from the typical pyramid staff structure to one where contingent workers are being used at all levels and fewer resources are required at the base due to automation (see Figure 2). Even now, global firms such as EY and PwC are establishing their own virtual talent platforms (such as EY’s GigNow) that allow independent contractors to find work at top companies. McKinsey has estimated that by 2025, talent platforms could add US$2.7 trillion, or 2.0%, to global GDP, benefiting up to 540 million individuals.

Disruptive market entrants: We are seeing automation through technology lower the cost to deliver services and transform the way clients consume services. Global collaboration tools are allowing freelancers to work from anywhere, and platforms enable firms to reach clients in a truly virtual manner. These changes have removed many barriers to entry for new market entrants to offer services that can now be performed more efficiently, digitally, virtually, and fully automated at a significantly lower cost.

Despite the perception of traditional firms that their reputation protects them from these new disruptive market entrants, no industry is immune from digital disruption and the possibility of being challenged by an innovative startup (see Figure 3). Firms must now face threats of new rivals that have disruptive business models and threaten the commoditization of the firm’s core services. We are seeing startups such as Catalant and Talmix provide access to experienced resources and teams by using technology to tap into expertise on demand.

Figure 2: From Staff Pyramid to Talent Platform

Figure 3: Digital Disruption Model of New Entrants
Because of emerging innovations, firms can reinvent themselves on the fly, creating new markets, reaching new clients, and tapping into an unlimited supply of talent not constricted by geographical barriers. With automation, machine learning, and a digital platform, professional services firms can scale up and down on demand. This being the case, what could future change look like in the professional services industry? A study by the University of Oxford suggests that by 2025 and beyond, many employee roles in the services economy will be automated. It predicts that there is a 95% chance that the activities performed by accountants and auditors will be automated. Digitalization has already disrupted several industries significantly, where pure technology companies are delivering products and services virtually. Could this be the future for professional services, where the largest firms have no employees? Where firms deliver services digitally and through extended talent networks rather than their own employees? We have seen examples to date where firms such as Eden McCallum are delivering services today without the need to hire headcount. Future-facing firms need to embrace emerging technology and automation, unlocking value and enabling flexible workforce models to provide agility while meeting the needs of a generation that does not have a traditional “job for life” mind-set. Intelligent automation will enable employees and contingent workers to be augmented by AI, ML, and a virtual workforce, freeing them to be more focused on innovation and delivering exceptional value to clients. To meet their strategic priorities and to achieve this vision, it is critical for firms to embrace intelligent automation. With 2025 just a few short years away, firms need to act now to be able to compete in the upcoming evolution of this industry.  

**Will Automation Take Your Job in 20 Years?**

- **94%** Accountants and auditors
- **71%** Service technicians
- **84%** Security guards
- **89%** Legal associates

**110 million–140 million**

Output of FTEs that could be taken on by knowledge work automation tools and system points.

**20%**

Of business content will be authored by machines by 2018.

**75%**

Of workers whose daily tasks involve the use of enterprise applications will have access to intelligent personal assistants by 2019 to augment their skills and expertise.

**50%**

Of enterprises will be spending more per annum on bots and chat bot creation than traditional mobile app development by 2021.

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“Our employee base is 75% millennials, and we hire 100,000 people each year. We made sure our enterprise was getting the right experience at the right time from very rapidly changing technology. You might even say that I’m a chief experience officer now, given how much I concentrate on our employees’ experience and outcomes across our business.”

Andrew Wilson, (former) CIO Accenture

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THREE PRIORITIES FOR SUCCESS

We have identified three strategic priorities necessary for professional services companies to transform their business:

- Outcome-based engagements
- Knowledge as a service
- Talent networks
OUTCOME-BASED ENGAGEMENTS

The classic time-and-materials business model where firms sell expertise on an hourly basis has proven highly profitable for professional services organizations for many years.

However, increasingly, customers are expecting a more predictable experience with such an open-ended approach, especially when services can be delivered digitally or virtually. Firms must be able to bid for, execute on, and monitor outcome-based engagements where payment is based on a predefined set of outcomes – not defined in terms of the effort performed but on the impact achieved. Feedback from customers on the opportunity lifecycle, including reasons for their decisions, can help improve the quality of future bids.

The Journey
Firms will need to implement a framework to deliver outcome-based engagements successfully, starting early in the engagement process and leveraging capabilities such as intelligent deal scoring, intelligent bid management, strategic execution, and postdelivery processes.

Firms need to establish a smart, regimented bidding process that makes sure proposals are rigorously developed, are accurate, and use insights from past engagements to ensure the outcomes can be realistically delivered with the planned effort. This then extends into the execution of the engagements, proactively ensuring that engagements are delivered as intended to protect margins and using predictive techniques to identify possible future issues.

With experience management technology, professional services leaders can get quick, accurate insights on the key drivers of client experience and thus influence service KPIs. They can act on insights and implement programs to drive strategic business outcomes and deliver better services more efficiently.

Critical to any outcome-based engagement are clear accountability and measurement, as these foster a highly collaborative relationship between firms and customers.

"Professional IT services vendors are moving beyond the era of labor arbitrage. To stay on track with this trend, Cognizant continues to invest in its IP portfolio to develop its nonlinear growth model."

Jennifer Hamel, Research Analyst, TBR

Cintas, a leading U.S.-based multiservice provider for garment rental and cleaning services, created a digital client experience by using an intuitive storefront across sales and service. Clients get a full view of Cintas’ portfolio.
OUTCOME-BASED ENGAGEMENTS

Intelligent Bid Management Is Extending Service Planning

Building competitive bids to meet sophisticated customer requirements while ensuring engagement success and profitability is becoming an insurmountable task in today’s instantaneous business environment.

Imagine a platform that understands your customer’s unstructured requirements and translates them into packages of work that you have already successfully proposed or delivered in the past. It immediately identifies similar past bids and projects and recommends the closest fit so that you can provide your customer with an immediate proposal. And it can go even further – it recommends the best mix of skills, prompts you on resource availability, and, based on previous learning, advises you on what to do or what to avoid to deliver successfully.

TRADITIONAL SCENARIO

Partner meets with client who requests a bid. They send request to bid team to formulate a proposal. Bid team performs bottom-up planning and offline research. There are multiple revisions and sharing of spreadsheet. The bid is reviewed with the partner. The final bid is prepared. The bid is delivered to the client.

30 days

NEW-WORLD SCENARIO

Partner meets with client, who requests a bid. The partner gets an automated suggestion of a draft bid based on intelligent identification of previous similar successful projects. The bid is reviewed with the partner. The partner quickly tweaks the bid. The bid is delivered to the client.

1–2 days (or hours)

<table>
<thead>
<tr>
<th>Requirements validation</th>
<th>Solution design</th>
<th>Project and service estimation</th>
<th>Resources availability check</th>
<th>Review and approval</th>
<th>Bid submission</th>
</tr>
</thead>
</table>

TOP VALUE DRIVERS

<table>
<thead>
<tr>
<th>10%</th>
<th>1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher win rate in sales pursuits</td>
<td>Increase in resource utilization that has a large impact on overall firm profitability</td>
</tr>
</tbody>
</table>

Note: Benefits are based on results from early adopters of SAP S/4HANA® or are conservative outside-in estimates of the benefits of moving from a traditional ERP system to enhanced SAP S/4HANA with line-of-business and cloud capabilities. As each enterprise is at a different level of maturity, our recommendation is that you work with SAP to determine the value proposition for your enterprise.
As a result of this pervasive technology, customers have greater insight into how professional services firms work and their knowledge vaults, which has increased the demand for dynamic, subscription-based access to their expertise and solutions. Technology advances are allowing firms to adopt digital platform strategies through which they can innovate at speed and deliver expert knowledge in a digital package at scale.

**The Vision**
Unlock nonlinear growth. Professional services firms will drive new revenue streams through innovative and new digital services that are instantly available, accessible, and affordable on an agile digital platform.

To address their clients’ demands, professional services firms can benefit from their own valuable expertise and content beyond the immediate engagement. In the past, intellectual property was available only for customers in formal engagements and was a key point of differentiation. However, the more innovative service firms are unbundling their service lines and monetizing their institutional expertise. Firms are transforming their client-facing business to provide offers for the digital age. Firms are supplying relevant digital services; for example, providing tax or legal advice by using intelligent natural-language processing.

Additionally, they can ensure client adoption of digital services by incorporating functional enhancements based on client usage and recommendations. Technologies and platforms are allowing firms to scale up or down quickly, blurring the boundaries of firms and challenging traditional service lifecycle patterns.

**The Journey**
Firms will need to take advantage of their knowledge vaults and expertise to develop solutions and services that can be consumed digitally, thereby delivering knowledge and expertise as a service. In addition, with valuable feedback on bundled services usability, they have access to indicators of subscription renewal, which directly influences future revenues.

By providing access to digitalized expertise, professional services firms will rewrite the underlying economics for their business in that they will need to understand the full lifecycle of the digital service, including the initial cost to develop; ongoing support; and lifetime revenue. For firms to enable the full lifecycle of knowledge as a service, they need to adopt a continuous innovation process and digital cloud platform that contains all the required components: data platform, readily available business services, feedback on the product or solution experience, and intelligent technologies under the umbrella of an innovation system.

Enabling client access to core expertise can be challenging, as firms need to overcome significant internal cultural barriers and concerns of cannibalization on their path to establishing this as a substantial supplemental revenue stream.

The danger is that if a firm does not disrupt itself by providing knowledge as a service, then a new market entrant will.

**KNOWLEDGE AS A SERVICE**

Hyperconnectivity, social media, mobile, cloud, Big Data, and AI are all converging toward an ever-increasing demand for anytime, anywhere access to information.

McKinsey has an innovative service line called McKinsey Solutions, which provides software, technology-based analytics, and tools that can be embedded at a client site.

**Three Priorities for Success**

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The emerging economies – the outcome, shared, or gig economy – put immense pressure on professional services firms to adapt their processes in real time and on the fly.

Imagine a platform that allows you to modularly, seamlessly, and instantaneously define your dynamic processes from the quote of a simple productized service or complex business solutions across the entire value chain: pricing, delivery, revenue recognition, billing, and invoicing.

### TRADITIONAL SCENARIO

- Time-intensive manual price-quote process is performed individually for each service with no support for digital services.
- There is no single view of all service delivery and forecast margins for combined offerings.
- There is no support for subscription-, usage-, or outcome-based business models.
- Different revenue recognition methods for each component are performed periodically using batch processes.
- There are several invoices for one solution, with no integration of different delivery channels.

### NEW-WORLD SCENARIO

- **Configure, price, quote**
  - Fast, accurate, and consolidated quotes for complex solutions, including digital services offerings.
- **Service delivery**
  - Single view of all related services providing real-time visibility into revenue and margins and ability to forecast and predict outcomes.
- **Recurring digital services**
  - Support for subscription-, usage-, and outcome-based business models such as digital services.
- **Revenue recognition**
  - Real-time revenue recognition models from fixed price to subscription and usage based.
- **Billing and invoicing**
  - Single invoice across all billing types for services, projects, and products.

### TOP VALUE DRIVERS

- **95% Faster** quote-to-order process when quotes are configured by configure, price, quote.
- **46% Fewer** customer complaints when real-time order, billing, and invoicing are available.
- **Create** new revenue streams.

**Note:** Benefits are based on results from early adopters of SAP S/4HANA or are conservative outside-in estimates of the benefits of moving from a traditional ERP system to enhanced SAP S/4HANA with line-of-business and cloud capabilities. As each enterprise is at a different level of maturity, our recommendation is that you work with SAP to determine the value proposition for your enterprise.

Three Priorities for Success

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At the same time, there is a massive cultural shift toward talented young professionals wanting a new work experience as free agents.

The result is that traditional resourcing models are being disrupted. Faced with the need to flexibly scale their workforce according to demand, professional services firms need to tap into talent networks to secure the right skills and resources at the right moment. Digitalization has enabled the emergence of an open talent economy that brings together people and work in a borderless workplace. Talent is readily accessible on a global basis, driven by the gig economy, crowdsourcing, and global platforms and networks.

**The Vision**
Unlock infinite capacity. Professional services firms will use talent networks as an extension of the firm and seamlessly deploy these resources alongside their own employees, allowing them to flexibly scale resource capacity and access scarce skills.

Firms now have the opportunity to provide exceptional client services based on an extended professional network that brings together best-of-breed experts from around the world. While it is typical of professional services firms to hire freelancers and subcontractors, the emphasis is usually on augmenting staff on an as-needed basis rather than including external talent networks as a primary resource pool. With solutions to measure the employee experience, contingent workers can provide feedback on engagements and experience of delivery for an external view of engagement performance.

**The Journey**
Professional services firms will need to quickly enhance resource management processes to enable the changes from “who do I have with skills available” to “who is the optimal person (internally or externally) to deliver the service.” Integrating talent networks, along with internal resource pools and even applicant profiles, will enable firms to make sophisticated “staff, hire, or contract” decisions that are based on a combination of skills, availability, cost, quality, and strategic criteria (see Figure 4).

Resource managers can use intelligent resource management capabilities to recommend resource staffing plans based on a combination of internal talent, alumni, best-of-breed contractors, freelancers, applicants, and open-source talent.

Intelligent onboarding and personalized learning processes can be used to integrate external talent with the company’s culture and working methodologies, key internal knowledge, and expertise. This is critical to provide clients with a consistent brand experience and level of service.

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**Figure 4: Professional Services Talent Supply Chain**

Client insight > Pipeline > Planning, scheduling, and billing > Supply

Employees, Recruits, Contingent workers

“...we’re extending our workforce by tapping into the gig economy with our own advanced technology recruitment platform, GigNow. We’re proud to once again be recognized as one of the world’s best employers by organizations such as the Great Places to Work Institute, *Fortune*, Universum, and *DiversityInc.*”

Mark Weinberger, Former Global Chairman and CEO, EY

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*Eden McCallum’s project teams are staffed with highly experienced freelance consultants. Its 300+ client base includes one-third of the FTSE 100, one-third of the world’s largest private equity firms, and 50 of the global Fortune 500. The company has delivered more than 1,500 projects in strategy, operations, change, and organization, working in all major sectors and regions of the world.*
TALENT NETWORKS

Intelligent Resource Management Is Optimizing Staffing

Timely engagement staffing with the right resources and visibility into the staffing pipeline have been known challenges for the professional services industry.

Imagine a platform that automatically collects the “digital exhaust” of employees and even contingent workers and builds a skills profile as they perform their daily jobs, pulling keywords and relationships from enterprise systems such as collaboration hubs, project management, and learning and career planning systems. Employees could further extend their “storefront” with additional skills, interests, and resumes. As people are staffed to projects and deliver work, this technology can learn which matches were more (or less) successful and keep on learning to improve future searches, helping resource managers find the ideal talent at the click of a button. Feedback from both employees and contingent workers can be acted upon to ensure an optimal customer and employee experience.

TRADITIONAL SCENARIO

Partner meets with client, who asks for experts with great experience. Partner delegates to engagement manager to find resources. Resource manager manually searches among internal resources for staff with skills and availability. Staff is proposed and rejected. New staff is proposed, or requirements are sent to external partners by e-mail. Multiple iterations take weeks of effort. Final staffing plan is confirmed. Despite the delayed response, the partner wins the work. The engagement manager starts the project.

NEW-WORLD SCENARIO

Resources demand
Partner meets with client, who asks for experts with great experience.

Workforce scheduling and forecasting
Find me a resource with . . .
Partner uses intelligent resource management to find staff with the right skills and availability across internal and external resource pools.

Talent supply
Staffing is intelligently proposed based on previous experience and validated by the engagement manager.

Engagement execution
The engagement manager can start on time and with the best team.

TOP VALUE DRIVERS

10% Higher project team productivity and end-to-end process efficiency
40% Lower worker acquisition time
17% Lower cost per hire for organizations with recruiting self-service for managers

Source: SAP Performance Benchmarking

Three Priorities for Success
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Intelligent technologies enable great benefits such as productivity and efficiency gains, innovative new business models, and superior customer service. The following key technologies are major drivers of industry trends.

**Artificial Intelligence and Machine Learning**
AI and machine learning (ML) are changing virtually every aspect of our lives. Today, ML algorithms accomplish tasks that until recently only expert humans could perform. Advances are enabling machine learning to become highly accurate in natural-language understanding and in image and speech recognition. Digital assistants and conversational user interfaces have already become the next generation of interaction with businesses, ranging from supporting simple HR requests to enabling complex bidding and estimation processes.

**The Next Generation of Robotic Process Automation (RPA) – Intelligent RPA**
Intelligent RPA tools have already automated many manual tasks, such as using bots to simulate human activities for processing a transaction, manipulating data, triggering responses, and communicating with other digital systems. Intelligent RPA is the next evolution, where bots become more intelligent and autonomous rather than purely automating manual transactions. Imagine a future where you can tell your digital assistant that you have completed a task and it will automatically record your time and prepare the bill.

**Advanced Analytics**
The integration of advanced analytics capabilities enables business users to analyze transaction data on the fly and drives better decision-making. Empowered users can get real-time visibility into their operations, customer feedback, and changing environment; simulate the impact of business decisions; mitigate risk; and achieve better outcomes. Analytics can also drive innovative new business models, as in the case of Bloomberg Law’s Litigation Analytics, which enables users to search millions of legal data points to better advise clients, predict possible outcomes, and develop their litigation strategy.
Conversational AI
Conversational AI represents a huge advancement in the way we interact with business systems—and the world in general. Using voice and chat is a natural way to interact with a computer, as it requires no learning curve. This method of human-computer interaction makes powerful business solutions simpler to use, replacing swipes and clicks with a simple request to complete a task: “Hey, digital assistant, please record my vacation.”

Blockchain
Blockchain is revolutionizing the movement and storage of value by creating a secure chain of unalterable transactional data. The blockchain model of trust through massively distributed digital consensus is reshaping some of the fundamental aspects of the professional services industry, such as contract lifecycle management, payment and billing processes, trust and risk management, and commerce across the entire digital economy. In a world with a distributed workforce, you need to know you can trust their credentials.

Data Platform to Experience Management
Leaders are connecting operational data from companies’ business systems (what is happening) with the experience data coming from customers and employees (why it is happening) to get 360-degree views and actionable insights, and to deliver better experiences.

“Currently, firms have a people-first, technology-second strategy. Yet our research shows that in 10 years’ time, clients will expect their first interaction with a professional services company to be through a device.”
Shamus Rae, Head of Innovation and Investments, KPMG

“For professional services, the real value of AI – aside from how it can help work internally – is how advisors can build services on top of often preexisting technology platforms.”
Matthew Howard, Director of AI, Deloitte

60% Of human tasks automated by 2025
99% Accuracy in voice and video recognition by 2020
97% Image recognition accuracy today (better than human accuracy at 95%)
68% Of organizations using machine learning to enhance their business processes
75% Of fast learners expected to retrain employees to perform more interesting and higher-value tasks
2X Growth rate of revenue from information-based products over other products and services in one-third of Global 2000 companies
9 out of 10 Business leaders believe AI is critical to their companies’ survival in the next five years
Companies will become intelligent enterprises on three distinct tracks as they evolve their strategic priorities to match their company’s vision. They will:

- **Optimize** what they already do by implementing a stable and scalable digital core to make processes more transparent and integrated
- **Extend** their current processes by connecting them to the real world using IoT technologies
- **Transform** their business using a constant stream of data enabling new service-driven business models (see Figure 5)

**Figure 5: Strategic Priorities Across Lines of Business**

- **Knowledge as a service**
  - Intelligent deal scoring
  - Intelligent resource management
  - Intelligent resource matching

- **Talent networks**
  - Learning recommender
  - Intelligent service ticketing
  - Intelligent travel expenses
  - Intelligent project forecasting

- **Outcome-based engagements**
  - Intelligent deal scoring
  - Intelligent resource management
  - Intelligent resource matching

**Service Innovation**

- **Digital and intellectual property services**
  - New products and services
  - New business models
  - New revenue streams

**Partners**

- Customer

**Suppliers**

- Business networks

**Businesses**

- Optimize
- Extend
- Transform
Most organizations understand what is happening in their business but may not always know why.

They know what’s happening because they have systems that capture operational data – about their customer transactions, supply chain, manufacturing, spending, and the activities of their workforce. They can see that data through reports and dashboards. They can see trends and predict what will happen next.

But to influence what happens next, companies need data about the interactions that people have with their products and their business. Experience data captures beliefs, emotions, opinions, and perceptions – the “why” something is happening. And when companies know why something is happening, they can make an informed decision about the best way to respond.

To win in this experience economy, intelligent enterprises connect experiences with operations. They use both experience and operational data to guide their business decisions. Intelligent enterprises collect insights from customers, employees, products, and brands at every touch point. They use powerful technologies to automate and integrate their data, processes, and applications, enabling them to sense risks, trends, and opportunities. And they act on this intelligence across every part of their business (see Figure 8).

Only SAP has the strategy, expertise, and solutions to deliver on this vision, enabling intelligent enterprises to turn insight into action.

**Professional services firms are transforming into intelligent enterprises with SAP solutions.**

SAP uses the Learning Recommendations service for SAP® SuccessFactors® solutions across its base of more than 85,000 employees to help them acquire the skills and knowledge they need for their career and professional development.

**Figure 8: SAP Intelligent Enterprise Framework**

“"The beauty of cloud solutions from SAP is that you get the cutting-edge, feature-rich functionality without the investment in hardware hosting or long and tedious implementation.”

Sebastian Moore, CEO, Plaut IT Australia"^{23}

With a significant percentage of its workforce under the age of 35, EY leverages SAP SuccessFactors solutions to offer new ways of working and empowering its people to deliver what they need to wherever they are working.^{24}
HOW TO PLAN YOUR PATH TO THE INTELLIGENT ENTERPRISE

In the digital economy, intelligent technologies and integrated business processes are now driving digital transformation.

To do this effectively requires an end-to-end plan for becoming an intelligent enterprise. This includes creating an intelligent enterprise road map and implementation plan with proven best practices and deployment options that optimize for continuous innovation with a focus on intelligent outcomes.

The End-to-End Journey to Becoming an Intelligent Enterprise

Plan well to manage expectations

Simplify and innovate
- Reimagined business models, business processes, and work
- SAP Intelligent Enterprise Framework methodology as a guide for digital transformation
- Value-based innovation road maps

Build and launch with proven best practices

Standardize and innovate
- Model-company approach to accelerate adoption with model industry solutions
- Design thinking and rapid, tangible prototypes
- Coengineered industry innovations delivered with agility

Run all deployment models

Run with one global support
- One global, consistent experience
- End-to-end support – on premise, in the cloud, or with a hybrid approach

Optimize for continuous innovation

Optimize to realize value
- Continuously captured and realized benefits of digital transformation

To move forward with speed and agility, it helps to focus on live digital data and combine solution know-how and industry-specific process expertise with data analytics so that the right digital reference architecture is defined and delivered. In that context, a model-company approach is aimed at simplifying and increasing the speed of the digital transformation journey. Model companies represent the ideal form of standardization for a specific line of business or industry. They are built on preconfigured SAP solutions based on best practices supported by SAP, along with the business content that encompasses our experience and expertise relevant for the industry. They provide a comprehensive baseline and come with the accelerators to jump-start digital transformation projects.
COMPREHENSIVE SAP ECOSYSTEM
ORCHESTRATING THE PARTNER ECOSYSTEM TO DELIVER VALUE FASTER

Our comprehensive ecosystem for the Professional Services industry offers:

- The Intelligent Enterprise as the overarching strategy to meet future requirements, providing:
  - SAP S/4HANA co-development programs for customers and partners
  - Industry co-innovation programs for industry-specific use cases
  - Delivery of enterprise-to-enterprise industry clouds
  - Thought leadership, evangelism, and enablement by industry through events, councils, and regular customer exchange

- Integration into a wide range of business services (OEMs, suppliers, key vendors, and more)
- Open architecture, with a choice of hardware and software specifically designed to meet requirements
- Complementary and innovative third-party solutions to provide leading-edge and state-of-the-art technology

Our partner ecosystem includes, among others:

accenture    Microsoft    Capgemini    Deloitte

EY           itelligence   pwc         Google

IBM           Infosys      HCL        Blackline

keytree       Workforce Software

delaware      Celonis      servicenow  ADP
SAP IS COMMITTED TO INNOVATION

10-Year Innovation Vision
SAP delivers fully intelligent business solutions and networks that span across company boundaries and promote purpose-driven businesses. These solutions will be the most empathic symbiosis between machine intelligence and human ingenuity.

- Self-running enterprise systems
- Self-organizing business ecosystems
- New markets and business models

Comprehensive Industry Coverage
SAP enables end-to-end coverage of the complete professional services value chain. With its clear industry road map, SAP is the partner of choice for the professional services industry.

- More than 12,000 professional services firms in 152 countries innovating with SAP solutions
- 4 out of the Big Four accounting firms deploying SAP solutions to run their global business
- Support for all lines of business on a single platform

Proven Services Offering
By bringing together world-class innovators, industry and emerging technology expertise, proven use cases, and design thinking methods, we help professional services firms develop innovations that deliver impact at scale.

- Proven methodologies to drive innovation, from reimagining customer experiences to enhancing operations and the experience culture
- Innovation that is fueled through a managed innovation ecosystem from SAP
- Ability to build your own innovation capability and culture

SAP delivers the SAP Intelligent Enterprise Framework – a set of integrated business applications that use intelligent technologies and can be extended on our digital platform to deliver breakthrough business value to professional services firms.

Learn more
- SAP.com for Professional Services
- SAP Services and Support
Outlined below is external research that was used as supporting material for this paper.

12. “How Do We Create Value and Build Trust in This Transformative Age?,” EY, September 2018.

Note: All sources cited as “SAP” or “SAP Performance Benchmarking” are based on our research with customers through our benchmarking program and other direct interactions with customers.