Join the SAP S/4HANA® Movement
Unlock the Value of the Age of Intelligence

September 2019
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Learn more at sap.com/jointhemovement
Welcome to
The Age of Intelligence

It’s one thing to create, shape, and scale a business for the digital economy. But achieving market dominance requires an entirely different set of skills. Now more than ever, companies must closely tie customer data to operations in a closed loop to rapidly refine and define the customer experience.

Incumbents often gain the upper hand if they move quickly and intelligently, leveraging their existing data and operational scale. However, this is only possible when running on a foundation that enables real-time business operations and immediate insight to action.

Just when most companies have finally mastered the art and science of being data-informed, a more powerful movement is beginning to shake up the world of data, processes, transactions, and revenue generation: the Intelligent Enterprise.

An intelligent enterprise goes beyond using data to inform or measure. It also adds intelligent technologies, such as artificial intelligence, to acquire the vision, agility, and speed necessary to automate processes, impress customers, empower employees, and create new revenue streams.
The Intelligent Enterprise
Starts at the Digital Core

The reasons why you should choose SAP S/4HANA® as your digital core include:

1. **Real-time business**: Build and maintain a thriving business by listening, adapting, and responding to changing environments in real-time.

2. **Industry depth**: Acquire deep industry capabilities for every line of business with a digital core that’s just as unique as your business.

3. **Complete choice**: Choose a deployment strategy that is best suited for the needs of your business, including an on-premise, cloud, or hybrid environment.

4. **Agility**: Help ensure your business processes can keep pace with rising customer expectations.

5. **Extensibility and insight**: Access a comprehensive ecosystem of solution extensions that provides the tools and capabilities necessary to foster customer loyalty.

SAP S/4HANA forms a digital core that enables end-to-end, intelligent processes across all lines of business, specifically for your industry.

- **42%** Faster service delivery while lowering Days Sales Outstanding (DSO), was realized by Hoerbiger, an SAP S/4HANA® customer
- **10x** Increase in number of constructs built each month by Moderna Therapeutics, an SAP S/4HANA customer
- **45%** Faster closing processes for Enel SpA, an SAP S/4HANA customer
- **24x7** Access to timesheets for VINCI Energies, an SAP S/4HANA customer, with a mobile app built with SAP® Cloud Platform

Learn more at sap.com/jointhemovement
Why Choose SAP S/4HANA?
**Why SAP S/4HANA Is Built on SAP HANA**

Any database vendor can make things faster by running processes in memory. SAP HANA software applies its speed to a simpler data model, eliminating redundancies that are common in application design. As a result, you run transactions and analytics from the same data model without having to separate OLTP and OLAP.

| 1 | Batch processing is eliminated, allowing your system to learn and act continuously and empowering you to make timely, actionable insights |
| 2 | Business processes are improved while the IT landscape is simplified |
| 3 | Routine tasks are automated so you can focus on more strategic issues |

### Key Capabilities of SAP HANA®

- **Real-time processing**
- **Simplified data model**
- **Combined transactions and analytics**

### Benefits of SAP S/4HANA®

1. **Intelligent automation**
2. **Insight and prediction**
3. **Improved processes**
Move to SAP S/4HANA
to Realize More Benefits at a Lower Cost

<table>
<thead>
<tr>
<th>Can your ERP do this?</th>
<th>Traditional ERP</th>
<th>SAP S/4HANA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latest intelligent innovations</td>
<td>None</td>
<td>All</td>
</tr>
<tr>
<td>Data modeling</td>
<td>Complex and decades-old</td>
<td>Simplified, rearchitected, and free from redundancies</td>
</tr>
<tr>
<td>Business process improvements</td>
<td>Minor, constrained by a legacy database</td>
<td>Pervasive new capabilities and efficiency improvements</td>
</tr>
<tr>
<td>IT landscape improvements</td>
<td>None</td>
<td>Pervasive consolidation and simplification</td>
</tr>
<tr>
<td>Deployment choices</td>
<td>On-premise and cloud options are disconnected and inconsistent</td>
<td>Consistent data model and user experience across on-premise and cloud environments</td>
</tr>
<tr>
<td>Deployment road map</td>
<td>Focus on “keeping the lights on”</td>
<td>Move directly from legacy ERP systems to SAP S/4HANA and join industry leaders</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>With new outcomes to the business?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Live inventory management for unlimited, simultaneous material movements</td>
<td>✗</td>
</tr>
<tr>
<td>Subscription and usage-based billing practices</td>
<td>✗</td>
</tr>
<tr>
<td>Universal journal that unifies subledgers, transactions, and analysis based on a single source of truth</td>
<td>✗</td>
</tr>
<tr>
<td>Demand-driven material requirements planning (MRP) runs</td>
<td>✗</td>
</tr>
</tbody>
</table>
What Does SAP S/4HANA Mean for Your Business?
Traditional Processes Are No Longer Good Enough

Example: Order-to-Deliver Processes

Challenges

- **Sales Order Capture**
  - Manual sales order confirmation
  - Scheduled MRP on rigid timelines
  - Purchase requisitioning and production
  - Inventory management with limited visibility
  - Outbound delivery, transport planning, and dispatch

- **Challenges**
  - Delivery commitments based on outdated data, resulting in cancelled or delayed orders
  - Material shortages are unknown until the next business day due to the inability to rerun MRP during the day, delaying production
  - No way of knowing if a reliable supplier could deliver a missing part of material in time
  - Increased safety buffers to make up for the lack of inventory visibility, locking up capital
  - Transportation processes taking place in disparate systems with inefficient business partner collaboration
  - No real-time updates

Outcomes

- **False promises**
- **Production delays**
- **More production delays**
- **Higher inventory costs**
- **Unclear status for customer**
- **Lost customer**
Enable Better Customer Experiences

Example: Intelligent Order-to-Deliver Processes

<table>
<thead>
<tr>
<th>Key capabilities</th>
<th>Sales order capture</th>
<th>Online order confirmation</th>
<th>Live MRP</th>
<th>Real-time purchase requisitioning and production</th>
<th>Inventory management</th>
<th>Outbound delivery, transport planning, and dispatch</th>
<th>In-transit tracking in real-time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Image-based ordering</td>
<td>Feeding of time series data on delivery issues such as traffic impact to machine learning model</td>
<td>Frequent MRP runs throughout the day to quickly identify material shortages</td>
<td>Demand-driven manufacturing</td>
<td>Early detection of slow-moving stock items</td>
<td>Intelligent automation of receivables matching</td>
<td>Delivery tracking and exception notifications</td>
</tr>
<tr>
<td></td>
<td>Quotation conversion prediction</td>
<td>Demand-driven replenishment</td>
<td>Contract consumption prediction</td>
<td>Smart procurement processes</td>
<td>Intelligent KPI alerts and analysis</td>
<td>Matching of payable line items</td>
<td>Intelligent exception remediation proposals</td>
</tr>
<tr>
<td></td>
<td>Delivery performance prediction</td>
<td>Intelligent material exception reporting</td>
<td>Complete inventory transparency and accuracy</td>
<td>Cash discount at risk monitoring</td>
<td>Prediction of delivery delays</td>
<td>Payment monitoring and management of delivery delays</td>
<td>Real-time use of IoT-based data streams</td>
</tr>
<tr>
<td></td>
<td>Management and tracking of sales quotations, contracts, and orders</td>
<td>Prediction of stock-in-transit arrival and delay</td>
<td>• Feeding of time series data on delivery issues such as traffic impact to machine learning model</td>
<td>• Demand-driven replenishment</td>
<td>• Intelligent material exception reporting</td>
<td>• Prediction of delivery delays</td>
<td>• Streamlined management and monitoring of freight agreements</td>
</tr>
</tbody>
</table>

Intelligent technology outcomes

- Improve customer confidence with real-time product availability
- Optimize fulfillment processes with real-time inventory and rules-based allocation
- Avoid products backlogs by performing frequent MRP runs to identify shortages
- Identify the best supplier and minimize safe stock with just-in-time material availability
- Increase transparency and reduce working capital with a single warehousing platform
- Achieve customer delivery promises with intelligent insights from an integrated transportation management platform
- Achieve real-time delivery status and delight customers by tracking goods in transit transparently and analyzing vehicle and sensor data

Benefits from SAP S/4HANA

- 10%–15% decrease in revenue loss due to stock-outs
- 10%–15% reduction in order lead times
- Up to 25x increase in material postings
- Up to 10% savings in manufacturing costs
- 25%–30% decrease in inventory levels
- 10%–12% reduction in total logistics costs and >50% fewer days sales outstanding
- 10%–30% increase in on-time delivery and 10%–20% higher customer satisfaction

Learn more at sap.com/jointhemovement
Customer Success
SAP S/4HANA adoption continues to accelerate rapidly. As of September 2019, more than 11,500 customers have chosen SAP S/4HANA with thousands live and implementing.

Survey findings from IDC and Forrester underscore this upward adoption trend and illustrate the benefits our customers are enjoying:1,2

54% of surveyed SAP customers plan to deploy SAP S/4HANA within three years

Read the IDC study ›

$25.2 million increase in revenue
$8.4 million gained through customer retention
$2.1 million increase in user-productivity value due to shorter run times

Read the Forrester Total Economic Impact Report ›

Figure 1: The Momentum of Customer Adoption of SAP S/4HANA (2015–2022)
What Industry Leaders Are Doing Today

pladis  pladis went live within 22 weeks

“Our future depends on our ability to meet consumers on their terms and engage with them across diverse channels. We must understand their needs before they tell us, use that knowledge to shape the products and services they seek, and deliver them in the way they choose.”

— Anthoula Madden, Chief Digital Officer, pladis

Business Transformation Study

How Is a Global Confectionary Giant Making Life Sweeter Through Deeper Consumer Insight?
Naturipe Farms completed its system conversion within 4 months with 9 team members.

“If we had not made the move to SAP S/4HANA, our growth would be stagnant. We would only be focused on solving day-to-day problems, not being exponentially innovative.”

—Carol McMillan, Director of IT, Naturipe Farms

Inside Analysis Article
Codes Tell the Story: A Fruitful Supply Chain Flourishes

Learn more at sap.com/jointhemovement
“Minimizing business downtime was a key priority for us. We wanted to complete our conversion to SAP S/4HANA end to end, including validation, within a weekend.”

— John Rhea, Senior Director Global Financial Systems, Walmart Stores Inc.

Fast conversion
of hardware with a 50% smaller system size

SAPPHIRE NOW Replay Video
Migrate to SAP S/4HANA with Nearly Zero Downtime >
“We’ve seen a **95% improvement in processing time for MRP**. It used to take a day – now, it takes minutes. If there’s a change in demand, I can now quickly run the MRP report and communicate with my suppliers about adjusting to the new plan.

We had lost track of the upgrade path, which meant that it was difficult to **take quick advantage of new innovations coming out of SAP**.”

—Faizan Mustafa, Chief Information Officer, Indus Motor Company
SAP S/4HANA Is Complete
The Capabilities of SAP S/4HANA
A Comprehensive, Intelligent ERP Suite

Procurement
• Overview page and analytics
• Procurement hub
• Predictive contract consumption
• GR/IR reconciliation

Sales
• Order fulfillment and delivery performance
• Generation of one consolidated invoice
• International trade management
• Predictive quote-to-order processes

Supply Chain
• Real-time inventory management
• Embedded transportation management
• Embedded extended warehouse management
• Advanced available-to-promise capabilities
• Predictive stock in transit

Manufacturing
• Live MRP processes
• Detailed scheduling
• Optimized production planning
• Demand-driven MRP
• Complex manufacturing

R&D
• Commercial project management
• Project and portfolio management
• Variant configuration
• Receipt management

Finance
• Real-time finance management
• Closing cockpit
• Commodity management
• Compliance framework
• Business integrity screening

Service
• Customer management service
• Multichannel interaction center

Asset Management
• Geographical enablement
• Report and repair malfunction
• Asset management for resource scheduling

Cross Functions
• Legal content management
• GDPR tools
• Digital assistant

25 Industries
• Embedded key industry functions
• Restructured and improved industry-specific capabilities

SAP covers 25 industries including aerospace and defense, automotive, chemicals, consumer products, mill products, oil and gas, and retail.
The Capabilities of SAP S/4HANA
Get a Unique Edge with Connected Insights that Drive Quick, Informed Actions

The SAP® Analytics Cloud solution is now embedded into SAP S/4HANA to deliver unique insights and best-in-class analytics, business intelligence, and planning. The many benefits of this powerful combination include:

**A 360-degree view of your business**
Get an end-to-end view of your business and recommendations on the best actions by housing transactional, analytics, and planning data in a single platform.

**Intelligent decision-making**
Enable users to predict future outcomes, simulate business scenarios, get alerted on potential issues, and make intelligent and proactive decisions.

**Prebuilt industry and line-of-business content**
Accelerate the adoption of industry-leading best practices with preconfigured industry and line-of-business content based on the deep expertise of SAP.

**Live data connectivity**
Achieve the highest level of data consistency and security by eliminating the need to replicate data between SAP S/4HANA and SAP Analytics Cloud.

**Seamless navigation for all users**
Redefine user insights and efficiency by supporting a deep contextual link between solutions. For example, users can jump directly from their analytics view to the associated transaction in the same window.

**Empowering boardroom meetings**
Turn boardroom meetings into interactive discussions with SAP Digital Boardroom, giving your executives a complete, real-time view and control over key performance indicators across all departments.
The Capabilities of SAP S/4HANA

Get a Unique Edge with Connected Insights that Drive Quick, Informed Actions

You can now access real-time visibility into your actual business results – from operational, demand, sales, workforce and financial plans to the line item.

The impact of this capability can yield dramatic results including:

- **61%** Lower IT spend (as a percentage of total expense) by planning and managing digital investments and services and associate them with organizations
- **20%** Faster time to hire, when the workforce and business teams collaborate during the planning process
- **16%** Lower sales and operations costs, where supply planning, reporting, and analytics are event-triggered and rules-based

A powerful combination of BI and advanced analytics gives organizations the ability to move faster while making smarter decisions.

**Use cases include** financial close and reconciliation, disclosure management, attrition analysis, campaign optimization, internal management and board reporting, and variance analysis.

Enterprise planning is drastically improved with new levels of accuracy and speed.

**Use cases include** budgeting, collaborative revenue forecasting, long-range strategic planning, workforce and capital planning, and predictive planning.
Best-Run Companies
Transform with SAP S/4HANA

Traditional Business Models

- Mass-market products
- Customer needs
- Retail and reseller engagement
- Private label as a value
- Agile processes
- Point-to-point coordination
- Reactive processes and systems
- Latent and obscured systems

Best Run Business Models

- Personalized, smart products and services
- Customer experiences
- Direct and connected consumer services
- Private label as a premium
- Resilient operations
- Multi-enterprise orchestration
- Thinking processes and systems
- Real-time and transparent solutions

Impact

- 10%–30% increase in on-time delivery rates
- 60%–70% savings in total vendor invoice processing time
- 10%–20% growth in revenue from new offerings
- 10%–20% improvement in customer satisfaction
- 75% decrease in total cost of ownership
- 50% reduction in data footprint
- 10%–40% boost in productivity
- 10%–15% reduction in total logistics costs
- Up to 10% decrease in total manufacturing costs
- 40%–50% savings in time spent on period end close
- 25%–30% reduction in risk and compliance costs

Challenges

- Overhaul the corporate strategy
- Deliver innovation consistently
- Improve operational excellence continuously
- Make rapid, accurate, and data-based decisions

Role

- Employee
- CEO
- CIO
- COO
- CFO

Learn more at sap.com/jointhemovement
How SAP Simplified the Move to SAP S/4HANA
Personalize Your Move to SAP S/4HANA

You no longer need to wonder how SAP S/4HANA can benefit your company. By assessing the configuration and usage of your existing SAP software investment, these free, personalized tools increase the confidence you need to deliver a business case and technical deployment plan for SAP S/4HANA.

First, build your business case with SAP Business Scenario Recommendations. The service uses your SAP software usage data to identify business processes that can be transformed with SAP S/4HANA. If you are new to SAP, you can run a similar business value advisor tool that does not require any usage data.

Then, you can plan your move with the SAP Readiness Check tool for SAP S/4HANA if you want to convert your existing deployment of SAP ERP Central Component 6.0 to SAP S/4HANA. Based on your usage and configuration data, the tool guides you through topics such as custom code adaption, add-on compatibility, sizing of SAP HANA, recommended SAP Fiori® apps. You can plan your move to SAP S/4HANA with the immediate, personalized insights delivered through this technical and detailed tool.

Achieve your business goals with SAP S/4HANA →

SAP Business Scenario Recommendations

Identify business processes that you can improve and discover new capabilities.

SAP Readiness Check tool for SAP S/4HANA

Learn the technical requirements and actions for converting a system to SAP S/4HANA.

Explore SAP Readiness Check tool for SAP S/4HANA →

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Next Generation SAP Business Scenario Recommendations

Sample Inc. | System: PRD
Consumer Products Industry
EXECUTIVE SUMMARY
STEPS NEXT
OVERVIEW
SALES SOURCING AND PROCUREMENT
SUPPLY CHAIN
MANUFACTURING
FINANCE

Findings and Benchmark

What we measured

2.638 items
Delivery items shipped and not billed

25%
top 25%
512
28.553
27
2.638 items
Your Company
Cross-Industry Benchmark:
Absolute number of delivery items, which are already shipped but not billed and the planned billing date is overdue for more than one day.

Learn more »

Top 2 ERP Sales Organizations:
Aging distribution:

Details

What we measured

 Missing or inaccurate master data
 System configuration does not reflect business reality
 Failure of automatic billing

Implication

Understand the problem

 Working capital: Delayed incoming cash
 Inaccurate cash & liquidity planning data
 Unnecessary high manual re-processing workload

Possible Root Causes:

Possible Business Impact:

0 - 3 months old
3 - 6 months old
6 - 12 months old
1 - 3 years old
3+ years old

1.266
686
343
343
0

48%
26%
13%
13%
0%

ERP Sales Organization
Items
Percentage

Sweden Subsidiary (030) 771
30%
France Subsidiary (032) 401
16%

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Consider Your **Strategic Choices**

Match your business objectives to possible transition paths and destinations

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<tr>
<th>BUSINESS OBJECTIVES</th>
<th>TRANSITION PATHS</th>
<th>DESTINATION OPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Transformation</td>
<td>New Implementation</td>
<td>SAP S/4HANA®</td>
</tr>
<tr>
<td>Extended Enterprise Core</td>
<td>System Conversion</td>
<td>SAP S/4HANA</td>
</tr>
<tr>
<td>New Enterprise Core</td>
<td></td>
<td>including hyperscalers and SAP® HANA Enterprise Cloud</td>
</tr>
</tbody>
</table>

There are three strategic choices you should consider when moving to SAP S/4HANA:

**BUSINESS OBJECTIVES**
The type of business outcomes desired must drive all your decisions.

- **Enterprise Transformation.** Enable business change to react to evolving markets and competitors, or to offer a new customer engagement model.
- **Extended Enterprise Core.** Improve the efficiency of existing processes or automate them.
- **New Enterprise Core.** Upgrade your ERP system with minimal disruption to the business.

**TRANSITION PATHS**

- **New Implementation.** Choose this approach for getting a clean start along with an enterprise transformation. A new implementation can be performed on premise, in the cloud, or as a hybrid.
- **System Conversion.** Complement your new enterprise core by converting your existing configured and customized deployment of SAP ERP Central Component 6.0 to SAP S/4HANA. This path can be accomplished on premise, in SAP HANA Enterprise Cloud, or with a hyperscaler such as Google Cloud, Amazon Web Services, or Microsoft Azure.

**DESTINATION OPTIONS**
No matter if SAP S/4HANA is deployed on premise, in the cloud, or within a hybrid environment, you benefit from a consistent data model and user experience. This opportunity allows you to choose the destination that meets your needs today and is flexible enough to address your future needs.
Plan and Deliver Your Move with Confidence

**Planning**
Plan your project with confidence and assess business and IT impact

**Custom Code**
Adapt custom code efficiently while simplifying the removal of obsolete code

**Deployment**
Move data from SAP or third-party systems and convert early ERP software from SAP to SAP S/4HANA

**Integration**
Simplify business-to-business and application-to-application integration

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**SAP READINESS CHECK**
- Functional assessment of simplification items and recommended SAP Fiori apps
- Technical assessment of system sizing, software prerequisites, business warehouse extractors

**MAINTENANCE PLANNER**
- Definition of product maintenance dependencies
- Generation of configuration files
- Downloading of software archives

**ABAP TEST COCKPIT**
- Updated analytics user interface
- Quick fixes that save up to 60% in effort
- Suggestions for obsolete code removal

**SQL MONITORING**
- Comprehensive check of custom code performance
- Detection of the most critical performance hot spots and identification of potential optimization opportunities

**SAP S/4HANA MIGRATION COCKPIT**
- Migration of business operations data to the new system
- Movement between SAP and third-party software on premise or in the cloud
- Ready-to-use migration objects
- Auto-generation of mappings for zero programming
- Migration modeler for custom objects

**SOFTWARE UPDATE MANAGER**
- Conversion of legacy ERP software from SAP to SAP S/4HANA, including data
- Downtime-optimized conversion that reduces system outages significantly

**SAP CLOUD PLATFORM INTEGRATION ADVISOR**
- Uses machine learning and crowdsourcing
- Generates proposals for integrations and mappings
- Tailored for industry, region, and business context
- Early adopters report 60% effort saved in integration work
Build Your Future With Offerings from SAP and Our Partners

Plan your move to SAP S/4HANA with the assistance and guidance provided through one of the following engagement offerings. You can also engage in an adoption starter engagement then decide to add a discovery engagement to further refine your business case, road map, and migration plan.

SAP S/4HANA Adoption Starter Engagement
The guided, self-service engagement helps create your initial implementation plan for SAP S/4HANA. Deliverables include benchmarking, value assessment, and migration strategy.

Learn more ›

SAP S/4HANA Value Discovery Engagement
The SAP-led service offers an in-depth migration plan for SAP S/4HANA, based on your business needs and expectations in outcomes, potential costs, time frame, and ROI.

Intelligent Enterprise Value Discovery Engagement
The SAP- and partner-led engagement showcases the role of SAP S/4HANA within the Intelligent Enterprise – such as user experience and machine learning – and defines key opportunities for industry transformation.
Join the SAP S/4HANA Movement

It’s time to make your move
sap.com/jointhemovement