Transform Public Sector with SAP® Solutions
Business Value with Intelligent ERP
The Need of an Intelligent ERP System

Support “Next Practices” with Intelligent Enterprise Resource Planning (ERP)
Radical change in the public sector industry is occurring at a rapid pace. Changes in technologies, in citizen expectations, in operational models, and in standards themselves require constant adaptation. Public sector organizations must be able to respond to rapidly changing conditions, yet still comply with all standards. How does a digital core with a true single source of truth help?

Responding to rapid changes
A digital core is an IT architecture that offers stability and long-term reliability for core enterprise processes, yet also provides the flexibility to adapt quickly to new opportunities, challenges, and regulations. This solid foundation gives you a single source of truth, which in turn enables flexibility for innovation to accommodate new processes, operational models, and regulations.

Simulation and analytics
The ability to respond quickly is an essential part of managing a public sector organization. To do this, simulation, prediction, and analytical capabilities are important components. Data is critical for gaining the insight to make decisions. This insight must be at a granular level, so that decision-makers have the detail they need to understand trends, opportunities, and risks, and quickly carry out what-if analysis using predictive algorithms.

Making better decisions with quality data
Every public sector organization needs the computing capability to carry out complex algorithms with large data sets to support timely, real-time analysis. Everyone in the organization must have access to data they need, whenever and wherever they need it.

Addressing innovative opportunities
Citizens are demanding innovation. Public sector organizations spanning federal, state and local agencies are responding with new capabilities that better meet individual needs. These new offerings impact every facet of organization, not just the front office. Organizations must address end-to-end (E2E) processes across departments and lines of business to deliver on new citizen experiences and services.

Enhance and Extend Next-Generation Processes with Intelligent ERP
Bringing SAP S/4HANA® and the SAP® Leonardo technologies together as a digital core results in a more flexible and intelligent enterprise. To achieve next-generation business processes, organizations need an intelligent ERP solution that can be continuously enhanced and extended with innovative business services and applications built on emerging technologies, including machine learning, block chain, and the Internet of Things (IoT). Public sector organizations that have big innovation appetites or prefer to be early adopters have already begun this journey.
Strategic Priorities in a Digital Economy

The digital economy is disruptive. Leading public sector organizations are adopting strategic priorities that drive transformation to intelligent enterprises that can better serve citizens. SAP supports a reimagined set of end-to-end business scenarios to support the strategic priorities of working in a digital environment. These are some examples:

**Digital government**
Through digitalization, agencies can now change operational models by interconnecting all aspects of the value chain in real time and by seeing the big picture instead of only offering outdated glimpses into different parts of the organization. Leaders and managers can use insight to identify, predict, and address issues to improve the effectiveness and efficiency for all involved.

**End-to-end scenario: Reimagine strategic procurement**

**Data-driven government**
By bringing together both transactional processes and analytical intelligence—and combining all agency knowledge sources in one platform—organizations can turn data into actionable information. Machine learning technologies can leverage the effectiveness and efficiency in tax collection activities, for instance.

**End-to-end scenario: Reimagine budget control**

**Citizen engagement**
Government now has the tools to radically simplify complicated processes for the citizen. Governments can become anticipatory service orchestrators, information brokers, and networkers, rather than supplying all services directly. New digital capabilities can provide personalized, self-managed online services guiding citizens through the jungle of possible transactions, giving individual recommendations. For example, a digital citizen can make citizen-to-government interaction more inclusive and easier.

**End-to-end scenario: Reimagine digital experience for the connected citizen**

**Smart cities**
By considering a holistic approach across many city dimensions (governance, economy, transport, resources, and people) cities can better respond to constituents’ needs. Sensors monitor asset utilization and health, predicting potential issues and maintenance needs. Analysis of real-time data combined with historical data is helping government and commercial companies to proactively manage assets and infrastructure. Predictive modeling and simulation are helping keep citizens safe through real-time situational awareness. In-memory computing is helping translate massive data into insightful information. Optimized fleet management will reduce fuel consumption and the carbon footprint issued within cities, while improving traveler experience.

**End-to-end scenario: Reimagine asset performance and intelligence**
Digital Government

Reimagine Strategic Procurement

Gain spend insights, accelerate savings, and help ensure compliance through a closed-loop strategic sourcing application suite.

Traditional scenario

- Disparate and disconnected data sources, and inability to extract meaningful insights
- Manual and time-intensive supplier discovery and qualification process
- Inefficient bid management with RFx coordination through e-mails; limited buyer-supplier collaboration; and manual processing and analysis of supplier responses
- Manual authoring, longer cycle times, and high legal costs

Spend reports run on a regular basis from multiple disparate or disconnected data sources
Manual search for suppliers
Manual or e-mail-based bid analysis, supplier evaluation, and risk review
Mismanaged and misplaced paper-based contracts

A new world with SAP

- Access to supplier pool with ready visibility into preferred, qualified, and compliant sources of supply
- Embedded capabilities to view additional supplier risk content (such as media incidents, country risk, and compliance)
- Comprehensive RFx management with reverse and forward-auction capabilities, enabling cost savings and faster sourcing
- Contract lifecycle management capabilities, including authoring, negotiation, execution, and digital signature

Analyze
Increased visibility into internal and external data

Source and evaluate
Automated, streamlined tool-based supplier evaluation and qualification, and bid management process

Award
Automated contract collaboration and compliance

Top value drivers:

- Increase visibility and bring more spend under management
- Improve compliance and reduce risk
- Digitalize the process and improve efficiency
Reimagine Budget Control

Traditional scenario

- Delayed activities that only begin when reports are processed
- Risk of budget shortage due to lack of transparency with insufficient, manual "after the fact" audit processes
- Manual, time-consuming, and effort-intensive processes

A new world with SAP

- Real-time budget alerts based on user defined thresholds
- End-to-end visibility and steering capabilities
- Continuous monitoring process
- Transformed process experience with real-time business intelligence and ad hoc reporting at a granular level
- Faster and efficient budget control process

Top value drivers:

- Improved real-time budget information
- Increased employee productivity
Citizen Engagement

Reimagine the Digital Experience for the Connected Citizen

SAP solutions for citizen engagement help organizations streamline the service process with real-time data and fully integrated and automated workflows.

**Traditional scenario**

- Disparate applications – Web content management, contact centers, mobile apps, and so on – that do not allow companies to respond with agility to citizen demands.
- Silos of data that create duplications for government and delays for the citizen.
- Manual, disconnected processes that force citizens into bureaucratic service flows.

**A new world with SAP**

- Citizen experience that is put at the center of customer relationship management:
  - Integrated platform that enables government to plug-and-play new services more easily and efficiently.
  - Connected data that helps ensure a 360-degree view of the citizen and for the citizen.
- Seamless omnichannel digital services that help ensure personalized and convenient access.

**Top value drivers:**

- Improve constituent satisfaction
- Reduce service cost
- Personalize services
Smart Cities

Reimagine Asset Performance and Intelligence

Traditional scenario

The SAP Predictive Maintenance and Service solution provides real-time health information of assets based on critical values and trends, thereby allowing the most efficient asset maintenance strategies for optimization of cost and risks and improved performance enabling cities to better respond to citizen needs.

- Time- and usage-based inspection and maintenance
- Unknown real-time risk of failure and performance
- No optimization of cost, risk, and performance
- Lack of location intelligence information

A new world with SAP

- SAP Predictive Maintenance and Service for monitoring, scoring, and prediction of asset health based on machine-learning algorithms
- Triggering of maintenance orders just in time to avoid unnecessary inspections and improve asset availability
- Combined enterprise and spatial data to create location-aware business applications quickly and to enable critical real-time decisions

Top value drivers:
- Reduction in asset service and maintenance cost
- Reduction in unplanned asset downtime
Deep Dives Across Key Areas for Public Sector

This section examines primary capabilities where value can be achieved through SAP S/4HANA, line-of-business (LoB) solutions, and SAP Leonardo.

Budget and financial excellence

- Budget planning
- Budget maintenance and execution
- Budget and financial closing and reporting
- Grantee management
- General ledger accounting
- Cost management and profitability analysis
- Accounting and financial close
- Treasury management
- Financial planning and analysis
- Governance, risk, and compliance
- Fraud management

Digital constituent experience

- Real-time citizen insights
- Predictive and personalized service
- Marketing with speed and agility
- In-moment citizen experiences
- Omnichannel service excellence

More than 15,800 public sector institutions in 151 countries are innovating with SAP solutions

10 of the 10 most competitive countries in the world run SAP solutions

Source: SAP internal data and analysis.
## Budget and Financial Excellence

<table>
<thead>
<tr>
<th>Typical challenges</th>
<th>Current state with ERP</th>
<th>Capabilities of SAP S/4HANA</th>
<th>Capabilities of cloud-based LoBs and SAP Leonardo</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Difficulty in tracking financial transactions across budget and fund</td>
<td>• Manual processes and reconciliation due to lack of financial integration</td>
<td>• Single consolidated view of budget information</td>
<td>• SAP Analytics Cloud solution supporting predictive analytics for bringing together actuals, forecasting, and simulation to predict future trends and run what-if analysis</td>
</tr>
<tr>
<td>• No single source of truth without real-time contextual information and ad hoc analysis</td>
<td>• Disparate ledgers without integration that create accounting blind spots and lack of spending control</td>
<td>• Universal journal enabling a more efficient reporting process</td>
<td>• SAP Cash Application software, for next-generation intelligent invoice-matching powered by machine learning</td>
</tr>
<tr>
<td>• Inability to simplify online bill presentment and payment through a consolidated view of citizen financials</td>
<td>• Business processes related to receivables management that are often addressed across multiple solutions</td>
<td>• Integration with external data providers and other data sources helping to simplify, harmonize, and improve collaboration in operations</td>
<td>• SAP Business Integrity Screening application for improving fraud identification and prevention with customized predictive detection methods, and increasing accuracy of fraud alerts with predictive algorithms that identify potential cases based on historical data</td>
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<tr>
<td>• Difficulty in analyzing high volumes of data to investigate potential fraud along with inability to prevent fraudulent transactions from occurring</td>
<td>• Data samples that need to be manually extracted from multiple systems and analyzed to detect potential fraud</td>
<td>• SAP S/4HANA Cloud software for customer payments providing a self-service offering to deploy electronic bill presentment and payment processes</td>
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**Business Benefits**

- Improve financial and budgetary transparency
- Reduce silos across departments or agencies
- Enable more business model flexibility
- Improve compliance
- Enable greater process automation
- Improve productivity
Digital Citizen Experience

Typical challenges

- Multiple, disparate system making it hard for citizens to have a single view of their government
- Suboptimal decision-making due to citizen information in multiple, disparate data sources
- Lack of 360-degree citizen view across all channels
- Difficulty in delivering a personalized experience and services to improve outcomes across programs and channels
- Lack of automation leading to manual process, errors, and poor citizen service
- Paper-based and manual processes leading to case workers inability to serve citizens in a timely manner
- Difficulty in engaging citizens over multiple channels and supporting channel hopping

Current state with ERP

- Siloed citizen data and inconsistent processes across systems and channels
- Siloed channels instead of omnichannel
- Inability to process large amounts of data from different systems for real-time business decisions
- Inaccurate, outdated customer data with poor integration to other solutions
- Inability to offer personalized service recommendations and predictions
- Multiple or different systems that are needed to deliver comprehensive services across programs and departments

Capabilities of SAP S/4HANA

- Single consolidated view of all relevant citizen data and transactions
- Real-time analytics to improve service efficiency
- Ability to store, access, and analyze structured and unstructured data in real time to drive decisions on the spot
- Service personalization using contextualized customer data across all channels
- SAP S/4HANA solution for customer management providing an integrated platform combining front-office and back-office capabilities for the public sector

Capabilities of cloud-based LoBs and SAP Leonardo

- Artificial intelligence and machine-learning capabilities for improving case and ticket resolution
- Ability to use bots in self-service, contact center, and case management
- SAP C/4HANA suite supporting the end-to-end lifecycle of a citizen engagement
- SAP Service Cloud solutions with ticketing and case management
- SAP Marketing Cloud solutions for effectively engaging and managing campaigns and segmenting citizens
- SAP Customer Data Cloud portfolio for helping to securely identify citizens across devices and channels and manage permissions and consent

Business Benefits*

- Deliver contextually relevant service and experiences across all channels with greater speed and agility
- Gain a single view of citizen to provide a holistic digital experience
- Increase case worker and contact center agent efficiency and productivity with lean and connected processes
- Provide a seamless omnichannel citizen experience with self-service and streamlined service processes
- Become a data-driven, citizen-centric business
- Improve compliance
- Increase productivity for case workers through mobile information access
SAP Strategy – Deliver the Intelligent Enterprise

Intelligent ERP is the digital core of an intelligent enterprise

An intelligent enterprise can be continuously enhanced and extending with business services and applications built on a digital platform to create transformative business value.

Public sector organizations that have big innovation appetites or prefer to be early adopters have already begun this journey.
SAP Portfolio of Solutions for Public Sector

An end-to-end intelligent enterprise for public sector

The SAP S/4HANA Enterprise Management solution is at the core of a comprehensive suite of offerings for successfully running a public sector organization along the entire enterprise value chain. To achieve an intelligent enterprise, the employees are enabled to focus on higher-value outcomes and to invent new business and operational models by applying intelligent technologies such as the Internet of Things (IoT), artificial intelligence (AI), machine learning, and advanced analytics.
The Value of SAP for Public Sector Organizations

SAP S/4HANA provides public sector organizations with a proven framework to adopt industry next practices while attaining operational excellence across the full value chain.

**Strategy enablement**
- Accelerate creation of new business models
- Run live (SAP Digital Boardroom)
- Reorganize on the fly
- Achieve greater speed and agility
- Manage risk and help ensure compliance
- Collaborate with other agencies and external stakeholders

**Empowered employees**
- Achieve higher productivity with a new, role-based way of working with responsive, intuitive SAP Fiori® user experience (UX) on all devices
- Adopt role-driven, user-centric processes and self-service business intelligence for user empowerment
- Enable actionable insights on unified, real-time data and processes with built-in system suggestions for decision support

**Business benefits***
- 10% to 20% increase in citizen satisfaction
- 15% to 20% reduction in procurement function costs
- Up to 10% increased project manager productivity

**IT benefits and TCO**
- Reduced data footprint
- Merging of OLAP and OLTP
- Elimination of many desktop clients
- Lower testing costs
- Simplified landscapes
- Native integration

*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 and SAP Leonardo technologies. As each enterprise is at a different level of maturity, we recommend working with you to determine the value proposition for your enterprise.
Customers are Achieving Value with SAP Solutions

Land Kärnten

**Industry**
Public sector

**Solution**
SAP S/4HANA

**Customer Web site**
https://www.ktn.gv.at/

Click [here](https://www.ktn.gv.at/) to read the business transformation study.

The Amt der Kärntner Landesregierung executes the laws of Carinthia, Austria. To fulfill this critical mandate better, it committed to becoming a top provider of digital financial services for citizens and enterprises in a simple, efficient, and reliable way. That meant it had to digitalize all public sector documents for rapid access. Document throughput increased by 600%, which allows it to keep pace with its highly engaged constituency.

“To the conversion to SAP S/4HANA was the beginning of a journey to place the government of Carinthia as a top business location to provide digital financial services for citizens and enterprises in a simple, efficient, and reliable way.”

Dr. Horst Felsner, Department 2 – Finance, Investments, and Housing, Amt der Kärntner Landesregierung

Diakonie Michaelshoven

**Industry**
Public sector

**Solution**
SAP S/4HANA

**Customer Web site**
www.diakonie-michaelshoven.de

Click [here](https://www.diakonie-michaelshoven.de) to read the business transformation study.

Diakonie Michaelshoven implemented SAP S/4HANA to standardize and streamline structures and processes across the organization and recast departments as internal service providers. Diakonie was able to make administration faster, simpler, and more cost-effective.

“To be ready to take on the future, even social institutions like us – these organizations in particular, in fact – need to be structured to run like a business. That’s exactly why we’ve implemented SAP S/4HANA.”

Uwe Ufer, Commercial Director, Diakonie Michaelshoven e.V.