Transform Your High Tech Organization into an Intelligent Enterprise

Achieve Value with Intelligent ERP
The Power of Intelligent ERP

Although high tech is finding itself in nearly every product and service across all industries, high tech companies are not themselves immune to disruption. Factors such as new entrants, blatant intellectual property (IP) theft, and knowledge leakage due to key employee turnover accelerate the rate of disruption. So, how does the incumbent not only defend itself but also become the disrupter?

Enhance and Extend Next-Generation Processes with Intelligent ERP

Embedding intelligent technologies into SAP S/4HANA® is a key value contributor to enable high tech companies to become intelligent enterprises. The principle of an intelligent enterprise is to automate and extend business processes or even transform the entire business model. Intelligent technologies such as collaborative artificial intelligence, robotic process automation, and machine learning are the foundation for an insight-to-action-driven enterprise. Leading high tech businesses have already begun the journey toward becoming intelligent enterprises.

Hewlett Packard Enterprise

“SAP S/4HANA affords a unique opportunity – it is a great paradigm-busting opportunity for us to completely rethink experiences, processes, and the way we work.”

Dave Carlisle, HPE IT CTO, Hewlett Packard Enterprise Company (HPE)
Sensirion AG

“SAP gives us the ability to expand our business around the world because the systems can handle different languages, currencies, and regulations seamlessly.”

— Thomas Klein, IT Manager, Sensirion AG

98% Of deliveries on time

15% Increase in revenue with consistent staffing levels
Strategic Priorities in a Digital Economy

This digital world is disrupting the way high tech companies do business. High tech companies need strategic priorities that drive transformation. SAP supports a reimagined set of end-to-end (E2E) business scenarios to support the strategic priorities of working in a digital environment.

Adopting a consumption-based business model
High tech companies are shifting from selling products and services to selling measurable results that are relevant to their customers. Becoming an outcome provider requires a different business model – one where customers can pay for consumption. As high tech companies realize this, they are increasingly acquiring, building, and joining the platforms and ecosystems that allow customers the flexibility to pay for consumption.

**E2E scenario: Reimagine quote to revenue** – Efficiently provide outcomes to customers from quote to revenue

Providing digital smart products
Digitally connect your products and transform them into solutions. Enabling products to provide intelligence about their usage and to be upgraded remotely any time with the latest features required by customers allows for differentiation in an industry where products get rapidly commoditized. Data-based services can be monetized, and individualized offerings can be provided cost-effectively. Leverage IoT technology to connect products to R&D and sales processes.

**E2E scenario: Reimagine managing embedded software within the engineering process** – Create superior digital products to lead in your market segment

Realizing an intelligent supply network
Transform your supply chain into a responsive network. Companies everywhere face volatile customer demand and heightened expectations of responsiveness. Innovative technologies can help resolve these issues by providing vital business information across the network, improving real-time analysis, and enabling better collaboration across departments and trading partners – thus making the supply chain more responsive.

**E2E scenario: Reimagine integrated, holistic order promising** – Transform your traditional order processing into a real-time, integrated network that automatically responds to volatile demand

Achieving customer intimacy
Putting the end customers’ point of view at the center of every decision is a key prerequisite for success in the digital age. This does not stop in the sales department but also applies to what products are built and what services are offered.

**E2E scenario: Reimagine market to order** – Automate the market-to-order process with a real-time, integrated, and automated multichannel system
Adopting a Consumption-Based Business Model

Reimagine Quote to Revenue

As high tech companies move from selling products to providing outcomes, the power of software and competing as an ecosystem becomes apparent. SAP S/4HANA connects the extensive ecosystem including suppliers, software developers, startups, and other innovators and allows them to collaborate on these new outcomes.

Traditional scenario

- Manual configure-price-quote process for specific offers
- Various quotes for hardware, software, and services leading to inconsistencies and errors
- Fulfillment of solution components handled in unrelated processes, making it difficult to quickly complete orders
- Several invoices for one solution, with no integration for onetime or recurring charges
- No high-volume invoicing capabilities
- Vastly different revenue recognition methods for each solution component, resulting in deferred revenue becoming more prominent for added services and subscriptions

A new world with SAP

- Pay for outcome
  - New business models are enabled: pay for outcome and subscription of services (instead of buying products)
- Order orchestration
  - Order orchestration happens in a unified manner
- Intelligent configuration
  - Using an AI-based configuration to configure, price, and quote in one solution results in fast and accurate quotes
- Consolidated invoicing
  - One consolidated invoice is provided for one solution
- Revenue recognition
  - Smart revenue recognition assigns revenue where it belongs, defers it when it has to, and enables full understanding of profits

Top value drivers*

- 10% Reduction in complaints and returns cost
- 30% Decrease in customer billing, credit, and collections cost
- Up to 50% Reduction in time to create a configured quote

*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.
Realizing an Intelligent Supply Network

Reimagine Integrated, Holistic Order Confirmation

Lines of business within high tech companies often manually process sales orders and invoices, costing the business time and accuracy, as stock levels may change during processing. This limited visibility and collaboration across the business causes costly delays, because information has to flow through the chain, and each participant must process the information before it is passed on. SAP S/4HANA connects sales, inventory, and network constraints while giving high tech companies the real-time visibility to provide customers with feasible commitments and enhance the customer experience.

Traditional scenario

In ERP, order confirmation has been limited and cumbersome.

- Only product check with rudimentary configuration options
- Cumbersome product allocation check
- No alternative product or location check
- Very basic rescheduling options
- No integration into supply chain planning
- No combination of check methods
- No analytics
- Accurate order promising considering real-time sales, inventory, and network constraints
- Consideration of actual production constraints while providing confirmation dates
- Consideration of transportation constraints to provide feasible delivery date commitments
- Consideration of demand and supply planning constraints during order confirmations
- Back-order promising based on demand segmentation and business prioritization
- Alternative-based confirmations (product and location)
- Interactive order confirmation
- Onboard analytics
- Multilevel available to promise, capable to promise coming soon

A new world with SAP

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Top value drivers

- **2%–15%** Reduction in days in inventory
- **5%–20%** Improvement in on-time delivery performance
- **8%–20%** Reduction in revenue loss due to stock-outs
- **Reduced** Logistics costs

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Providing Digital Smart Products

Reimagine Managing Embedded Software Within the Engineering Process

Differentiation and specificity in products stem from digital capabilities and dependence on value-add services that are bundled with the physical products. Using digital capabilities such as self-awareness of technical health, operational status, or business-system connectivity helps high tech companies to differentiate themselves.

Because products have become more complex today, digital and smart products need a stronger "system thinking" in the R&D and engineering context. SAP S/4HANA enables a seamless engineering and manufacturing process, which can adapt to quickly changing demands. High tech companies can manage software versions in an integrated way along the complete value chain and product or solution lifecycle.

Top value drivers

- **20%–30% Reduction in R&D cost**
- **10%–20% Reduction in manual rework through better product configurations**

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Achieving Customer Intimacy

Reimagine Market to Order

Customers today expect a seamless interaction and user experience with high tech companies, independent of the channels they use for sales and service-related processes. This is equally true for business-to-business and business-to-consumer sales. SAP S/4HANA enables companies to leverage customer insight from any previous engagement and collect data from intelligent devices to satisfy customer expectations for individualized marketing activities, personalized sales contacts, and proactive service engagements.

Traditional scenario

- Disparate legacy CRM applications and data silos that make it impossible to focus on the customer experience
- Messaging, offers, and recommendations that are not relevant to customers
- Uncertainty of the performance impact of all marketing investments

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• Messaging, offers, and recommendations that are not relevant to customers
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Top value drivers

- **10%–30%** Increase in customer satisfaction
- **5%–15%** Increase in revenue share of new customers
- **5%–20%** Reduction in customer churn

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Intelligent ERP Is the Foundation of an Intelligent Enterprise

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

Many high tech organizations, especially those focused on innovation or who prefer to be early adopters, have already begun this journey.
SAP Strategy – Deliver the Intelligent Enterprise

The Intelligent Enterprise connects experiences and operations using Experience Management solutions from SAP, our Business Technology Platform, and a suite of applications. The SAP Intelligent Enterprise Framework methodology incorporates these essential components to help customers achieve their business outcomes.

**Experience** – Experience data (X-data) from Experience Management solutions from SAP (Qualtrics) holistically measures and baselines stakeholder experiences across all touchpoints; prioritizes and predicts stakeholder needs and trends with key experience drivers; and acts and optimizes by tracking progress and experience improvement.

**Intelligence** – The Business Technology Platform provides unified data management to connect, discover, orchestrate, and manage both internal and external data; intelligent technologies and analytics to improve analytical and transactional workloads; and application services to simplify extension and integration across the intelligent suite.

**Operations** – The intelligent suite produces operational data (O-data) to automate day-to-day business processes, share insights across functions, and better interact with customers, suppliers, employees, and partners through applications embedded with intelligence.

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SAP S/4HANA Provides **New Capabilities** to Enable the Strategic Priorities of High Tech Companies

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SAP’s Value Proposition for High Tech Companies

SAP S/4HANA provides high tech companies with a proven framework to adopt industry best practices while attaining operational excellence across the full value chain.

Strategy enablement

- Accelerate creation of new business models
- Digitalize core processes such as supply chain and manufacturing
- Build smart digital products
- Provide greater customer centricity
- Enter new markets and industries
- Accelerate synergy for mergers and acquisitions
- Achieve greater speed and agility
- Run simply (master complexity)

Empowered employees

- Higher productivity with a new, role-based way of working with the responsive, intuitive SAP Fiori® user experience on all devices
- Role-driven, user-centric processes and self-service business intelligence for user empowerment
- Actionable insights on unified, real-time data and processes, with built-in system suggestions for decision support

Business benefits*

- 10%–20% increase in revenue from new products and services
- 10%–30% increase in customer satisfaction
- 2%–10% reduction in time to market for new products
- 10%–50% reduction in time to create a configured quote
- 2%–15% reduction in days in inventory
- 5%–10% reduction in manufacturing cycle time
- 5%–20% improvement in on-time delivery performance
- 8%–20% reduction in revenue loss due to stock-outs
- 5%–30% reduction in customer billing, credit, and collections cost

IT benefits and total cost of ownership (TCO)*

- Reduced data footprint
- Merging of OLAP and OLTP
- Elimination of many desktop clients
- Lower testing costs
- Simplified landscapes
- Native integration
- Lower TCO: 20%
- Reduced business downtime: 81%

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Customers Are **Achieving Value** with SAP Solutions

Hewlett Packard Enterprise Company (HPE) is a US$50 billion high tech company. Today, it needs to manage more data per day than in the entire history of the company. HPE needs to orchestrate and monitor a multi-cloud environment fueled with innovations happening at lightning speed. HPE is running on SAP S/4HANA to optimize one of the most complex supply chain operations in the industry. Being an early adopter of SAP HANA allows it to make decisions in the moment to manage costs and customer expectations.

When you look at SAP S/4HANA and compare it to other solutions, it has the greatest functionality breadth and it’s also backed up by the most modern technology base – from a software and infrastructure standpoint.

Dave Carlisle, HPE IT CTO, Hewlett Packard Enterprise Company

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Dave Carlisle, HPE IT CTO, Hewlett Packard Enterprise Company
Simplifying the value chain by implementing SAP S/4HANA Cloud was essential to promote our overseas strategy and integrate business processes around the world.

Takuya Sakai, Managing Director, General Manager of Digital Transformation Division, Hitachi High-Technologies Corporation

From scientific instruments to manufacturing equipment, Hitachi High-Technologies Corporation offers a wide range of cutting-edge products and services around the world. In evaluating the implementation of global business processes, the company found that each of its overseas offices had been operating with its own structure and master data. Faced with a time limit, the company needed a quick and reliable way to consolidate its IT landscape. Now, with a simplified core system in the cloud, Hitachi High-Technologies is ready to bring the future of technology to the world.
As the Internet of Things fuels demand for smart sensors across industries, Switzerland-based Sensirion Holding AG anticipates steep business growth. A leading manufacturer for applications in health, safety, and comfort as well as energy efficiency, its products play an increasingly important role in people’s lives. Intent on staying ahead of demand, Sensirion recognized that its existing system landscape was no match for its needs. So the company sought to implement an advanced backbone for its manufacturing execution systems.

Innovation and digitalization are the core of our business and part of our story.

Andreas Heer, Sensirion Holding AG
Shangqiu Jinzhenyuan Electronic

Industry
High tech

SAP solutions
SAP S/4HANA, SAP Manufacturing Execution application, and more

Customer reference
Click here to read the business transformation study

In the long run, SAP solutions are crucial to Jinzhenyuan’s growth, as we need to seamlessly bridge with our key customers such as Huawei, Lenovo, and Xiaomi, who are also SAP customers. To that end, SAP is our best option.

Huang Runyuan, General Manager, Shangqiu Jinzhenyuan Electronic Technology Co. Ltd.

Shangqiu Jinzhenyuan Electronic Technology Co. Ltd. is a manufacturer focused on the precise production of electronic parts for mobile phones, laptops, automobiles, and more. Until 2017, Jinzhenyuan was producing only a basic mobile phone part for the iPhone – the most upstream part of the entire mobile phone supply chain. Facing threats from market turbulence, the company sought to transform into a smart manufacturer and move upward to the high end of the supply chain by building a smart factory that could easily bridge with its key customers, broaden its product category, and extend production processes.