

SOA PEOPLE

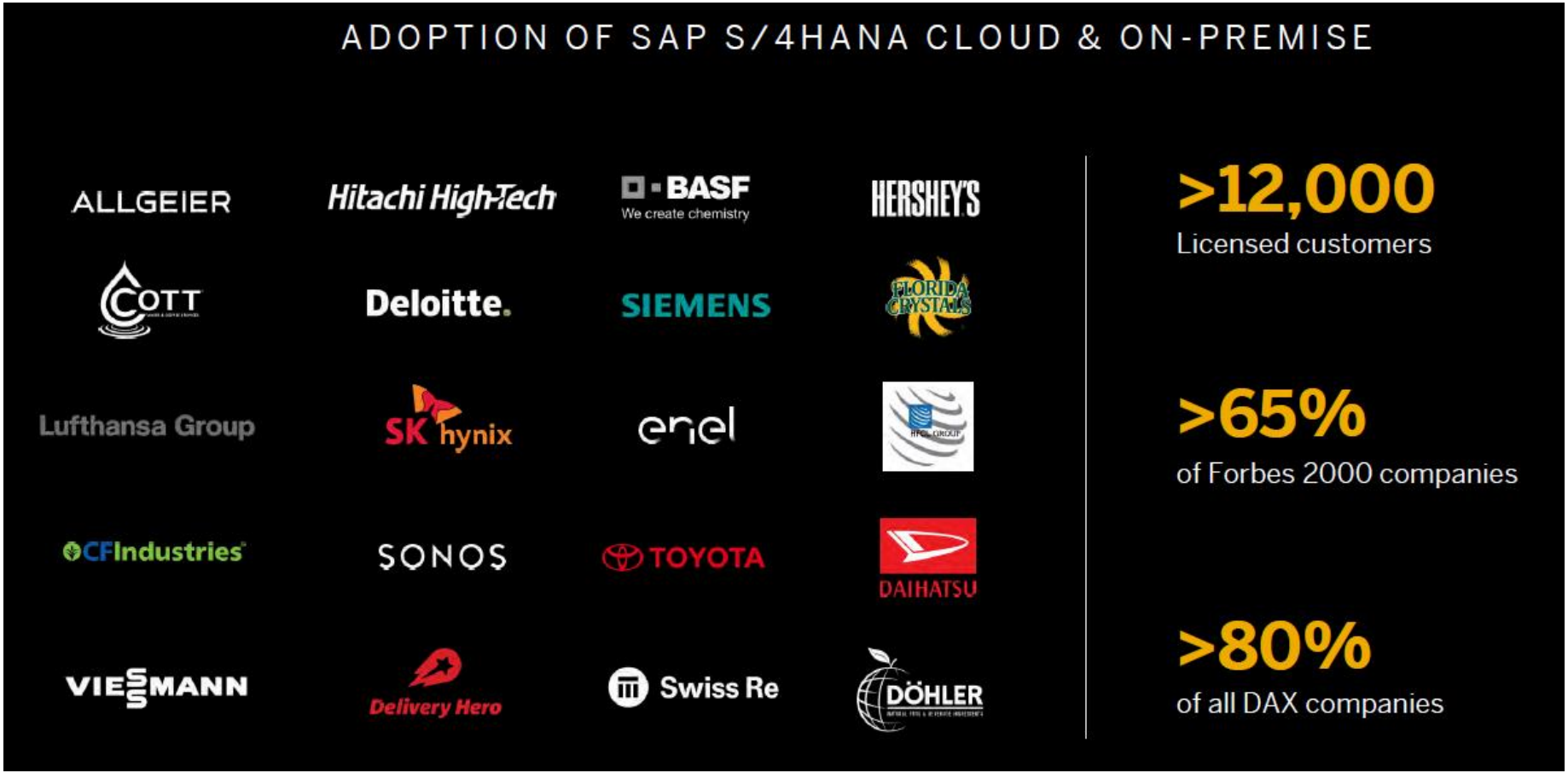
S/4HANA (Cloud) Update & Outlook

dr. Tamas Szirtes
Group Innovation Director

Nov 23, 2019

SIT NL

Adoption status



Adoption status STE

275+

Licensed Customers

102+

Live Customers

30%

Shorter delivery lead time for one retailer

48%

Reduction in days sales outstanding for one professional services firm

60%

Increase in operational efficiency for one manufacturer

80%

Faster report generation

95%

Faster material requirements planning

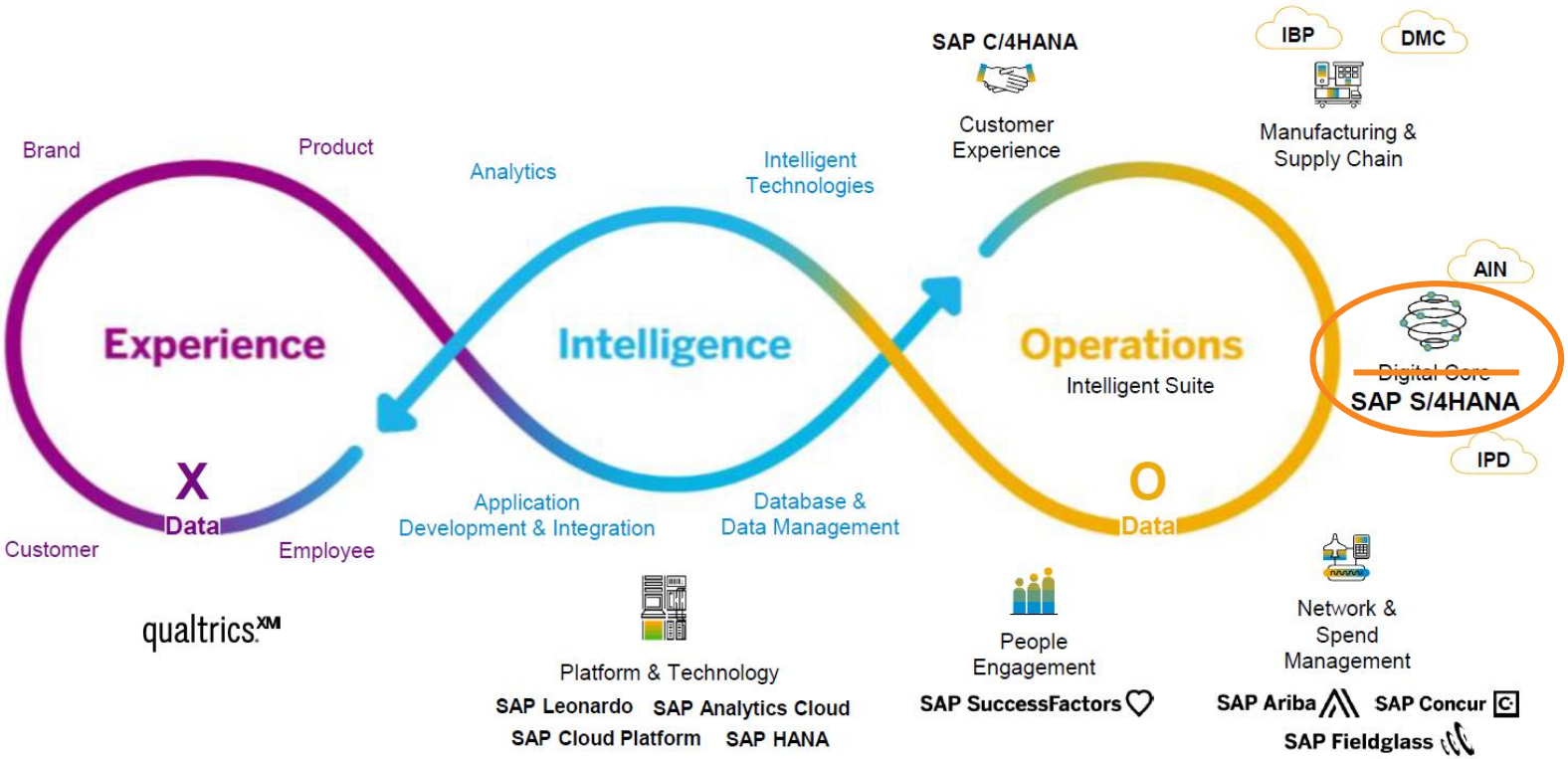
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AGENDA

- IE strategy
- Latest highlights
- Q&A

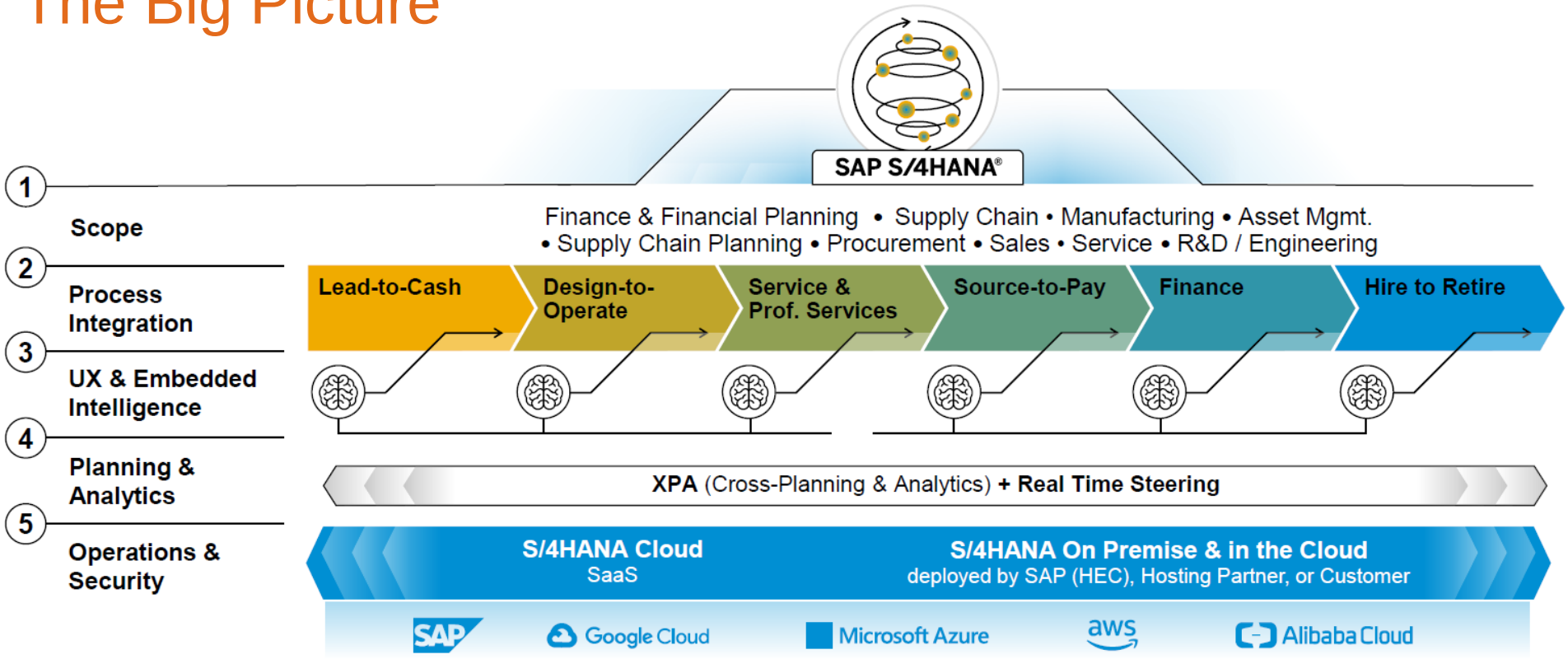
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Intelligent Enterprise extended with Experience Mgt



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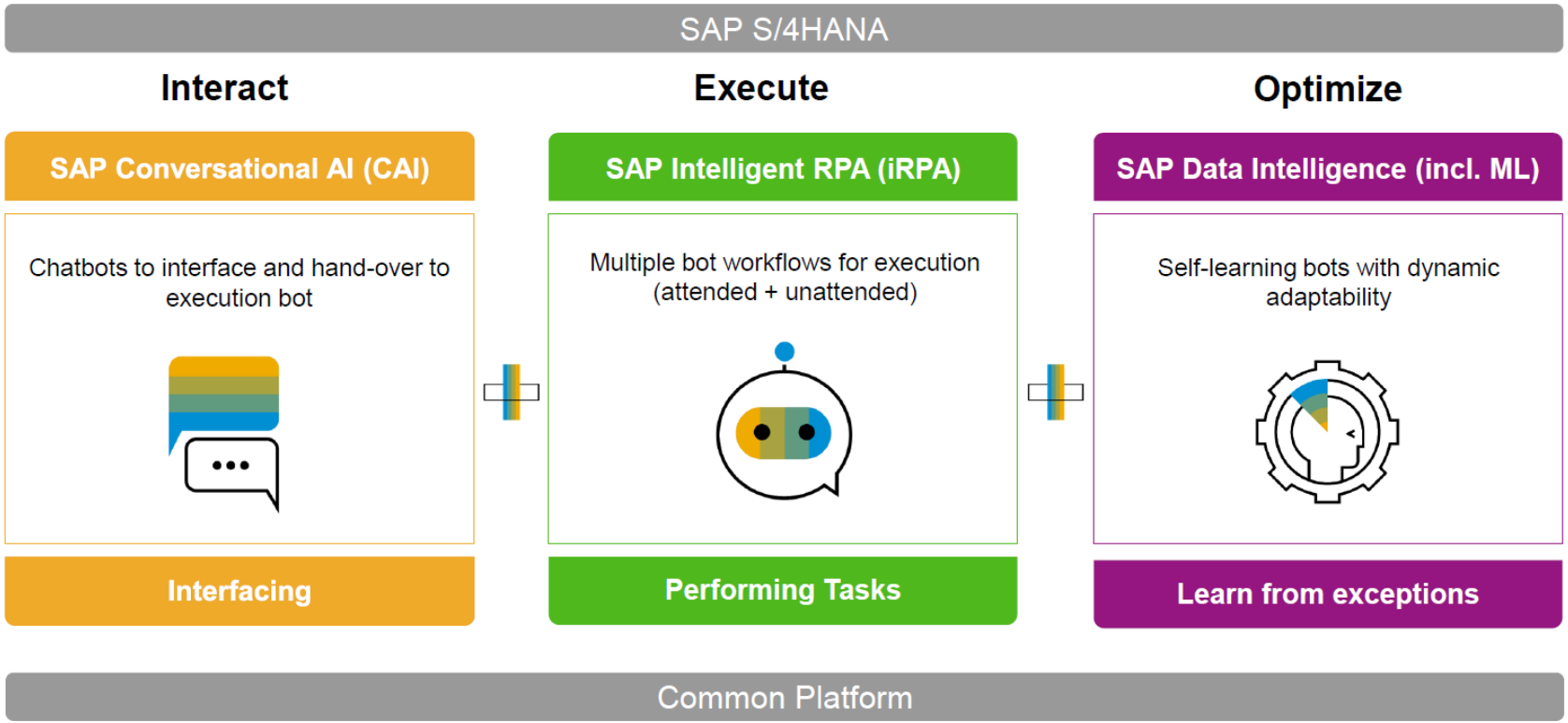
The Big Picture



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Intelligent technologies

200 embedded scenarios



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S/4HANA Cloud is available in 25 industries

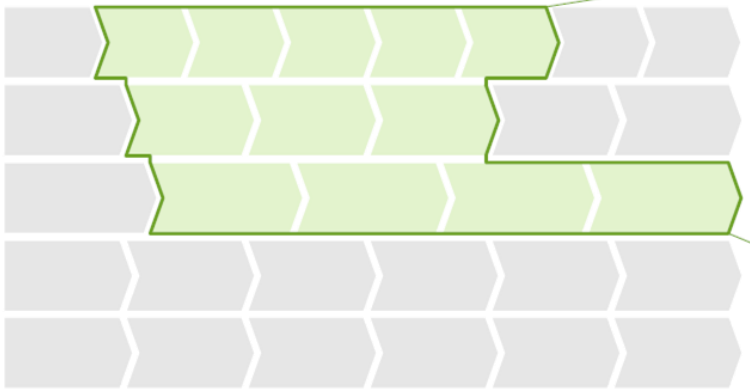
Consumer Industries				Discrete Manufacturing					Energy and Natural Resources					Financial Services		Public Services				Service Industries				
Consumer Products	Life Sciences	Retail	Wholesale Distribution	Aerospace and Defense	Automotive	High Tech	IM&C	T&T	Chemicals	Mill Products	Mining	Oil and Gas	Utilities	Banking	Insurance	Defense and Security	Healthcare	Higher Education and Research	Public Sector	Engineering, Construction and Operations	Media	Professional Services	Telecommunications	Sports & Entertainment
Agribusiness	Biopharma-ceuticals	Groceries	Industrial	Manufacturer & Tier 1 Supplier	OEM (Automotive)	OEM (High Tech)	Component Manufacturing	Airlines	Basic Chemicals / Petrochem.	Mill Discrete	Servicing	Exploration and Production	Waste and Environmental Services	Capital Markets	Insurance	Departments of Defense	Healthcare Providers	Higher Education	Social Protection	Self Performing Construction	Agencies	IT-Serv. & BPO (HZ)	Telcos & Digital Service Providers	Sports
Fashion	Medical Devices	Hard Goods	High Tech	Tier 2+ Supplier	Sales and Service Organizations	Semi-conductor	Automation and Control Solutions	Airports	Specialties	Asset-Intensive Process Manufacturing	Exploitation, Processing, Trading	Marketing and Retailing	Integrated Utility	Retail and Commercial Banking	Re-Insurance	Public Security		Research	Postal	Construction Management	Broadcasting	Consulting, Audit, Tax		
Home & Personal Care		Do-it-yourself	Food & Beverages	MRO & MRE Service Providers	Supplier	Software Providers	Construction and Mining Equipment	Freight Forwarding and 3rd Party Logistics	Agro-chemicals	Complex Process Manufacturing		Oil Field Services	Power Gen	Central Banks					Revenue Management Agencies	Commercial Real Estate	Entertainment	Staffing Services		
Durable Goods		Fashion	Pharmaceuticals			Non-Semiconductor Components	Energy and Power Equipment	Hospitality	Industrial Gases			Refining	Transmission	Wealth Management					State & Local Government (North America)		Newspaper and Magazine Publishers	Bus. Services incl. Facility Mgt.		
Food							Machinery and Equipment	Liner Shipping				Trans-portation, Storage, and Distribution	Distribution								Premium Content Publishers	Legal Services		
Beverage							Rail Equipment and Shipbuilding	Ground/Sea Passenger Transport					Retail											
								Rail Cargo					Water											
								Travel Service Providers																
								Trucking																



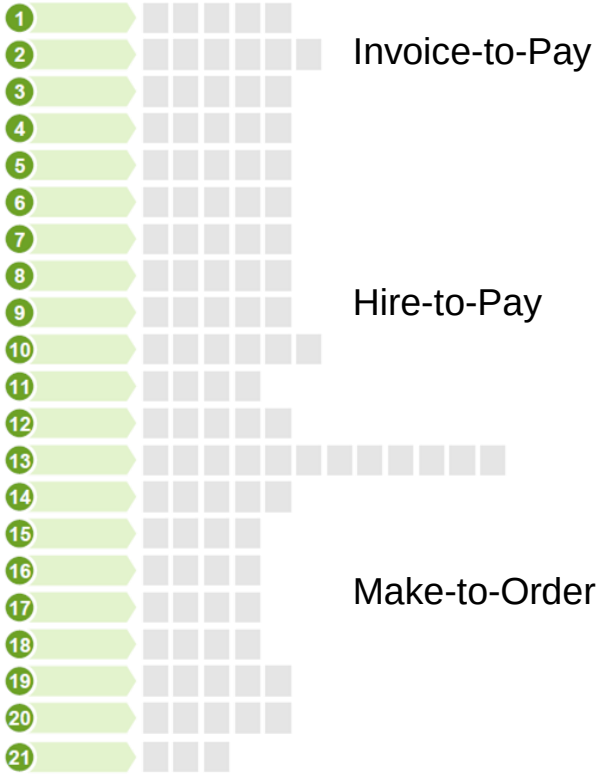
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Intelligent Cloud ERP*

Intelligent Enterprise Suite
(all business processes, including non-ERP processes)



Intelligent Cloud ERP
(defined along **E2E Processes**)



Intelligent Cloud ERP* is the new ERP in the public cloud, containing …

- … **S/4HANA Cloud**
- … **further cloud solutions which are relevant for an ERP scope in the cloud**, i.e., parts of SuccessFactors, Ariba, Concur, SAP Analytics Cloud

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* Current working title – no offical SAP Branding

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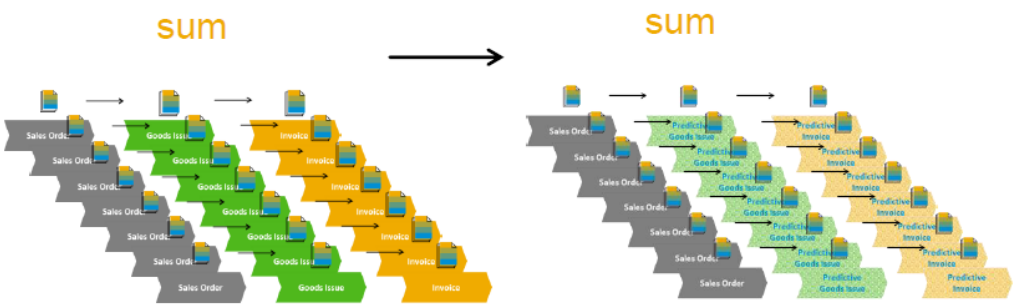
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Finance

TOP-DOWN Prediction

Time series algorithm on historic data in order to predict future values considering trend, cycles and/or fluctuation



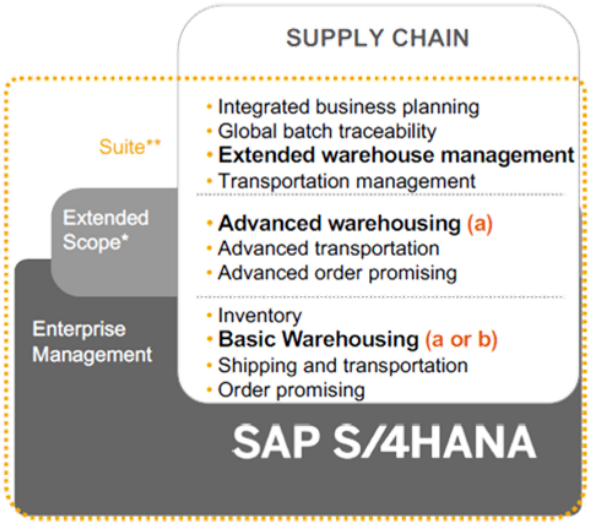
BOTTOM-UP Prediction

Predictive Accounting on the basis of predicted documents being part of an individual business process and its document flow



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SCM – Warehouse Management



All customers converting to SAP S/4HANA from an existing ECC system with LE-WM, will – initially after conversion – reside on LE-WM as compatibility scope[1].
Going forward, warehouse management functionality within SAP S/4HANA, is delivered via two options:

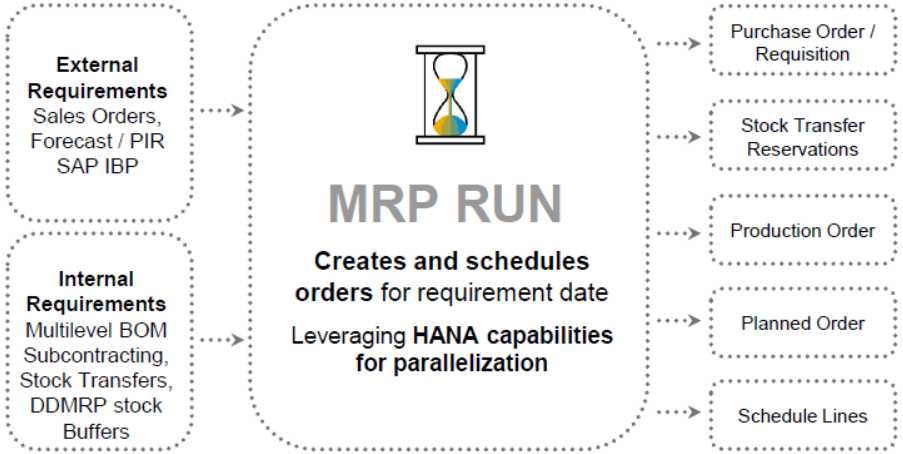
a) Customers **innovating their warehouse processes** follow SAP's strategic direction and will convert to **embedded EWM** with the option to run basic and/or advanced scope (which has license implications).

b) Customers with no desire to manage or even optimize complex warehouse processes, and who want to **keep their established offering**, can technically stay on LE-WM and use the ***stock room management*** functionality with certain restrictions[2]

Both options can also co-exist within one deployment and customers looking for a decentral approach can use SAP S/4HANA EWM standalone for some or all of their warehouses.

[1] 2269324 - Compatibility Scope Matrix for SAP S/4HANA on-premise
[2] Not included are Task & Resource Management (WM-TRM), Warehouse Control Unit interface (WM-LSR), Value Added Service (WM-VAS), Yard Management (WM-YM), Cross-Docking (WM-CD), Wave Management (WM-TFM-CP), and decentral WM (WM-DWM)

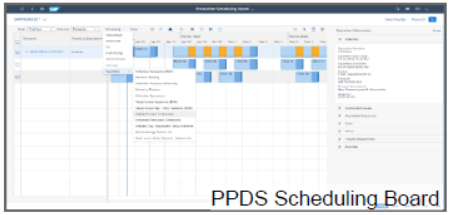
Manufacturing



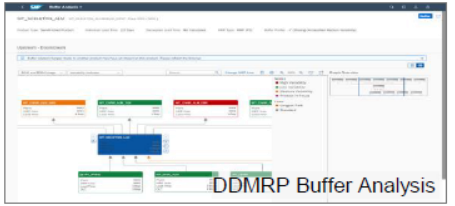
Analyze & Manage Material Bottlenecks
Use the MRP cockpits to detect **disruptions** in **material** availability via Exception & KPI's. **Simulate** their impact, **resolve issues** and use **change requests** to track resolution flow.


MRP Simulation & Resolution

Constraint based planning (PPDS) and/or **Create Optimal Orders***
Analyze resource impact of schedules
Use PPDS **Planning Board & heuristics** for Reschedules & Pegging Optimization and/ or create **collective MRP Purchase Orders** for individual suppliers.


PPDS Scheduling Board

Demand Driven MRP*
Use DDMRP to prioritize Sales over forecast and create **strategic forward looking inventory buffers**. Let the system analyze the material flow to propose a dynamically optimized stock situation to lower risk for strategic replenishment gaps


DDMRP Buffer Analysis

Predictive MRP*
New mid/long term solution to influence capacity planning through **MRP prediction.** Includes **options to simulate** and resolve **capacity, material and production** gaps in a plant before they occur.

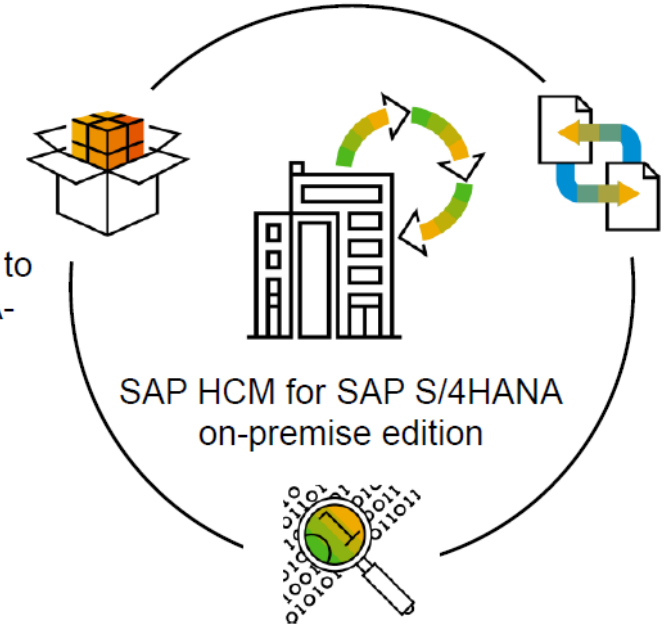

pMRP simulation

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HR

Product

- Scope comparable to S/4HANA Compatibility Pack and key functionality of SAP ERP HCM
- Based on ERP HCM (EhP 8), likely to be supplemented with some HANA-based capabilities.
- No major additional functional additions or re-architectures are planned
- Only available for on-premise deployment
- Available in 2022



Transition

- Customers can run HCM embedded or on a separate SAP S/4HANA instance
- Customers will need to migrate to SAP HANA.
- Migration tools and services will be provided to help facilitate a non-disruptive migration from SAP HCM or SAP S/4HANA compatibility pack
- A license conversion will be offered

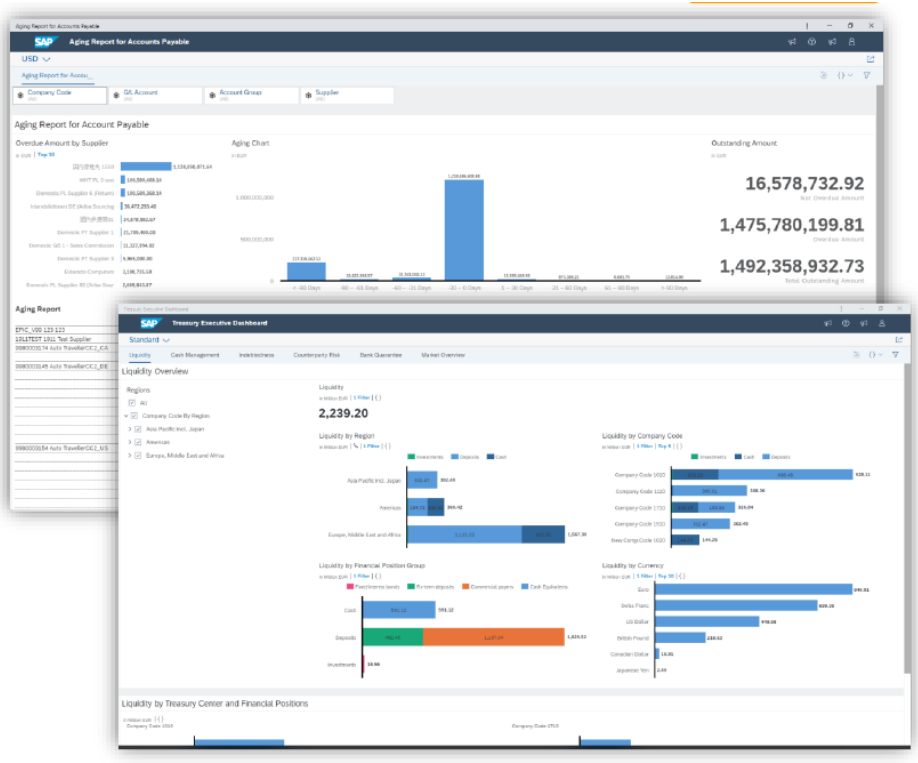
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SAC integration

Dashboards and multidimensional reports based on SAP Analytics Cloud (SAC) provides deep insights into your business using reporting and data visualization, which will help you make better decisions. From this release, SAP S/4HANA provides Fiori Apps with Dashboards powered by SAC. This allows users to leverage SAC capabilities while navigating within SAP S/4HANA Cloud the well known ways.

Dashboards	Roles
Disputes	Accounts Receivables Manager
Aging Report for Payables	Accounts Payables Manager
Treasury Executive Dashboard	Treasury Risk Manager
Group Financial Statement	Group Accounting Manager

Data Analyzer Reports	Roles
Group Report	Consolidation Specialist
Group Report with Reporting Rules	Consolidation Specialist



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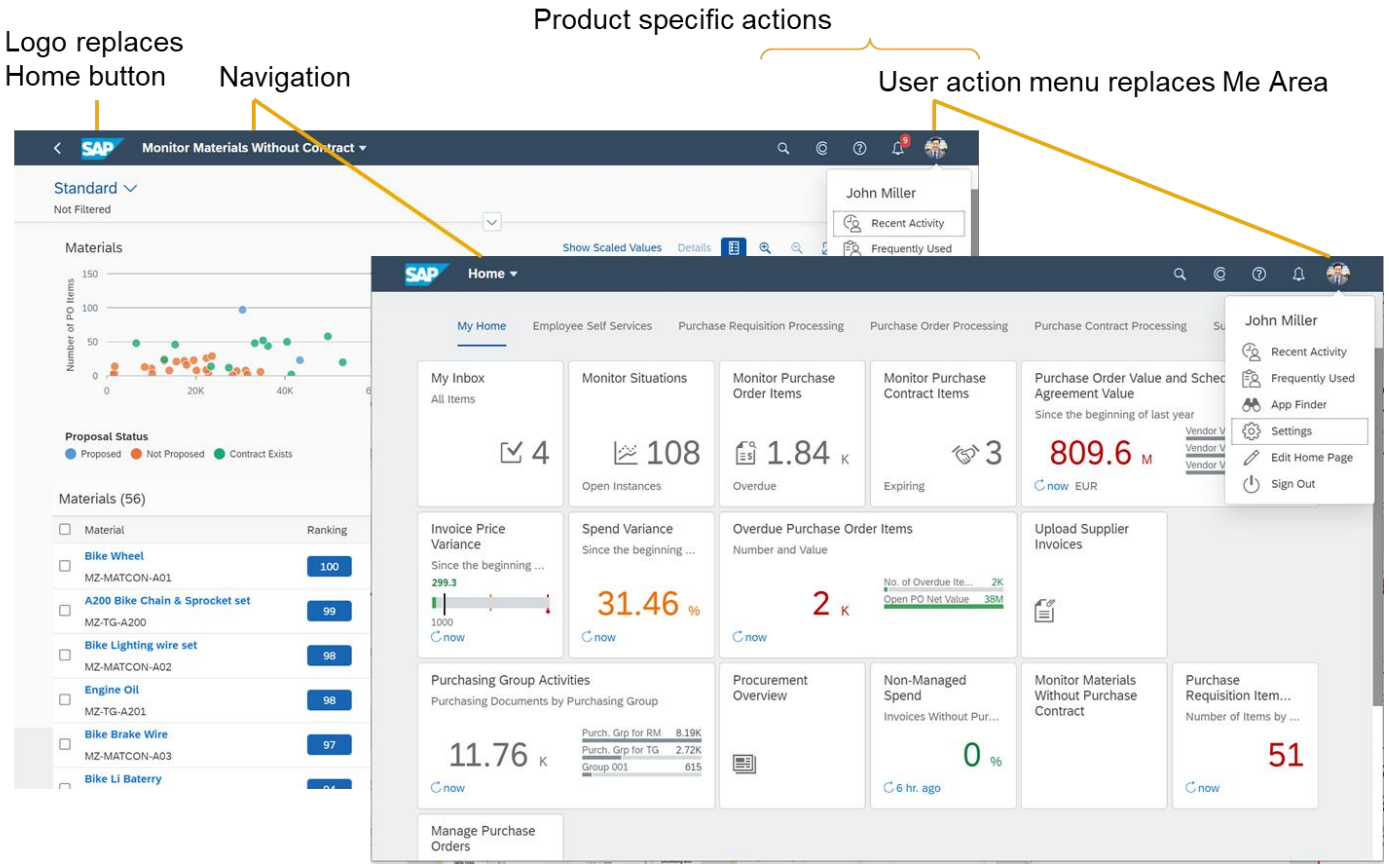
Fiori 3

1909:

- Quartz theme
- New shall header (no viewport)

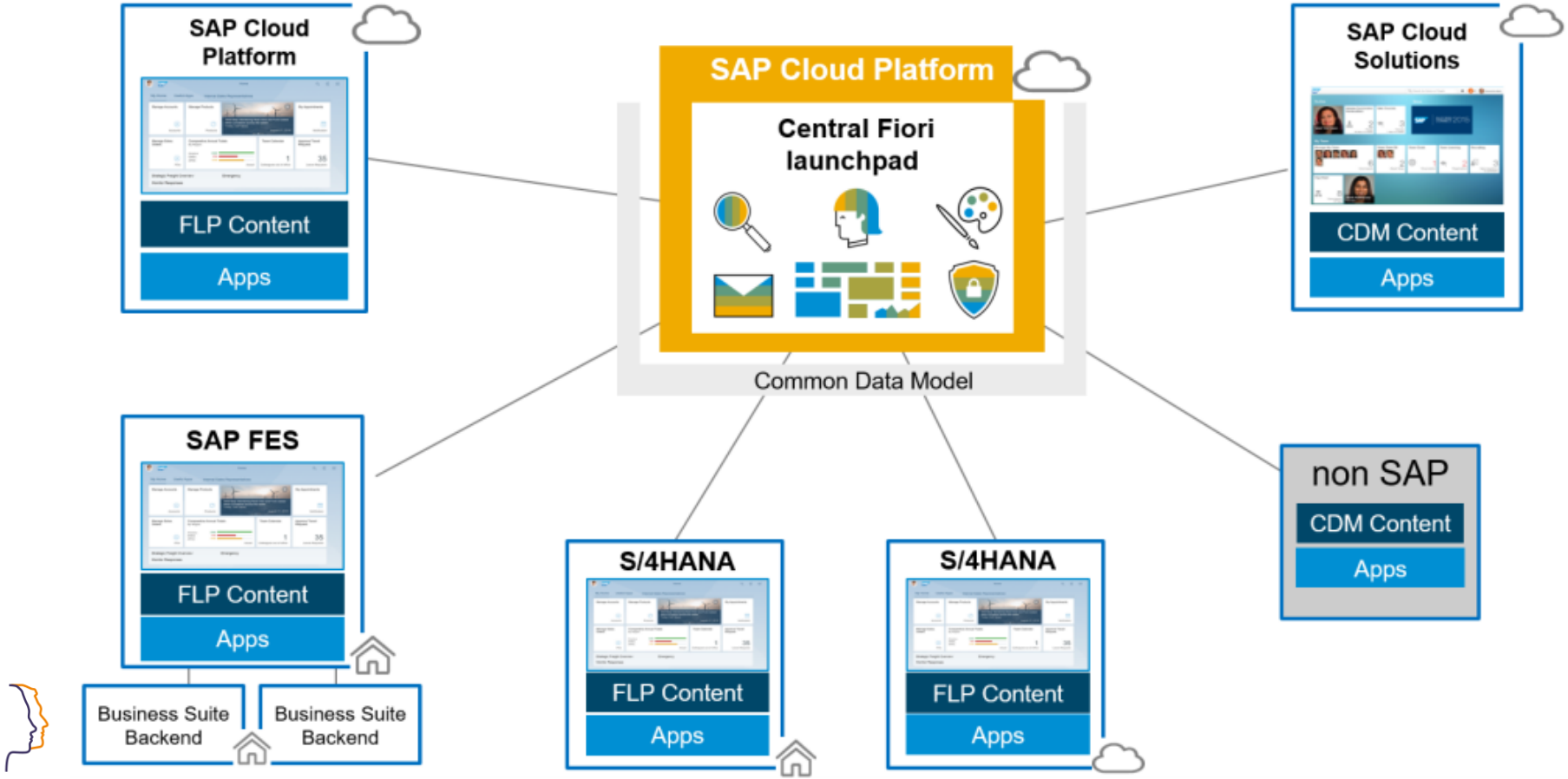
Planned:

- Cards
- Improved situations
- CoPilot / CAI
- Etc.



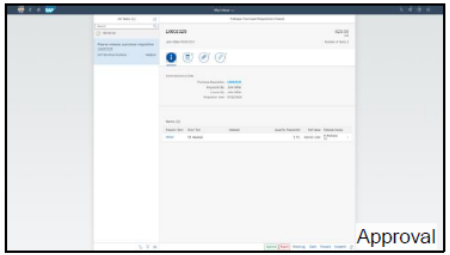
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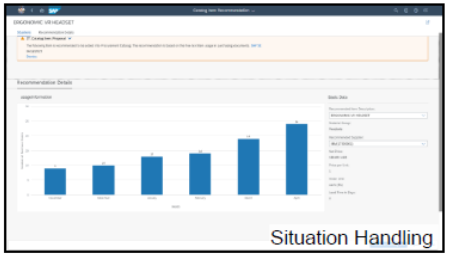
cFLP

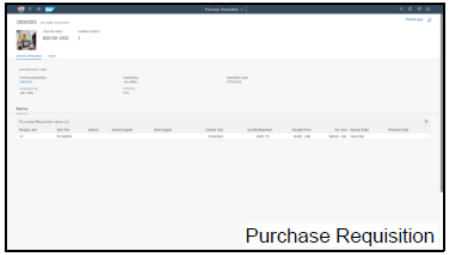

SAP Cloud Platform
FLP Content
Apps
SAP Cloud Platform
Central Fiori launchpad
Common Data Model
SAP Cloud Solutions
CDM Content
Apps
SAP FES
FLP Content
Apps
Business Suite Backend
Business Suite Backend
S/4HANA
FLP Content
Apps
S/4HANA
FLP Content
Apps
non SAP
CDM Content
Apps

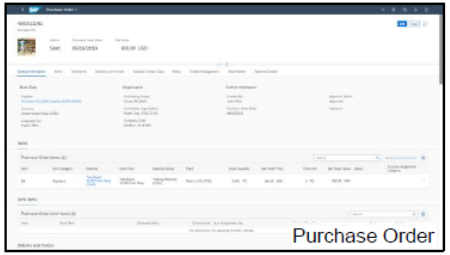
Business process handling

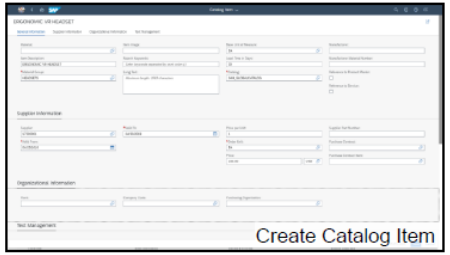
Free-text purchase requisition ➤ Approval ➤ Purchase order ➤ *ML: Notification/ Situation Handling* ➤ *Create purchase catalog item*


Approval


Situation Handling


Purchase Requisition


Purchase Order


Create Catalog Item

Responsibility Management

- Maintains responsibilities for team members flexibly
- Integrates with workflow and situation handling
- Supports complex scenarios (hierarchies) to determine the responsible recipients

Business Workflow

- Synchronize and proactively deliver work in the right sequence at the right time to the right people
- Business departments can model, configure and administrate the workflows
- The difference to Suite Workflow blog

Situation Handling

- Brings urgent issues to the attention of business users, who can react immediately to the notifications they receive
- Optimize your business processes by enabling automation and machine learning

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ML

Typical Machine Learning Business Pattern

Prediction
of future conditions based on past data patterns

Automation
substitute steps in business processes, which were originally handled by humans

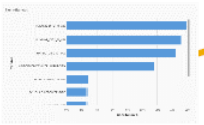
Augmentation
support decisions with proposals of datasets/ actions based on current context

Pattern Recognition
provide insights into a dataset and classify recognized patterns

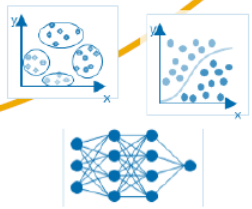
Moderate ML requirements like *Forecasting, Trending, Influencers* using Algorithms like *Regression, Clustering, Classification, Time-Series* etc. can be handled **embedded in SAP S/4HANA.**

More complex ML requirements with also **external data** and more complex Algorithms and requirements including also *Image Recognition, Sentimental Analysis, Natural Language Processing and Deep Learning* are typically offered **side by side in Leonardo / SAP Cloud Platform.**

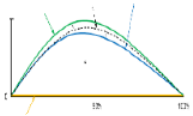
Data
Collect Data, Prepare, Calculate & Consolidate

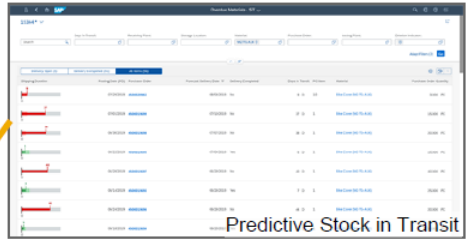


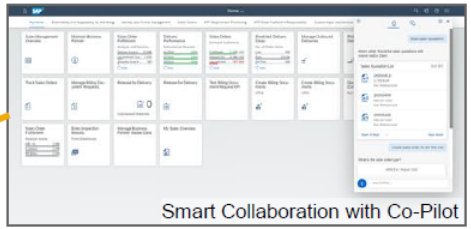
Design **ML Model** using Algorithms

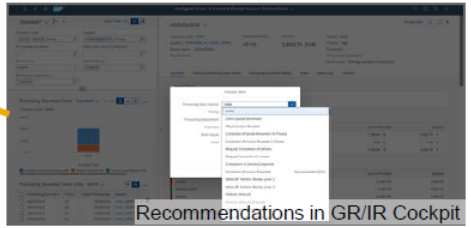


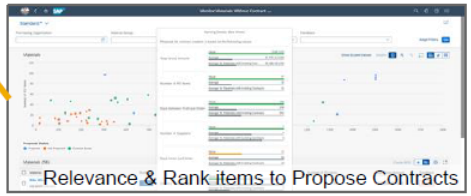
Train
Increase the **predictive confidence** and **predictive power** during continuous evaluation, **validation** and fine tuning





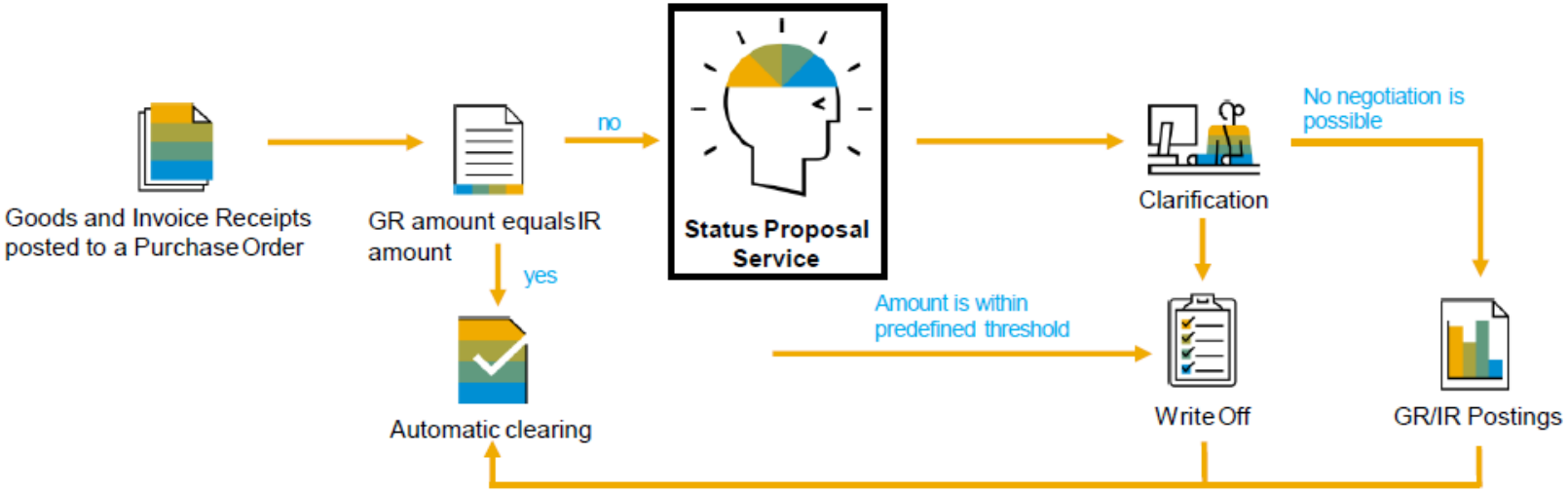






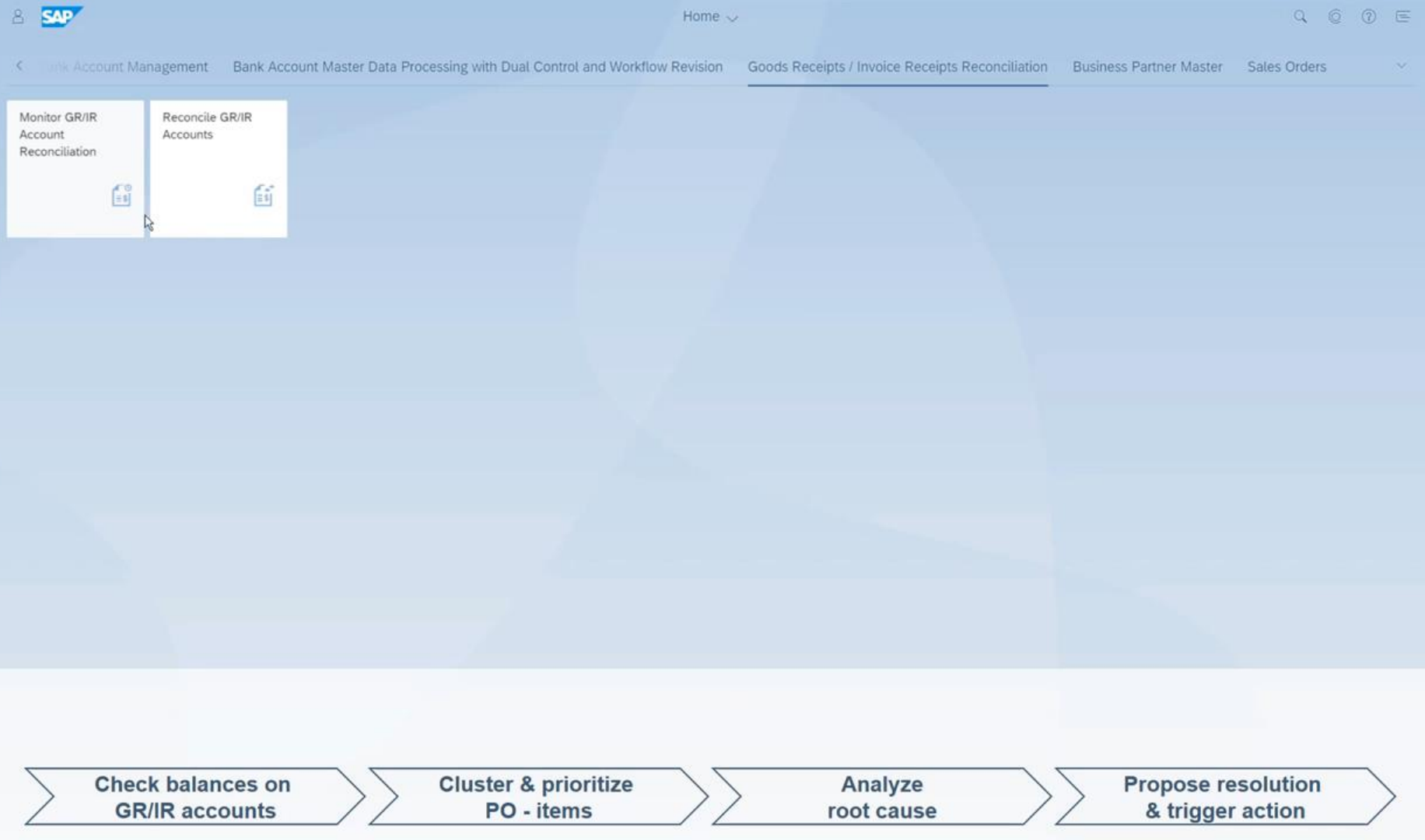
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ML example: Goods Receipt / Invoice Receipt



+ collaboration

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Home
Bank Account Management
Bank Account Master Data Processing with Dual Control and Workflow Revision
Goods Receipts / Invoice Receipts Reconciliation
Business Partner Master
Sales Orders
Monitor GR/IR Account Reconciliation
Reconcile GR/IR Accounts
Check balances on GR/IR accounts
Cluster & prioritize PO - items
Analyze root cause
Propose resolution & trigger action

SAP S/4HANA Cloud Highlights of 2020

SAP S/4HANA will be an integral part of all **end-to-end processes:**

- **Engineer-to-Order** process: combination of Digital Supply Chain, Industry solutions, and SAP S/4HANA

The Intelligent Enterprise becomes **tangible**:

- Finalization of **2019 scenarios**
- Integration of **supply chain solutions** (IBP, TM, EWM Asset Management)

Focus on **Artificial Intelligence:**

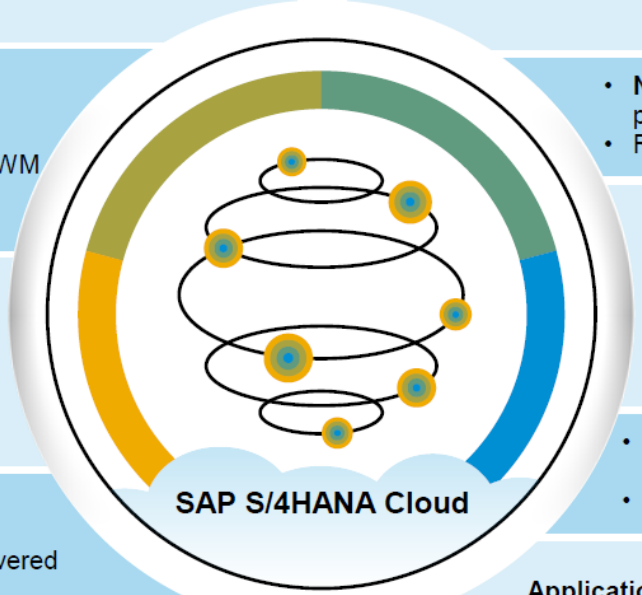
- **Embed intelligent technologies** into the E2E process chain → process optimization
- **Conversational Artificial Intelligence**

Integration of **SAP Analytics Cloud:**

- Shift focus from **analytics to planning**
- First use cases for **cross-LoB** planning will be delivered

Implementation of **SAP Fiori 3:**

- Coverage of full E2E process chain for key personas
- Increase **Fiori Usage** in SAP S/4HANA Cloud to **80%**



Business Configuration framework **X/4:**

- **Migration** of all customers to the framework
- **Authoring environment** and **content restructuring**

- **Near zero downtime** for hotfixes and maintenance patches
- Reduction of **upgrade time**

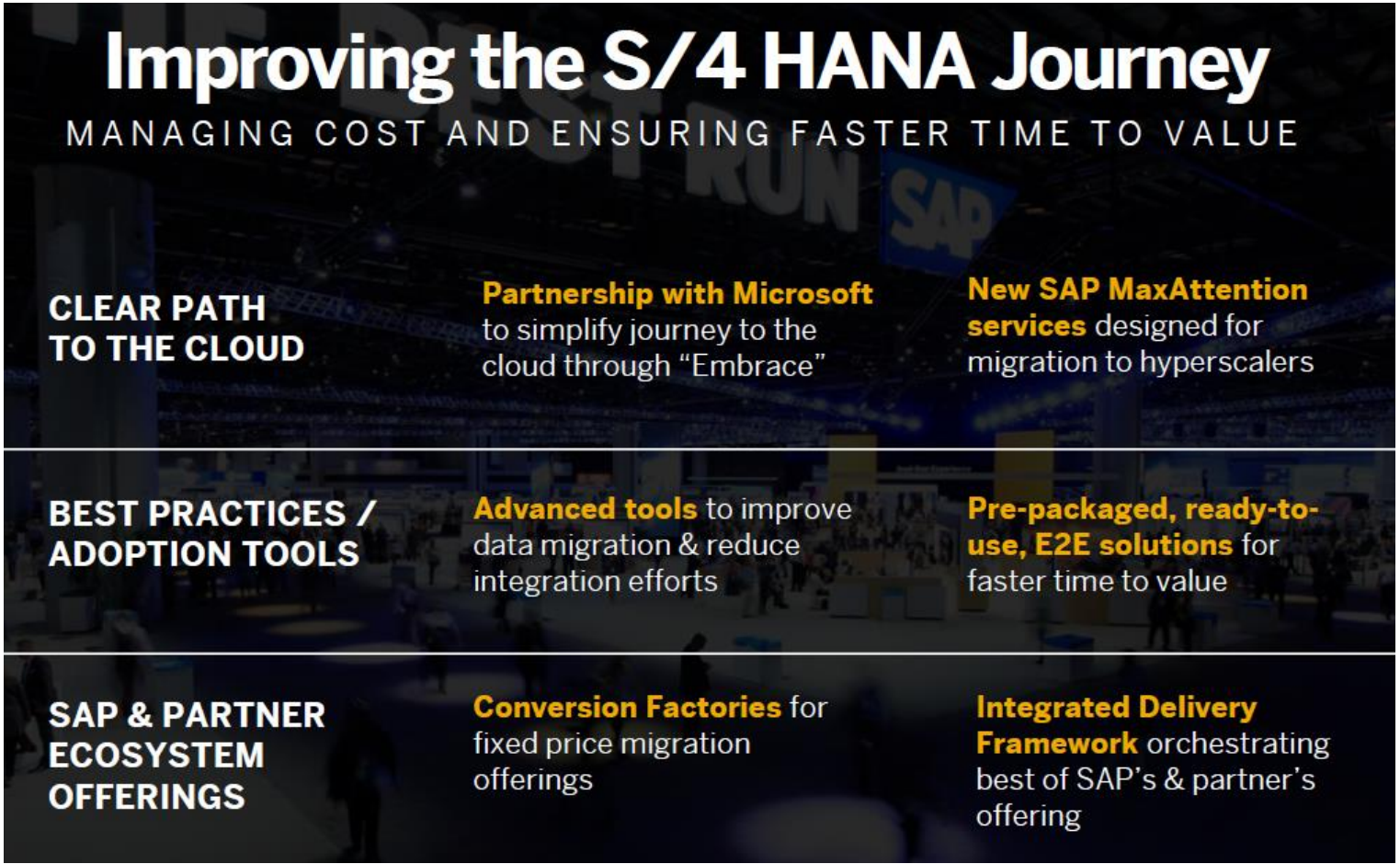
- **Qualtrics** embedded along the S/4HANA process chain
- Usage of **experience data** & **value generation**

- **Cloud-like delivery** and continuous shipment of (monthly) selected capabilities with **plan to scale**
- Further **TCO** reductions being made.

Application innovation scope topics:

- Finance: Self-Auditing
- Enable Multiple Ledgers
- Solution & Bundling business

View of the board



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- Q&A

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Q&A



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THANK YOU

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