SAP Connected Manufacturing

Update on SAP Manufacturing Innovations and Roadmap

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Main Building Blocks Manufacturing



Change Impact Analysis

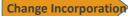
Drivers of Change

- New program
- Engineering Change
- Query notes
- Design Changes
- Model Changes
- New Model

- Process ImprovementSpec. Changes
- Speci Citatib
- Tooling
- Work share/offload
- Work Centre Change
- Facility changes
- Condition of supply
- Inventory
- Purchase orders
- Rate changes
- Schedule changes
- Due dates

- Production dataIn process rework
- Non Conformance
- Corrective action
- Certifications
- Service Reports
- AOG
- MRO

Change Records





Order Execution







Engineering



Manufacturing Engineering



Manufacturing Planning



Manufacturing Orchestration



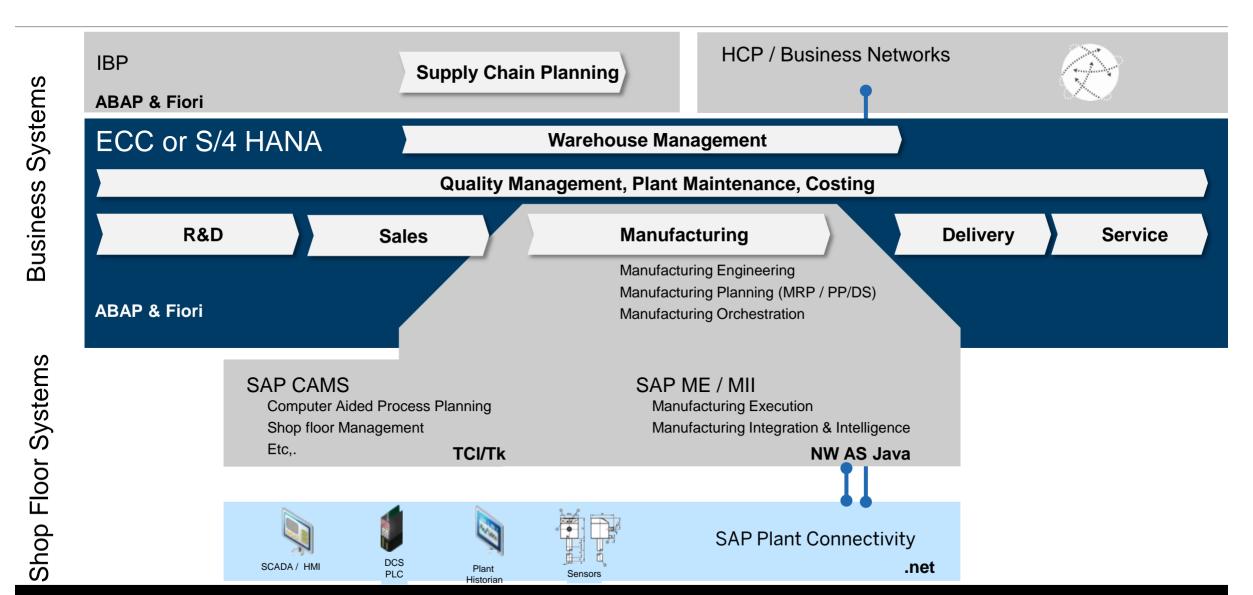
Manufacturing Execution



Delivery / Service

Change Requests

SAP's Manufacturing Execution Suite extends the Digital Core



2016 Future Direction of Innovations in Manufacturing

S/4 HANA for Manufacturing

- Manufacturing Engineering
- Production Planning for Discrete (PP)
- Production Planning for Process (PP/PI)
- Material Requirements Planning (MRP)
- Quality Management

SAP Manufacturing Execution Suite

- SAP ME
 - Industry 4.0, HANA Analytics, Integration, Configuration
- SAP MII
 - Industry 4.0, Energy Monitoring, Analytics Content
- SAP PCo
 - Industry 4.0, Configuration, Performance

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SAP Manufacturing Execution Suite

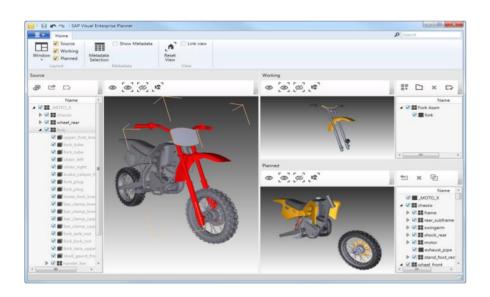
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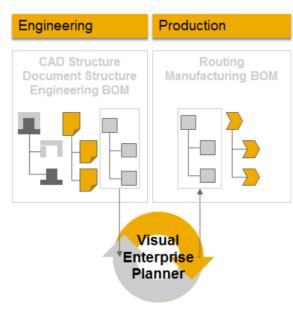
Manufacturing Engineering

Visual Manufacturing Planner for Handover Engineering to Production

Description

- Create and maintain Material BOMs and routings for Manufacturing from Engineering BOM (Document Structure, Material BOMs or PSM/iPPE)
- Enable easy rearranging of Engineering BOM structures for Manufacturing needs
- User 3D information for visualization





Key Benefits

- Fast processing by visual supported drag & drop
- Support manufacturing planning via 3D visualization
- Fully integrated into SAP ERP
- No system boarder between Engineering and Manufacturing

Prerequisites:

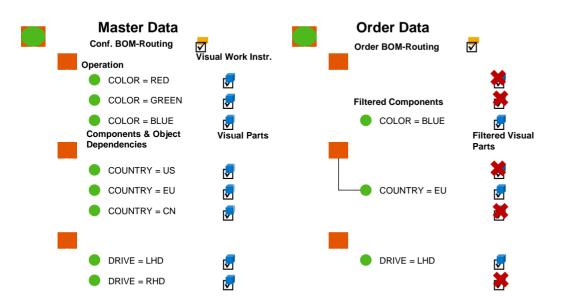
- SAP PLM CAD integration to create the document structure or Visual Data integration (using Visual Enterprise generator)
- Optionally: Visual Enterprise Instance Planner to link visuals to PSM (iPPE)
- Visual Enterprise Generator to create the RH viewing files

Manufacturing Engineering - Planned Innovation

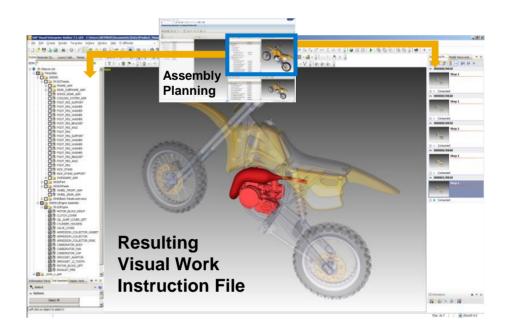
Visual Manufacturing Assembly Planning (Visual Enterprise Manufacturing Planner)

Description

- Configurable Visual Work Instructions
- Visual Enterprise Manufacturing Planner is able to create Visual Work Instruction
- In case the BOM is a variant BOM (150% BOM) the Visual Work Instructions will also contain all possible variants for Visual Work Instructions, i.e. the Visual Work Instructions will be configurable



- Automatically create Visual Work Instructions according to the BOM and routing structure
- A variant Manufacturing BOM will result in a configurable Visual Work Instruction



Highlights of key business innovations in S/4 HANA

Re-architecting for in-memory platform

Responsive user experience design

Unifying functionality in core



Material Requirements
Planning



Sales Representative (Order Management & Billing)



Available-to-Promise & Backorder Processing



Inventory Management



Procurement Clerk (Procurement)



Capacity Planning



Material Valuation



Material Planner (Material Requirements Planning)



Extended Warehouse & Transportation Management

SAP S/4HANA Enterprise Management

Key innovations 1511 mapped to Product Map

Procurement

Inventory Management

Material Valuation

Material Requirements Planning Available to Promise Capacity Planning

Order Mgmt. & Billing

ndustry to Cor

Accelerated Financial Close

Universal
Journal &
Central Financ

Use Cases enabled

High volume Backflush

(Parallel Production combined postings)

Internet of Things

Scenarios (real-time goods movements posting)

Segment of one (Smaller lot sizes passing through logistic operations)

Combined postings from offline devices (Fast parallel postings)

. . .

Parallel processing of inventory postings

Technical Innovation

...addressing the digital business as digital core

Simplified Data Model (MATDOC = MKPF + MSEG + add. Columns for fast calculations)

No aggregates: On-the-fly aggregation of inventories

Insert only on DB Level, No DB locks anymore.

Insert only on application level-

Elimination of standard price (SPREIS) locking (taking rounding differences into account)

One valuation method (Material Ledger) instead of 2 (MM-IM and ML)



Business Processes improved

More effective **Inventory Management** like inventory turnover, inventory costs.

More accurate **Material Requirement Planning**

More efficient **Procurement** processes

More accurate Sales Order Fulfillment and Delivery

More efficient Production Execution and Easier implementation of new processes (like Just-In-Time, Kanban)

SAP S/4HANA Enterprise Management

Key innovations 1511 mapped to Product Map

Procurement

Inventory Management

Material Valuation

Material Requirements Planning Available to Promise **Capacity Planning**

Order Mgmt. 8

Industry to Cor

Accelerated Financial Close

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Business Challenges

- Increasing customer service
- Low inventory accuracy
- » Revenue losses due to stock-outs
- Poor on-time delivery performance
- Missing parts in production



SAP S/4HANA Capabilities

- Prioritized view on material flow issues
- Real-time alerting based on current stock requirements situation
- System-generated solution proposals
- MRP can run as frequently as required (up to 10x faster)
- Demand information is propagated faster through the supply chain

Business Benefits

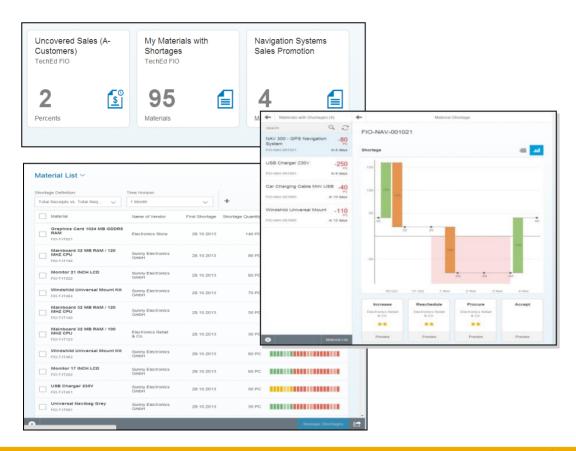
- Clear visibility across the material flow
- Proactive decision making in response to changing demand
- Flexible tailoring of available capacities and receipts to meet required quantities
- Real time inventory monitoring and automating the creation of procurement proposals

Solution Today

MRP Apps







MRP Apps – The new dashboard for the Material Planner.

- Monitor KPIs and alerts
- Identify most urgent and important issues, considering time to action and order values, priorities, and the like
- Choose from a set of pre-evaluated solution proposals
- Instant detection of critical situations in the material flow based on real time data
- Comprehensive impact analysis
- >> Evaluation of various solution proposals leading to well-founded decisions

Prerequisites:

- SAP EhP7 SP 3
- SAP HANA

SAP S/4HANA Enterprise Management – Key Innovations

Material Requirements Planning

MRP Run

Performance improvement:

- Scenario dependent up to 10 times faster
- Data Storage reduction by 5 times
- New mode supports procurement and in-house production, delivery schedules and configurable materials
- Classic mode for subcontracting, capacity planning and discontinuation

Step1: Read

Step2:

Algorithm

Step3: BOM
Explosion/Configuration

In-house production,

(Netting, Lotsizing,...)

subcontracting

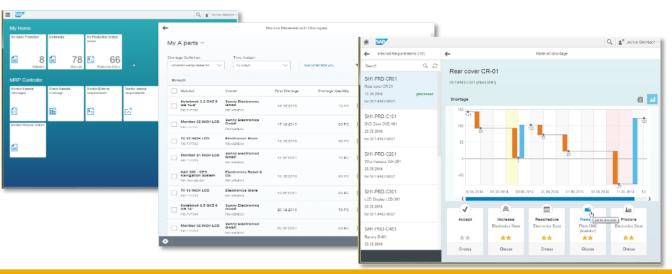
Step4: Write



MRP Analysis

System analyzes material flow of all materials in real time & identifies:

- Disruptions in the material flow
- The impact of these issues
- Solution proposals for decision support
- The remaining time-to-action
- Role based KPI driven entry
- Running on any device
- Adoptable and easy to personalize



SAP S/4HANA Enterprise Management

Key innovations 1511 mapped to Product Map

Procurement

Inventory Management

Material Valuation

Material Requirements Planning Available to Promise

Capacity Planning Order Mgmt. & Billing

Industry to Core

Accelerated Financial Close

Universal
Journal &
Central Finance

Business Challenges

- On-time delivery performance
- Days in inventory
- Revenue loss due to stock-outs
- Adapting to changing plant condition



- PP/DS side-by-side to SAP S/4HANA
- Integrated Production Planning and Detailed Scheduling (PP/DS) in SAP S/4HANA (planned innovations)
 - Advance planning and optimization and production planning and detailed scheduling
 - Live cache-based, finite-capacity planning as an integral part of SAP HANA, requiring just one database to manage
 - Advanced analytics
 - One materials requirements planning
 - Simplified data integration
 - Intuitive maintenance of master data and integration models

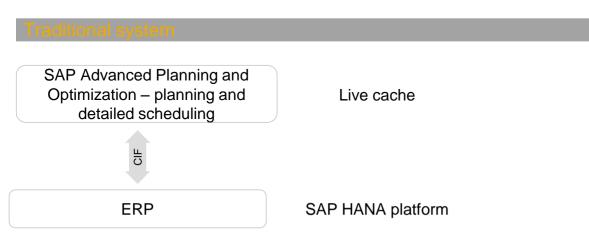
Business Benefits

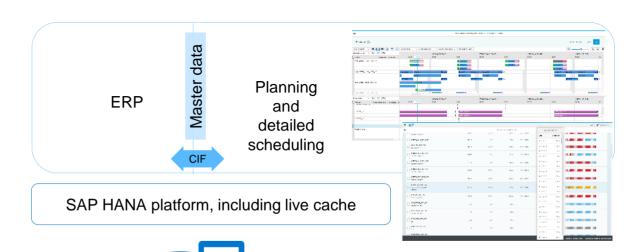
- Fulfill an order on time and in the desired quantity using different kind of checks for different business scenarios
- Perform automatic back-order processing
- Reduce inventory carrying cost

Business process view

Embedded Production Planning and Detailed Scheduling









With traditional system:

- Different master data in scheduling and ERP systems
- Different MRP processes and user tools in scheduling and ERP systems
- Data integration latency and errors



With SAP S/4HANA

With SAP S/4HANA:

Planning and detailed scheduling embedded on ERP system enables:

- UI harmonization
- Data integration (CIF) simplification
- Master data harmonization
- Analytics

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Manufacturing Execution – Product Landscape

SAP Manufacturing Integration & Intelligence

Enterprise

SAP FRP or S/4 HANA

SAP MII

SAP FRP or S/4 HANA

Shop Floor

SAP MII

SAP ME

SAP Manufacturing Execution System





Worker UI

Machine Entry

Range of use

- » Integration & Intelligence
- » Reporting & Analytics
- » Individual Scenarios and Use Cases
- Worker UI -Pre-delivered E2E integrated content delivered with MII to drive Plant Performance Management on the Production Shop floor – covers manual, automatic and semi automatic scenarios

Target Industries

All Manufacturing Industries

Highlights

» Highly Extensible







ME POD

Machine Entry

Range of use

Manufacturing Execution System

Target Industries

Discrete Industries

Highlights

- » Tracking & Tracing on SFC / Serial Number
- » Non Conformance Handling
- Interlocking
- » Production Data Acquisition
- » KPIs, Reporting & SPC
- Highly Extensible

SAP Manufacturing Execution - SAP ME

Main Differentiators

SAP MF - What is it?

Manufacturing Execution System for the discrete industries

SAP ME - Main Differentiators

- ERP Integration "out of the box"
- Controls Production of every single unit (Lot Size 1)
- Easy interaction with shop-floor automation layer
- Unit Level Tracking & Tracing / Genealogy
 What operation, tool or machine was used, where parts came from, etc.
- Comprehensive nonconformance management including in-line sampling and ability for visual test and repair
- Process Interlocking
- High Flexibility and Extensibility; pure SOA based architecture
- Role specific access and personalized dashboards for operators
- Provides flexible production process modeling without additional programming
- Active Community of partners and customers
- · High Usability with pure Browser Based Uls



SAP Manufacturing Integration and Intelligence (SAP MII)

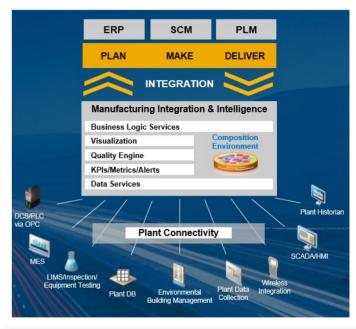
Main Differentiators

SAP MII – What is it?

 Extensible manufacturing platform allowing rapid adaption to any manufacturing process

SAP MII - Main Differentiators

- Integration: Provide interoperability (in)between Shop Floor solutions and enterprise ERP (PP, PM, MM, QM)
- Intelligence: Visualize data from any of above sources to provide KPIs.
 Provide simple and efficient local User Interface and Dashboards
- Innovation: Powerful SOA-enabled business logic to cover for customer specific processes around Planning, Execution, Maintenance and Quality now including versioning of any Content
- Allows Fast prototyping to achieve fast ROI
- Broad and extensive Partner Network
- Applicable to all Manufacturing Industries and Utilities





Usability & Mobility

Description

- 3D Models can be embedded in the Production Operator Dashboard (POD) as Work Instructions Scenarios: Assembly, Visual Test and Repair
- Visualization of any HTML Pages in a POD plug-in E.g. for Display of MII Reports und Dashboards
- Browser-based mobile Apps for shop floor activities; easy extensible





- Delivers a new user experience for high productivity
- Low training effort



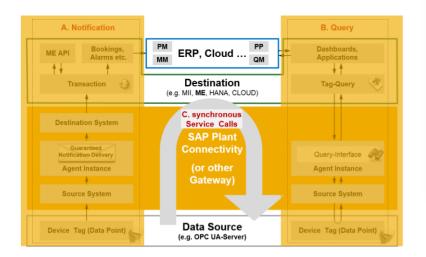
Set Point Object

Description

- A Set Point Parameter is an entity used in Manufacturing and Automation that identifies a value to which a control system will strive to achieve on a particular resource, for a particular material
- A Set Point Group will contain one or more set point parameters, either numeric or string, that are delivered to the shop floor to a specific resource for specific products

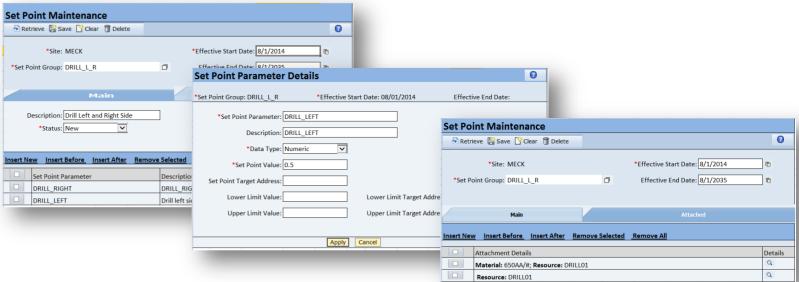
The new functionality will provide PAPIs/Web Services for the master data and

run time execution



Key Benefits

- Delivers a solution to define the set point parameters outside the controller and into the execution system for easier maintenance and update
- Provides a concise definition, along with features, without the overhead of Data Collection within SAP ME
- Provides a framework to support configurable product in the future

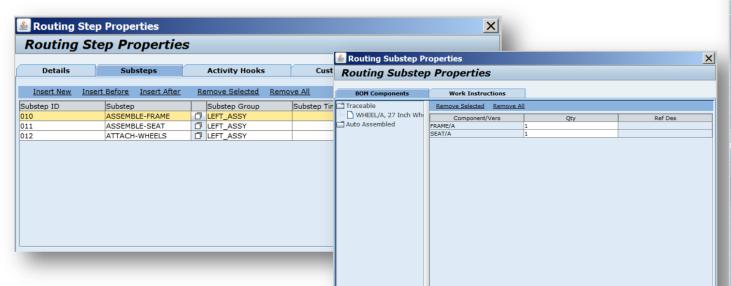


Solution Today

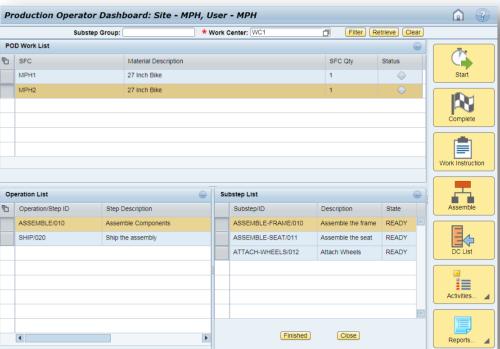
Sub-steps

Description

- · Sub-step is a new master data object that is defined under a routing step.
- These sub-steps typically represent a list of tasks or activities that must be performed before a routing step is complete
- Sub-steps will allow parameter data collection, work instructions, components to be assembled, tools to be logged, and certifications to be enforced



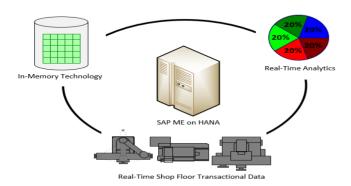
- Allows the definition of sub-steps executed in manufacturing but does not require the shop floor to start and complete at every sub-step
- The goal is to minimize the amount of operator interaction with SAP ME in an operation, yet provide the associated sub-steps that must be acknowledged and tracked



SAP ME on HANA

Description

- Adding support for in memory technology powered by SAP HANA
- Migration support for WIP and Archived data (*1)
- Selected areas for HANA specific performance optimization (*2)
- Consolidation of ODS and WIP on HANA
- Enable use of MII SSCE for real time analytics
- Archiving using the HANA Dynamic Tiering (warm storage/Sybase IQ)



Key Benefits

- High speed real time analytics enablement for SAP ME reporting (*3)
- Data compression with HANA eliminates the need of frequent archiving
- Simplifies the overall stack for customers by reducing the maintenance cost of non-HANA database
- Lower TCO solution:
 No separate ODS database required
 MF/MII co-located on NetWeaver & HANA
- Align with customers HANA strategy
- New insights into the shop floor based on trends and predictive analytics with HANA capabilities
- Enables near real time analysis of shop floor data to identify preventive actions

¹Using Warm storage and Dynamic Tiering

²Where performance does not meet requirements

³MII SSCE and other reporting tools

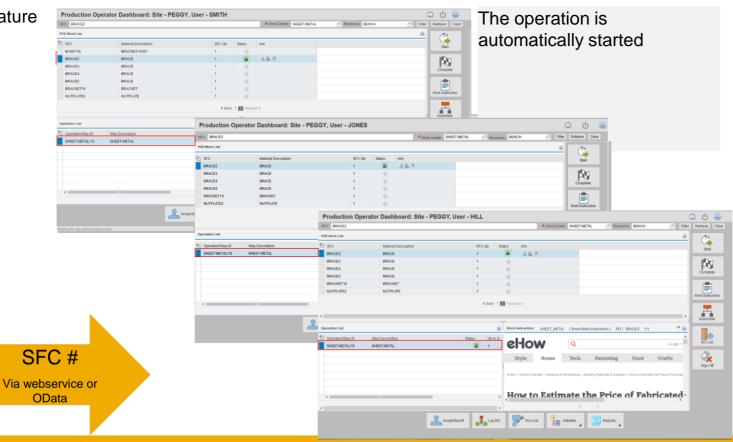
Industrie 4.0: Automation Support

Description

Machine/ Carrier system/

other system

- Add out-of-the box POD plug-in auto-refresh capabilities using the message notification framework that refreshes the UI
- Auto start SFC feature



Key Benefits

- Minimizes operator interaction w/the system to focus on task at hand
- Critical for more highly automated environments combined w/manual labor

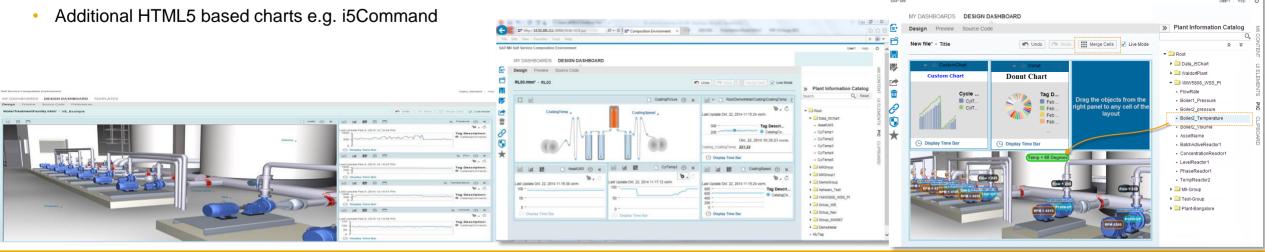
SOLUTION TODAY

Self-service Composition Environment

Description

- Browser(HTML5) based design tool for dashboard creation by consuming different MII objects
- WYSIWYG based design
- Integrating tag value changes directly to browser using web socket interface or through catalogue query template
- Source code generation for high sophisticated UIs
- Form based reporting dashboard using UI elements
- 3D file integration and simplified reporting for manufacturing application

- Simplified interface for dashboard creation.
- A tool which can be used by business users also along with IT developers.
- Reduce the time required for dashboard creation
- Dashboard accessibility from mobile devices
- · Remove the dependency on JRE required on each of the machine
- Build reporting application without any coding

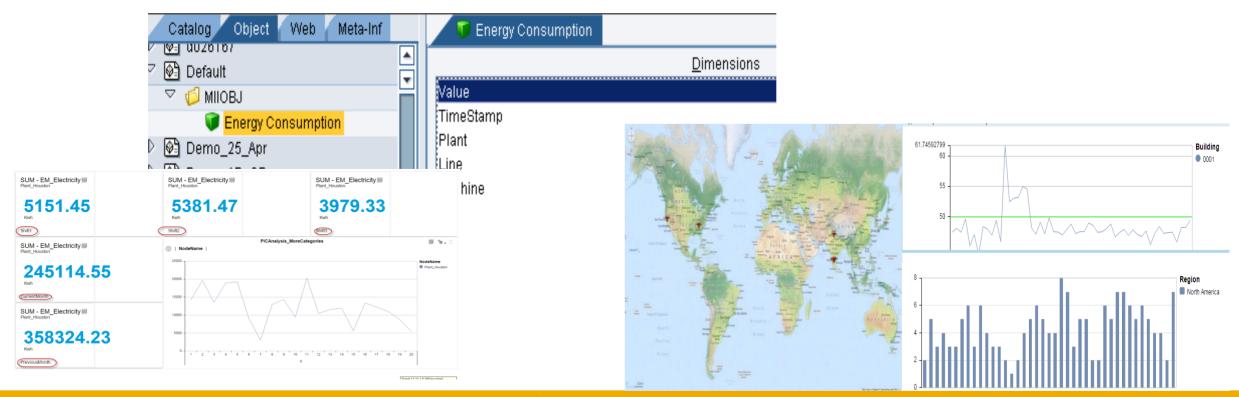


Energy monitoring & Analysis

Description

 Enhance the core MII product to meet Energy management requirements e.g. maintaining hierarchies, storing time series data, and reporting capabilities against those hierarchies, Order, shift and time series data

- Out of box content with core MII to manage energy consumption
- Reduce TCO to monitor energy consumptions
- Simplified software stack to collect and analyze energy consumption



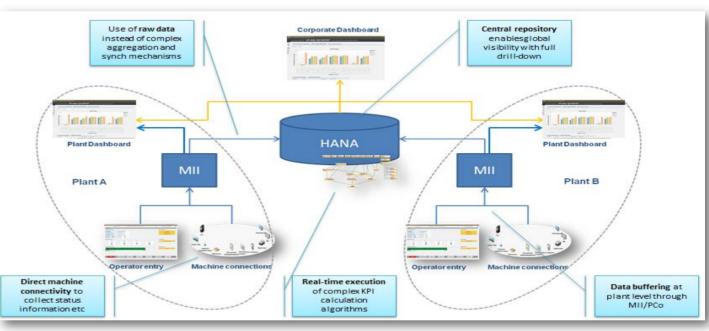
Overall Equipment Effectiveness

Global, Multi Site Analysis with SAP HANA and SAP MII

- Analysis and Real Time information on OEE, Availability,
 Performance and Quality on various hierarchy levels
- Local Data Collection and Analysis in MII
- Global, multi site Analysis via SAP HANA
- Combination of shop floor data with enterprise information

- Real time monitoring
- Cross plant analysis / Best Practice
- Analysis of Shop Floor with Top Floor Context

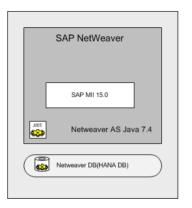




MII on HANA

Description

- Run SAP MII on NW 7.40 stack with HANA as underlying database
- High performing In-Memory Analytics for large amount of Data ("Big Data")
- HANA provides the ability to store a significant and broader selection of manufacturing data for more thorough analysis and more complex comparison of data.
- HANA provides various statistical algorithms for deep analysis, clustering and prediction
- The ability to manage large volumes and multiple types of data provides ability to develop, train and utilize predictive techniques (e.g., regression and heuristic) for forward looking analysis.



- Simplifies the overall stack for customers by reducing the maintenance cost of non-HANA DB
- New insights into the shop floor based on trends / prediction with HANA capabilities
- Enables near real time analysis of shop floor data to identify preventive actions



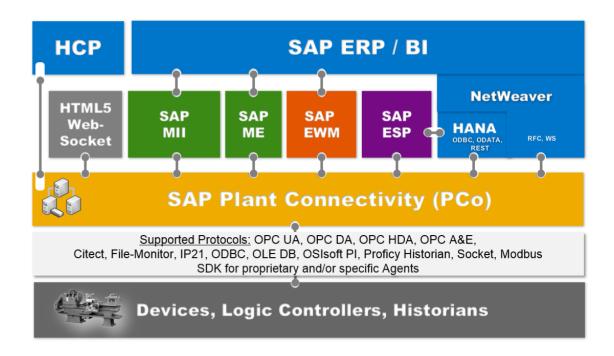
Solution Today - SAP PCo

Enhanced Connectivity

Description

- Basis for the three core IoT/Industrie 4.0 communication patterns:
- Notifications
- Queries
- Bidirectional machine communication
- Near Real Time UI Support with PCo as WebSocket-Server
- Mass Data supply into HANA
- Integration with SAP ESP / HANA Smart Data Streaming
- Flexible WebService Orchestration (RESTful, ODATA, SOAP)
- High throughput performance on .Net/C# architecture
- Bundling and buffering of data notification delivery retry
- Remote Configuration of PCo from MII
- Enablement of machine automation scenarios

- Support of Big Data Scenarios in the Shop Floor
- Foundation for interaction with automation layer and "Things"
- Support of the key machine protocol architecture: OPC UA



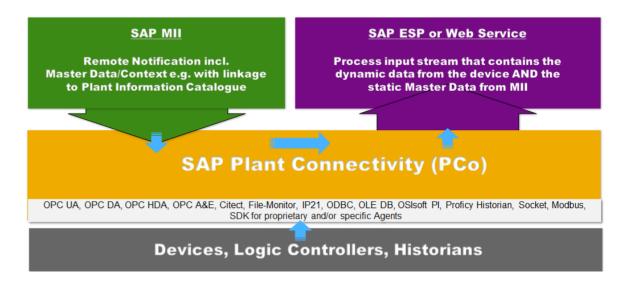
Solution Today - SAP MII

"Remote Configuration of PCo from MII" - enablement of SAP ESP and Web Service Destination

Description

- Support for additional destination for remote configuration of PCO from MII. Key feature of remote PCO are highlighted below.
- Fiori based HTML5 client for maintaining PCO Notification from MII
- Enhance the PCo notification payload with **business context** e.g. boiler pressure value coming along with functional location, equipment number or work center ID.
- Maintain notification even when Agent is running
- Ability to pause a notification for certain duration without having to stop the agent
- Ability to export and import the notification object
- Ability to start and stop PCo agent from SAP MII

- MII can act as the single source of truth for Master Data and especially for static context
- the Destination System e.g. the SAP ESP can consider the context in rules and decisions avoiding time consuming data base access
- PCo provides Services for the Rem.Conf. from MII these services can be used in later releases also for Rem. Conf. from Cloud Apps



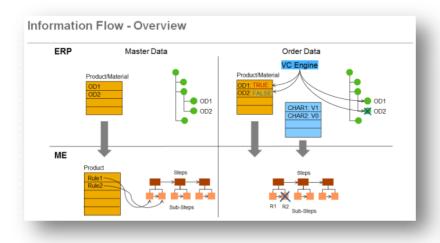
Planned Innovation – SAP ME

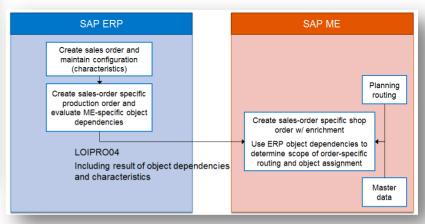
Industrie 4.0: Configurable Product

Description

- Up to real-time lot-size one production in high volume production scenarios for addressing individual customer requirements
- Configurable product via Variant Configuration is supported today within the complete E2E process where the primary manufacturing planning is maintained w/in ERP
- New development will focus on supporting the same E2E process more seamlessly
- Following objects in ME will depend upon the configuration:
- BOM (from ERP)
- Production Steps
- Sub-steps
- Automation Parameters (Set Points)
- Data Collection
- Work Instruction

- Reduces costs associated to building customized products by enabling the manufacturing of product variations in any given order and quantity, all on the same production line
- Producing highly configurable product at costs comparable to those of mass production can provide a key competitive advantage





Manufacturing Execution Discrete Industries

Planned	Future
Industrie 4.0Configurable ProductSub Steps Integration	Complex Assembly ProcessesCloud Based Manufacturing Services
Continuous Improvements & Simplifications; e.g. • Integration Excellence • Performance optimizations • Monitoring & Safeguard	
Manufacturing AnalyticsSAP ME Global HANA	

Manufacturing Integration and Intelligence

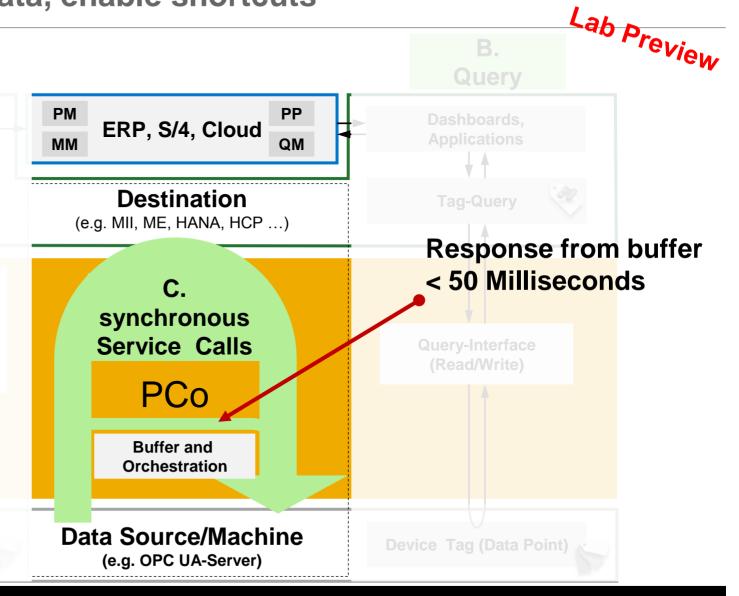
Planned	Future
Enhanced Energy Monitoring & Analytics UX & Self Service Composition Environment Enhancements Fiori Launchpad like MII Entry Page Predefined Analytics Content Integration Scenarios with IoT / HCP; e.g. for PDMS Worker UI / OEE Enhancements	Predefined Analytics Content - extended Integration Scenarios with IoT / HCP – extended

SAP Plant Connectivity

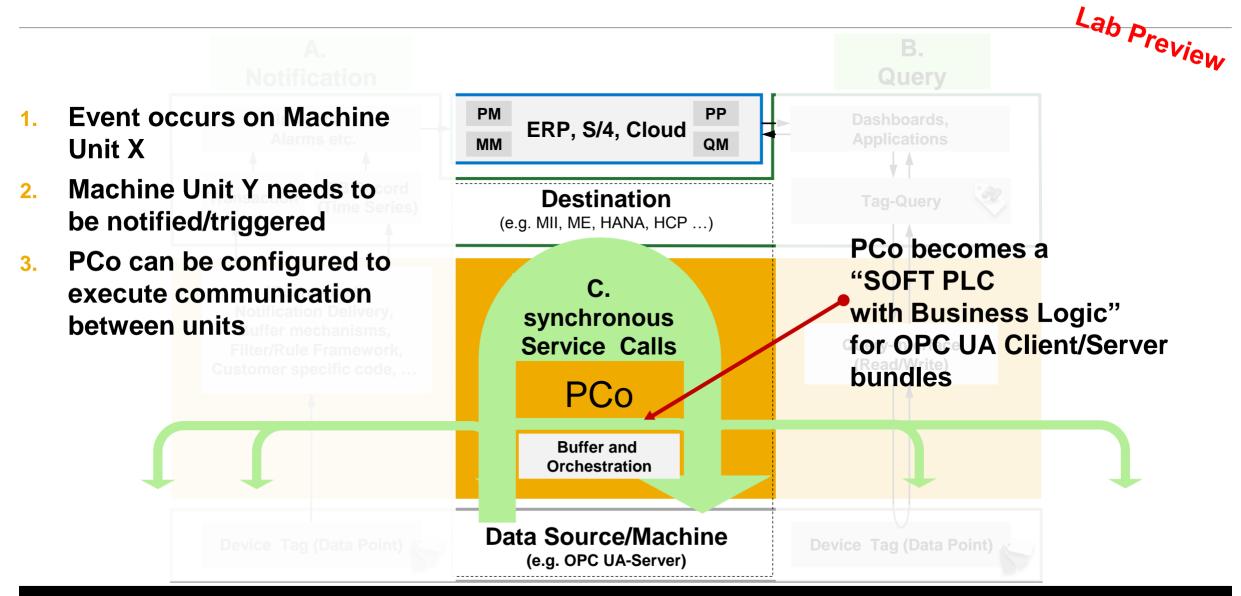
Planned	Future
Orchestration of independent machine units by means of OPC UA capabilities Local buffering of automation related master data for high- speed response times	Decentralized autonomous agents Edge processing enablement for all industries
Simplified footprint for embedded systems/microcontrollers	

"Edge Processing" – 1. buffer data, enable shortcuts

- 1. Read ME data in advance:
 - Next Production Order(s) incl.
 - Routing steps
 - Set-Points
- PCo buffers this data
- 3. Machine requests data
- 4. PCo responds from buffer
- 5. PCo manages posting to ME asynchronous



"Edge Processing" - 2. orchestrate independent machine units



Key Takeaways

- SAP Connected Manufacturing is a key enabler for Industry 4.0.
- SAP Connected Manufacturing is a key component of our IoT Strategy.
- SAP Manufacturing supports HANA today with SAP MII and SAP ME.
- SAP Manufacturing extends the investments our customers have made in ECC through MRP,
 Production Planning, Scheduling, Inventory Management, Quality Management and Maintenance down to the value on the shop floor.



Where to find more information

SAP CONNECTED MANUFACTURING Links

- SAP Manufacturing
- SAP Manufacturing YouTube
- SAP Manufacturing Community
- SAP ME WIKI
- SAP MII WIKI
- Sales Play
- Products Solution Hub

http://www54.sap.com/lob/manufacturing.html

http://www.youtube.com/sapvideomom

http://scn.sap.com/community/manufacturing

http://wiki.sdn.sap.com/wiki/display/ME/Home



https://jam4.sapjam.com/groups/6Z7XS2hflTQOrb951FeC3x

https://jam4.sapjam.com/groups/about_page/6p6pZ4XtQN7fJe5bxbwZAY



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