



The Path to Digital Business:

Connecting All Parts of Your Enterprise with SAP S/4HANA



The New Faces of Digital Transformation

Industry Disruptor

Meeting Housing Demands Sustainably & Efficiently



Established Innovator

Enjoying Pineapple in January



Rapid Transformer

Knowing What Your Customers Want Before They Do









Over 5,800 Customers Now Enjoy True Digital Business with SAP S/4HANA

Why SAP S/4HANA?

The Next Generation, Intelligent ERP for a Digital World



Immediate

Empowering business users with insights to act in the moment



Intelligent

Beyond automation, to predictive suggestion

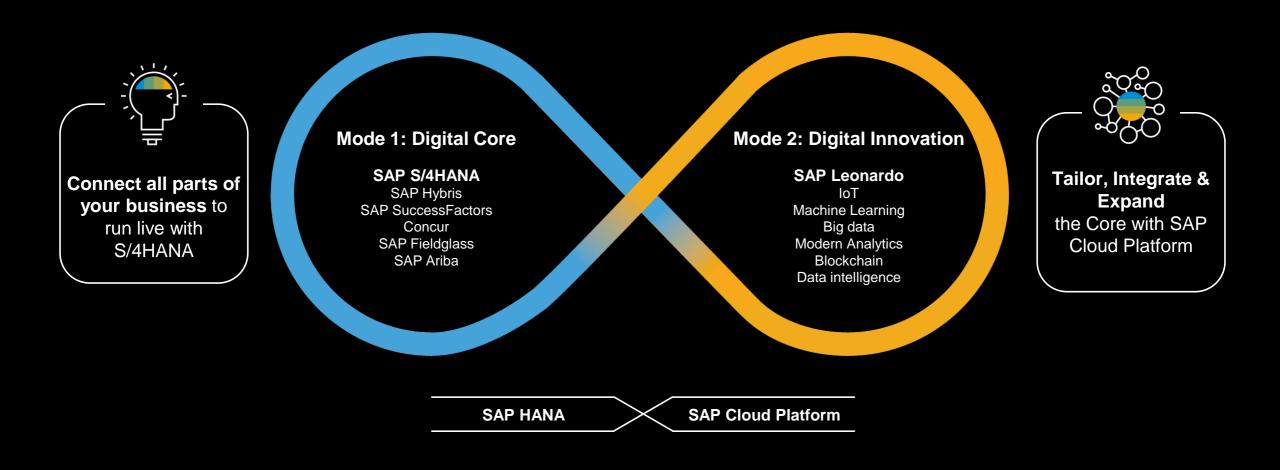


Integrated

Not only between your departments, but connected to the world

The Bi-Modal Architecture of the Modern Enterprise

A Digital Core and a Digital Innovation System



SAP S/4HANA Coupled with SAP Leonardo



Intelligent ERP

Automate Knowledge Work



Transformational HR services



Lights out finance operationsSAP S/4HANA



- Self-driving customer service
- Conversational sales bots
- Customer retention insights

Do the Impossible



- Image-based Ariba commerce
- Contextual Concur travel concierge



- Video-aware marketing
- Visual store execution



Drone & satellite-based asset management





Vision-enabled manufacturing

5

Contextual logistics



SAP Cloud Platform & SAP HANA

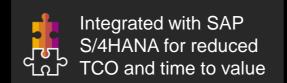
SAP S/4HANA with SAP Leonardo: SAP Cash Application

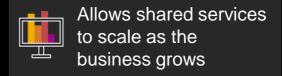
Next-Generation Intelligent Invoice Matching Powered by Machine Learning

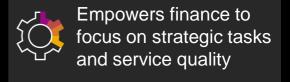


SAP Cash Application intelligently learns matching criteria from your history and automatically clears payments.



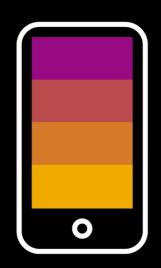






SAP S/4HANA with SAP Leonardo: SAP Co-Pilot

The Digital Assistant for the Live Enterprise



SAP Co-Pilot – One Digital Assistant with One Personality Across All Products and Solutions, Industries and LoBs



Business context awareness

Understanding the business context, and pro-actively suggesting solutions using predictive functionality



Conversational (multi-modal) UI

Conversational UI using Natural Language Processing functionality with a focus on the next-gen UX to create a human-like experience



Cross Applications

Allows seamless transition across platforms; start a task on a mobile device and continue later, on a desktop or vice versa



Self Learning

Using machine learning functionality to gain knowledge based on historic data, experience, and take action in response to new or unforeseen events



Simple Access to Enterprise Al Platform

Integration to SAP and Non-SAP Solutions
Simple access to Natural Language Processing and Machine
Learning functionality via APIs

Contextual Insights at the Point of Decision

Review Material Shortage



Select Supplier

Now All On One Screen





Enter Material Order





Check Average Supplier Delivery Performance

Check Budget Overview



Review Detail Report



Choose best supplier and complete material order entry



- Faster customer delivery
- ✓ Larger average deal size
- Fewer warehouse stock outs

*Screenshots shown are for demonstration purposes only and are not final product commitments

SAP S/4HANA: Enterprise Management

analysis

Complete

Streamlined procure to pay	Operational purchasing	Collaborative sourcing and contract management	Inventory and basic warehouse management	Invoice and payables management	Supplier management	Procurement analytics	
Accelerated plan to product	Project control and product development	Production engineering	Production planning	Production operations	Quality management	Inventory and basic warehouse management	Maintenance management
Optimized order to cash	Order and contract management	Inventory and basic warehouse management	Receivables processing				
Enhanced request to service	Service master data management	Service management	Service parts management	Service agreement management			
HR connectivity	Time recording						
Core finance	Accounting and closing operations	Cost management and profitability		160	38		25

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countries

industries

languages

Transformation in Action: Real Customer Use Cases





Industries' Boundaries Are Blurring



Financier

Customer finances system build via Greenskies' project debt financing



Construction Company

Greenskies manages the engineering and construction

\$50k-\$100k savings
On a 100 kW solar system*



Utility

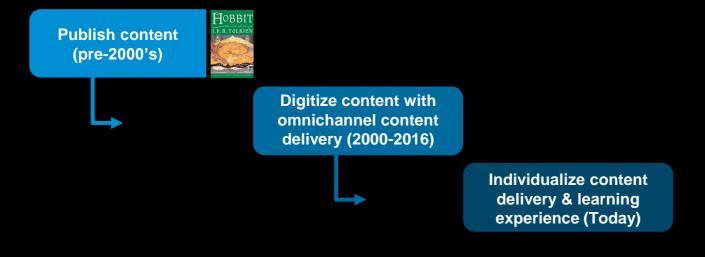
Greenskies provides operations and maintenance including technicians dispatch, repairs, etc., and customer billing

"Our comprehensive technology platform has kept Greenskies ahead of the competition in a cost sensitive industry."

Eric Zenner, VP of Information Technology



Customer and Consumer Experience is the Epicenter of Digital Transformation





\$10+ million

Avoided Transition Services
Agreement Costs

115x

Reduction in Daily Sales Query Run Time

14%

HMH Adaptive Learning % of Full Business & Fastest Growing

"Holy Grail is adaptive learning: take students individually and tailor your offering to them. Incorporate visual vs. kinesthetic vs. audio learning modes."

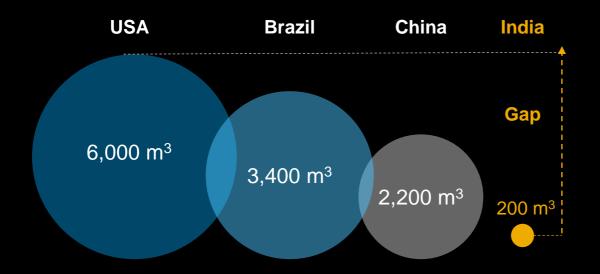
Jim Diamond, SVP Finance



The Internet of Things and Connectivity Digitize Every Value Chain

India's Low Water Supply is Aggravated by Low Water Storage

Water storage in m³ per person



Vectus Industries Addresses This Gap







Piping Systems

Storage Tanks

Post Sale Maintenance



The Internet of Things and Connectivity Digitize Every Value Chain

Vectus Industries' Journey to People-Machine Collaboration

15% lower costs 15 min \rightarrow 3 min 600 invoices **O** Discrepancy **Productivity** Production / operating costs 2 tons of scrap at the entry Average processing time per Processed per day vs. 18 tons at the plant invoice with 10-15 items Frequency of sales = contribution to revenue 120 months worth of stock **Portfolio** "Long Number of individual 60 FTE equivalent of savings solutions In the portfolio Water Water **Antibacterial** Tanks with Preventative pipe **Future** purity solar panels & fittings service storage meters

The Journey to SAP S/4HANA



Starting Your Journey to SAP S/4HANA

First Steps

- Identify business requirements
- Build the business case
- Develop an SAP S/4HANA adoption strategy and roadmap

Your Path

- Start a new implementation and/or bring an existing landscape back to standard
- Retain existing processes and migrate from any DB to HANA
- Adopt and reimage business processes incrementally

The Roadmap

- Re-imagine the business
- Plan the digital transformation
- Design and Execute with the help technical and functional support services from SAP

Foundation

- Planning and safeguarding
- Technical implementation
- Functional implementation
- Co-innovation

INNOVATION STRATEGY AND ROADMAP



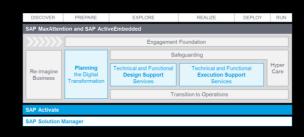


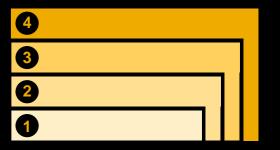


New implementation

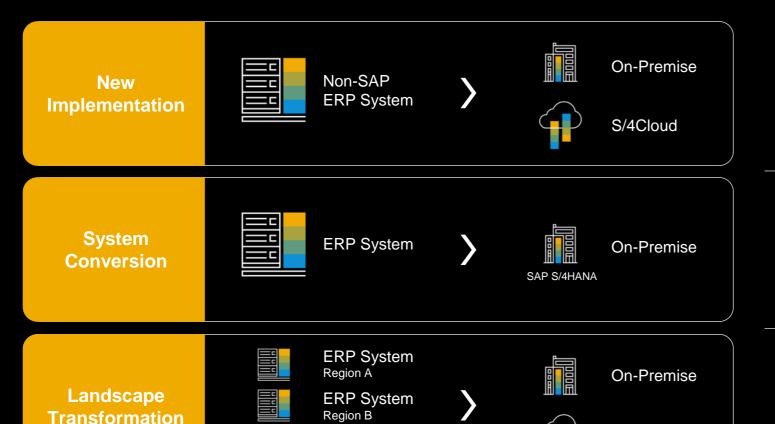
2 System conversion

3 Landscape transformation





Adoption Paths



ERP System Region C

EXAMPLE:

New or existing SAP Customer implementing a new SAP S/4HANA system with initial data load

EXAMPLE:

Complete conversion of an existing SAP Business Suite system or selective

EXAMPLE:

Central Finance

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S/4Cloud

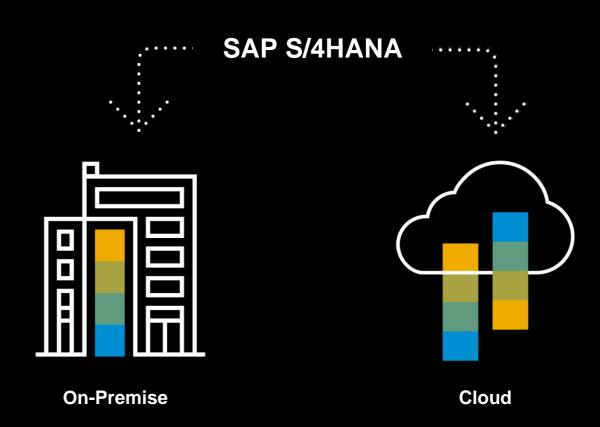
Complete Choice of Deployment

SAP S/4HANA offers complete choice of deployment on premise or cloud.

All editions are designed for in-memory, with the same simplified data model and improved user experience for consistency at every level of your enterprise.

Important considerations:

- Scope of business functionality
- Deployment times
- Update frequency
- Customizations
- Regulatory, industry, and regional requirements



HOW CAN I LEARN MORE?

WWW.SAP.COM/S4HANA

Thank you.

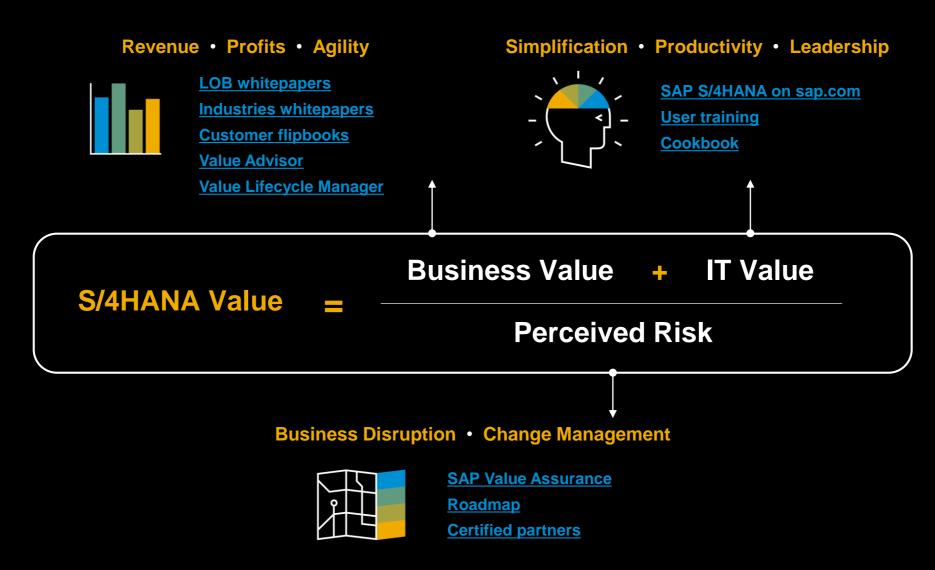




Appendix

Additional Functionality Slides

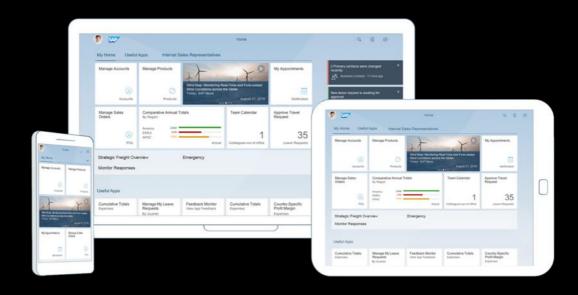
SAP S/4HANA Value Equation



A Digital Interface for a Digital World



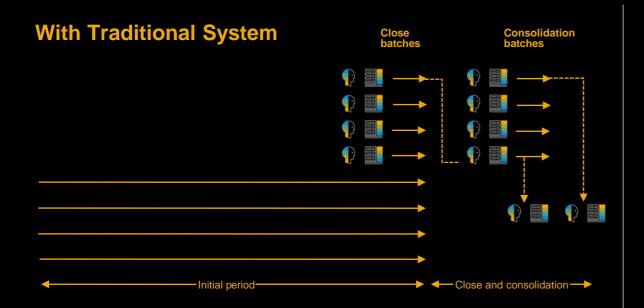
From the Past...



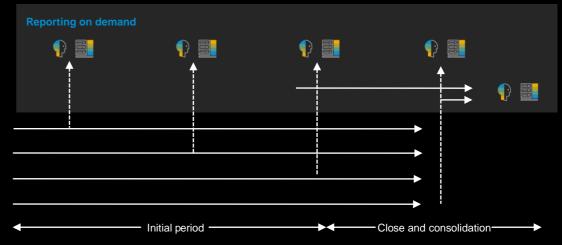
...To the Present

Business Process View

Soft Financial Close Anytime



With SAP S/4HANA



With Traditional System

- Close activities that don't begin until period end
- Multiple batch-run dependencies
- Batch bottlenecks that delay downstream activities
- High error-correction efforts
- Complex issues that are postponed until after close
- Time-pressured resolutions
- Delayed visibility into reporting

User Interaction Ad Hoc Traditional With SAP S/4HANA Process Excellence

With SAP S/4HANA

- Real-time system with key performance indicators (KPIs) instantly refreshed
- Elimination of end-of-period batch bottlenecks
- Continuous intercompany reconciliation
- Continuous financial reporting visibility
- Profitability analysis and line-item detail reconciliation
- Automation for routine tasks
- Full management visibility of close tasks

Unified Functionality in the Core

Production Planning and Detailed Scheduling

EXISTING ERP FUNCTIONAL MODEL -

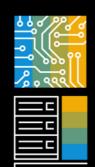


- 1. Run infinite unconstrained planning in ERP
- 2. Run finite and constrained planning
- 3. Review results in ERP
- 4. Review results in APO PP/DS
- 5. Consolidate and reconcile finite and infinite production plans

CURRENT RELEASE



ERP + PP/DS



Run planning in SAP S/4HANA (constrained + unconstrained)

Costly and complex architecture

Latency and error prone

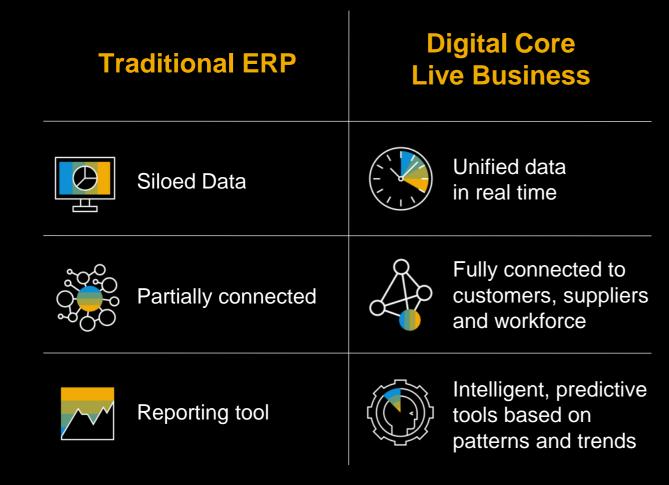
Complex for the user

Easy and simple for the user

Faster and responsive production planning

Reduced total cost of ownership

Comparing Traditional ERP to the Digital Core







Simpler Data Model Impact

Technology

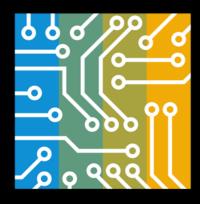
- No aggregates or redundant data
- No locking
- Full granularity for all processes

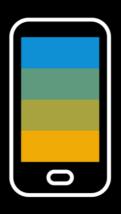
Capability

- Operations in real time
- Elimination of data reconciliation
- More precision
- Basis for simulations and predictions



How Does SAP S/4HANA Address Today's Challenges?





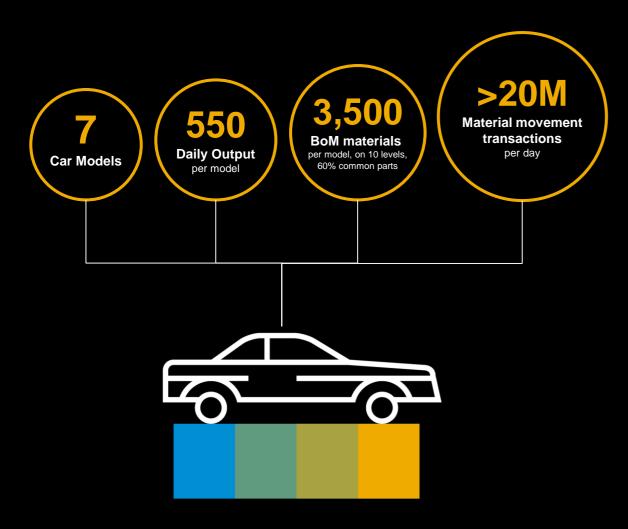


Re-architecting for Visibility and Agility

User Centric, Responsive and Personalized User Experience

Unifying Functionality in Core

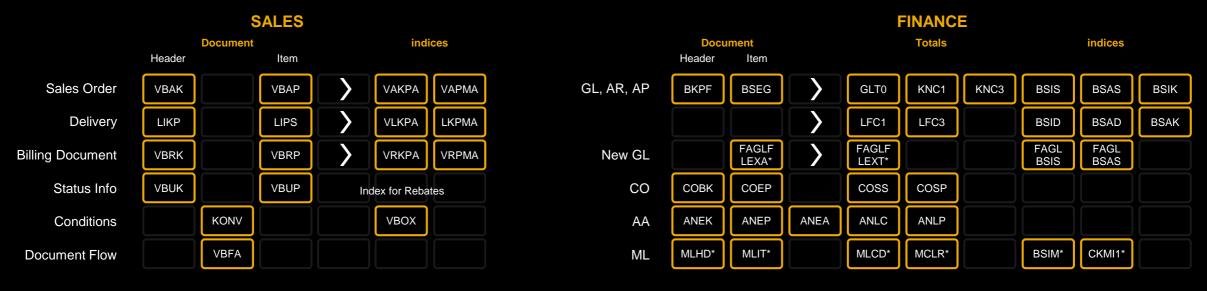
How These Challenges Manifest in the Real World



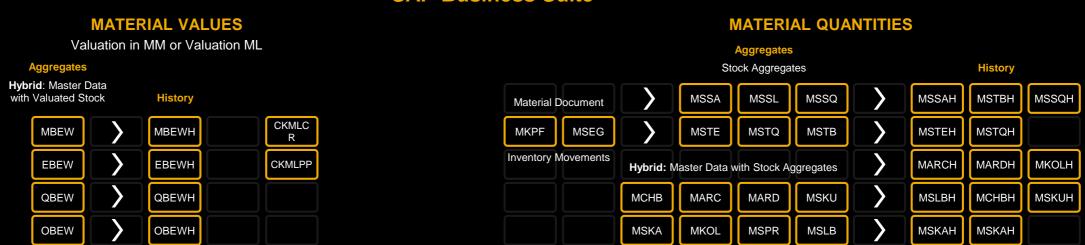
- Locked tables prevent movements
- No parallel postings
- High volume back flush = batch jobs and bulk postings with delay
- No real-time transparency on stock and on exact material flow: how to identify defective parts
- No actual costs and intercompany profit transparency
- Need to split system load into multiple distracted systems

SAP ECC vs. S/4HANA Database & Table Structures

Prepares Your Data Structures for New Real-time Requirements, Big Data and High Throughput

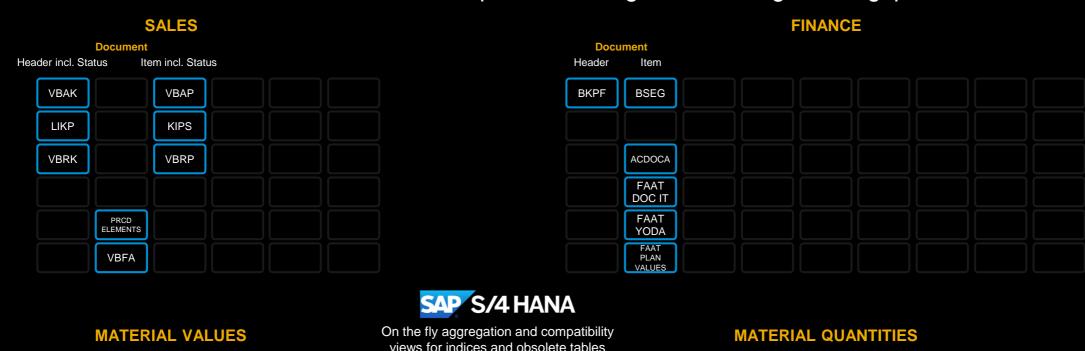


SAP Business Suite



SAP ECC vs. S/4HANA Database & Table Structures

Prepares Your Data Structures for New Real-time Requirements, Big Data and High Throughput



Used for Master Data Only

MBEW

CKMLC

R

CKMLPP

QBEW

OBEW



SAP Fiori: The User Experience of SAP S/4HANA

Single Entry Point

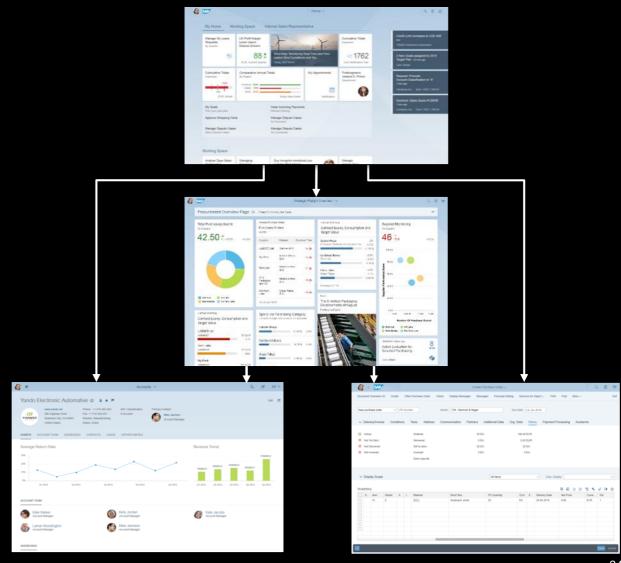
The SAP Fiori launchpad will be the single entry point to access all apps

Domain Specific Infos and Actions

Users will quickly get an *overview* of what needs their attention with Overview Pages, List Reports and Work Lists, and trigger *quick actions* or drill down to the next level of detail

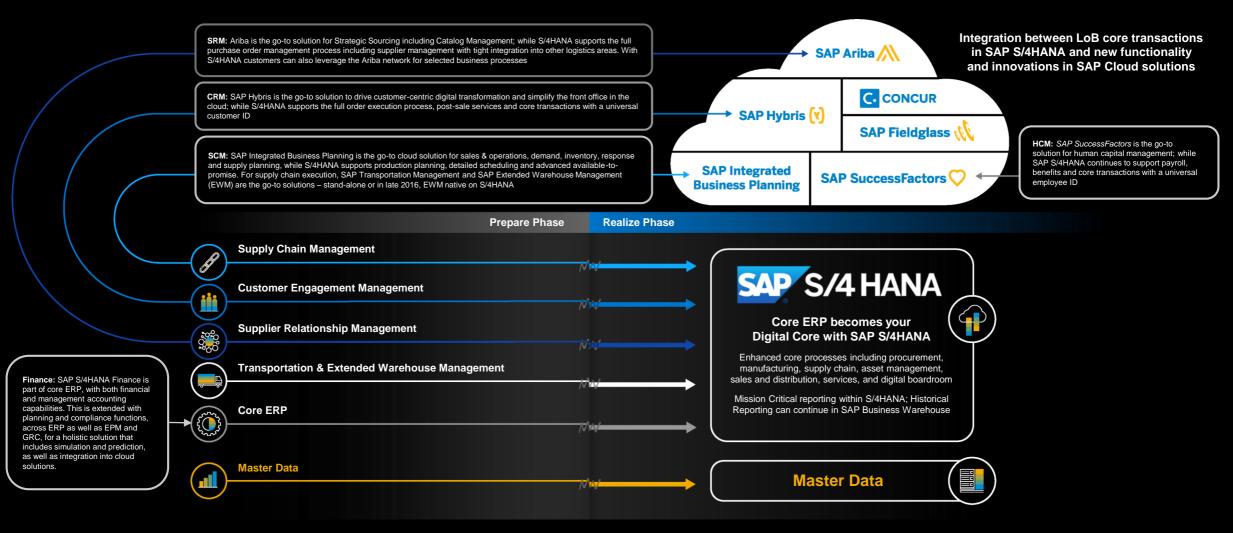
Enter Details and Explore In-Depth

- Key and differentiating use cases will be reimagined with the SAP Fiori user experience
- All "classic" applications will have the SAP Fiori visual theme

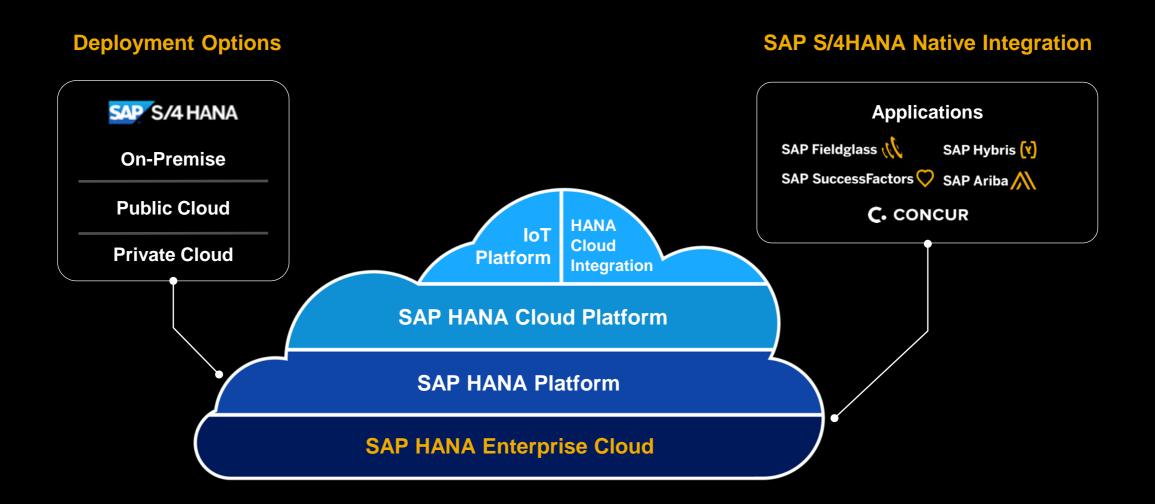


Current State Landscape and Evolution

What's In, What's Out?



Edge to Core – the Cloud Portfolio



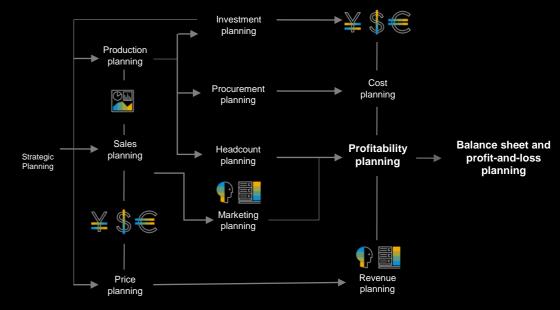
Additional Extended Supply Chain Simplification

Business Process View

Integrated Business Planning

Traditional System Profit center Plan Cost Center Plan Product / Manufacturing Plan Product / Manufacturing Plan Product / Manufacturing Plan Marketing Plan Marketing Plan Channel distribution

With SAP S/4HANA



With Traditional System

- Different planning processes and interfaces
- No consolidation of related plans between objects
- Lack of insight of operational planning into the financial bottom line
- Manual consolidation of planning across objects
- Inability to update plans and forecasts
- No what-if capabilities, resulting in guesswork



With SAP S/4HANA

- Single consolidated view of all planning and forecasting information
- Rollup of planning from subsidiaries into corporate planning
- Rollup of planning from operations into financial planning to measure the financial impact of operational plans
- Leveraging of real-time information to immediately update plans and forecasts
- No lag time for updates across objects
- Predictive capabilities to model planning options

Unified Functionality in the Core

Extended Warehouse Management

EXISTING ERP FUNCTIONAL MODEL -

CURRENT RELEASE



Integration steps required between EWM and ERP

- 1. Configuration of communication between ERP and EWM using qRFC
- 2. Definition of a warehouse in ERP and EWM
- 3. Integration of the warehouse with the organizational structure of ERP
- 4. Initial master data transfer from ERP to EWM
- Creation and activation of a Core Interface (CIF) integration model for the master data transfer from ERP to EWM

SAP S/4HANA SUPPLY CHAIN WITH EMBEDDED EWM **Extended Warehouse** Management **Basic Warehouse** Management

One System for all warehousing

Extended Warehouse Management

- Inventory Management Optimization (e.g. Slotting)
- Inbound Process Optimization (e.g. Deconsolidation)
- Outbound Process Optimization (e.g. Waves)
- Material Flow Control
- Yard Management (e.g. TU handling, DAS)
- Labor Management
- Value Added Services
- Kitting
- Cross Docking
- Warehouse Billing

Basic Warehouse Management

- Inventory Management
- Inbound Process
- Outbound Process
- Internal Warehouse Movements
- Physical Inventory
- Reporting

Unified Functionality in the Core

Advanced Available to Promise

EXISTING ERP FUNCTIONAL MODEL -



- 1. Product Availability Check
- 2. Product Allocation
- 3. Rescheduling
- 4. Substitution

- 1. Product Availability Check
- 2. Product Allocation
- 3. Rescheduling
- 4. Substitution

CURRENT RELEASE





3. Rescheduling

Product Allocation

Product Availability Check

-
- 4. Substitution

Enhanced Backorder Processing

New concept for requirement classification

Enhanced Product Allocation

Synchronous, consistent data Immediate error handling

Release for Delivery App

Enable timely action on short term supply and demand changes

Additional Use Case and Customer Examples

Computing the Benefit of Mergers and Acquisitions

Challenge

- Imagine that a computer manufacturer plans to expand from the US into France. The company is considering acquiring a competitor who is already located there.
- There are multiple companies that could be acquired, but the must be manually consolidated. Finance
 does not have the bandwidth to evaluate each acquisition scenario, so pre-selects three scenarios,
 resulting in potential missed opportunities.

Solution

- With SAP S/4HANA Finance using integrated business planning, the computer manufacturer is able to evaluate each and every scenario.
- Finance executives are able to model all of the different acquisition scenarios using the business drivers most important to the company, using what-if simulations and predictive technology.

Result

- Finance is now able to evaluate the financial impact of the acquisition of each potential target company, using internal data (working capital) and external data.
- Finance can now identify the scenario with the most profit potential, and continue to monitor the ROI
 as the acquisition moves forward.
- The company can now reduce the risk associated with M&A.



Staying with One Version of the Truth

Challenge

- Imagine that a large hotel chain has gone through multiple M&As and now owns and manages multiple competing hotel brands, each with a different ERP system.
- These systems were not connected, so the hotel was unable to provide a seamless experience for its customers, including separate quotes and invoices.
- The hotel company was not able to achieve a unified view of its customers.

Solution

- Using SAP S/4HANA Finance and the central journal scenario, the hotel chain can quickly pull information from all disparate systems for managing financials, both financial statements and management accounting information.
- With the analytics capabilities within SAP S/4HANA and SAP Fiori, information is obtained in real-time incorporating both financial and operational data.

Result

- Increased customer satisfaction, including B2B and B2C customers making reservations at different hotel brands and sub-brands, with one proposal and invoice.
- Single version of the truth with a unified interface, giving the hotel chain a more complete view of customers' reservations and purchasing behavior.
- Increased sales opportunities with loyalty programs across the different brands.



WEIG Group

MEE | Germany | Mill Products

"The close partnership and focused execution through SAP Value Assurance service packages for SAP S/4HANA helped speed our implementation for a successful go-live. With SAP S/4HANA, employees have more analytical insight into daily tasks, helping better penetrate the market. And we have the foundation to integrate customers and partners into our business processes."

- Ralf Schnackerz, CIO, WEIG Group

Better

decision making and market penetration through real-time access to key data and reports

Increased

user productivity and satisfaction through an enhanced mobile user experience

Launched

Platform to integrate customers and business partners into the company's value chain at all levels – from order process to manufacturing



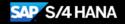
dōTERRA

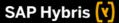
NA | United States | Consumer Products

"Our goal was to run sophisticated software while still feeling like a small company as we grow. We did not want to get into an ERP environment where we felt forced into a landscape much too complex for our needs. We wanted to keep it quick, simple, and agile — given our age, size, growth, and business."

Todd Thompson, CIO, dōTERRA









National Electric Vehicle Sweden (NEVS)

EMEA | Netherlands | Automotive

"Understanding all aspects of the cost of development from end to end is crucial, and SAP S/4HANA offers many advantages we can capitalize on. After all, being in tune with the marketplace – and adjusting your cost base accordingly – is invaluable."

- Conny Janson, Vice President IS/IT, National Electric Vehicle Sweden AB

Robust

IT platform to support global expansion

Unified

group-wide business processes

Modern

order-to-delivery process chain



Additional Content on the S/4HANA Journey

Where to Begin?

NEW CUSTOMERS

New implementation of SAP S/4HANA, on-premise edition

		Service and support best practices
1	PLAN Scope migration effort and identify key business scenarios	Migration scoping and value identification workshop
2	INSTALL Install SAP HANA and SAP S/4HANA	Engineered services for technical deployment SAP S/4HANA Foundation rapid-deployment solution
3	IMPORT Import data from legacy application (if necessary)	Comprehensive migration services scoped in "t-shirt" sizes.

CUSTOMERS WITH SAP ERP ON ANY DATABASE

System conversion from on-premise SAP ECC 6.x to SAP S/4HANA (Nov. 2015 planned update)

		Service and support best practices
1	PLAN Scope migration effort and identify key business scenarios	Migration scoping and value identification workshop
2	CONVERT Unicode conversion (if not already done)	Rapid database migration service
3	MIGRATE Install and migrate database to SAP HANA	Comprehensive migration services scoped in "t-shirt" sizes.
4	INSTALL Install new code	Engineered services for technical deployment

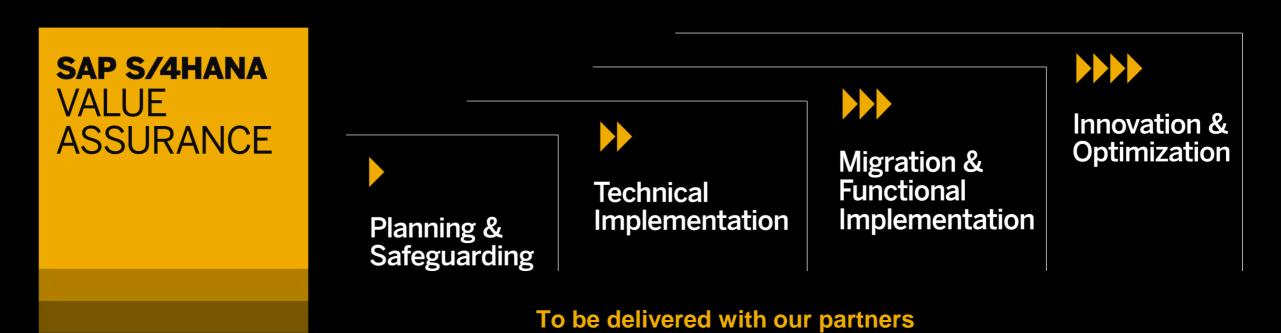
CUSTOMERS WITH SAP BUSINESS SUITE POWERED BY SAP HANA

System Conversion from on-premise SAP Business Suite powered by SAP HANA to SAP S/4HANA

		Service and support best practices
1	PLAN Identify key business scenarios	Value identification workshop
2	INSTALL Install new code	Engineered services for technical deployment

ONE STEP OPTION

Putting in Place the Right Foundation

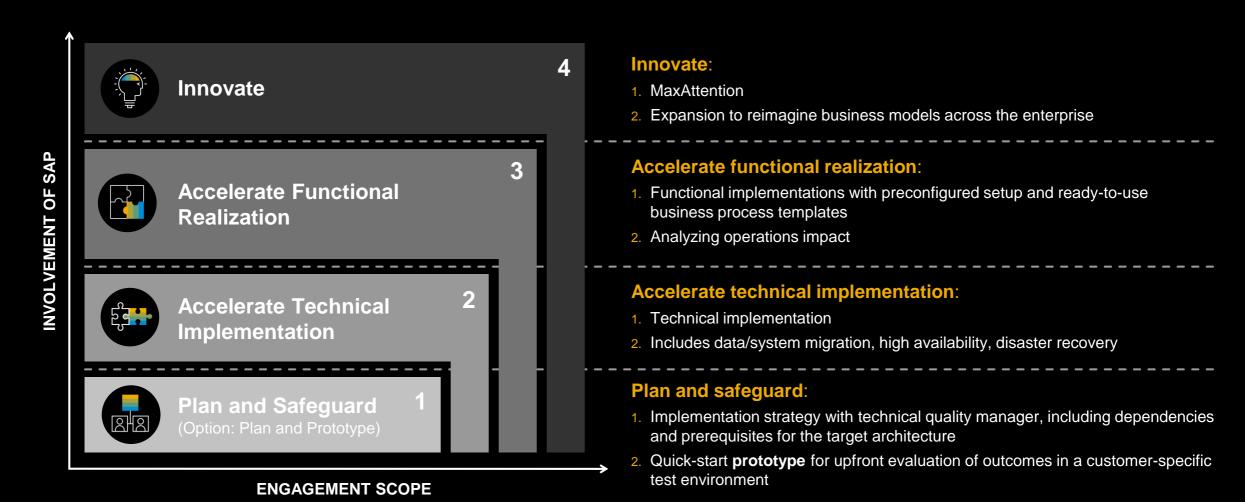


"I commit SAP Value Assurance to our SAP S/4HANA customers."

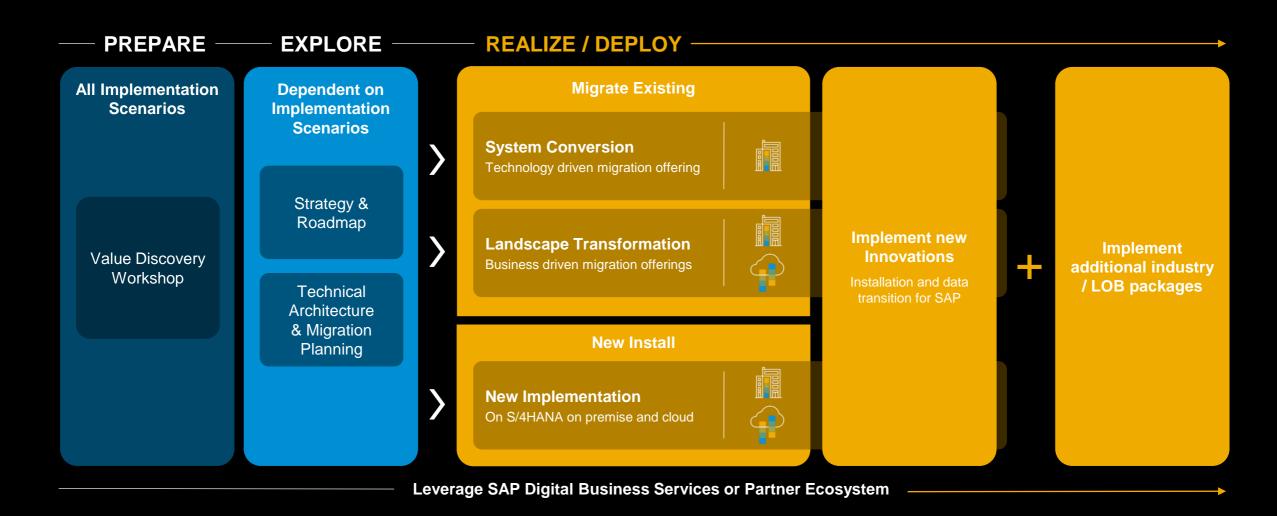
Bill McDermott, SAPPHIRE NOW 2016 Keynote

Value Assurance – In all S/4HANA implementations

What you get: Security of AE/MaxAttention with S/4HANA defined services/scope, and defined outcome.



Major Milestones in SAP S/4HANA Adoption



Driving Your Business Outcomes

Critical Foundation to Deliver Desired Outcomes, in Your Preferred Hosting Model

Architecture
Discipline

Strategy &
Value Identification

Business Architecture

Applications & Data Architecture

Technology Architecture



Top-to-Top Alignment

ALIGNMENT



VALUE DISCOVERY

Business Process Optimization

Business Model Innovation

3



VALIDATION & EXECUTION READINESS

Organization Readiness

4



VALUE DELIVERY

- On Time
- On Budget
- On Value

Desired Customer Outcomes

Business Transformation Success

Implement New Simple Business Model

Business Enabled with Straightforward User Experience

TCO Reduction & Agility