SAP S/4HANA Cloud, public edition
Solution Overview

INTERNAL + PARTNER

THE BEST RUN **SAP**

SAP S/4HANA Cloud, public edition
is a ready-to-run cloud ERP that delivers the
latest industry best practices and continuous innovation
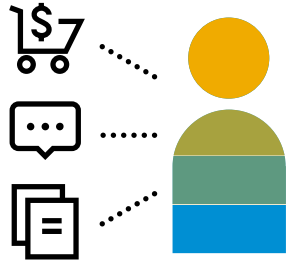
Run on the industry
standard

Accelerate business
growth

Keep innovation
moving

# SAP S/4HANA Cloud, public edition – what we're selling

Ready-to-run cloud ERP that delivers the latest industry best practices and continuous innovation

Run on the industry standard

to deliver results right away and quickly tackle your top business priorities.

- Modern UX + integrated collaboration
- Preconfigured industry best practices
- Rapid implementation methodology and tools
- Full cloud ERP that grows with your business
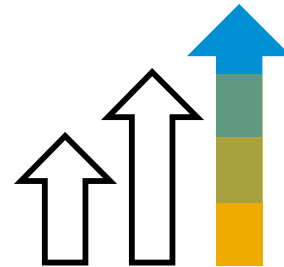
Accelerate business growth

by maximizing the top line and bottom line

- Built-in business model innovation
- End-to-end best practices for standard and industry business processes
- Intelligent ERP technologies for insight, speed and efficiency
- Streamlined acquisitions and reorganizations
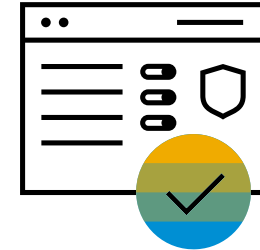
Keep innovation moving

by always being on the latest and by extending the solution to differentiate your business

- Full SaaS ERP
- Continuously upgraded without disruption
- Extensibility to enable differentiation
- Delivered SAP and partner integrations
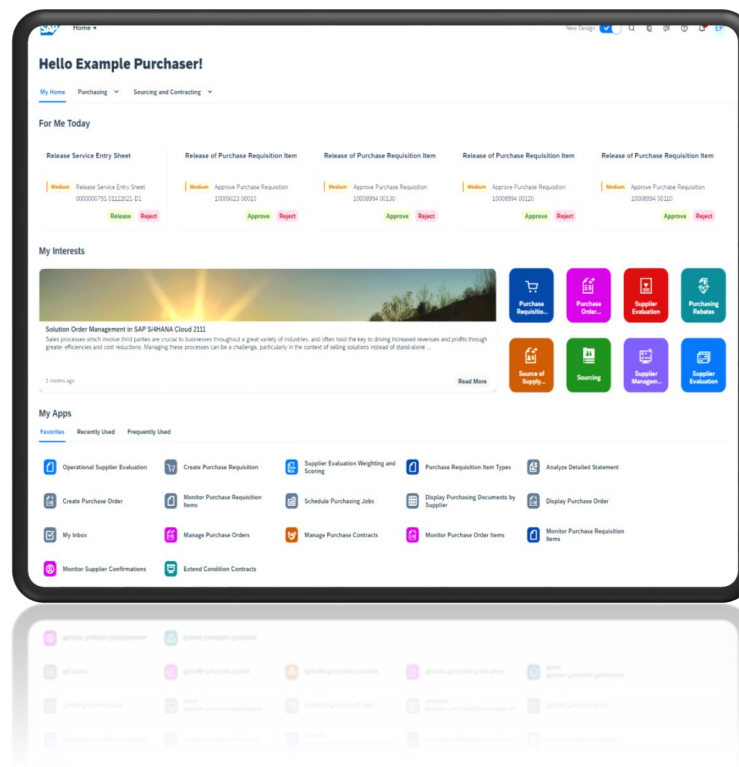- Open to integrate 3rd party solutions

Run on the industry standard
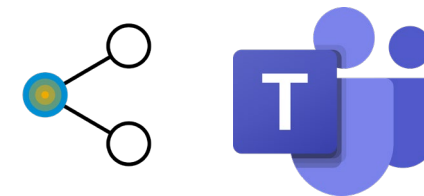## Modern UX with integrated collaboration

SAP Mobile Start
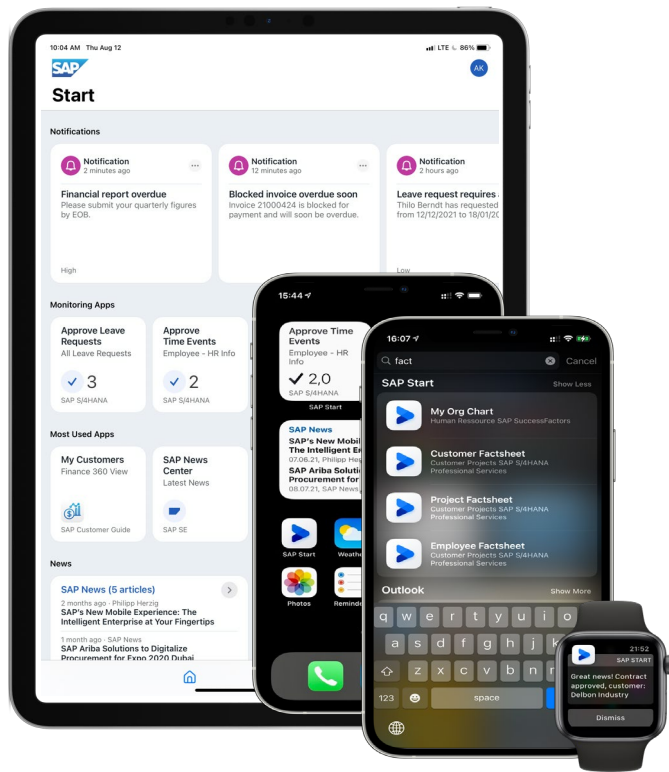
New UX - Horizon Visual Theme

Collaborative integration with Microsoft and Google

Run on the industry standard
Preconfigured industry best practices

Run on the industry standard

With standard country localizations and delivered languages

SAP S/4HANA Cloud, public edition

Scale with the built-in localizations for 48 local versions in 32 languages, localization tool and extensibility to cover remaining countries

Address your tax and reporting needs as you expand from one country to many with accuracy and efficiency via embedded automation

Meeting the local and regulatory needs of a global business with the ever-expanding innovations(incl. 11 new localizations and an additional language)[1]

SAP Roadmap Explorer for SAP S/4HANA Cloud

Includes content for: **Accounting** **Tax** **Payments** **Invoicing** **Reporting**

[1] *As per current planning, subject to change*

Run on the industry standard
with a rapid implementation methodology and tools

Discover	Explore	Realize	Deploy	Monitor	Optimize

Continuous innovation

Discovery assessment	Accelerated core implementation	Fit-to-standard analysis	Fine tune and extend	Migrate, integrate, test	Monitor performance	Optimize and innovate

Digital discovery assessment	Rapid best-practice adoption	Central business configuration	Data migration cockpit	Test Automation / Process intelligence	Road map explorer
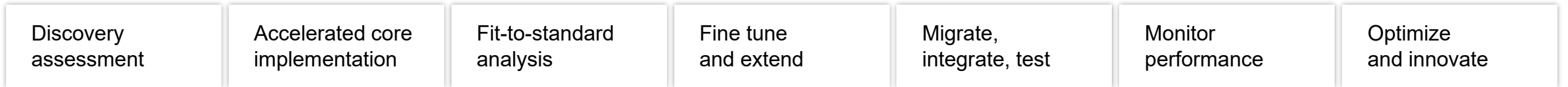
S/4HANA Cloud

Foundational scope comprised of content commonly used by a majority of customers

Activation Accelerators

Templates and automation accelerators for configuration, migration and testing increase time to value

Baseline Activation Service

Activation of foundation scope in 30 days or less using predefined bundle built into core with SAP Activate enabled delivery processes

Implement cloud style | Lower TCI and TCO; dramatic value delivered quickly

40%–60% Decrease in time-to-business value	**50%** Reduction in consulting fees	**50%** Decrease in project costs	**40%** Reduction in TCO

Note: The results referenced in this slide are speculative and do not guarantee performance.
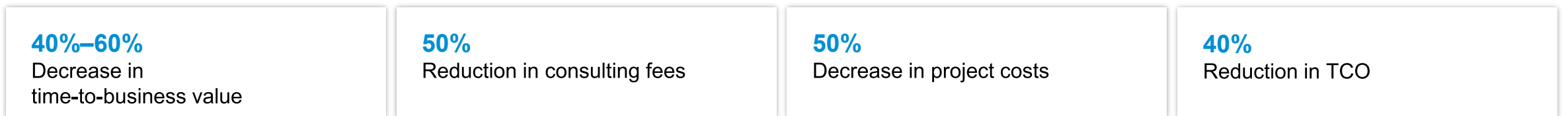
Accelerate business growth

Drive revenue growth with built-in business model innovation for solution delivery

- Manage recurring and usage-based business models holistically

- Develop and launch new models that shift from product-centric to outcome-centric services

- Add products, services, and subscriptions around the core offerings

Traditional model:
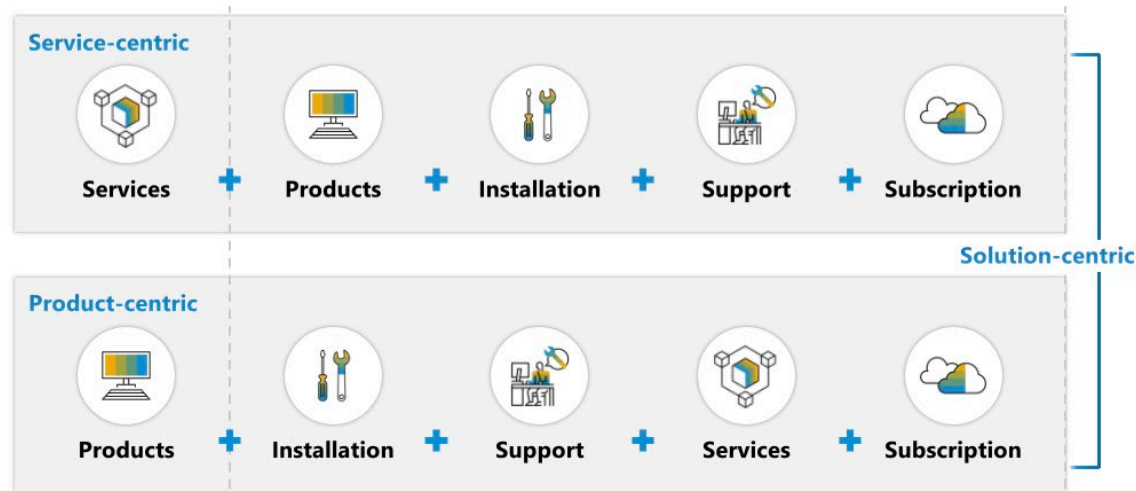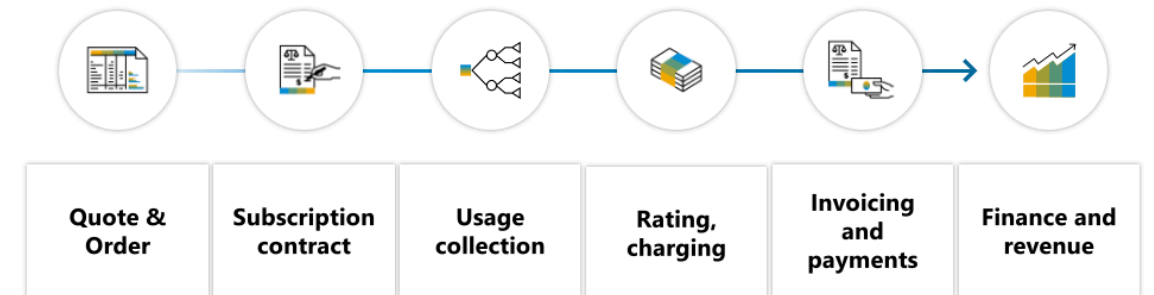**Business model innovation**

New Model
SAP S/4HANA Cloud, public edition end-to-end process new business models

Service-centric

Services + Products + Installation + Support + Subscription

Solution-centric

Product-centric

Products + Installation + Support + Services + Subscription

Quote & Order | Subscription contract | Usage collection | Rating, charging | Invoicing and payments | Finance and revenue
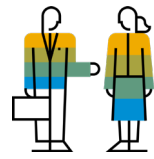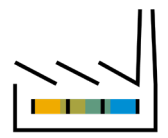
ONE order containing projects, subscriptions, physical goods, one-time services, and long-running contractual services.

ONE margin view for all offerings.

Accelerate business growth

Unlock efficiencies with built-in best practices across standard business processes

Finance
- Accounting and financial close
- Receivables and Payables mgmt.
- Cost mgmt. & profitability analysis
- Treasury & working capital mgmt.
- Governance Risk and Compliance

Procurement
- Direct material procurement
- Service procurement
- Supplier management
- Central procurement

Sales
- Sell Products, Projects and Contract-based Services separately or as a full solution
- Convergent & External Billing

Service
- After-sales service and support with contracts, service deliveries, and billing
- Combine sales & services as packaged solution offerings

Service-Centric Industries
- Professional services
- Public sector
- Higher education
- Media
- Financial services

SAP S/4HANA Cloud, public edition

Manufacturing
- Material requirements planning with demand driven and/or predictive MRP
- Make to stock and make to order
- Quality management
- Environment, Health and Safety

R&D
- Product compliance
- Enterprise portfolio and project management
- Advanced Variant configuration

Asset management
- Reactive and proactive maintenance
- Resource scheduling for maintenance planner
- Enhanced collaboration + review

Supply chain
- Warehouse Outbound & Inbound Processing
- Core Inventory Management
- (Advanced) ATP Processing
- Basic Transportation Mgmt.

Product-Centric Industries
- Component manufacturing
- Hi-tech
- Automotive
- Mining services

Accelerate business growth

Unlock efficiencies with built-in best practices across standard business processes

Order-to-Cash example benefits:

Customer requirements captured early in the sales quotation

Calculation of price impact of configuration during order creation

Real-time monitoring of production process

Sales Quotation

Product Configuration

Sales Order

MRP Run

Production Execution

Delivery and Shipping

Complex product configuration with state-of-the art variant configurator

MRP run based on forecast (ATO[1]) and/or based on sales orders (CTO[2])

Seamless Warehousing and Transportation

Increase the production efficiency and capacity of customized furniture by

3 times

SAP S/4HANA Cloud
Lot Size of One

Deliver Highly Individualized Products
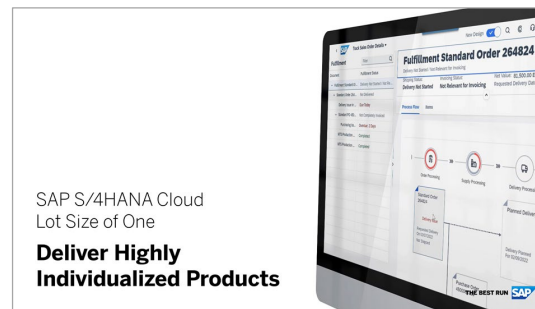
20%

Improvement in production efficiency

[1] Assemble-to-Order
[2] Configure-to-Order

Accelerate business growth
in <u>All Industries</u> with a finance-led, administrative (backoffice) ERP

Finance-Led	Industries:	All Industries*
	Scenarios:	Order to Cash | Procure to Pay | Record to Report | Financial Planning & Analytics
	Differentiation:	➤ Modern SaaS Cloud ERP at Any Scale and Scope ➤ Uniquely simple financials ➤ Tightly integrated O2C, P2P, R2R ➤ Modularity to include SAP LOB, Industry Cloud and customer scope now or in future

Source to Pay — **Order to Cash** — **Record to Report**

Administrative ERP Value Chain:

12

*except highly regulated industries such as Healthcare
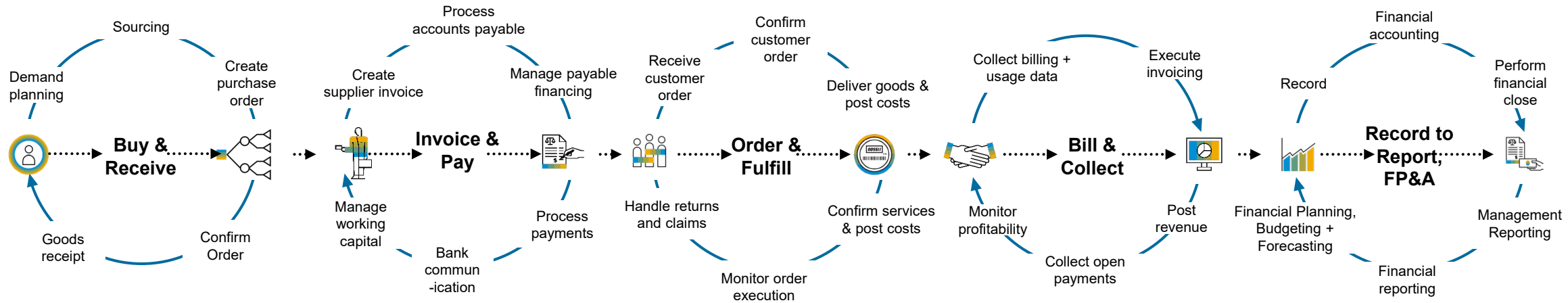
Accelerate business growth

in Service-Centric Industries with end-to-end operational processes

Service-Centric Industries

Industries: Professional Services | Media | EC&O + Real Estate | Public Sector | Higher Education | Banking | Insurance | Travel + Transportation

Scenarios: Customer Projects | Contract-Based | Solution Business
Commercial Real Estate | Govt + University Budget Mgmt | Regulated Financials | Asset Management

Differentiation:
- Real Time Revenue Recognition
- Project profitability at any time
- Project Billing
- Solution Management / Bundling
- XaaS / Subscription Management
- Commercial Real Estate Management

Sell & Plan → **Setup & Staff** → **Delivery & Recognize** → **Bill & Manage**

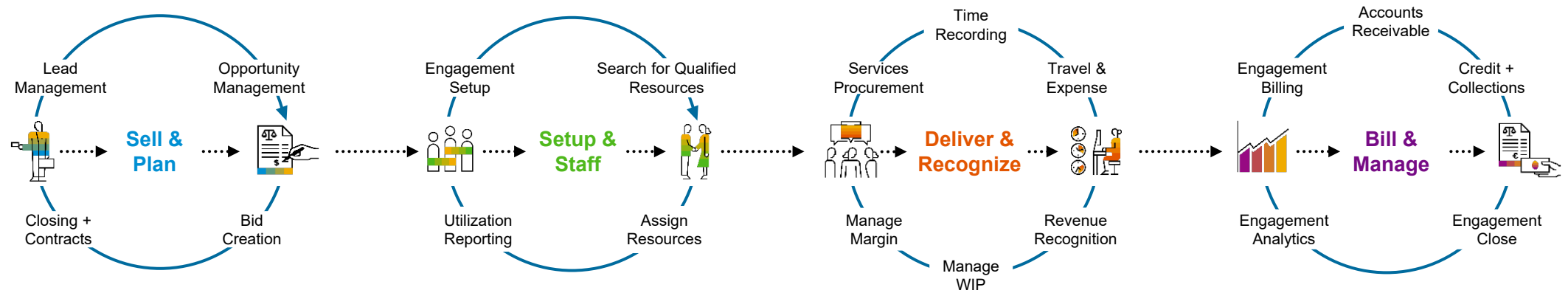**Example – Customer Project Value Chain:**

Sell & Plan: Lead Management, Opportunity Management, Bid Creation, Closing + Contracts

Setup & Staff: Engagement Setup, Search for Qualified Resources, Assign Resources, Utilization Reporting

Deliver & Recognize: Services Procurement, Time Recording, Travel & Expense, Revenue Recognition, Manage WIP, Manage Margin

Bill & Manage: Engagement Billing, Accounts Receivable, Credit + Collections, Engagement Close, Engagement Analytics
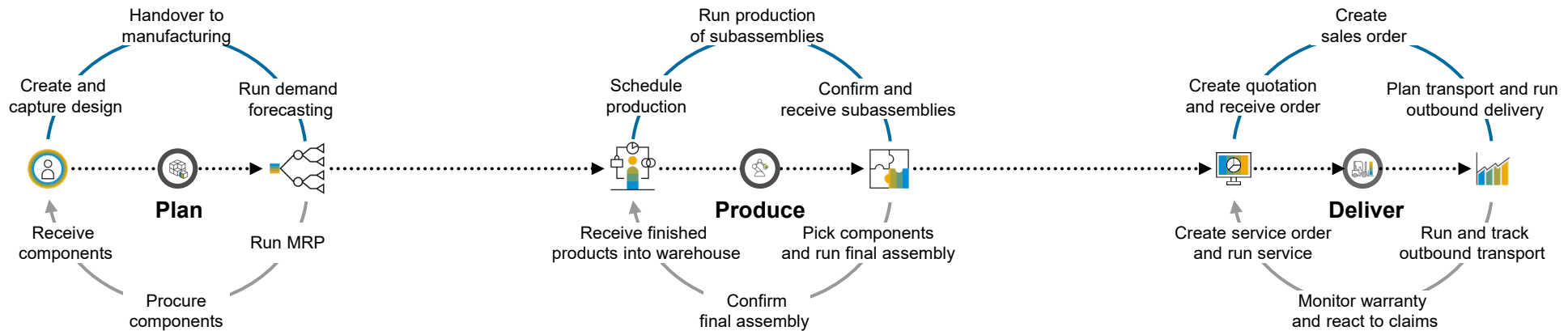
Accelerate business growth

in <u>Product-Centric Industries</u> with end-to-end operational processes

Product-Centric Industries	**Industries:**	Automotive High Tech IM&C Mining Mill Products Retail Wholesale Distribution Utilities Oil & Gas Chemicals Aerospace & Defense
	Scenarios:	Produce & Sell Standard Products / MTS | Lot Size One / MTO | Engineer Products and Systems / ETO
	Differentiation:	➢ Early Product Designer ➢ Just in Time, Just in Sequence ➢ Delivery Scheduling ➢ Demand Driven Replenishment ➢ Advanced Available to Promise ➢ Predictive MRP ➢ Advanced Variant Configuration ➢ Project Controlling ➢ 8D Quality Management

Idea to Market ➤ **Source to Pay** ➤ **Plan to Fulfill** ➤ **Order to Cash** ➤

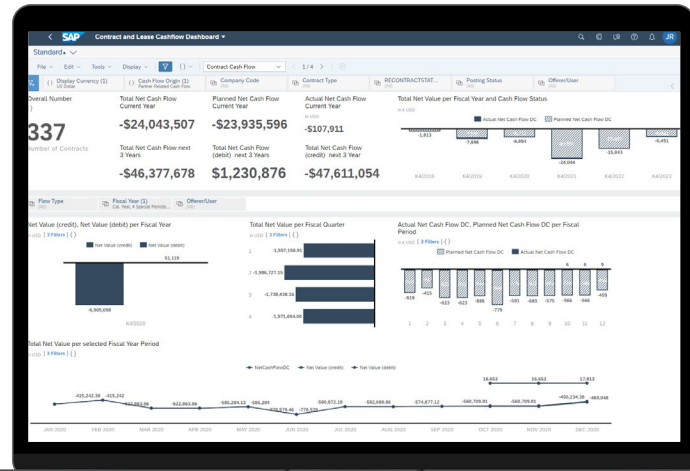**Example - Make-to-Stock Scenario Value Chain:**

Accelerate business growth

Unlock efficiencies with intelligent technologies for insights, speed, and efficiency

Discover embedded insights

Data-driven decisions for measurable outcomes

React with situation handling

Exception-based notifications for insight to action
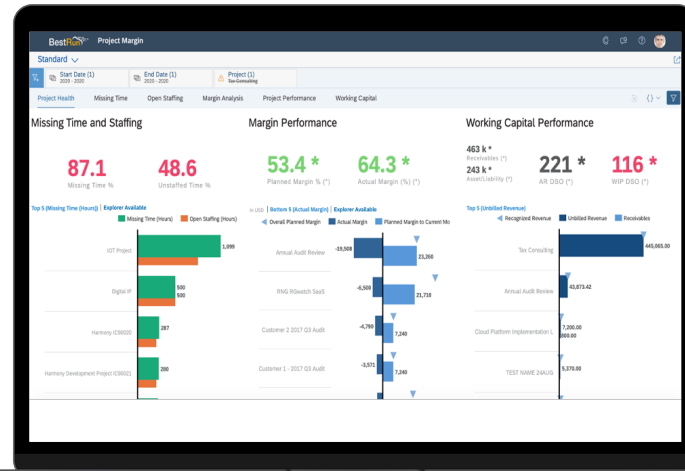
Automate SAP Process Automation

Multiple bot workflows for execution (attended + unattended)
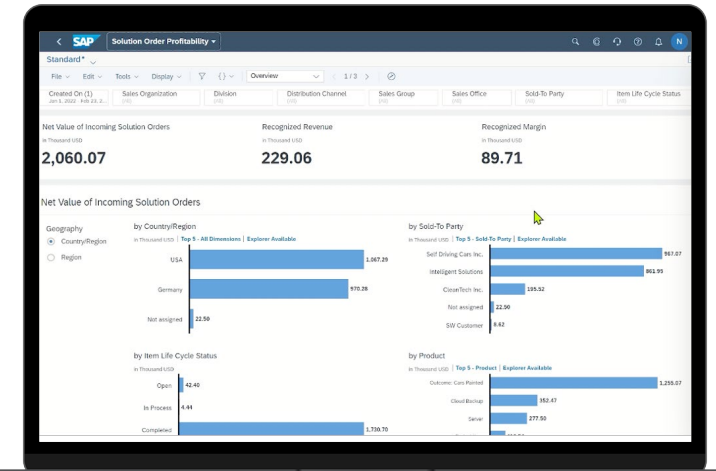
7 Times

increase in order processing capacity

Streamlining Order-to-Cash

processes increases capacity for seasonal sales peaks

SAP S/4HANA Cloud

Automated and Transparent Order to Cash Process

THE BEST RUN SAP

42%

of sales orders automated

Integrating Solutions

for a real-time overview of the entire go-to-market channel

Accelerate business growth

Streamline Acquisitions, Divestitures and Reorganizations

Re-organize the business without missing a beat

Quickly integrate new acquisitions

Spin off divestitures with operational excellence
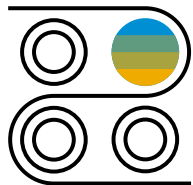
Uniquely enabled by…

- A lean chart of accounts unburdened by fixed hierarchies or hard-wired business logic

- An attribute-based ledger where the business logic can be flexibly maintained, analyzed and changed

- Flexible hierarchies to understand the same data from any perspective

- Organizational Change apps to plan, simulate and move financial data to new organizational models.

- Embedded Consolidations to map external charts of accounts and capture transactions to quickly consolidate acquisitions

- SaaS cloud ERP with standard, pre-configured processes to quickly spin-up or spin-off organizations

Attribute-based ledger and flexible hierarchies

Attribute: Region — NA

Attribute: Service Line — Advisory | Tax

Attribute: Office — Chicago | New York | Miami

Attribute: Region — NA

Attribute: Office — Chicago | New York | Miami

Attribute: Service Line — Advisory | Tax
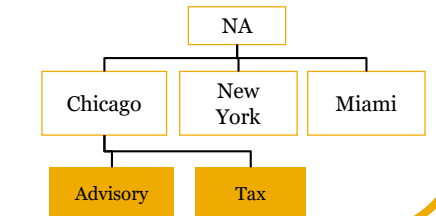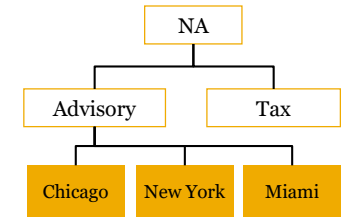
Organizational Change Apps

2023	2024
Firmwide	Firmwide
North America	North America
Northeast	East
Southeast	Central
Midwest	West
West	Canada
Canada	Latam
Mexico	Mexico

Accelerate business growth for existing large enterprise customers

Two-Tier ERP allows large enterprises to move to SaaS cloud at their own pace and scale

Industries: All Industries

Two-Tier ERP works for a mix of customer profiles:

Tier 1

ECC Installed Base
Three distinct profiles

Laggards
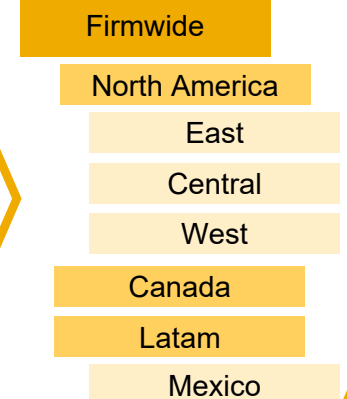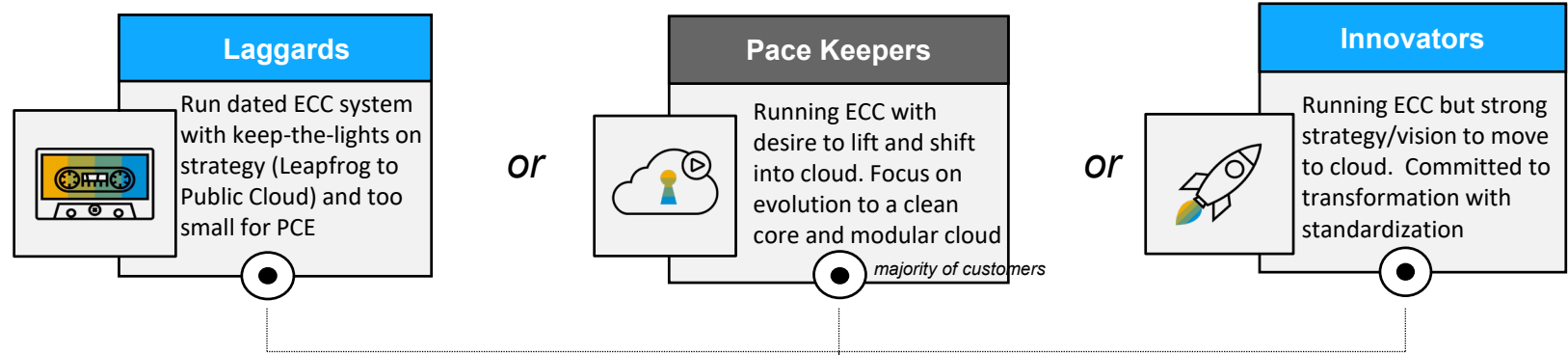Run dated ECC system with keep-the-lights on strategy (Leapfrog to Public Cloud) and too small for PCE

or

Pace Keepers
Running ECC with desire to lift and shift into cloud. Focus on evolution to a clean core and modular cloud

majority of customers

or

Innovators
Running ECC but strong strategy/vision to move to cloud. Committed to transformation with standardization

and

Tier 2

Five distinct profiles

Existing ERP customers who have Tier 2 scenario requirements due to need for agility or step based transformation to the public cloud
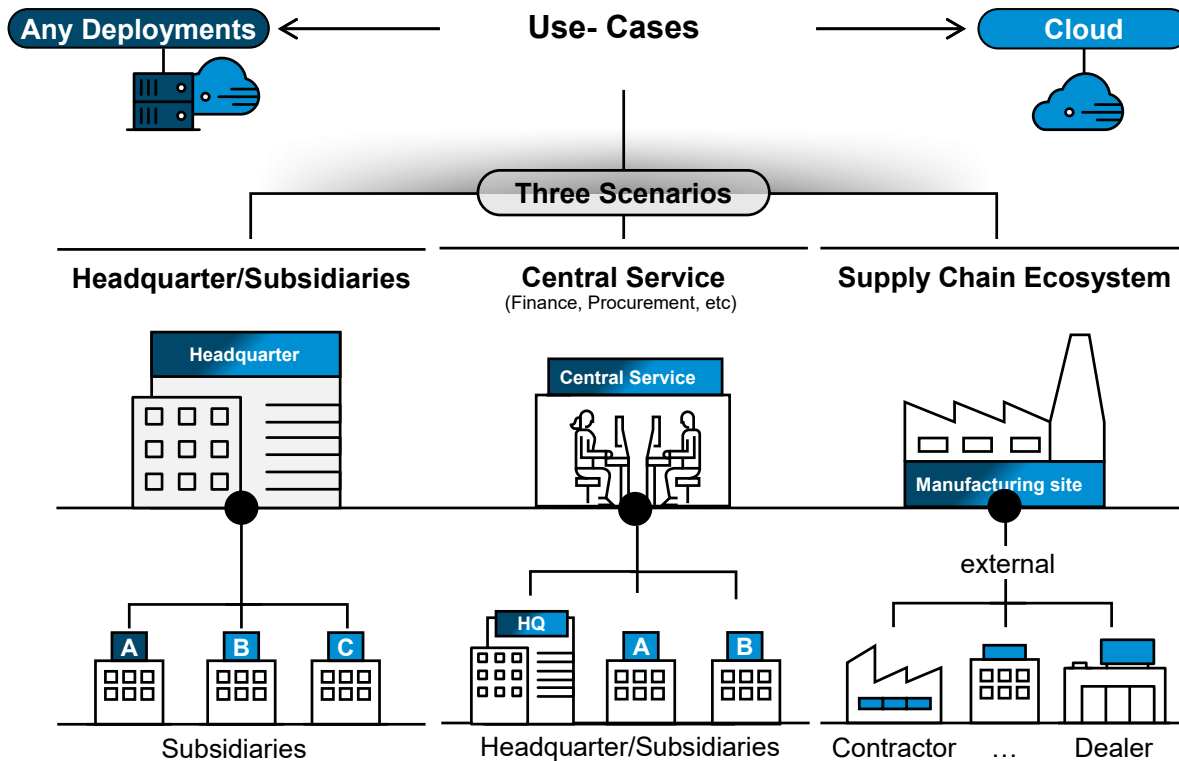
Acquisitions

Subsidiaries

Divestitures

Incubations

Autonomous Divisions

SAP
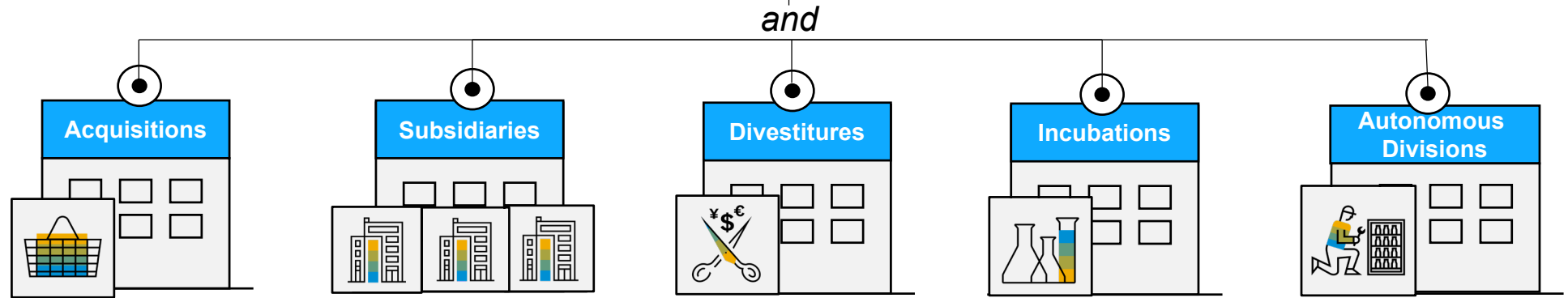
Accelerate business growth for existing large enterprise customers
Two-Tier ERP: Multiple two-tier scenarios

Industries: | **All Industries**

Differentiation:
- Simplified, ONE domain model
- Purpose-built Integration supporting E2E intercompany processes
- Simplified data aggregation & reporting

- Purpose-built Integration supporting E2E intercompany processes
- Shared support desk and harmonized end-user security

- Group reporting, advance finance closing, payment factory, financial planning & consolidation for management & visibility across organizations

Any Deployments ← **Use- Cases** → **Cloud**

Three Scenarios

Headquarter/Subsidiaries | **Central Service** (Finance, Procurement, etc) | **Supply Chain Ecosystem**

Headquarter

Central Service

Manufacturing site

external

A | B | C

HQ | A | B

Contractor … Dealer

Subsidiaries | Headquarter/Subsidiaries

Line of Business Scenarios | **Cross topics**

Finance
- Planning & Consolidation
- Governance + Compliance
- Cash visibility
- Centralize payment factory

Order to cash
- Subsidiary as sales office
- Service subsidiary

Plan to Produce
- Subsidiary production
- Subsidiary assembly
- External transportation planning
- Project-based procurement

Procure to pay
- Subsidiary procurement with HQ visibility
- Central contracts
- Centralized purchasing

Master Data
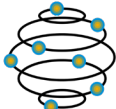- Master Data Replication – Product, Bill of Material, Change Master, Partner, Pricing, Finance
- Master Data administered centrally by MDG

Analytics
- Centralized analytics on selected finance, procurement and manufacturing scenarios
- Product Footprint Management Analytics Dashboard

Accelerate business growth

Proven business value with SAP S/4HANA Cloud, public edition

Asset Management

50% reduction in lead time, more accurate assessment of asset capacity and potential for overload work

Manage assets more efficiently, eliminating a daily three-hour manual asset management process and removing human errors

Finance

84% reduction in time required to release invoices, freeing up employees for core business processes

1.5x more payment transactions managed by the same number of employees

Sales

7x increase in order processing capacity

Reduced administrative burden by applying robotic process automation in billing

Procurement

$2 million saved by reducing duplicate purchase orders

Standardizing procurement processes and minimizing human intervention, helping to reduce costs and efficiently manage suppliers

R&D/ Engineering

Improved processes for product development

Reimagined contact-to-cash process to improve project profitability

Manufacturing

100% traceable production from raw materials to finished parts

Improve production and management efficiency and increase the rate of on-time completion to more than 95%

Supply Chain

97% Of deliveries made on-time – up from 90%, increasing customer satisfaction

Increase the inventory turnover rate by 30%, shorten the turnover time from 30 to 20 days, and reduce inventory cost by 10%

IT

Lower total cost of ownership with reduced IT costs, minimized risk, and a path for future enterprise growth

Savings of approximately one million in hardware maintenance costs and a 10% improvement in IT operations

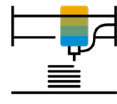**Customers in all industries:**

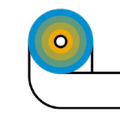Chemicals   Consumer Products   High Tech   Ind. Machinery and Components   Life Sciences   Mill Products   Oil & Gas   Prof. Services

Keep innovation moving

Stay ahead by always getting the latest process and technology innovation

Systems **"continuously upgraded"** and **always on latest and greatest**, eliminating major upgrade projects allowing fast and cost-effective adoption of new innovations.
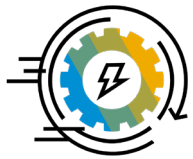
Fast & Continuous Access to New Innovations

Customers receive new features on a continuous basis via updates. Currently, we ship them on a monthly basis. Those features are toggled and can optionally be turned on by customers if they would like to use them.

Minimal Disruption, Maximum Business Continuity

Monthly feature updates are optional and nondisruptive.

Twice a year all those features and further innovations are delivered via releases.

1 Release in February

2 Release in August

Keep Innovation Moving

Build your own breakthroughs with a fully extensible platform

Enrich, Adapt and Integrate

- **Enrich** processes to fit the individual needs of your business processes
  - o Key User Extensibility
  - o Developer Extensibility
  - o Side-by-side Extensibility
- **Adapt** and extend local requirements with localization extensibility
- **Integrate** solutions across your landscape for seamless processes beyond SAP S/4HANA Cloud

Enabled by a three system landscape
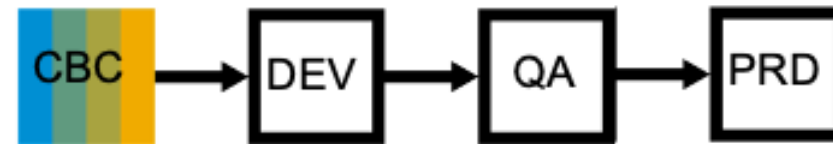
✓ Implementation without disruption to continue implementation projects and go live, even during a software update period

✓ Faster time to value with parallel business configuration projects

✓ Improved quality assurance options through the separation of development and test environment:

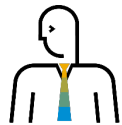3-system landscape delivers control and scalability to serve all customer needs and sizes.
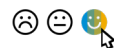
☹ ☺ 🙂 **Enterprise Grade Experience**

Keep Innovation Moving

Build your own breakthroughs with a fully extensible platform

Extensibility Integrated in SAP S/4HANA Cloud	Side-by-Side Extensibility
SAP S/4HANA Cloud ABAP Environment	**SAP Business Technology Platform[4]**

Key User Extensibility

- UI field layout, custom forms and templates
- Custom Business Objects
- Custom CDS views
- Custom business logic using Cloud BADIs

Developer Extensibility[1]

- Develop custom ABAP code
- Extensions of SAP S/4HANA Cloud solutions
- Partner extensions
- Directly on SAP S/4HANA stack

Side-by-Side Extensibility

Integration with SAP BTP services

- AI business services
- Data marts and analytics
- IoT and Big Data

Develop custom code

- Develop extensions and SaaS solutions in ABAP, Java, or Node.js

Localization Extensibility

- **Taxes:** Tax ID format validation | Calculating indirect taxes | Determining tax code automatically in purchase orders
- **Payments:** Create, copy and extend payment medium formats
- **Invoicing[3]:** Print billing document forms with custom field | Extending Electronic Outgoing invoices
- **Statutory Reporting[3]:** Creating a new Withholding Tax report using Document and Reporting Compliance | Creating new Cash Flow Report

Configuration Localization Tool[1] (SAP Central Business Configuration) – Create Customer Local Versions   **Early Adoption**

[1] Currently in early adoption phase for 3-system landscape installations
[2] Only available for 3-system landscape installations
[3] requires additional subscription of SAP Document and Reporting Compliance
[4] may require additional subscription

Summary: Why SAP S/4HANA Cloud, public edition?

Run on the industry standard

to deliver results right away and to quickly tackle your top business priorities

- **Deliver results right away** with ready-to-work processes built on proven industry best practices
- **Quickly tackle your top business priorities** and expand as your needs change

Accelerate business growth

by maximizing both the top line and bottom line

- **Drive top line growth** by enabling innovative business models at global scale
- **Achieve bottom line growth** with proven business processes for your industry and intelligent ERP technologies

Keep innovation moving

by always being on the latest and by extending the solution to differentiate your business

- **Stay ahead** by always getting the latest process and technology innovations
- **Build your own breakthroughs** with a fully extensible platform

Get started now!

Get a first impression how SAP S/4HANA Cloud, public edition will optimize your business processes with a free trial
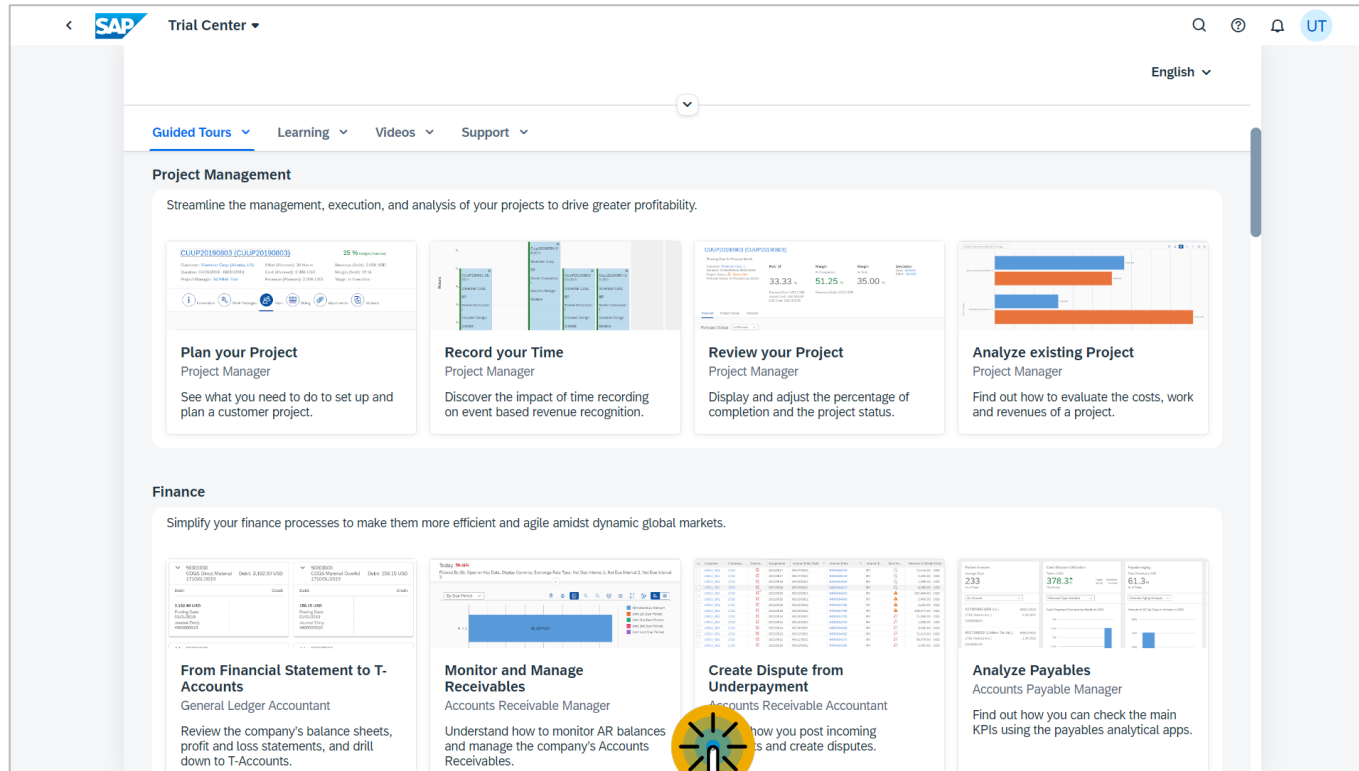
Get started now!

SAP S/4HANA Cloud, public edition Trial

Free of Charge
Test a real SAP S/4HANA Cloud system 14 days for free.

Guided Tours
Explore the solution highlights along expert-curated scenarios.

Comprehensive Scope
Run a broad range of processes across Finance and Logistics.

Complementary Content
Consume complementary content linked in the trial.

SAP S/4HANA Cloud, public edition
is a ready-to-run cloud ERP that delivers the
latest industry best practices and continuous innovation

Run on the industry
standard

Accelerate business
growth

Keep innovation
moving

Thank you.

Contact information:

THE BEST RUN SAP