Transform Sales with SAP

The Business Value for Sales with SAP S/4HANA, Cloud/Line-of-Business Applications and SAP Leonardo
Karma Automotive Creates a Seamless Customer Experience with SAP

From customer order to manufacturing to delivering the car, SAP S/4HANA and SAP Hybris Commerce empower Karma Automotive’s employees and dealers with anytime, anywhere access to real-time information through SAP Cloud Platform. The solution provides the company with fast, efficient and flexible operations, greater visibility into performance and customers.
White Paper Background and Key Definitions

The information outlined below will help you understand the contents of this value proposition white paper. It gives details on the objectives and scope of the paper. Key definitions are also provided.

DELIVERABLE OBJECTIVE
Provides information on the value in moving from an ERP on a traditional database to SAP S/4HANA, cloud/Line-of-Business (LoB) Applications and SAP Leonardo Solutions.

KEY DEFINITIONS
Within the process and subprocess deep dives, there is detailed content in table format articulating the following:

Typical Pain Points
Major customer business and IT challenges.

Current State with ERP on Traditional Database
ERP capabilities that are available on a traditional database.

SAP S/4HANA Capabilities
Capabilities shipped with the latest release of SAP S/4HANA, including apps that are optimized for SAP Leonardo.

Cloud/LoB and SAP Leonardo Solution Capabilities
Solutions that can be integrated with SAP S/4HANA and provide business value — for example, the SAP Cash Application or SAP Digital Boardroom. These solutions are not embedded in SAP S/4HANA but they can be integrated.

2018: Planned Innovations*
New functionalities planned for the 2018 release of SAP S/4HANA, Cloud/LoB applications, and SAP Leonardo solutions.

Business Benefits
Key value drivers that are impacted by the adoption of SAP S/4HANA, Cloud/LoB applications, and SAP Leonardo solutions.

With the value proposition section, all quantified benefits are conservative, estimated improvement ranges tied to the top value drivers. They are based on early adopters or new developments and enhancements of SAP S/4HANA, Cloud/LoB applications and SAP Leonardo solutions that can drive value. Keep in mind that these benefits should be used as a guide. We recommend working together to assess your current maturity and the value of moving to SAP S/4HANA, Cloud/LoB applications and SAP Leonardo solutions to develop a personalized business case.

Last Update
SAP S/4HANA 1709 release. All Leonardo capabilities are highlighted in bold.

*Detailed road map available on SAP.com (customer login required)
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Agenda

Sales Overview 5
End-to-End Business Scenarios 8
Process Deep Dive 11
Digital Priorities 25
Value Proposition Summary 26
Customer References 27
Appendix 29
Selling in a Digital Economy

TRANSFORM SALES WITH SAP

The digital economy is changing your customers’ buying behavior. Living in a world where sensors, artificial intelligence, and social structured and unstructured data flows are just one click away, customers expect individualized products and a unified buying experience on any device. Digital technology is changing the game, and companies that adopt new sales and distribution strategies are changing the rules. To succeed, companies need to streamline their end-to-end processes - marketing, sales, commerce, services, and billing, to drive value and optimize customers’ experience across every channel of interaction. Leading companies are learning what new technologies can do for their sales and distribution organizations.

There is a step-change in the cost and effectiveness of distribution and billing processes. Your customers expect shorter and more reliable delivery times for goods, and much simpler ordering, invoicing, and payment processes. At the same time, they expect more individualized products and services; for certain industries, this individualization has reached a lot size of one. The additional complexity that this level of personalization causes in sales and supply chain processes can be resolved only through an integrated, real-time technology platform such as SAP HANA. SAP S/4HANA enables substantial increases in the productivity of your internal sales workforce. Additionally, it enables unified multichannel e-commerce and flexible billing for B2B and B2C businesses with business network collaboration. It provides detailed insight into action summaries and increased automation tailored for the internal sales representative. Integration between SAP S/4HANA Sales and the SAP Hybris sales solution enables your sales teams to work together as a well-oiled machine and equips your sales people with tools to sell anytime, anywhere, on any device. SAP Hybris Sales Cloud delivers the agility and power to find answers, engage in meaningful customer conversations, and deliver the right impact every time. Companies can now connect every part of the business and provide every business unit with the information they need to create the best, most consistent, and most targeted customer experience.

Frictionless Sales Order Fulfillment

Serve the most profitable customers with a real-time, prioritized list of all sales orders; resolve issues faster with guided procedures.

Process Analytics In SAP S/4HANA

Embedded real-time analytics dashboards and overview pages to monitor and analyze order-to-cash process efficiency with the capability to directly trigger actions based on insights.

Warehousing and Transportation on One Platform

Single warehousing and transportation platforms to provide end-to-end visibility of finished goods availability and with basic and advanced shipping functionality and real-time embedded analytics to increase on-time delivery.

Subscription Billing and Invoicing

Generate a single invoice combining goods, services, and external data to enable more business model flexibility.

Pregis

Pregis simplified protective packaging with SAP Hybris Cloud for Sales and SAP S/4HANA.

Now we have a data repository that is a single source of the truth and accessible to the whole organization. This is an enormous improvement over our previous system, which often required workarounds.

Bob Border, Vice President and CIO, Pregis Corporation

Woongjin

With SAP S/4HANA, Woongjin realized business scalability for the 4IR era. Implementing the SAP Fiori user experience and SAP Hybris Sales Cloud portfolio led to a fundamental change in its business processes.

We are spending much less time on administrative tasks so we can concentrate on understanding our customers’ unique challenges and helping them achieve their goals. And, business management is much more satisfactory with greater efficiency and convenience.

Jaejin Lee, CEO, Woongjin Co. Ltd
SAP SALES VALUE PROPOSITION SUMMARY

SAP solutions enable companies to substantially enhance, simplify, and visualize the entire sales process from prospect to payment.

**Reduce Sales-Related Costs** by providing real-time and contextual analytics to improve process performance

Give the sales team a complete view of the sales process and facilitate ad hoc collaborations to accelerate sales decision-making related to contracts, pricing, and negotiation.

**Reduce Inventory-Related Costs** through live inventory visibility, optimal allocations, and agile response

Simplify and visualize processes related to order fulfillment tracking. Use instant communications between key stakeholders to take actions immediately and reduce cycle times. Respond quickly to unforeseen events, such as delayed shipments or changes in customer orders, through increased inventory visibility. Improve order fulfillment and allow for inventory optimization along the supply chain and across warehouse locations.

**Reduce Days Sales Outstanding** by supporting wider billing scenarios and automated tracking of account receivables

Enable faster billing with reduced administration. Introduce flexible and dynamic search capabilities of the customer invoice list and tracking real-time orders and accounts-receivable status through the integration of CRM with contract-to-cash cycles. Leverage automated subscription billing to speed up processing times, and enable new business models.

**Increase Market Share, Share of Wallet, and Customer Satisfaction** by providing a holistic view of customer information

Gain a single view of the customer and enable better engagement along the buying journey, including data from Web streams and social channels, past interactions, propensity scores, and “in-the-moment” interactions.
SAP’s Digital Business Framework for Sales

SAP solutions enable organizations to drive business value across their end-to-end digital value chain.
**End-to-End Business Scenarios**

Some organizations measure value by the impact to their end to end processes. Outlined below are the primary end to end processes that are important to a sales organization.

"**Market to order**" is an end-to-end marketing and sales process with consistent, contextual and personalized customer experiences that begins with first digital or physical contact and ends with seamless revenue management and recognition.

It includes all front-end lines of business, including marketing, sales, commerce, service and revenue, fully integrated with automated workflow and notification services supported by artificial intelligence to support the process.

"**Order to delivery**" is an end-to-end order management and logistics execution scenario that ends with efficient order fulfillment and delivery.

The scenario starts with capturing a sales order and includes order confirmation, material requirement planning, production, and procurement, and ends with material dispatch and delivery.
Reimagine **Market to Order**

SAP solutions for customer engagement and commerce provide organizations with a suite of integrated products that enable them to change and automate the market-to-order process with a real-time integrated and automated multichannel system that delivers a fully integrated solution with automated tasks and workflows.

**Traditional CRM**

Legacy application with integration challenges and data silos make putting the **customer experience** at the center impossible today.

**The New World with SAP Software**

Fully integrated modern mobile applications, a single point of truth, and 360-degree view of customers enable sales team to sell more anywhere and anytime, putting the **customer experience** at the center of all activities.

**Customer Experience**

**SAP Hybris as a Service on SAP Cloud Platform**

**SAP Hybris Solutions**

**TOP VALUE DRIVERS**

- Improve Customer Satisfaction
- Reduce Sales and Service Costs
- Increase Revenue Growth
Reimagine Order to Delivery

Traditional Planning

- Little visibility into the order-to-delivery process
- Many manual steps that slow down the process

Sales Order Capture
Sales Order confirmation
Sales Order Tracking & Collaboration
Inventory Management
Outbound Delivery, Transport Planning & Dispatch
In-Transit Tracking

The New World With SAP

Sales Order Capture
Sales Order Confirmation
Sales Order Tracking & Collaboration
Inventory Management
Outbound Delivery, Transport Planning & Dispatch
In-Transit Tracking

- An intuitive user experience on any device providing real-time insights into the order to delivery process

- Up-to-date inventory information resulting in realistic fulfillment commitments
- Advanced ATP with allocation enforcement and management
- Monitoring of fulfillment status of all sales orders over the whole process
- Relevant insights, contacts, and collaboration features for internal sales
- Single warehousing platform for all warehousing operations
- Minimized safety stock with just-in-time material availability
- Single platform for transportation management with real-time embedded analytics
- Capacity management, planning, collaboration, execution, charge management, and settlement in one system
- Insights into transportation execution, tracking of goods and assets in transit (SAP Global Track and Trace)
- Analysis of vehicle and sensor data in real time, optimizing logistics and improving service (SAP Vehicle Insights)

TOP VALUE DRIVERS

- Improve Customer Satisfaction
- Reduce Inventory Carry Cost
- Reduce Logistics Cost
SALES CAPABILITIES

Outlined below are the primary capabilities for sales where value can be achieved through SAP S/4HANA, our Cloud/LoB applications and SAP Leonardo solutions.

Order and Contract Management

- Sales master data management
- Sales contract management
- Subscription contract management
- Sales order management and processing
- Claims, returns, and refund management
- Sales monitoring and analytics

Inventory and Basic Warehouse Management

- Goods issue
- Goods receipt
- Basic warehouse management
- Basic shipping

Billing and Invoicing

- Billing and invoicing for physical goods
- Subscription billing and invoicing
## Order and Contract Management Deep Dive

### TYPICAL PAIN POINTS

**Lack of visibility into the order management system results in slow resolution of order fulfillment issues, with risk of delayed delivery**
- Responsible employee has to check multiple reports to get a holistic view of all process-related issues.
- Prior communications and decisions cannot be tracked in the system.

**High data volume and low flexibility in rebate processing results in time-consuming and error-prone processes**
- Ability to offer rebates to additional customers is limited as invoice history has to be rebuilt in batch runs; rebate process lacks the ability to use sources other than customer invoices as basis for rebate calculation.

### Current State with ERP on Traditional Database

- More flexibility with settlement management
- Ability to settle retroactive rebates immediately without any manual activities or preliminary tasks upfront, also when new customers become eligible for rebates
- Accruals posted and adjusted at any time
- Additional sources for rebate calculation, allowing improved business models
- Improved access to SAP Fiori launchpad

### SAP S/4HANA Capabilities

- Ability to monitor fulfillment status of all sales orders over the whole process of the order-to-cash
- Prioritized list with key characteristics of outstanding sales orders for internal sales
- Relevant insights, contacts, and collaboration features for internal sales

### Cloud/LoB Solutions and SAP Leonardo Capabilities

- SAP Fiori app for simplified sales order creation
- Simplified mass changes for sales orders

### 2018 Planned Innovations

- A new SAP Fiori app to manage condition contracts and facilitate the administration of the overall sales rebate business process
- Gain more-flexible rebate handling that allows for better targeted business models

### Business Benefits

- Increase customer satisfaction
- Increase on-time delivery
- Improve internal sales productivity

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# Order and Contract Management Deep Dive

<table>
<thead>
<tr>
<th>TYPICAL PAIN POINTS</th>
<th>Current State with ERP on Traditional Database</th>
<th>SAP S/4HANA Capabilities</th>
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<tbody>
<tr>
<td>Limited insights in process cycle time hamper the improvement of the sales process quality</td>
<td>No available capability for process performance monitoring in SAP ERP (only with additional process observer feature)</td>
<td>• Prebuilt content to monitor and analyze order-to-cash process performance; allowing insights into process cycle times and enabling process manager to improve the service level for customers</td>
<td>• Flexible analytics dashboards and overview pages that enable sales clerks and sales managers to get their operational insight while transaction happens</td>
<td></td>
<td>• Improve sales effectiveness</td>
</tr>
</tbody>
</table>

| Inability to see and manage one single quote, contract, and invoice statement listing all provided services, projects, and products that are sold together | Limited support for complex business-to-business (B2B) agreements and contractual relationships, which combine terms for physical goods and services in a single contract and invoice | Master agreements for large enterprise customers managed by bundling one-time sales of products with projects, service offerings, subscriptions, and usage-based services in one contract | SAP Customer Relationship Management (SAP CRM) application: ability to support a single contract for physical goods and services | Single receivable posting that can be generated by combining physical goods and services into the same invoice | Increase contract management efficiency resulting in reduced SG&A expenses |

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### Order and Contract Management Deep Dive

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<tr>
<td>Absence of a closed-loop process linking customer returns/credits to product/service problems leads to repetitive issues and process inefficiencies</td>
<td>Basic and advanced customer return functionalities are available</td>
<td>• Accelerated customer returns with new SAP Fiori apps</td>
<td></td>
<td></td>
<td>Reduce dispute resolution time</td>
</tr>
<tr>
<td>Complexity in onboarding new payment service providers for digital payment methods</td>
<td>Ability to support credit card payment with direct connection to payment card institutes</td>
<td>Support credit card and other payment service providers through the digital payment hub in a secure and efficient way</td>
<td>• Use of SAP digital payments add-on to streamline payments to support credit cards and other real-time payment methods (for example, credit cards, PayPal, Apple Pay, Bitcoin, Alipay) in a secure and efficient way</td>
<td></td>
<td>Improved support for digital payments: customer financial integration to payment service providers through the digital payments hub</td>
</tr>
</tbody>
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Order and Contract Management Deep Dive

**TYPICAL PAIN POINTS**

- Complex systems make it difficult to ensure legal compliance along the logistic cycle, leading to increased financial risk

**Current State with ERP on Traditional Database**

- Basic foreign trade functionality available

**SAP S/4HANA Capabilities**

- The embedded SAP S/4HANA for international trade covers:
  - Intrastate reporting
  - International trade classification
  - International trade compliance with focus on legal control for export
- In addition, the letter of credit capability secures international payment transactions.

**Cloud/LoB Solutions and SAP Leonardo Capabilities**

- Broader scope of international trade functionality is available with SAP Global Trade Services (SAP GTS), provided through the integration of SAP S/4HANA with SAP GTS as a global trade services processing hub

**2018 Planned Innovations**

**Business Benefits**

- Reduce revenue loss due to compliance
- Reduce compliance and risk management costs

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Order and Contract Management Deep Dive

TYPICAL PAIN POINTS

• Difficulty in getting all customer information at one place leads to customer churn and a subsequent loss of revenue

• Multiple, disparate front-end solutions with incomplete integrations lead to organization not meeting its full revenue potential

Current State with ERP on Traditional Database

Little consolidation of customer information. Inaccurate, outdated customer data without integration to other solutions

SAP S/4HANA Capabilities

Single consolidated view of customer information through integration with SAP Hybris Marketing

Cloud/ LoB Solutions and SAP Leonardo Capabilities

• SAP Hybris Marketing: Get customer information from all company-owned and external sources (for example, commerce, Web streams, social); do scoring and profiling; trigger tailored cross-channel real-time marketing activities

• In combination with SAP Hybris Cloud for Sales, trigger sales activities and leads according to customer signals

2018 Planned Innovations

Business Benefits

• Improve customer satisfaction

2018 Planned Innovations

• Reduce cost of sales and service

• Improve presence through search engine optimization; microsites to test new markets and geographies at a fraction of the cost

2018 Planned Innovations

• Single consolidated view of customer information through integration with SAP Hybris Marketing

Business Benefits

• Reduce cost of sales and service

• Improve presence through search engine optimization; microsites to test new markets and geographies at a fraction of the cost

• Difficulty representing the face and brand of an enterprise by delivering a unique personalized customer shopping experience through digital content and commerce

SAP Hybris Commerce integrated with ERP master data and supporting varying degrees of order-to-cash processes depending on customer needs

SAP Hybris Commerce: provides an omnichannel digital sales and service presence through a modern content management system with a powerful product catalog

Order and Contract Management Deep Dive (continued next page)
## Order and Contract Management Deep Dive

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<th>Business Benefits</th>
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<tbody>
<tr>
<td>Lack of complete visibility from opportunity to delivery leads to customer dissatisfaction</td>
<td>Order capture in SAP Hybris Cloud for Sales with easy instant access to back office information in ERP</td>
<td></td>
<td></td>
<td></td>
<td>Increase revenue growth</td>
</tr>
<tr>
<td>Lack of real-time customer analytics and sales data leads to poor sales planning for accounts and opportunities</td>
<td>Provide a complete customer view and flexibility to create orders, quotes and service tickets on-site</td>
<td></td>
<td></td>
<td></td>
<td>Increase sales achievement</td>
</tr>
<tr>
<td>Lack of insights into opportunities and relevant customer contacts leads to lower sales achievement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Reduce sales FTE effort on pipeline analysis</td>
</tr>
<tr>
<td>Lack of comprehensive and real-time customer intelligence and collaboration within the sales team leads to a disjoint sales process and lowers customer conversion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Reduce sales cost</td>
</tr>
</tbody>
</table>

### Business Benefits

- **Increase revenue growth**
- **Increase sales achievement**
- **Reduce sales FTE effort on pipeline analysis**
- **Reduce sales cost**

### SAP Hybris Cloud for Sales

- Provide sales professionals with access to pricing, quoting, and mobile Web-based interface, even when offline
- Forecast with ease and perform what-if analysis to identify areas of focus with interactive dashboards, embedded reports with real-time content, and advanced analytics tools
- Identify deals that have a high propensity of closing with machine learning based predictive scoring and gain an understanding into the key influencer signals and guidance for each deal in each stage
- Rapidly track sales activities and increase collaboration with internal teams, customers and partners, all in the context of accounts and opportunities, with built in integration to SAP Jam collaboration

### Enhance integration with SAP S/4HANA to capitalize on the new sales performance monitoring features
Order and Contract Management
– Before and After Business Scenario

Traditional ERP
Online transaction processing-based system: issues and exceptions are typically identified by working down lists of multiple table and aggregate structures—a time-consuming and error-prone process.

The New World with SAP Software
A people-centric collection of issues and exceptions through embedded analytics and work lists in real time on primary data to solve issues in seconds.

TOP VALUE DRIVERS

| Improve Order Management productivity | Improve Customer Satisfaction |

More than smarter and faster... a reimagined process
Inventory and Basic Warehouse Management Deep Dive

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<thead>
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<tr>
<td>• Missing visibility and control of material movements across the network</td>
<td>• Visibility on overall progress across system boundaries; ability to achieve overview on material flows messaging interface between ERP and extended warehouse management application</td>
<td>• Single warehousing platform for all warehousing operations for optimized inventory and safety stock levels; this is enabled by SAP EWM embedded in the SAP S/4HANA core</td>
<td>• SAP EWM deployed as a standalone application for high-volume and highly automated warehouses</td>
<td>• Improved user experience with new SAP Fiori apps related to task confirming, inventory counting, outbound packing, and e-commerce returns</td>
<td>• Reduce total logistics cost</td>
</tr>
<tr>
<td>• Batch-based processes and lack of real-time monitoring, resulting in poor on-time delivery performance</td>
<td>• Limited wave management and warehouse optimization capabilities</td>
<td>• One system (master data, customizing, and user experience) for reduced data redundancy, lean processes with fewer business documents, and overall simplification</td>
<td>• Integrate seamlessly to programmable logic controller layers of automation devices to set up a full material flow system (MFS) to facilitate automated storage and retrieval functions (SAP EWM)</td>
<td>• Advanced QM integration</td>
<td>• Improve on-time delivery performance</td>
</tr>
<tr>
<td>• IT complexity with the need to maintain interfaces</td>
<td>• Limited capabilities in the areas of cross docking, labor management, quality management</td>
<td>• New and improved SAP Fiori apps available for warehousing clerks</td>
<td>• Support for automated material handling equipment such as sorters; pick, pack, and pass technologies; and label applicators (SAP EWM)</td>
<td>• Additional embedded analytics for SAP EWM in the area of labor management reporting</td>
<td>• Increase inventory accuracy</td>
</tr>
<tr>
<td>• Data duplication due to separate warehousing systems, adding to complexity</td>
<td>• No standard UI capabilities for end-to-end user experience</td>
<td></td>
<td>• Integration of wearable devices like headsets and smart glasses, with equipment for picking goods and moving vehicles by voice (SAP AR Warehouse Picker)</td>
<td>• Improved integration to inventory management related to customer-owned stock and separation of storage location assignments</td>
<td>• Reduce order fulfillment lead time</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Comprehensive integration of unique item identification data and ammunition management in the area of defense</td>
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<td>• Reduce TCO through landscape simplification</td>
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(continued next page)
# Inventory and Basic Warehouse Management Deep Dive

## TYPICAL PAIN POINTS

- Managing increasingly complex, multimodal, global transportation needs in a single platform
- Manual transportation process taking place in disparate systems with inefficient business partner collaboration
- Lack of end-to-end visibility with electronic track and trace capabilities
- No holistic optimization of inbound, outbound, and intracompany freight

## Current State with ERP on Traditional Database

- Limited optimization possibilities
  - No planning combining inbound and outbound movements
  - Planning based on deliveries
  - No transportation capacity planning
- No comprehensive freight agreement management and settlement capabilities with customers and suppliers
- Limited tendering capabilities
- No out-of-the-box event tracking capabilities

## SAP S/4HANA Capabilities

- Single platform for transportation management with basic and advanced shipping functionality and real-time embedded analytics. This is enabled by SAP TM embedded in the SAP S/4HANA core
- Transportation solution covering end-to-end processes: capacity management, planning, collaboration execution, transportation charge management, and settlement in one system
- Addresses requirements of multiple industries and modes
- Accurate transportation costing for improved invoice accuracy

## Cloud/ LoB Solutions and SAP Leonardo Capabilities

- SAP TM deployed as a standalone application for complex transportation requirements
- Insights into transportation execution, timely execution of critical business processes, and tracking of goods and assets in transit (SAP Global Track and Trace)
- Collect, map, store, and analyze vehicle and sensor data in real time, optimizing logistics and improving services (SAP Vehicle Insights)

## 2018 Planned Innovations

- Advanced driver planning
- Integration to global track and trace
- Estimated time of arrival calculation based on actual data
- Collaboration through logistics business network
- Migration tools for SAP TM to SAP S/4HANA for transportation management

## Business Benefits

- Reduce total logistics cost
- Reduce transportation management costs
- Increase inventory accuracy
- Reduce order fulfillment lead time
- Reduce TCO through landscape simplification
Inventory and Basic Warehouse Management Deep Dive

**TYPICAL PAIN POINTS**

- Logistics processes done in disparate systems without comprehensive integration into core business processes
- IT complexity with the need to build multiple interfaces
- Analytics and reporting done in a separate business warehousing system with no real-time data update
- Lack of visibility and automation in yard management processes leading to inefficiencies
- Limited transparency in multtiered global supply chain network, with multiple business partners

**Current State with ERP on Traditional Database**

- Embedded logistics execution – warehouse management and logistics execution – transportation management components only offer limited functionality with need to set up multiple Interfaces with business suite applications.
- Reporting based on business warehousing content using business intelligence reporting tools with time lag from transaction system

**SAP S/4HANA Capabilities**

- Visibility into the location and condition of goods and assets along the supply chain
- Process transparency and collaboration with the partners to identify and address issues with in-transit tracking
- Valuable insights to make focused decisions to lower costs and optimize inventory levels

**Cloud/ LoB Solutions and SAP Leonardo Capabilities**

- Enable collaboration with logistics partners to improve throughput, reduce wait times, and increase efficiencies (SAP Global Track and Trace)
- Gain full visibility into the lifecycle of serialized products and tracking products across multiple systems (SAP Global Track and Trace)
- Expedite recalls, facilitate compliance with traceability directives, identify roadblocks, and improve customer service (SAP Global Track and Trace)
- Efficiently control yard activities such as managing stock, locations, and vehicles (SAP Yard Logistics)
- Monitor and control shipments in real time by staying connected to yard or hub activities (SAP Networked Logistics Hub)
- Collect, map, store, and analyze vehicle and sensor data in real time, optimizing logistics and improving services (SAP Vehicle Insights)

**2018 Planned Innovations**

- Unplanned returns process triggered from SAP Extended Warehouse Management
- Analytics for delivery performance
- Intuitive forward navigation in order to achieve routine and exceptional task

**Business Benefits**

- Improve on-time delivery performance
- Reduce days in inventory
- Improve customer satisfaction
- Reduce total logistics cost
- Reduce operations cost (services)

(continued next page)
Inventory and Basic Warehouse Management Deep Dive

TYPICAL PAIN POINTS

Current State with ERP on Traditional Database

- Inability to promise accurate and reliable order dates leads to customer dissatisfaction and revenue loss
- Inefficient strategies or manual processes to manage orders and allocations lead to revenue loss and fulfillment issues
- Inability to select alternative sources intelligently impacts profitability targets

SAP S/4HANA Capabilities

- Global ATP checks in a different planning system
- Mass product availability check for sales, planned, and production orders. Advanced ATP check and performance improvements for releasing large production orders
- Multichannel allocation management using demand characteristics to allocate and reserve short supply. Real-time order confirmation considering allocation constraints
- Back-order processing with intuitive selection and ranking of demand to establish order priorities. Rescheduling of order confirmations interactively to manage variability throughout the day
- Improved user productivity with SAP Fiori apps including: back-order processing setup and result monitoring and last-minute changes before release for delivery

Cloud/LoB Solutions and SAP Leonardo Capabilities

- Response planning capability for midterm allocation planning and short-term order confirmation in order to automate allocation procedures and take effective corrective action and respond rapidly (SAP Integrated Business Planning)

2018 Planned Innovations

- Display and analyze confirmation situation of requirements and product allocation availability situation
- Trigger an alternate back-order processing run automatically when an exception occurs
- Alternative-based confirmation: automatically determine the best possible plant to fulfill a requirement

Business Benefits

- Reduce revenue loss due to fulfillment issues
- Reduce back-ordered items cancelled

Inventory and Basic Warehouse Management Deep Dive

Overview | E to E | Process Deep Dive | Digital Priorities | Value Proposition Summary | Customer References | Appendix
## Billing and Invoicing Deep Dive

<table>
<thead>
<tr>
<th>Typical Pain Points</th>
<th>Current State with ERP on Traditional Database</th>
<th>SAP S/4HANA Capabilities</th>
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</table>
| Inability to combine billing for physical goods, services, and externally generated billing data on a single invoice | Ability to capture external billing data using traditional ERP but cannot combine this with sales data in one invoice | Generate a single invoice from SAP S/4HANA Enterprise Management combining goods, services, and external data | Leverage cloud CPQ and subscription billing in SAP Hybris Revenue Cloud combined with billing and invoicing in SAP S/4HANA Enterprise Management for flexible business model innovation, quote management, and billing in the cloud | • Extend traditional business model with digital product  
• Increase customer satisfaction  
• Reduce revenue loss due to underbilling |  

| Inability to collect high-volume usage across service platforms, leading to inaccurate billing and customer dissatisfaction | Improve scalable service-agnostic billing engine that supports high volume of both subscription and usage based on any types of events, whatever the criteria of usage, combined with operational SAP Fiori apps for better efficiency | Provide subscription billing and revenue management in a scalable and easy-to-deploy multi-tenant platform | Customer financial integration to payment service providers through SAP digital payments add-on | • Increase customer satisfaction  
• Reduce revenue loss due to underbilling |  

(continued next page)
# Billing and Invoicing Deep Dive

## Typical Pain Points

<table>
<thead>
<tr>
<th>Current State with ERP on Traditional Database</th>
<th>SAP S/4HANA Capabilities</th>
<th>Cloud/LoB Solutions and SAP Leonardo Capabilities</th>
<th>2018 Planned Innovations</th>
<th>Business Benefits</th>
</tr>
</thead>
</table>
| Inability to manage a high level of granularity for discrete billable items associated with an invoice | Billing and invoicing is highly granular with the ability to leverage tools to fine-tune the billing process | • Capture detailed billable items and billing documents from multiple sources and combine to generate accurate invoices  
• Use specialized SAP Fiori apps to streamline the viewing, adjusting, and correcting of billable items and generated invoices | | • Reduce customer billing disputes when invoices are more transparent  
• Improve billing accuracy and subscription invoice processing time |
| Difficulty in generating invoices and running bulk collection and payment processes in a timely manner | Normal billing runs well, but bulk processes are considerably slower using traditional relational databases | • Faster and better billing, accommodating bulk processes through enhanced capabilities of SAP HANA  
• Specialized SAP Fiori apps for the receivables and payables manager that help to lead to better billing governance and operational efficiency | | Reduce days sales outstanding (DSO) for large customer volumes |
| Lack of adequate reporting and operational tools to analyze, review, and control billing processes | No robust analytical tools for billing administrators to have a quick insight into the ongoing billing process | Native SAP Fiori apps simplify the administration of standard billing apps with user-friendly operational tools | | • SAP Fiori apps for the billing contract accounts receivable manager  
• SAP Fiori apps for billing clerks  
• Increase billing staff productivity  
• Reduce DSO |
Digital Priorities in Sales

Major shifts in the economy are accelerating the transformation to a digital sales process. This new evolution of selling is more connected, intelligent, responsive, and predictive. Below are few digital priorities that will help companies to capture the opportunities and remain competitive.

Market to an Audience of One

The customer journey, or the path that each customer takes with an organization, is unique. It spans across channels and touchpoints and companies want to activate high-quality, relevant, timely interactions with customers and prospects across all touchpoints by triggering actions in the system of engagement.

SAP solutions deliver personalization of products by using contextualized customer data across all channels. They enable more accurate target groups that allow sales organizations to focus on opportunities, channels, and moments that matter leading to rapid increases in customer satisfaction and operational efficiency.

Deliver Products as Services

Companies are looking to quickly identify new revenue opportunities and bring new monetization models to market that capture narrow market segments and drive positive outcomes.

SAP solutions help companies seamlessly manage revenue, billing, and invoicing for subscriptions; one-time billing; and usage-based billing scenarios, including partner settlement with subscription billing leading to an increased flexibility to move into new business models and open new revenue streams.

Use Digital Assistant for Simpler, Smarter, and Faster Sales

Intelligent bots can facilitate a whole new paradigm of interactions that allow people to be more efficient and smarter in what they do. These digital assistants can interact with the users naturally wherever they are, from Web applications or any communication channel.

SAP solutions enable automatic data capture using mobile and bot technology to help sales representatives and sales managers execute deals. It leverages conversational UI and automated notifications technologies to follow-up and stay on top of accounts leading to significant improvements in win rates and sales employees’ quota achievement.

Use Predictive Sales Forecasting

Sales teams need to empower sales representatives to sell smarter and forecast sales better by providing them with recommendations for strategically best course of actions. They also want to send automated reminders on useful follow-ups with their contacts.

SAP solutions provide machine learning-based accurate revenue forecast predictions at a macro level for sales leaders looking to understand trends in the sales forecast segmented by sales organizations, sales representatives, and forecast category leading to a higher ROI for sales and improved forecast accuracy.
SAP’s Value Proposition for Sales

**STRATEGY ENABLEMENT**
- Accelerate new market entry and introduce subscription-based business models
- Optimize synergies with new business partners, acquisitions, or joint ventures
- Change orders on the fly based on changing market conditions

**BUSINESS BENEFITS**
- 10% to 30% increase in on-time delivery
- 25% to 30% reduction in inventory levels
- 10% to 20% increase in customer satisfaction

**RISK MANAGEMENT**
- Improve risk and fraud management
- Reduce revenue leakage
- Increase financial compliance

**EMPLOYEE ENGAGEMENT**
- 10% to 15% improvement in internal sales productivity
- 25% to 30% improvement in subscription invoice processing time
- Faster user adoption through intuitive SAP Fiori user experience

*Benefits are based on early adopters of SAP or conservative outside-in benefits due to moving from a traditional ERP to enhanced SAP S/4HANA, Cloud/LoB applications and SAP Leonardo solutions. As each enterprise is at a different level of maturity, our recommendation is to work with you to determine the value proposition for your enterprise.*
Customers Achieve Value from SAP

Katerra

- 50% potential savings in building time and costs
- US$2 billion projected revenue growth in five years

As a vertically integrated organization, Katerra innovates in all aspects of architecture and construction, including design, building, renewable energy, and supply chain. Using SAP solutions, the company is creating a new business model that is designed to revolutionize the construction industry in the United States and globally.

Click here for Katerra source reference

Convergent Systems

- 48% reduction in days sales outstanding
- 20% improvement in productivity for sales order processing

Clients around the world rely on Convergent to transform the enterprise experience with a simple user experience and mobile solutions.

Growing a business by 200% annually presents many challenges, especially while expanding into other countries and taking on the additional foreign exchange risk.

Aiming to simplify the complexity of its expanding business, Convergent turned to SAP.

Click here for Convergent source reference
Woongjin

- 90% increase in data processing speeds for deadline management and budgeting
- 100% paperless sales reporting

Woongjin has been at the center of many simplification initiatives for nearly 40 years. So when the time came to renew its own sales management solution, the South Korea–based IT services company knew that the effort was also a prime opportunity for reinventing its sales operations and customer experience.

Woongjin reestablished standard information systems and accelerated business processes by moving to SAP S/4HANA. It implemented support for total sales management by moving from SalesForce.com to the SAP Hybris Cloud for Customer solution.

Click here for Woongjin SAP S/4HANA source reference
Click here for Woongjin SAP Hybris source reference
Your Path to Digital Transformation

Every enterprise is unique, with different starting points and end points. Whether you are starting a net-new implementation or undergoing a digital transformation in an existing SAP landscape, SAP can help. We have been working with enterprises of all sizes and in all industries. Based on the depth of our experience, we offer a robust portfolio of services

Customer Engagement Methodology

No matter which path applies to your enterprise, SAP has a structured four-phased approach to ensure success – executive alignment, value discovery, validation and executive readiness, and value delivery.

For more details, please see the brochure Driving Value in a Digital Economy

SAP Value Assurance Service Packages

Take advantage of SAP Value Assurance service packages for SAP S/4HANA to quickly and safely harness the power of next-generation software and in-memory processing.

For all value assurance packages and for a successful and seamless transition to SAP S/4HANA, please visit the link: Transition to SAP S/4HANA.

SAP S/4HANA Road Map

With a three-year detailed road map, SAP gives customers the transparency to accelerate their transition to an SAP S/4HANA landscape. SAP S/4HANA Road Map.

Start Today with a Trial

SAP S/4HANA Trials

Key Assets for Next Steps on SAP S/4HANA

www.sap.com/s4next

Innovate with SAP Leonardo

SAP Leonardo is SAP’s digital innovation system that makes it easy to innovate with new technologies, integrate them into your business, and scale seamlessly as your company grows.

Get started today with SAP Leonardo

Explore SAP Leonardo Capabilities

Learn more about SAP Leonardo capabilities – and see how customers in a variety of industries are using the system to realize the promise of new technologies, such as the IoT and Big Data analytics.

For more details, please see the e-book: Leonardo customer stories

Get an Expert Take on Digital Transformation

What are the benefits of blockchain, machine learning, and other transformational technologies – and how are they impacting business? Get answers from experts and analysts in this e-book

Assess Your Sales Digital Maturity

Want to understand your Sales digital maturity? Click here to participate and see how you compare to peers in real time

Lay the Foundation for an In-depth Digital Transformation Engagement

Get clear guidance on S/4HANA centric product map through a free self-service for customers and partners www.sap.com/TransformationNavigator
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