Perspectives on Big Data and Real-Time

Data is today’s newest business currency, and its value depends on your ability to harness it.

The magnitude, speed, and complexity of data coming from numerous sources today is putting pressure on IT teams to find and leverage real-time value and intelligence from within your information.

The CIO as master of information

IT metrics
Network reliability
Security
Service desk
Development metrics
Outside vendors

Business needs
Strategic goals
Market opportunities
Priorities
Website metrics
Customer/employee satisfaction

The chief information officer is uniquely positioned to understand and influence the IT performance and business success—if all the right data is at hand.

Source: HP

How are you harnessing your data?
Are you drowning in it or finding new insights to give your organization a competitive edge?
Suite on HANA – Value for IT, Business, People

**Lower Costs in IT**
- Ready for the Cloud
- Open platform
- Compressed data
- Simple landscape
- Little administration

**Higher Business Value**
- Fast insight
- Informed decisions
- Streamlined processes
- Real-time business
- Business innovation

**More Engaged People**
- Built with people
- Intuitive user interfaces
- Runs on all devices
- Tailored to the job
- Open for ideas

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SAP internal Deployment
Reporting, Sales Force Efficiency and Operational Efficiencies

MOTIVATION TO ADOPT

- Transform the business
- Contribution to SAP’s growth, agility and operational efficiency
- Rewarding end-to-end user experience with deep integration, social media, powerful search, and exceptional performance
- Applying best practices and shaping the next practices
- Demonstrate excellence in HANA implementation by bringing a mission critical CRM system to SAP HANA in less than 3 month

SAP PROJECT SCOPE

SAP Solution Scope
- Sales, Marketing, Support on CRM on HANA plus Customer on Demand as hybrid solution
- BW on HANA
- Mobile Apps

Project Scope
- Start: Jan 2013; Go-Live: April 2013
- Wave 1: 1,000+ customer experts to CRM on HANA within 10 weeks
- Wave 2: 15,000+ business sales, marketing, and service people followed after a 4 month project
- Today: all customer interaction processes in sales & inside sales, services, marketing, support, and partner management run on CRM on HANA

BUSINESS BENEFITS

- Significant productivity increase in inside sales organization
- Increased call center performance (36x), incident search accelerated by factor 48
- Users experienced immediate value from optimized business processes and increased operational efficiency
- Better preparation and retrieving real-time customer information during calls
- More flexible and dramatically faster search (250x) regardless of data volume
- 30% lower server and storage costs
- 65% smaller database size with columnar compression
SAP Business Suite powered by SAP HANA
Where and How to Start? – Solution / IT Perspective

THE BEST SUITE
All new Suite customers
Single ECC instance

REAL TIME ANALYTICS
Chronic reporting challenges
Multiple or Single ECC Instance

OPTIMIZE & ACCELERATE
High Value Scenarios
Multiple or Single ECC instance

BUSINESS TRANSFORMATION
Innovative customers
Multiple or Single ECC Instance

• Suite on HANA
• Suite on HANA
• SAP HANA Live (integrated, sidecar)
• RDS packages
• Suite on HANA, start with one scenario (CRM, SCM, …)
• Accelerators
• Suite on HANA and HANA Applications
Industry value map for high tech
Real-time value for key end-to-end processes

Product Innovation and Sourcing
- Project Portfolio and Project Management
- Product Development and Compliance
- Strategic Sourcing

Demand-Driven Supply Chain
- Demand Sensing and Response Management
- Integrated Sales and Supply Chain Planning
- Collaborative Supply Management

Responsive Manufacturing and Fulfillment
- Production Scheduling and Efficient Manufacturing
- Customer Fulfillment and Logistics

Multichannel Sales and Marketing
- Segmentation and Campaign Management
- Partner and Channel Management
- Sales Pipeline and Order Management
- Adaptive Pricing and Usage-Based Billing

Customer Service and Field Repair
- Multi Channel Support and Field Service
- Professional Services Engagement and Delivery
- Service Parts Management

People and Talent
- Core Human Resources and Payroll
- Talent Management
- Time and Attendance Management
- Workforce Planning and Analytics

Finance
- Financial Performance Management
- Accounting and Financial Close
- Treasury and Financial Risk Management
- Collaborative Finance Operations
- Enterprise Risk and Compliance Management

Procurement
- Supplier Discovery and Lifecycle Management
- Sourcing and Contracting
- Procurement and Order Collaboration
- Collaborative Invoice to Pay
- Commodity Management

IT Management
- Application Lifecycle Management
- IT Infrastructure Management
- IT Portfolio and Project Management
- IT Service Management
- IT Strategy and Governance

Technology Solutions
- Analytics
- Data Management
- Application Development and Integration
- Enterprise Mobility
- Consumer Experience

SAP HANA Platform

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### Production scheduling and efficient manufacturing

**Business value for high-speed material planning**

<table>
<thead>
<tr>
<th>Today</th>
<th>With SAP Business Suite on HANA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Decisions often based on periodic material requirements planning (MRP) runs and outdated information</td>
<td>• 50% reduction in MRP run time with high-speed reads</td>
</tr>
<tr>
<td>• Inability to replan quickly if conditions change due to long run times</td>
<td>• Faster reaction to demand changes</td>
</tr>
<tr>
<td>• No holistic production planning across all relevant production sites</td>
<td>• Faster propagation of demand information through the supply chain</td>
</tr>
<tr>
<td></td>
<td>• Simulation of different what-if scenarios in real time</td>
</tr>
<tr>
<td></td>
<td>• Increased use of stored procedures to accelerate calculations such as stock requirements list and where-used lists</td>
</tr>
<tr>
<td></td>
<td>• Better synchronization of demand and supply for global cross-plant planning (and reduction of bullwhip effect)</td>
</tr>
<tr>
<td></td>
<td>• Instant update on supply network collaboration with latest demand information</td>
</tr>
</tbody>
</table>

**Reduce** out-of-stocks by 4%

**Decrease** inventory and safety stocks by 3%

**Limit** bullwhip effect

KPI improvements are high-level estimates and will have to be validated for each customer situation.
Customer case: Japanese technology firm
Summary validated scenarios

**SAP HANA use cases mapped to industry value map end-to-end solutions**
Annual revenue: US$2 billion

**Phase – deployment road map**

1. **Short term**
   - **SCM**: Inventory optimization: Reduce inventory carrying costs and inventory obsolescence
     - Inventory visibility: Cut down the days in inventory – one-time benefit
     - Allocation optimization: Reduce cycle time; improve alignment to market dynamics; lower business risk; improve ability to adapt to future business requirements – for example, channel inventory

2. **Medium term**
   - **SCM**: Automated reporting: Improve productivity and supply chain planning
     - Predictive analytics: Prevent revenue leakage due to stock-outs

3. **In evaluation**
   - **Other functions**: To be discussed in future discovery workshops

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**Legend**
- SAP HANA platform
- SAP HANA products
- SAP Business Suite on SAP HANA

**Scenario**
- SAP HANA Platform: customer-specific
- SAP HANA products: SAP NetWeaver BW on SAP HANA, high-performance applications (HPAs), apps powered by SAP HANA
- SAP Business Suite on SAP HANA

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An electronics manufacturer – predictive analytics

High tech

Business context and goals

- This electronics manufacturer can increase revenues by reducing its out-of stock products in the stores. Improved supply chain planning based on predictive modeling will lead to improved allocation of goods and a better alignment with the manufacturers.

Business challenges

- Current data warehouse with historic sales data and stock inventory is updated by offline manual batch processes and prevents the planning team from performing real-time analysis.

Process innovations

- Near real-time simulation of marketing forecasting.

Contribution of SAP HANA

- SAP HANA boosts the performance of SAP NetWeaver BW, helping to overcome many of the limitations on forecasting.

Value drivers/KPIs

- Reduce revenue leakage due to stock-outs (% of revenue).

Note: Use cases in the global use case repository are captured directly from customers and internal innovation sessions and may not be completely validated.
SAP Business Suite powered by SAP HANA
Development roadmap

Enablement
Suite on HANA

Core Suite (ERP, CRM, SCM)

Lighthouse Suite on HANA
“End of batch” / “OLTP/OLAP”

HPAs
Long-run batch processes
Highest impact, highest usage
Coverage of 80% of top usage
+ top used operational reports
SRM & Industries & Add-ons

The Suite to New Heights
Industrial Revolution 4.0

Harmonization, SAP Fiori, installation, upgrade, run
Breakthrough Innovation Apps on HANA
10 Key E2E business scenarios
Highest impact, highest usage
Coverage of 99% of top usage
Add-ons, Partner Add-ons

Quarterly Shipments

Further improve datacenter readiness
Virtualization, MCOD / MCOS, one deployment
Broader hardware certification

SAP HANA Enterprise Cloud

Simplification
New Apps
Optimization
HANA Live
Porting

Start Ramp-Up
GA, 21 industries
I2013 Go-To Release

Jan 13
May 13
August 13

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Findings from Early Suite on HANA Adopters
Analysis Framework

<table>
<thead>
<tr>
<th>Adoption</th>
<th>Economics</th>
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</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>Business</td>
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<tr>
<td></td>
<td>Technology</td>
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<tr>
<td>Challenge</td>
<td>Business benefit</td>
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<td>Business readiness</td>
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<td>TCO</td>
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<td></td>
<td>Applications &amp; Architecture</td>
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<tr>
<td>Cost</td>
<td>Process Re-engineering</td>
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<td>Conversion / Upgrade</td>
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<td>Renovation</td>
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<td>Operations</td>
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<td>Infrastructure</td>
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<td>Benefit</td>
<td>Marketing</td>
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<td>Sales</td>
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<td>Product</td>
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<td>Asset Mgmt.</td>
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<td>Finance</td>
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<td>Industry Solution</td>
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# Early Adopter Motivation

## Business Agenda Drives Adoption

<table>
<thead>
<tr>
<th>Business</th>
<th>Top 10</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visibility, Insights &amp; Decision Support</td>
<td>1</td>
<td>Enterprise analytics platform</td>
</tr>
<tr>
<td>Growth / Globalization</td>
<td>2</td>
<td>Landscape optimization</td>
</tr>
<tr>
<td>Process Improvement</td>
<td>3</td>
<td>Cloud services transition</td>
</tr>
<tr>
<td>Performance Mgmt.</td>
<td>4</td>
<td>IT Portfolio simplification</td>
</tr>
<tr>
<td>Customer Services</td>
<td>5</td>
<td>Application renovation/ standardization</td>
</tr>
<tr>
<td>Business model change</td>
<td>6-10</td>
<td>Multi-channel architecture</td>
</tr>
<tr>
<td>E-commerce &amp; networks</td>
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<td></td>
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</tbody>
</table>
Adoption Challenges
No Showstoppers for Early Adopters: All Challenges Addressed

**Business**
- Large backlog of priority initiatives
- Sponsorship to re-engineer processes
  - Business strategy for real-time
  - Commitment for benefit savings
- Limited analytics talent
- Long cycle transformation strategy

**Technology**
- Landscape renovation priorities
  - No funding for technology upgrades
  - Release or H/W refresh cycle
  - Conversion time & costs
- Complex or fragile infrastructure
- Costs & risks to replace legacy
- Costs to unwind complexity
Top Benefit Drivers
"More than we ever expected, we're all in"

<table>
<thead>
<tr>
<th>Marketing</th>
<th>Sales</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audience Discovery</td>
<td>Opportunity Mgmt</td>
<td>Engineering Change Mgmt.</td>
</tr>
<tr>
<td>Customer Segmentation</td>
<td>Campaign Mgmt</td>
<td>Product Program Mgmt.</td>
</tr>
<tr>
<td>Market Research</td>
<td>Web channel</td>
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<tr>
<td>Pricing</td>
<td>Contract Mgmt</td>
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<th>Asset Mgmt</th>
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<tr>
<td>Profitability &amp; Cost Analysis</td>
<td>Predictive Maintenance</td>
</tr>
<tr>
<td>Enterprise Performance Mgmt.</td>
<td>Asset planning &amp; scheduling</td>
</tr>
<tr>
<td>Planning, Budgeting &amp; Forecasting</td>
<td>Real-time inventory mgmt.</td>
</tr>
<tr>
<td>AR / AP Automation &amp; Analytics</td>
<td></td>
</tr>
</tbody>
</table>

"More than we ever expected, we're all in"
Early Adopter Path

Connect

- ERP
- Value Chain
- Content Services
- Social
- M2M

Analyze

- Predict
- Insight
- Correlate
- Report
- Measure

Plan

- Finalize
- Optimize
- Evaluate
- Collaborate

Respond

- Customer
- Product
- Service
- Value Chain
- Operations

Big Data

Time Critical
**Increase the clock speed of your operations**

*Keep in synch across the organization in real-time*

- Correct errors before they cost you money
- Make customer promises based on current conditions
- Respond faster to suppliers with demand and feedback
- Plan as often as conditions require it

**Leverage your scale**

*Expand planning to more geographies & product categories*

- Redefine customer offers to drive more value across product lines
- Scale sales to cover more categories
- Share assets across more plants
- Fulfill with wider inventory visibility for better distribution options

**Analyze for impact**

*Evaluate cause and effect with broader and detailed data pools*

- Make analysis everyone’s job
- Develop insight with access to more data sources
- Price to current market conditions
- Get instant results to make decisions at the moment of impact
Thank You!