

A group of diverse people in a meeting, looking at a laptop screen. The scene is set in a modern office or meeting room. A man in a blue checkered shirt is leaning over a laptop, pointing at the screen. A woman with curly hair is smiling and looking at the screen. A man with glasses is sitting at the laptop, looking thoughtful. A woman in a denim vest is standing and looking at the screen. A man in a red sweater is standing behind her, also looking at the screen. A woman with blonde hair is standing in the background, holding a tablet. The overall atmosphere is collaborative and focused.

Helping Organizations Achieve Business Goals with Technology

October 2023

Speaker



Ali Ghumman

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Industry and Value Advisory at SAP

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Learning Objectives



At the end of this session, you will be able to:

Explain Value Management

Understand executive context and respond to their needs


Conduct Benchmarking

Talk to them in simple, direct and benefit terms

Know Where to go for More

Know about the steps and outputs to drive customer engagements

Agenda

- 
- 00 **What is Value Management**
 - 01 **Engagement Approach to Standardize Value Management**
 - 02 **Important Tools / Platforms and their Capabilities**
 - 03 **VLM Demo**
 - 04 **Q&A & Call to Action**

Agenda

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Digital transformation yields maximum value only when its set out to enable business strategy and outcomes

Strategic Business Model Transformation & Innovation

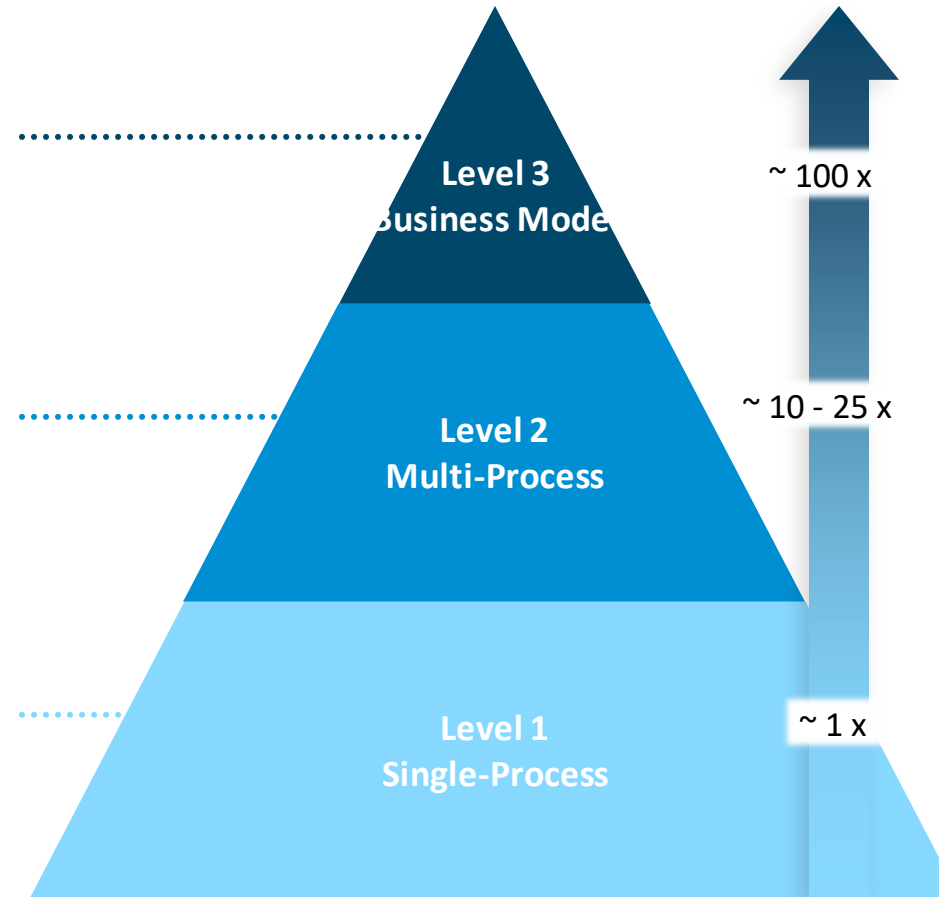
- Length of Engagement: **Months/Years**
- Level of Engagement: **CEO**

Business Evolution & Improvement Across End-to-end Processes

- Length of Engagement: **Weeks/Months**
- Level of Engagement: **CXO | LOB Owner**

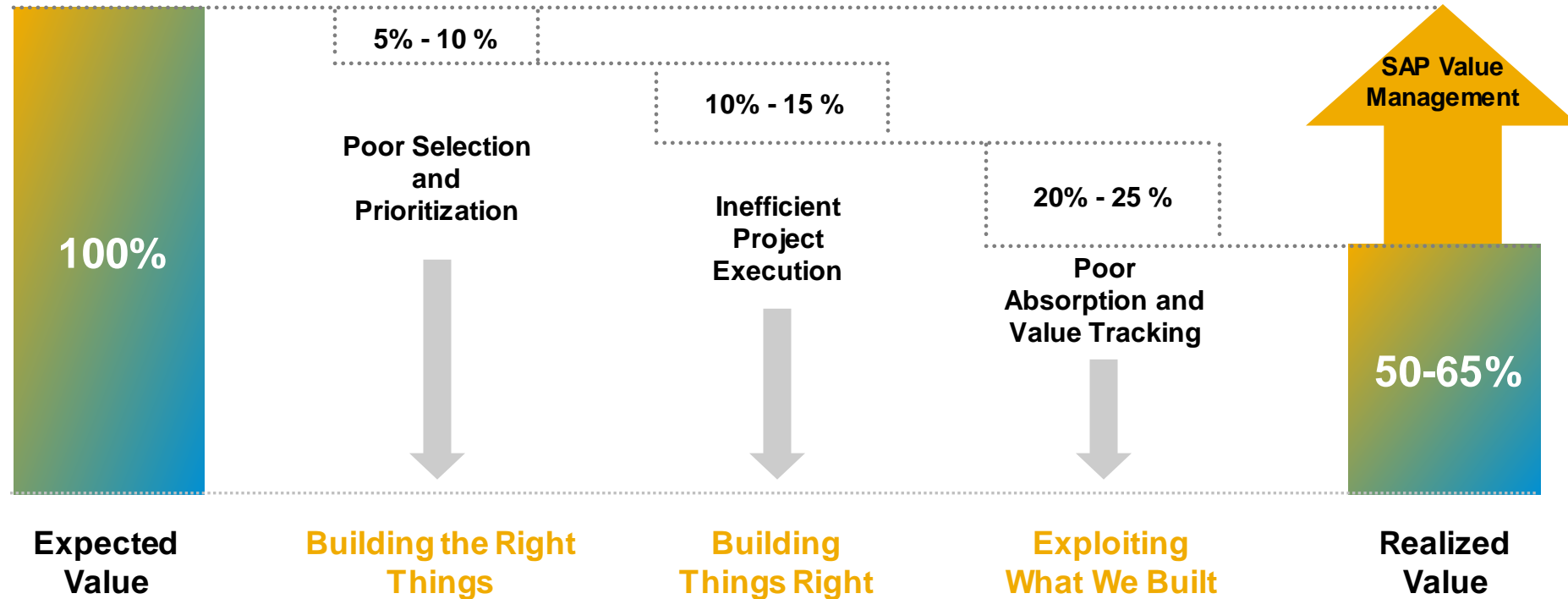
Tactical Process/Sub-process Or Technology Optimization

- Length of Engagement: **Weeks/Months**
- Level of Engagement: **CIO | Process/Sub-Process Owner**



- Mergers / Acquisitions
- Joint Ventures / Partnerships
- New Business Models
- Process standardization
- Scale across global entities
- Enterprise performance mgmt.
- Compliance enablement
- Organizational work simplification
- Real time visibility
- Competitive advantage
- Process efficiency
- Individual productivity
- Total cost of ownership
- Transaction automation

Companies still struggle to realize the full potential of their DX: **SAP** uses active value management to achieve and exceed expectations



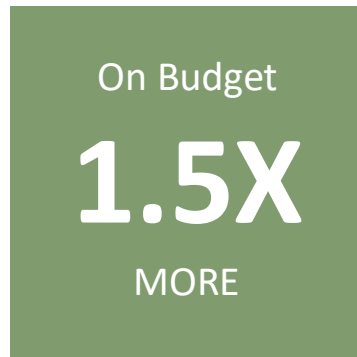
98% of companies know they can extract more value out of their initiatives

17% of companies have established a formal VM practice, program or organization

Proven Outcomes of Adopting a Value Based Approach



“Best performers are more likely to deliver value on or ahead of time”



“Best performers are more likely to deliver projects on or below budget”



“Best performers have higher business benefits achieved”

Strategic

- Increased customer centricity, program sponsorship & engagement
- Increased alignment between business & IT
- Closer strategy-to-execution loop
- Improved change management & end-user adoption



Source: SAP/AMR Value Management Survey Results 2010; 400+ Companies Surveyed

(1) Performance of companies with high level of best practices adoption compared to those with low levels of adoption
Source: : SAP/AMR Value Management Survey Results 2010; 400+ Companies Surveyed

Our structured value management approach supports businesses with maximizing value potential



1. Strategic Alignment

Understand your business, define the **value-driven** transformation **roadmap** and create a holistic **business case**



2. Engaged Discovery



3. Value Assurance

Realize **the full potential of value of your business** digital agenda and **steer** the transformation by **maximizing business outcomes**

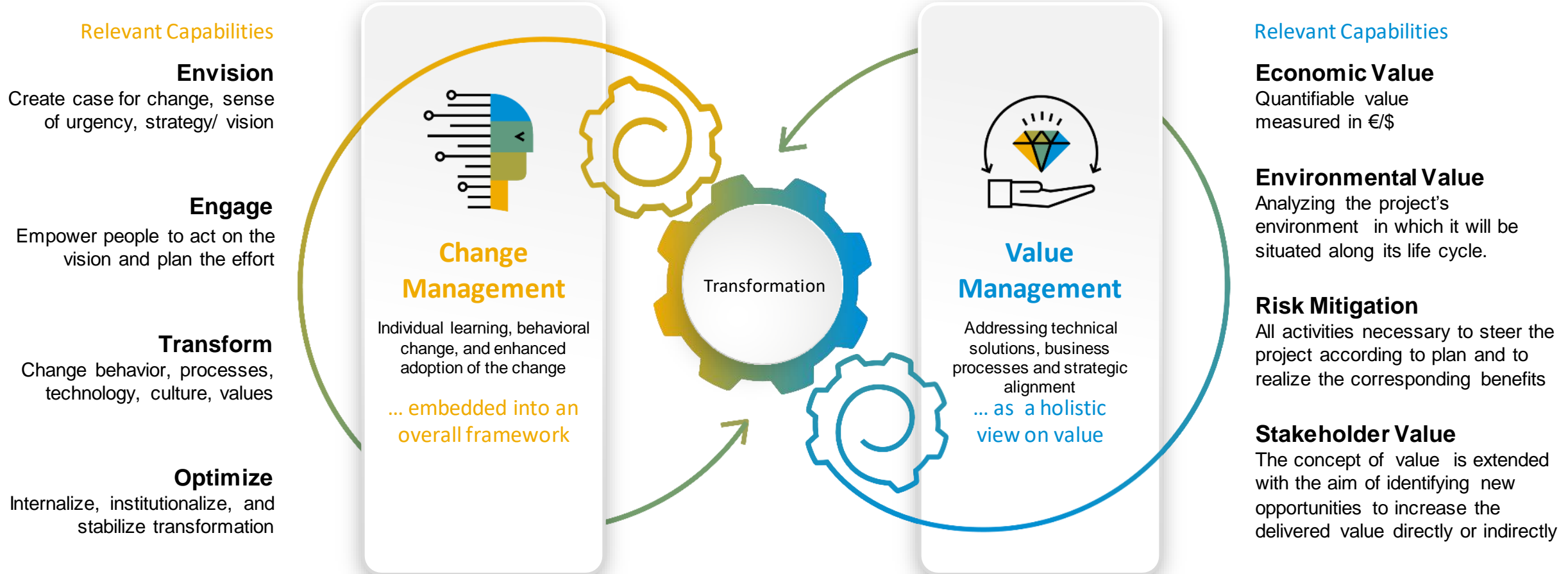


4. Value Optimization

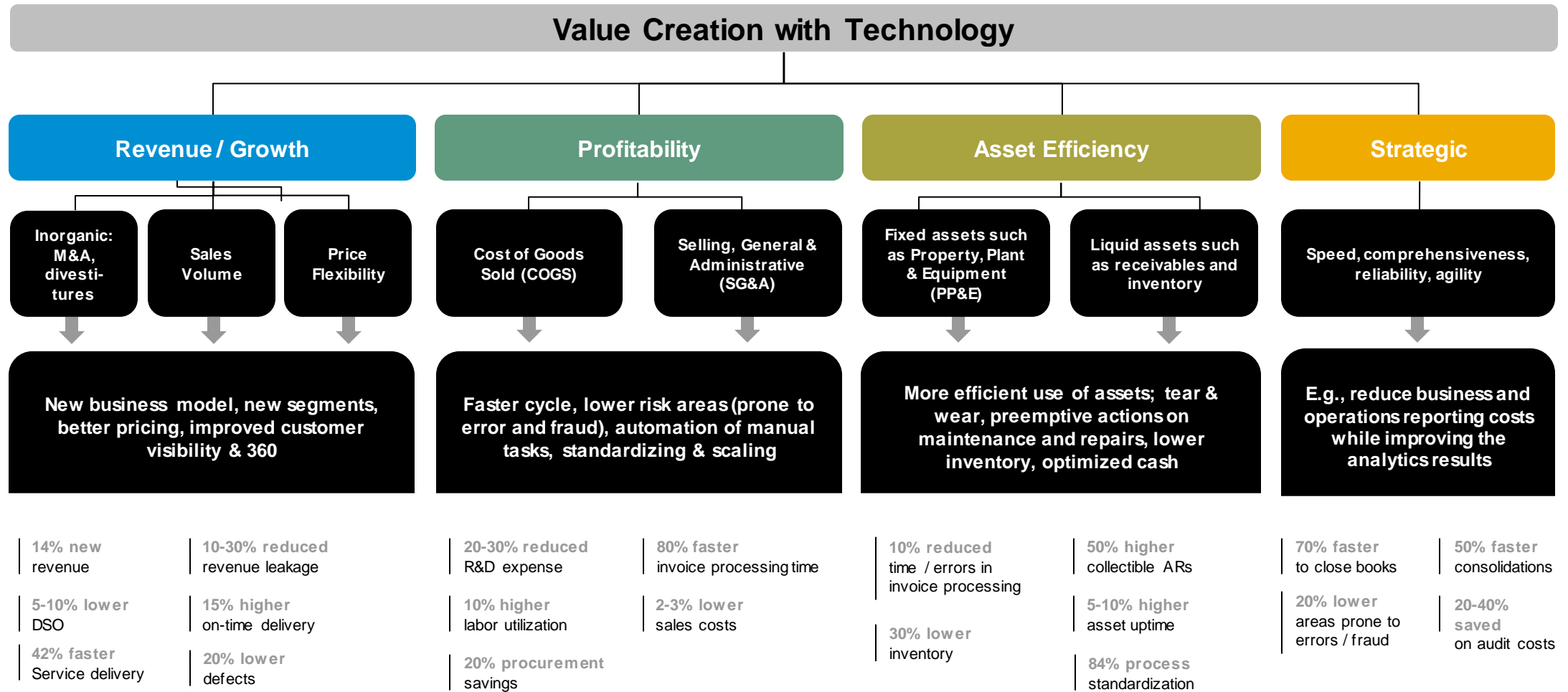
Our Value Management approach covers the entire Customer Lifecycle

- Understand your business environment, pain points & objectives and align business strategy & IT Initiatives
- Identify value of SAP capabilities & conduct the holistic the business case
- Start the value-driven business transformation and leverage the full potential of value enabled by technology
- Ongoing value governance through our VMO and constant optimization of activities to maximize outcomes

Change Management Value Management – Linking Vision to Value



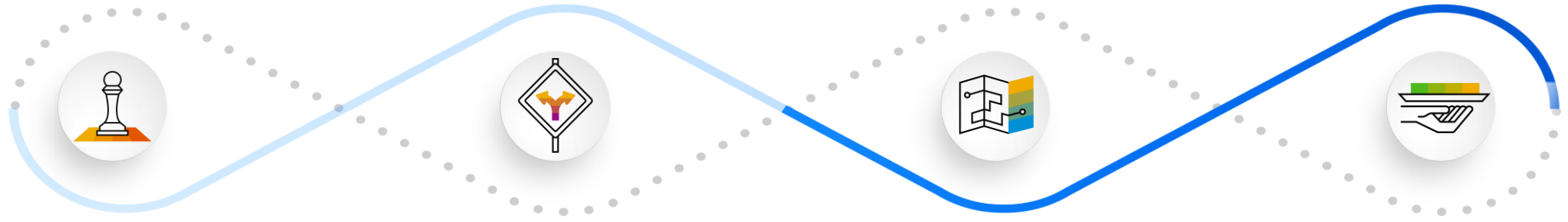
Layers of Value – a structured language of value powers the whole process



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Our End to End Customer Value Journey – Detailed Activity View



Build the Vision

Build the vision of how to connect your strategy to a to-be state supported by a case for change and roadmap.

Align on Vision & Desired Outcomes

- Sponsorship
- Strategic Ambition Alignment
- Scope & Desired Outcomes

Build the Case

- Process Discovery
- Business Capability Map
- Technical Discover
- Case for Change

Assess & Align Solutions

- Target state
- Solution demo
- Technology Enablers

Plan the Path Forward

- Transformation Roadmap
- Target Operating Model
- Preadoption/Provisioning Plan
- Investment Proposal

Deliver the Promise

Deliver on the promise by creating a deployment plan that aligns with your desired business outcomes and strategy.

Confirm Goals & Value Drivers

- Documented Business Goals and Value Drivers
- Customer Success Scorecard

Establish Program Change Approach & Governance Model

- Governance Structure & Accountability

Prepare for Adoption

- Adoption Plan

Enable Users on Solution

- Enablement Plan

Conduct Technology Deployment & Go-Live

- Productive Solution

Deliver First / Incremental Value

- Documented Initial Value

Maximize Value

Achieve long term successes and value realization by operationalizing leading practices and focusing on business impact.

Institutionalize Leading Practices for Post Go-Live Success

- Best Practices

Monitor Goals & Value Drivers

- Value Assessment

Manage Usage & Consumption

- Consumption Report

Conduct Regular Business Reviews

- Business Review Readout

Manage Release Adoption

- Updated Adoption Plan

Innovate and Grow

Enhance value through the evolution of innovation that enables additional business goals.

Evolve Goals & Value Drivers

- Value Assessment
- Revisit Business Goals and Value Drivers

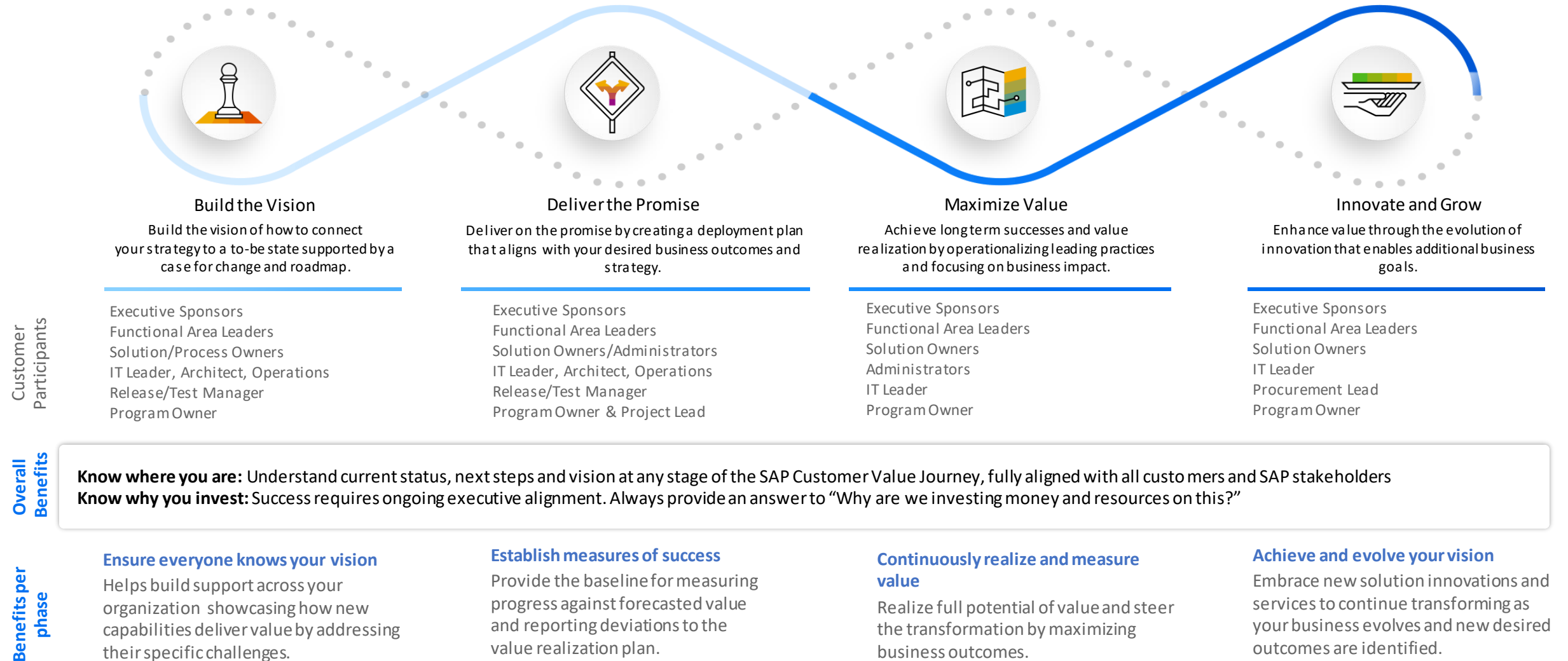
Identify Additional Information Levels

- New Solution Capabilities

Extend Relationship

- Renew Contract
- New Opportunities & Updated Case for Change
- Continuous Roadmap Alignment

Our End to End Customer Value Journey - Benefits



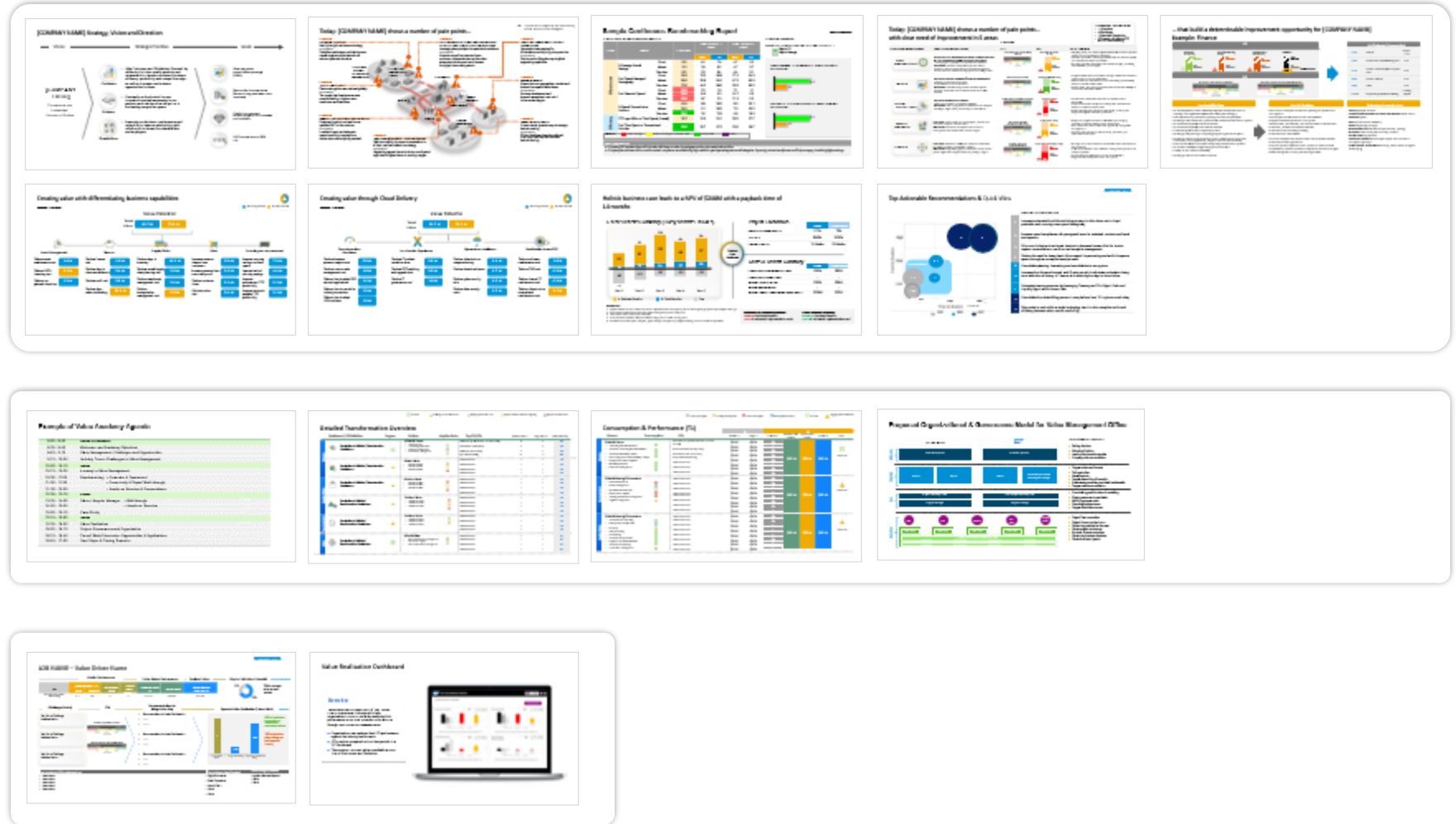
Our End-to-end Customer Value Journey – Sample Outputs

Explore Potential
Discover

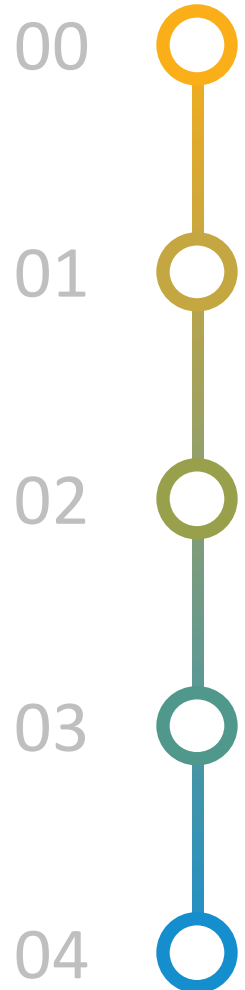
Build The Vision

Deliver The
Promise

Maximize Value



Agenda

- 
- 00 Why Value Selling?
 - 01 From Vision to Value: Our Customer Engagement Approach
 - 02 **The Team to Drive your Success at SAP**
 - 03 Launching the Value Engagement for your Customer
 - 04 Q&A

SAP is a pioneer in introducing the concept of consultative industry and value advisory for its customers



2004

Started as “Value Engineering (VE)” in 2004 with 20 VEs – one of the first value-advisory plays in the software industry, to support customer engagements based on the business value the transformation creates

Evolved services through a global COE structure that serviced the geographic regions

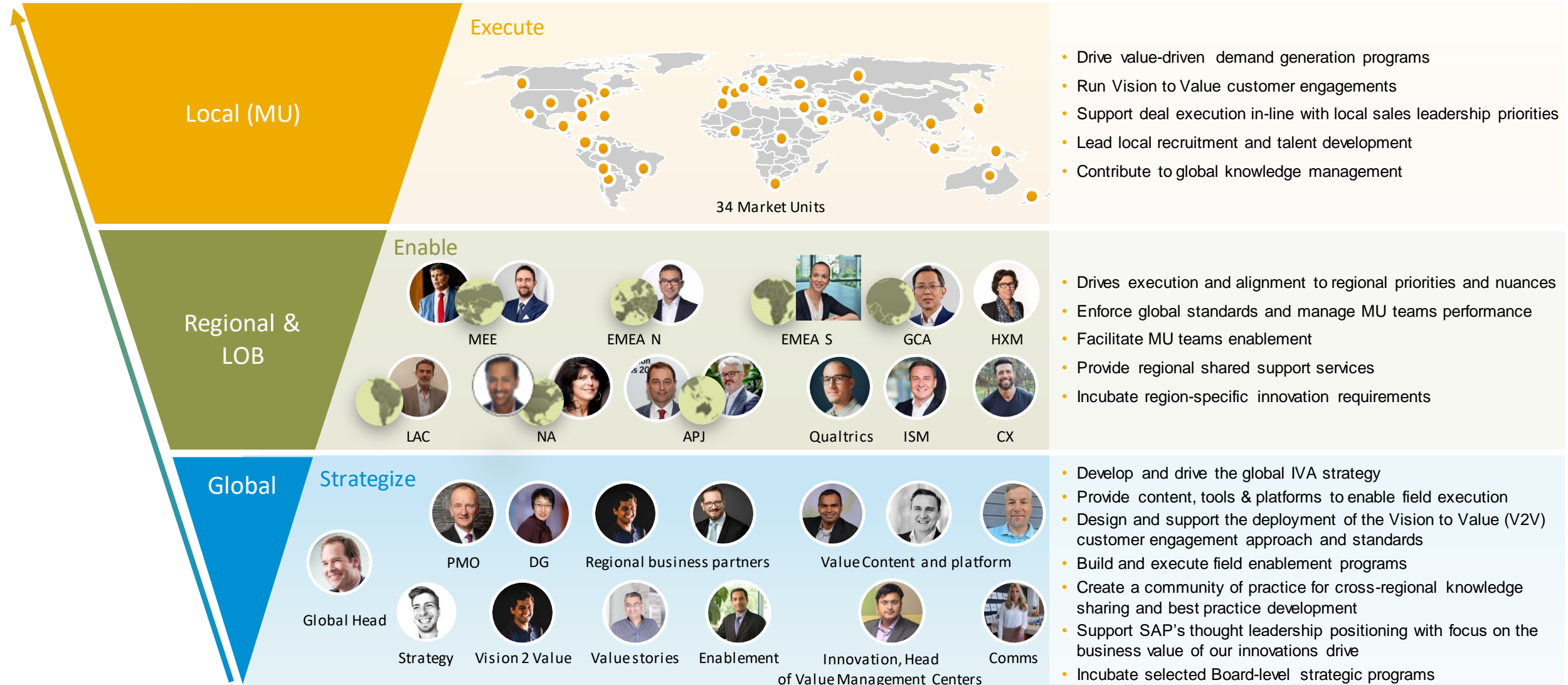
Scaled our services by deploying field Value Engineers in every geographic region

Specialized the team and delineated Industry and Value Advisory roles


2020

Evolved our engagement model with CVJ consultative approach to drive customer business transformation, supported by 400+ VAs

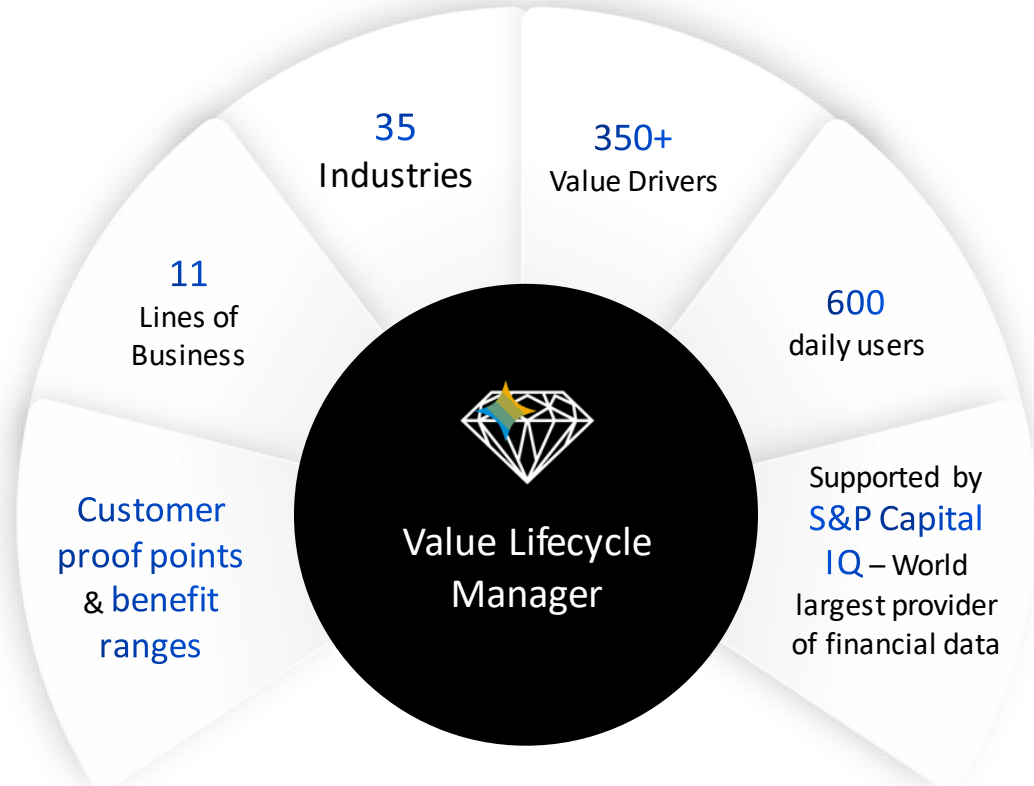
Value Advisory's federated model: Driving strategy globally, localizing and enabling regionally, and executing at the point of contact with customers



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VLM (Value Lifecycle Manager) is a SAP Proprietary tool with a unique information & breadth of data



Professional Value Analysis

- SAP developed a tool, the Value Lifecycle Manager, that supports on creating value focused customer centric business cases and other value advisory activities

Rationalization of Business Benefits

- Every business benefit can be explained with rationalizations. SAP Value Lifecycle Manager contains rationalizations for all top SAP products.

The Most Comprehensive Database

- Mapping of business benefits back to solution capabilities
- Enrichment with comparable peers data
- Intelligence bringing various data points together

A single platform to discover and realize the value of Intelligent Enterprise, powered by best-in-class value content & insights

Tool Link:



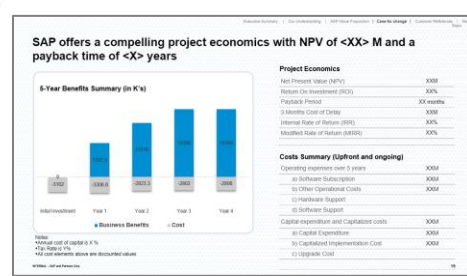
(SSO Login for Partners)

Door Opener Point of View



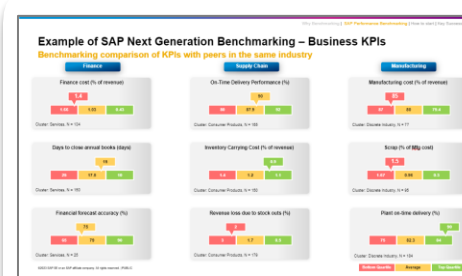
- Automated creation of door opener Point of Views considering industry trends, customer strategic priorities, pain points, re-imagine scenarios, SAP innovation capabilities, and value drivers / potential
- Coverage of
 - 210+ industry trends
 - 230+ strategic priorities
 - 1,500+ pain points
 - 80+ re-imagine scenarios
 - 240+ value stories

Guided Business Case



- Qualitative and quantitative assessment of the value potential of adopting new digital transformation capabilities
- Coverage of
 - 35 (sub-) industries
 - 330+ value drivers
 - 400+ SAP products
 - 50+ SAP Signavio PPIs tied to 35+ KPIs
 - 750+ customer value proof points across 400+ value stories

Performance Benchmarking



- Self-service benchmarking to identify process maturity and technology capability gaps against industry best practices and peers
- Stimulate improvement of business performance on an ongoing basis
- SAP has the largest benchmarking database in the world with
 - 12 LoBs and 25 industries
 - 2,500 KPIs
 - 15,000+ active customer submissions from 11,000 companies

Value Realization Dashboard



- Designed to help organizations monitor value by analyzing their performance on KPIs at different time periods through benchmarking assessments.
- Conduct longitudinal analysis by comparing your organization's performance on 700+ KPIs over a period of time
- Analyze your performance against industry benchmarks

Door Opener Point of View



Door Opener Point of View (PoV) is the onset of taking a customer on SAP Value journey



Covers **18 Lines of Business, 30 Industries**, and all SAP products



150+ Trends, 200+ Strategic Priorities and 1500+ Pain Points aligned to industries and lines of business



100+ Reimagine scenarios that cover how SAP can help digitally transform key processes



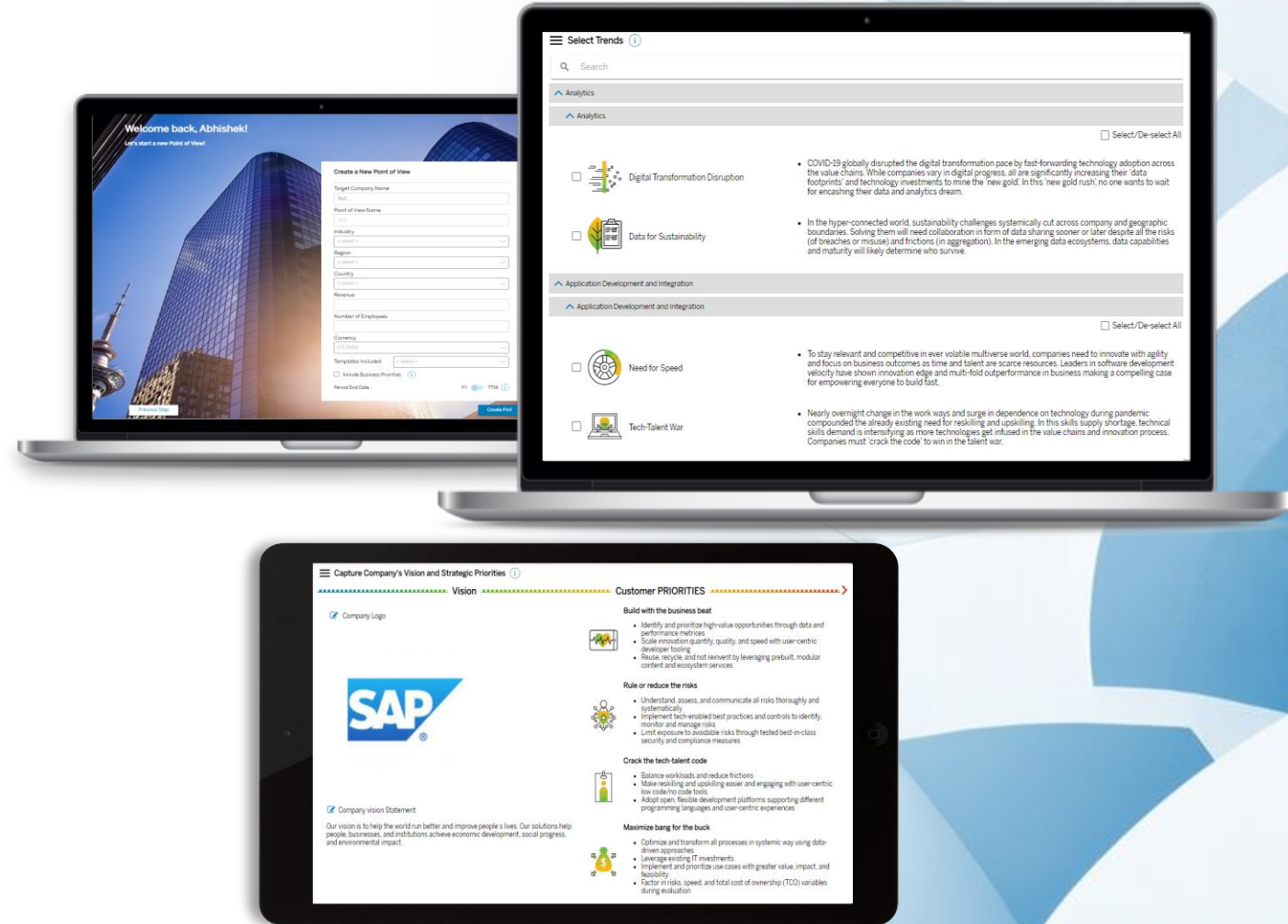
Easy access to **company's financial performance** and comparison against competition (MTN)



350+ Customer value stories



Top value drivers and capabilities by industry



Guided Business Case



Now powered with **SAP Signavio**, provides clear guidance on the Value of Intelligent Enterprise.



Covers **11 Business Process Areas** and **35 Industries (and sub-industries)** and top SAP products



350+ Value Drivers to choose from and assess benefits on



Option to build business case by **Process (with Guided Product recommendations)** or by SAP Products



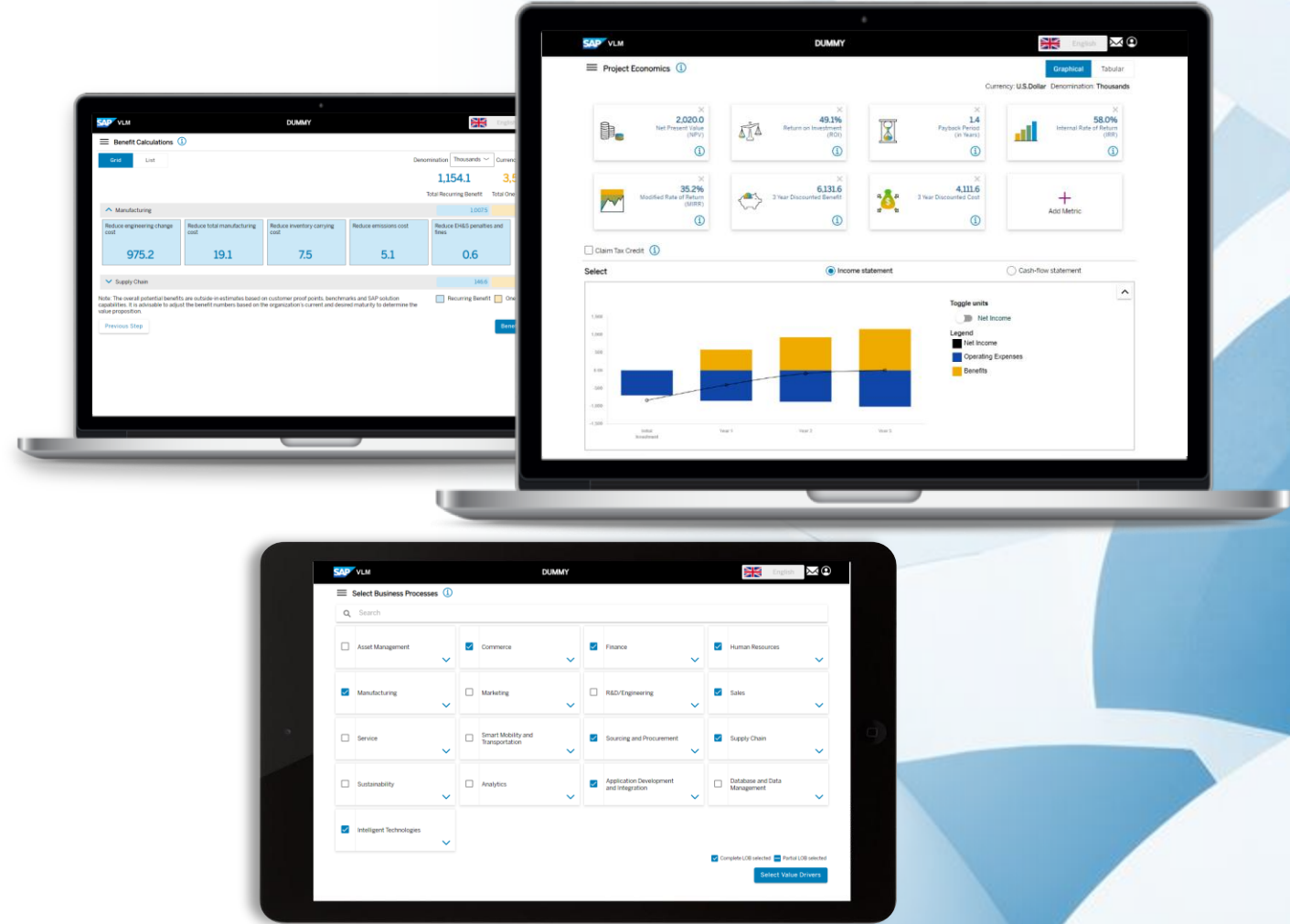
Analyze **business performance** in conjunction with **Process Performance Indicators (PPI)** from **SAP Process Discovery** and **SAP Pathfinder**



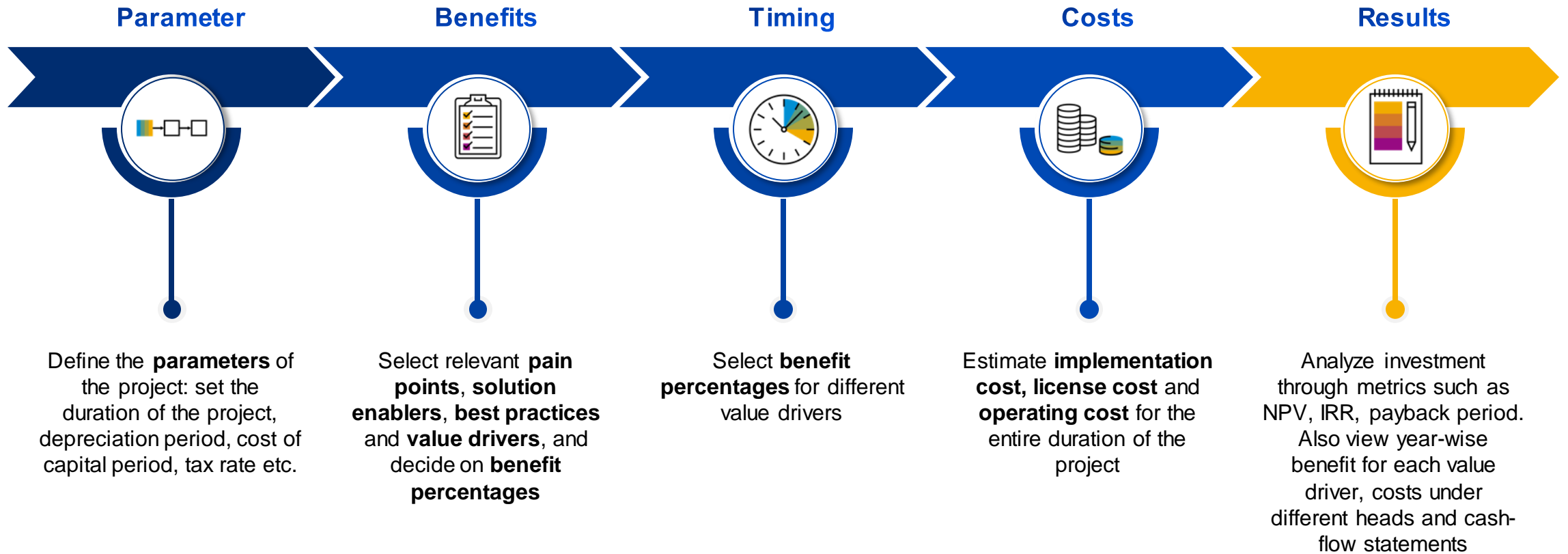
Articulates the **linkages** between **process improvement** and **business benefits**



Real-time, flexible output that can be customized



Building a Business Case



With the introduction of SAP Signavio, we have an opportunity to take value-based business transformation to a new level

Process Benchmarking, Financial Benchmarking and Value Discovery techniques enabled by SAP existing Value Management tools and customer teams (*pre-sales, IVA, services, etc.*)

Customer-specific, system-informed Business Process Insights and Process Mining enabled by SAP Signavio

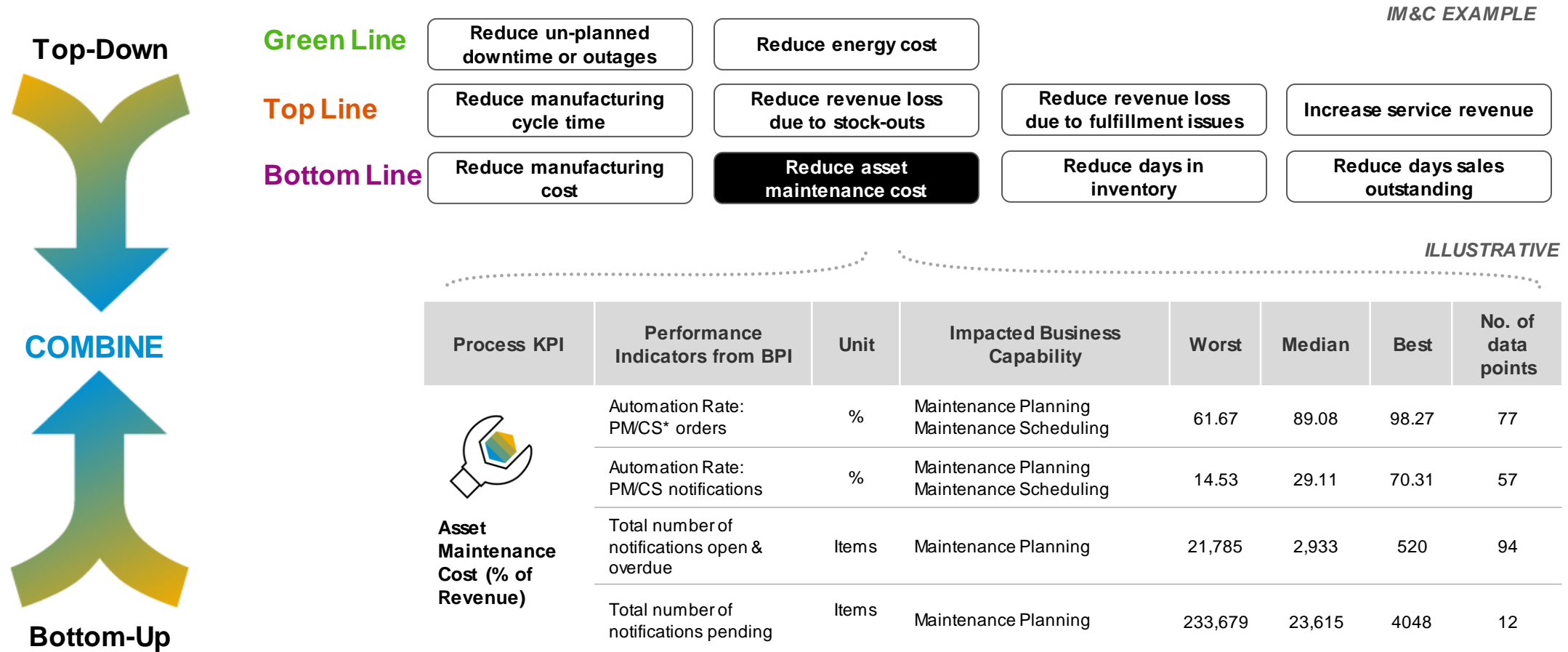


1 AUGMENTED VALUE DISCOVERY

2 AUGMENTED VALUE DELIVERY

3 AUGMENTED VALUE OPTIMIZATION & REALIZATION

We can now identify key Business Key Performance Indicators (KPIs) and map them to Signavio-informed Process Performance Indicators (PPIs)



* PMCS - Plant Maintenance/ Customer Service

Value drivers were selected based on what's most critical for the industry with PPIs that have direct impact on these drivers

SAP Signavio and SAP VLM Integration



Leverage **Process Performance Indicators (PPIs)** to further quantify and credentialize your business case



The capability maps **top-down KPIs** in VLM with **PPIs** from SAP Process Discovery and SAP Pathfinder



Ability to calculate **Process-Driven benefits** and drill down to probable challenge areas



35+ Business KPIs mapped to **85+ PPIs**

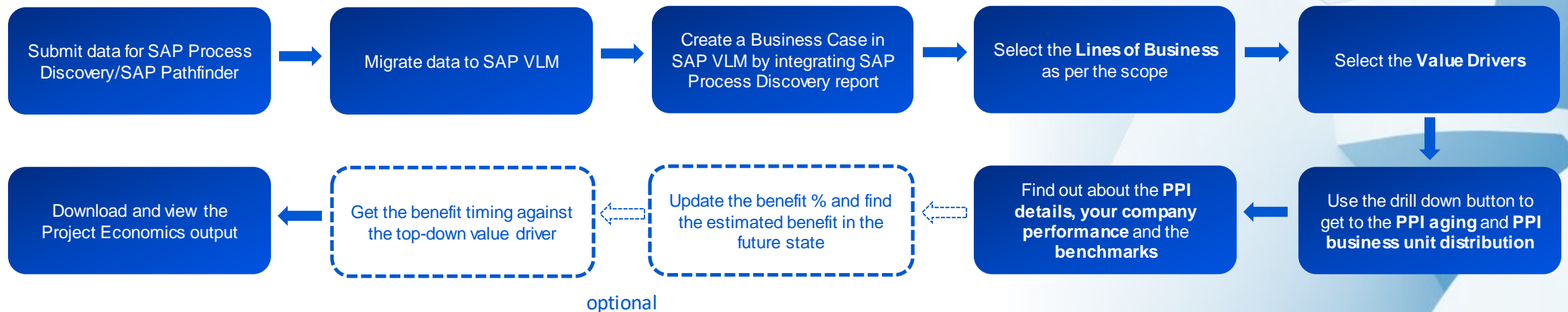


Covers 6 major LoBs (**Asset Management, Finance, Manufacturing, Sales, Sourcing and Procurement, and Supply Chain**)



Covers all details pertaining to PPIs such as **aging distribution** and **business unit distribution**

Process Flow to Intergrate SAP Process Discovery with SAP VLM Business Case:



Performance Benchmarking



Identify **critical process maturity gaps** and envision an **Intelligent Enterprise**



Top KPIs and **Next Practices** aligned to the end to end value chain enabled by the power of digital technologies



Designed to ensure **customer data protection and privacy** as per GDPR, more details [here](#)



Interactive **Online Scorecard** in real-time showcasing their **digital process maturity, KPI analysis, prioritization of best practices** and comparison to their peers



Evaluate Top KPIs that matter across end-to-end value chain

630+ KPIs Overall

MARKETING

- Cross-Sell/Up-Sell Revenue
- Offer / Promotion Conversion Rate
- Customer Churn
- Revenue from new customers
- Marketing cost

COMMERCE

- Cart abandonment rate
- Digital channels conversion rate
- Average order value
- Commerce revenue growth
- Unique visitors
- Returning visitors

SALES

- Sales achievement
- Sales forecast accuracy
- Proposal conversion rate
- Qualified sales lead
- Order to cash cost
- Sales force turnover rate

SERVICE

- Customer service satisfaction
- Service and support revenue growth
- Service support cost
- Average SLA compliance
- Complaints and returns cost

R&D

- Time to market for new products
- New products revenue
- Personalized products revenue
- Revenue from product-as-a-service
- R&D expense

SUPPLY CHAIN

- Forecast accuracy
- Days in Inventory
- Supply Chain Costs
- Losses due to stock outs
- On-time delivery performance
- Transportation spend
- Inventory carrying cost

ASSET MGMT

- Overall equipment effectiveness
- Unplanned downtime
- Asset maintenance cost
- Capital projects on time and on budget
- EH&S penalties and fines
- Accident frequency rate

MANUFACTURING

- Manufacturing cycle time
- Manufacturing costs
- Plant on-time delivery
- Capacity utilization rate
- Revenue loss due to plant fulfilment issues
- Quality first pass

PROCUREMENT

- Spend under management
- Strategic sourcing savings rate
- Supplier discounts captured
- Procurement costs
- % Suppliers performance tracked and measured
- Maverick spend

FINANCE

- Financial forecast accuracy
- Finance Costs
- Days to Close Books
- Audit Cost
- Days Sales Outstanding
- Losses from unforeseen risk events
- Travel & expense spend

HR

- Employee Turnover
- Revenue per employee
- Time and Cost to Hire
- HR cost per employee
- Employee engagement
- Gender Mix

IT

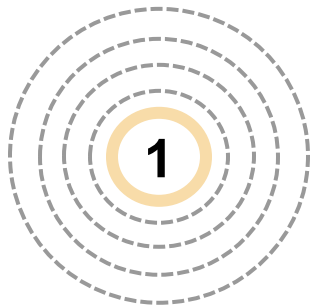
- IT spend
- Unplanned IT downtime
- Business processes using embedded analytics
- Data accuracy

Assess Maturity on Next Practices for an Intelligent Enterprise

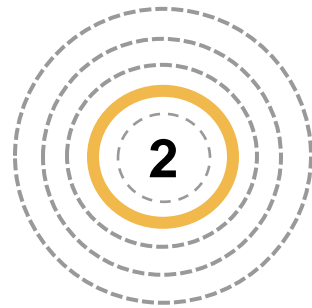
640+ Best Practices

Finance: Accounting and Financial Close

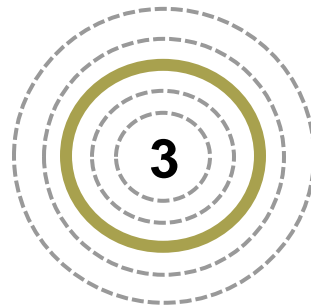
| **Next Practice:** Accounting is a continuous process enabling the organization to conduct fast, soft and predictive closing



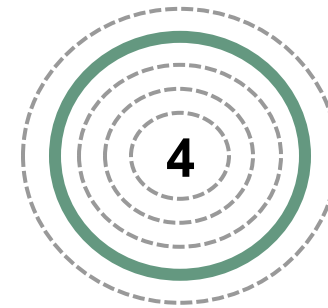
Manual and effort intensive close activities that do not begin until period end



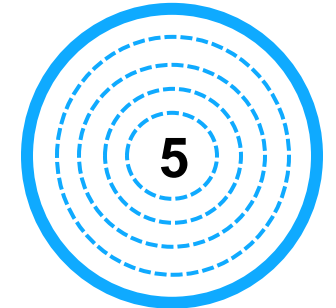
Partial system support; reliance on manual, error-prone effort with no transparency on the current status or performance



End to end process management cockpit for a faster close and increased steering capability



Able to perform soft/ daily close (Event-triggered execution) that provides faster steering capability



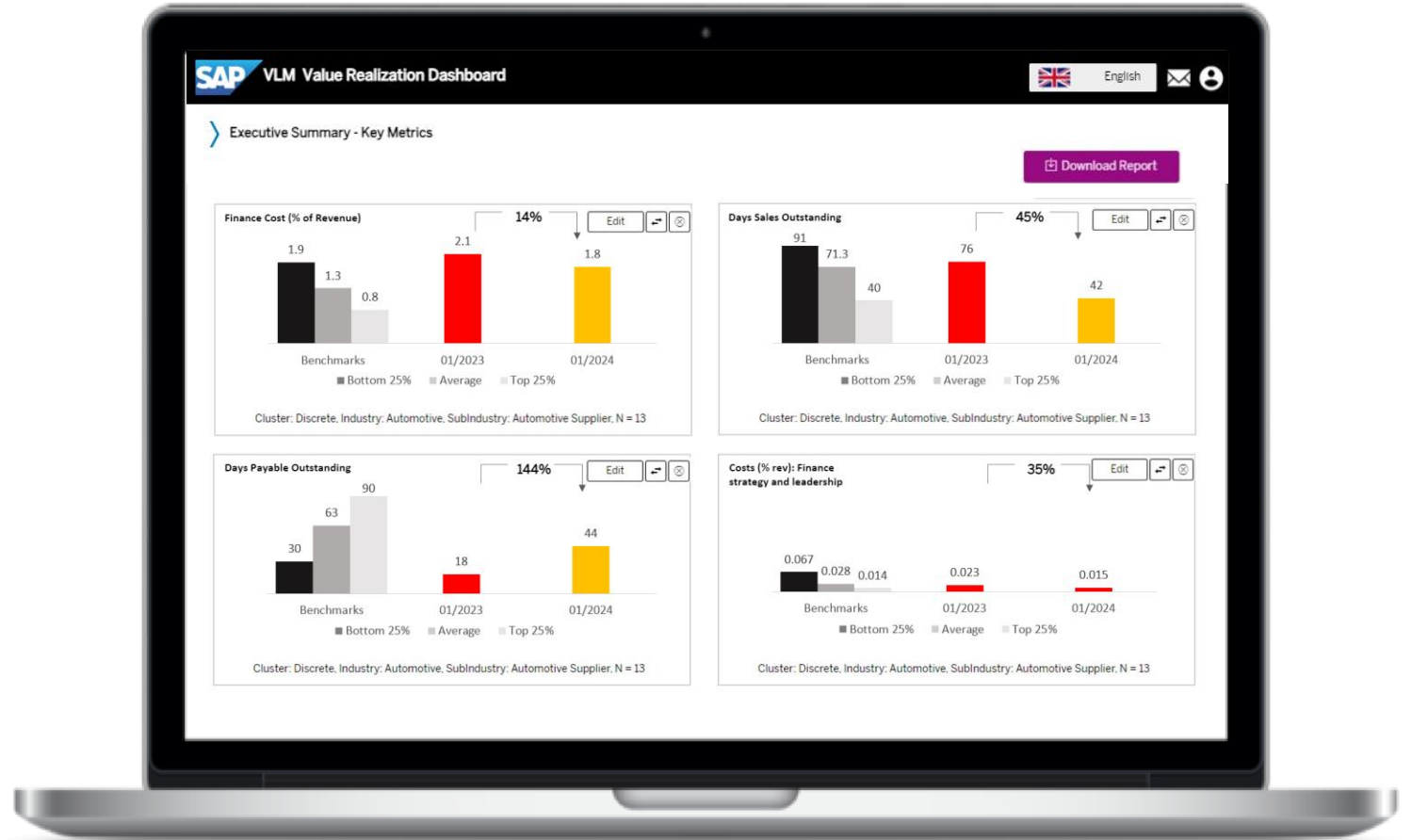
Predictive closing based on intelligent solutions for reconciliations, proposals, repetitive tasks and error handling

Value Realization Dashboard

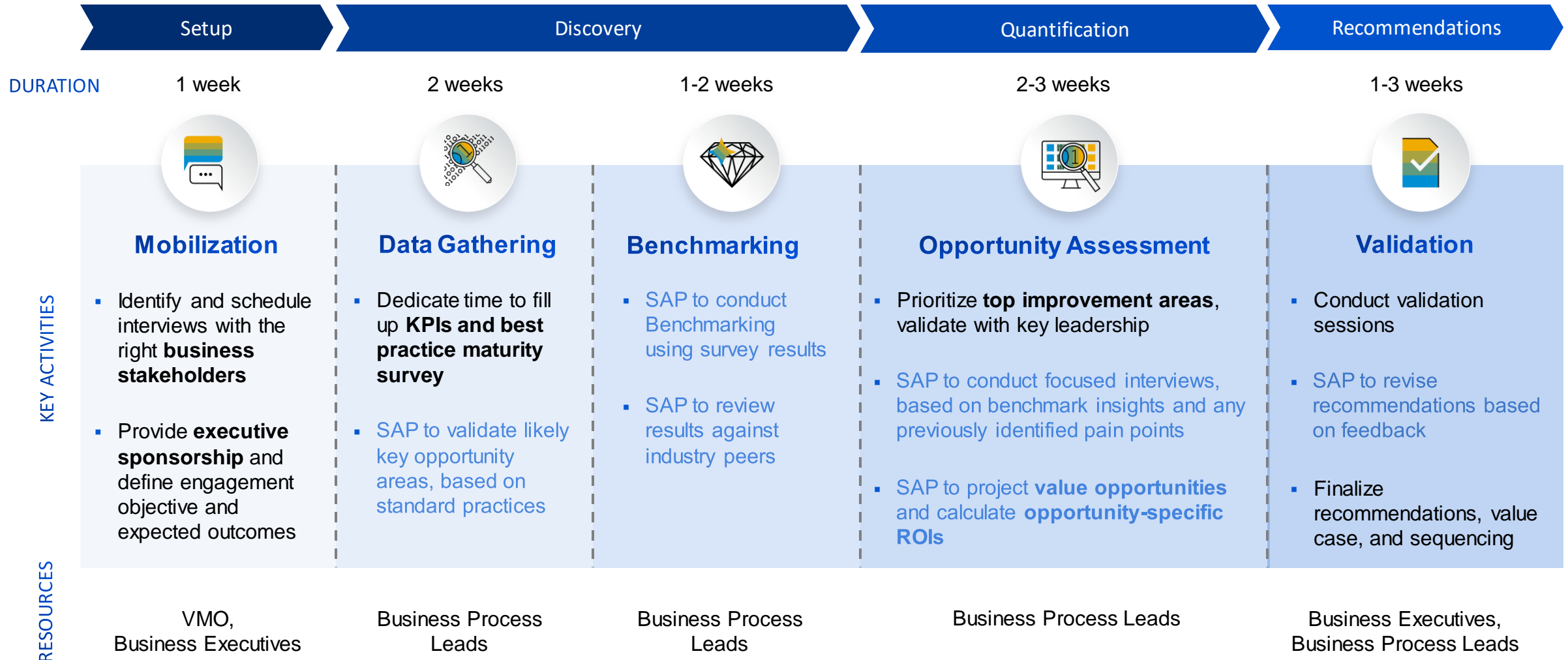
Overview

Value Realization Dashboard of SAP Value Lifecycle Manager is designed to help organizations **monitor value** by analyzing their performance on **KPIs** at **different time periods** through **benchmarking assessments**.

- Organizations can analyze their KPI performance against the industry benchmarks
- KPIs can be compared on two time periods in a VR Dashboard
- There are **45+ survey** options available across Line of Businesses and Industries



Engage your team on a successful **benchmarking journey** with minimal resources



SAP VLM Data Privacy & Usage Guidelines



Customer and Peer Data

Customer data are highly confidential and managed securely from start to completion

Our portals are **GDPR compliant**

Data Usage

Company-specific profile data is not shared outside of any pre-existing (if any) collaboration and is used to create benchmark peer sets which are fully neutralized

Benchmarking Assets and Publications

SAP may create thought leadership assets leveraging insights from mining benchmarking database. These are fully neutralized and will never reveal company-specific data

Collaborate and use SAP's newly developed approach to Value Realization

Level of Detail	Types of Engagements	Engagement Attributes	Executive Involvement	Department Heads/Leads	Data Requirement	Project Management	Effort Required	
	1	Continuous Benchmarking	<ul style="list-style-type: none"> Benchmarking process area(s) as-is and to-be state before and after implementation Provides a high-level connection between the transformation and KPI improvements 	Low	Low	Low	None to Low	1 – 2 weeks
	2	VR Scorecard	<ul style="list-style-type: none"> Full Vision-to-Value engagement with a detailed value hypothesis led by customer/partner Tracked through a scorecard that stakeholders from customer/partner govern, interpret, and execute 	Low to Med (2–4 hrs)	Medium (8–12 hrs)	Medium	Medium	Additional 1 – 2 weeks
	3	Value Academy & VR Governance	<ul style="list-style-type: none"> Full process-specific VR assessment with benchmarking and business case led by customer/partner Clear linking of KPI to value driver / best practices and then to ownership to track progress Value Academy (i.e. training sessions) led by SAP to help customer stakeholders understand and execute on value management 	Low	High	High	Medium	Additional 3 – 4 weeks
	4	Full Value Realization	<ul style="list-style-type: none"> Complete Vision-to-Value assessment Tracking and reporting to be done completely by SAP Services/Partner 	Medium	High	High	High (Dedicated)	Additional 3 – 4 weeks

Call to Action

- Sign-up and leverage Value Lifecycle Manager
- Connect with your AE and Value Advisor on advanced Value Management
- Connect internally with others on Value Management and Value Management Office

A diverse group of six people (three men and three women) are smiling and holding colorful sticky notes (pink, yellow, blue, green) in a modern office setting. They are gathered around a glass wall, possibly a meeting room or a collaborative workspace. The background shows a brick wall and industrial-style lighting. A horizontal bar with a yellow-to-blue gradient is positioned across the middle of the image.

Q&A

Thank you.

Contact information:

Ali Ghumman

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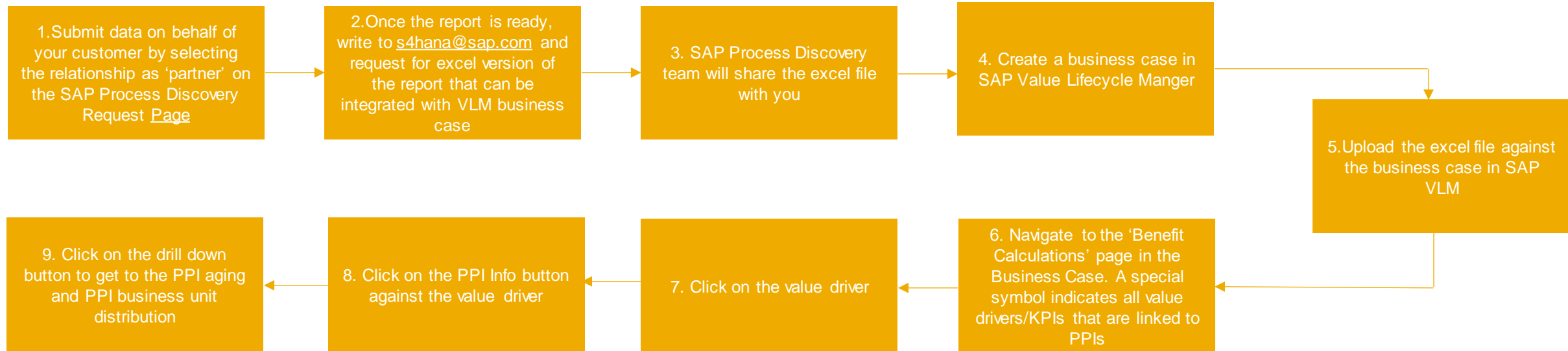


<https://www.linkedin.com/in/alighumman/>

THE BEST RUN

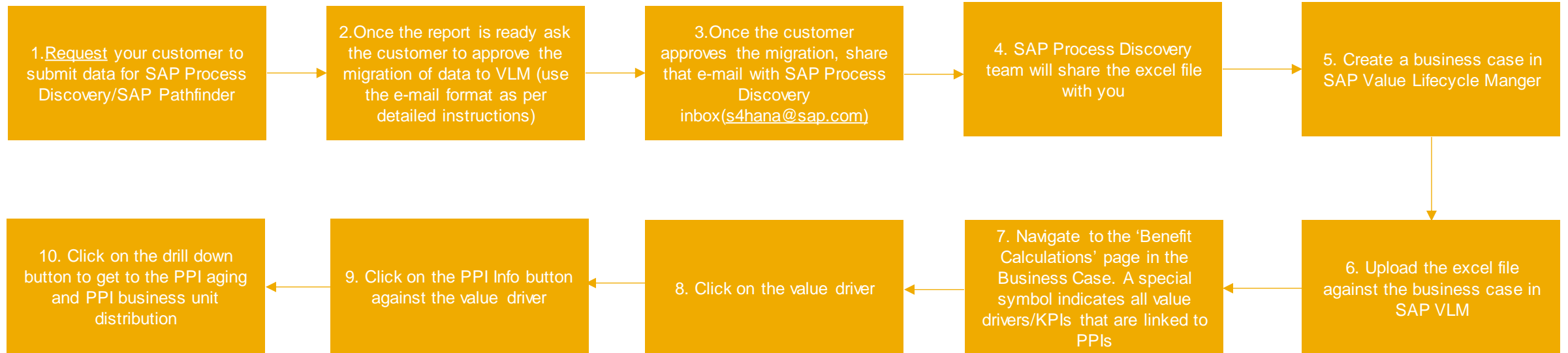


SAP Process Discovery-VLM Integration Process Flow -1 (SAP Partner Submitting Information on behalf of the customer)



[Detailed Instructions](#)

SAP Process Discovery-VLM Integration Process Flow -2 (Customer Submitting Information by themselves)



Note: Please request Customer Approval only from the customer representative who had originally requested the SAP Process Discovery report

[Detailed Instructions](#)

VLM Resources and Assets to **Help You Along the Way**

Overview

SAP Value Lifecycle Manager Tool Link
<http://valuemanagement.sap.com>

Door Opener PoV

Overview Deck	Click Here
Demo Video	Click Here
Step-by-Step Guide	Click Here

Move The Needle

Overview Demo (8 mins)	Click Here
Overview & Step-by-Step Guide	Click Here

Guided Business Case

Guided Business Case Overview Deck	Click Here
GBC Overview Video (20 mins)	Click Here
Do's and Don'ts of Business Case (18 mins)	Click Here
GBC Step by Step guide PPT	Click Here

Benchmarking

Benchmarking pitch to customers (4 mins)	Click Here
Customer – how to guide (8 mins)	Click Here
Step by step guide PPT	Click Here

- All Resources on this [PartnerEdge Page](#)
- Contact valuemanagement@sap.com

[COMPANY NAME] Strategy, Vision and Direction



[COMPANY LOGO]

To become the
Industries'
Partner of Choice



Customers

- Help Customers and Distributors Succeed, by delivering first class quality products and components to improve customers' business efficiency, productivity and competitive edge, as well as to create new business opportunities for them.



Business

- Constantly on the lookout for new innovations and enhancements to our products and solutions that will put us in the leading competitive space



Shareholders

- Improving our business performance and committing to improve productivity yield, will allow us to reward our shareholders and employees



Revenue growth
above Industry average
(10%+)



Bottom-line improvements
(Bottom line grows faster than
revenues)



Quality Improvement
at every angle of our processes
and products



NPS improvement of 10%
p.a.

Today: [COMPANY NAME] shows a number of pain points...

Challenge: **Unplanned downtime**
identify the right maintenance strategy

Implication:
Predictive maintenance can help improve overall equipment effectiveness and reduce unplanned downtime

Challenge: **Supply chain control**
Plants and suppliers are scattered globally

Implication:
The supply chain has become more complex resulting in higher costs, inventories, and lead-times

Challenge: **Meeting customer's service expectations**
Equipment/product must perform as specified 24/7 for the customer

Implication:
Localized support and adequate spares inventory is required so a service issue can be quickly resolved

Challenge: **Cash management – Accounts Receivables**
Real-time visibility into accounts receivables for efficient credit and collections strategy

Implication:
Negotiating payment terms for shorter credit period might lead to higher discounts, eroding margins

Challenge: **High manufacturing costs/ inefficiencies due to highly complex/ custom configured equipment**
Leveraging lean principles for operational excellence

Implication:
Intensive competitive pressure forces continuous improvement across the entire enterprise to reduce costs and increase throughput from existing assets

Challenge: **Getting successful new products to market quicker**
New products are required for differentiation and to justify price premiums

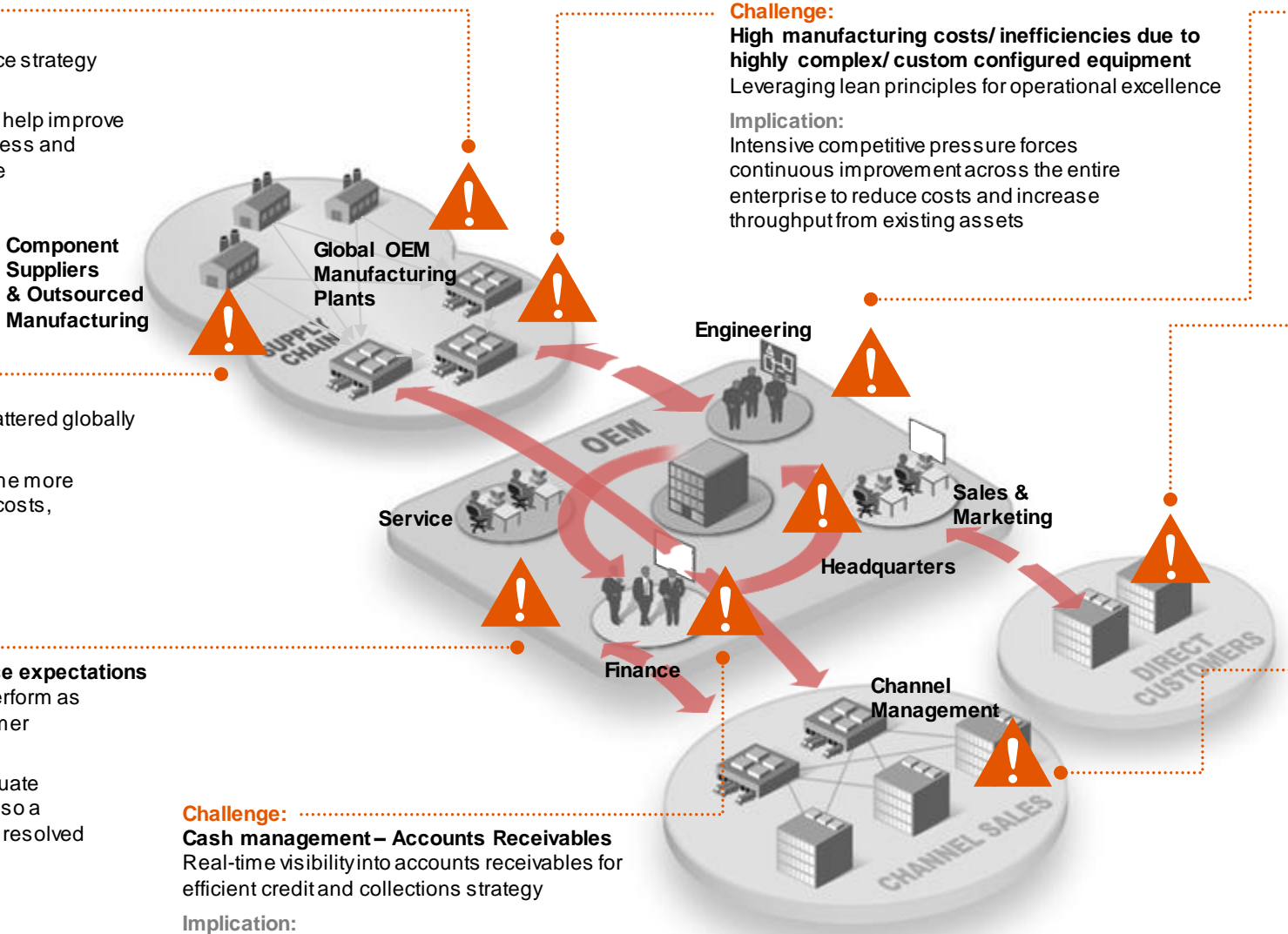
Implication:
Shorter product lifecycles require global engineering capabilities

Challenge: **Market expansion**
Expand into new geographies, markets and channels to expand market share

Implication:
Business development and channel management cost could further erode margins

Challenge: **Faster decision making**
Current market dynamics require strategic decision making

Implication:
Efficient dashboard reporting with real-time insights are required for faster decision making



Sample Continuous Benchmarking Report

[Back to Overview](#)

Performance Results – Key Metrics

Type	Metric	Company	Peer Group P1 (n=X)		Peer Group P2 (n=X)		
			Avg.	Q1	Avg.	Q1	
Effectiveness	% Average Annual Savings	Direct	6.5	4.0	7.8	4.7	9.2
		Indirect	5.3	3.9	8.2	4.7	9.7
		Services	6.2	3.3	8.4	4.4	9.1
	% of Spend Managed Strategically	Direct	90.0	79.2	96.8	71.3	94.9
		Indirect	80.0	52.8	84.3	47.2	80.5
		Services	70.0	44.3	86.0	50.3	89.2
	% of Maverick Spend	Direct	25.0	7.0	1.0	7.1	1.1
		Indirect	20.0	14.5	5.3	14.7	2.9
		Services	20.0	8.7	2.3	11.9	2.3
% Spend Sourced via e-Auctions	Direct	20.0	8.8	36.3	8.9	35.1	
	Indirect	15.0	9.1	36.3	7.9	30.2	
	Services	15.0	3.2	13.3	4.6	18.5	
Efficiency	FTE's per Billion of Total Spend (Overall)	32.7	91.0	22.1	123.1	27.7	
	% of Time Spent on Transactional Activities	25.0	50.7	27.3	53.0	26.7	

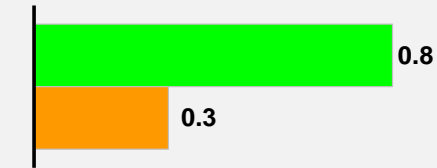
Ranking: ■ Below Average ■ Between Average and First Quartile ■ First Quartile ■ Outlier

Potential Benefits:

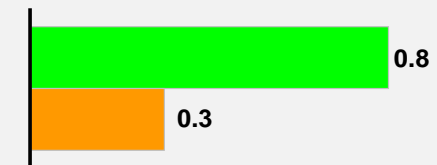
Value of Closing the Gap to Peer Group P1

■ Gap to Q1
■ Gap to Average

Effectiveness: % of Maverick Spend (Indirect) (in millions)



Efficiency: FTEs per Billion of Spend (overall) (in millions)



Key Observations


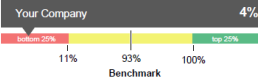
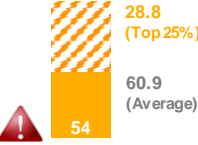

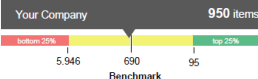
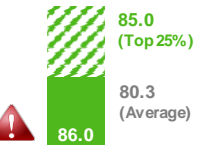

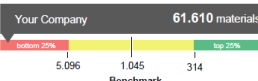
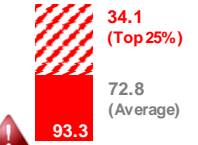

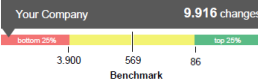
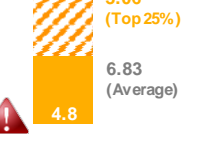

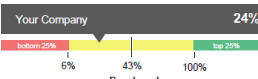
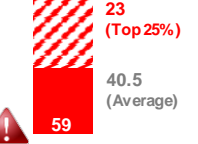
- Company ABC is better than staffing levels with lesser number of employees working in transactional activities.
- Company has not been able to ensure contract compliance, as reflected by high maverick spend percentage across all categories. Improving contract compliance would help company in realizing higher savings.

Today: [COMPANY NAME] shows a number of pain points... with clear need of improvement in 5 areas

Engagement Summary so far

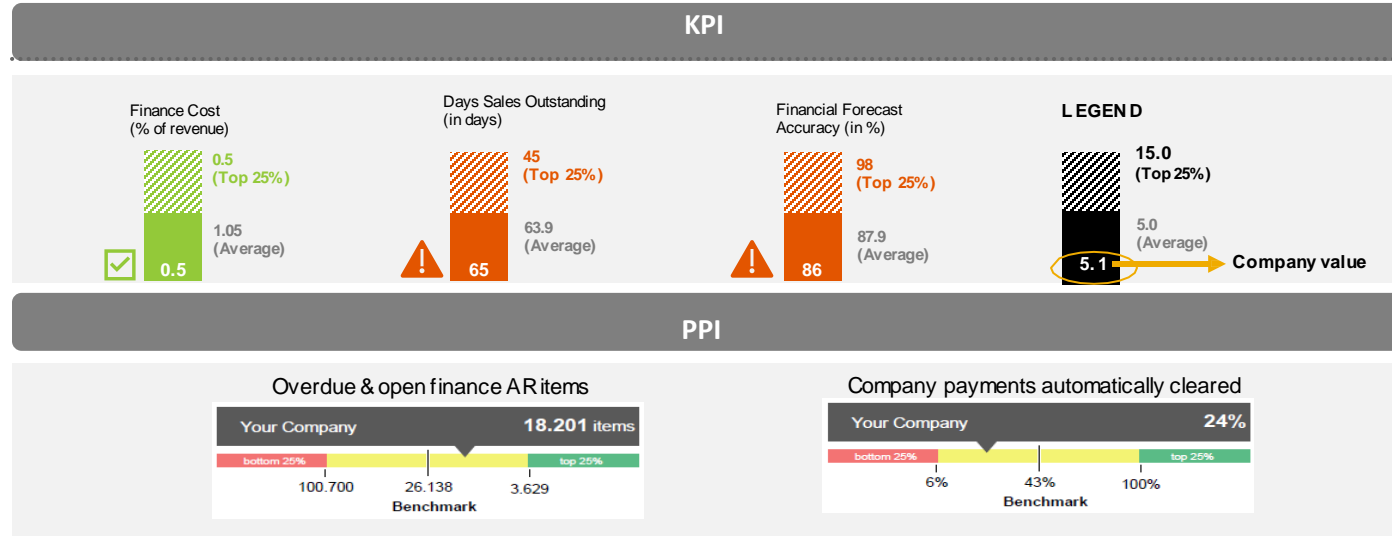
- 15 Interviews
- 9 Workshops
- 3 Executive Checkpoints
- V2V report with detailed PPI and KPI Benchmarking

Examples

Functional Area/ Industry	Key Findings/Pain points	PPI	KPI	RISE Enablers
Smart Manufacturing 	<p>Challenge: High manufacturing costs/ inefficiencies due to highly complex/ custom configured equipment Leveraging lean principles for operational excellence</p> <p>Implication: Intensive competitive pressure forces continuous improvement across the entire enterprise to reduce costs and increase throughput from existing assets</p>	<p>Production orders automatically released</p> 	<p>Manufacturing cost (% of rev)</p> 	<ul style="list-style-type: none"> • Simplify, enrich, and extend digital collaboration between product design and manufacturing engineering • Simulate production with fast, predictive MRP for instant capacity and material requirement evaluation • Manage shop-floor operations with real-time insight, monitoring, data collection, and analytics
Service 	<p>Challenge: Meeting customer's service expectations Equipment/ product must perform as specified 24/7 for the customer</p> <p>Implication: Localized support and adequate spares inventory is required so a service issue can be quickly resolved</p>	<p>Return order items created</p> 	<p>Customer satisfaction (in %)</p> 	<ul style="list-style-type: none"> • Support efficient issue resolution through multichannel customer engagement and smart interactions • Plan service and maintenance event scheduling automatically based on real-time information • Create, track, and manage service requests with full visibility of current and historical activities
Digital Supply Chain 	<p>Challenge: Supply chain control Plants and suppliers are scattered globally</p> <p>Implication: The supply chain has become more complex resulting in higher costs, inventories, and lead-times</p>	<p>Stock level of unrestricted use stock</p> 	<p>Days in inventory</p> 	<ul style="list-style-type: none"> • Provide order commitments based on real-time stock information • Propose accurate quantity and delivery time commitments based on defined business rules • Deliver the right products to the right place, on time, with integrated logistics execution processes
Sales & Marketing 	<p>Challenge: Expand into new geographies, markets and channels to expand market share</p> <p>Implication: Business development and channel management cost could further erode margins</p>	<p>Manual price condition changes on sales orders</p> 	<p>Sales cost (% of rev)</p> 	<ul style="list-style-type: none"> • Help ensure higher customer satisfaction by managing consistent, accurate pricing across all channels • Drive sales from lead to close with opportunity and pipeline management • Improve sales processes with accurate, structured, and accessible master data
Finance 	<p>Challenge: Real-time visibility into accounts receivables for efficient credit and collections strategy</p> <p>Implication: Negotiating payment terms for shorter credit period might lead to higher discounts, eroding margins</p>	<p>Customer payments automatically cleared</p> 	<p>Days sales outstanding (in days)</p> 	<ul style="list-style-type: none"> • Manage and enhance accounts receivable with automated line-item matching • Tailor credit decisions and collection management processes to customer profiles • Universal journal eliminates need for reconciliations • Integrated Financial processes in one system

... that build a determinable improvement opportunity for [COMPANY NAME]

Example: Finance



SAP Estimate (Conservative)		
\$3.9M	Finance	Impact Area
\$1.8M	Reduce G/L & Financial Closing Costs	SG&A
\$1.1M	Reduce Accounts Payable & Expense Costs	SG&A
\$0.5M	Reduce Audit Cost	SG&A
\$0.5M	Other	SG&A
\$13.7M	Improve Days Payable Outstanding	Working Capital

Key Capability Gaps

- No central platform exists to efficiently integrate financial processes and reporting (also applicable to [COMPANY NAME] M&A strategy)
- Manually intensive, excel based reporting and rudimentary analytics
- Challenges with creation and synchronization of Master Data between systems
- No automated capability to forecast cashflow
- No automated capability to consolidate financials
- Limited integration between disparate systems
- Challenges with planning and reporting progress against current plans
- Challenges with payment processing across multiple systems (payments made to the same supplier twice; caught due to manual intervention)
- Manual reconciliation and creation of adjusting entries between systems
- No real-time visibility into originating system transactions
- Inability to view real-time Profitability
- Challenges with current workflow execution



Key SAP Enablers

- One common enterprise structure for reporting and performance management
- Universal journal eliminates need for reconciliations
- Integrated Financial processes in one system
- Harmonization, consolidation, and standardization of Master Data
- Automated, real-time financial consolidation
- Automated cash forecasting/modeling
- Automated bank reconciliation
- Advanced analytics with real time access to transactional details
- Automation of closing processes
- Payments process optimized across systems to maximize DPO
- Sophisticated, real-time embedded analytics for data driven insights
- Efficient integration of newly acquired legal entities

Technology Currently Used

- **ERP:** Rightangle and SAP
- **Budgeting, Consolidation and Cash Flow Analysis:** MSFT Excel
- **Treasury:** Kyriba
- **Tax:** OneSource (tax validation)
- **Credit:** Rightangle, Paragon
- **Asset Accounting:** Blackline (for journal entry posting)
- **Analytics:** MSFT Excel, MSFT Power BI, Tableau
- **Master Data:** Pega Systems
- **Project Management:** SAP Project System (for investment management), Ecosys
- **Human Capital Management:** Workday, SchedulePro (employee timekeeping)

[COMPANY NAME] - Your Future End-State

How a single integrated platform can help you run your business

Digital Transformation Areas that allow you to build...

.. in order to drive business outcomes

World Class Customer Experience



Understand customer and distributor feedback and sentiment at any given time and interaction, and adjust accordingly



Growth through Superior Customer Experience
Exceeding customer expectations and demands at any given interaction

Faster (real-time) Decision Making



Deliver insights and predictions to take decisions on the spot, enabled through automation and optimization of all productive and corporate functions



Informed Strategic Decisions
Right investments at the right time; clear view of profit and cost drivers

Digital Supply Chain



Optimized stock levels with product availability against all of our customer demands. Improved quality through superior supplies



Improved Margins
Ensure efficient operations and supply chain; savings with accurate view of costs, centralize spend

Asset Intelligence



Optimal utilization of all of our assets to drive best investment and capital leverage



Improved Liquidity
Inventory optimization, trim excess buffer stocks; automate cash & liquidity planning

Smart Manufacturing



Ability to deliver customized products to requirement at any given point in time



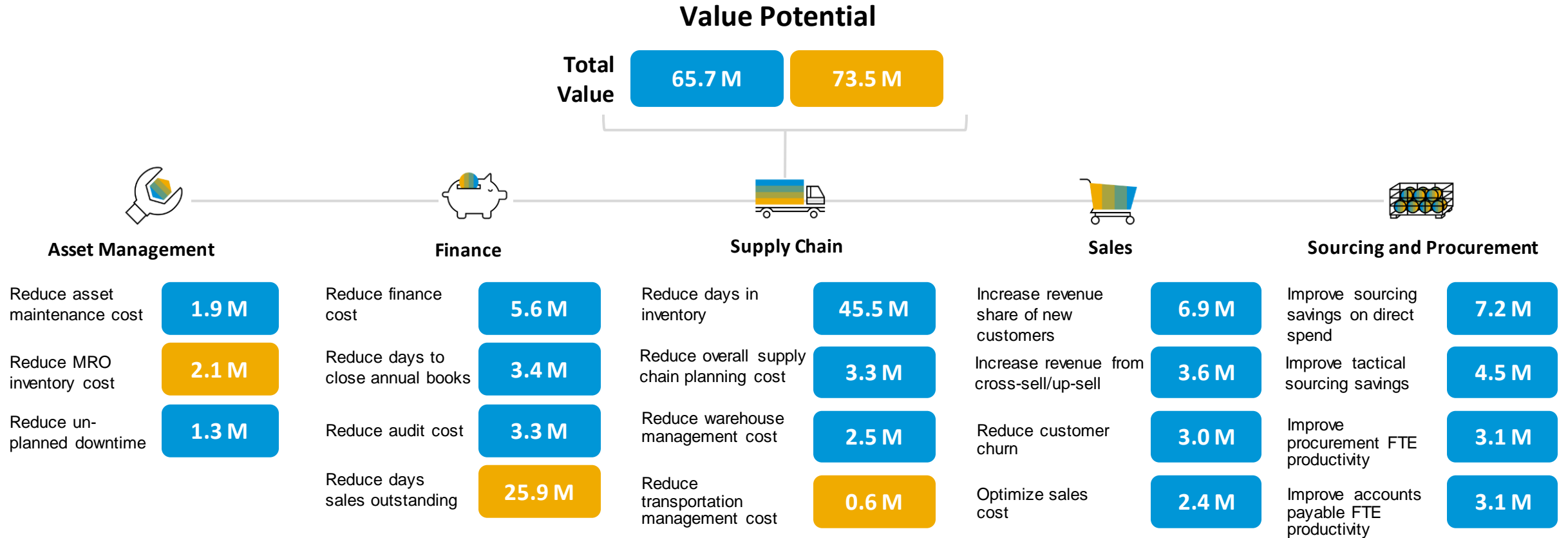
Superior Product quality and delivery
Deliver to order at the exact time; Quality excellence; Innovation excellence

Creating value with differentiating business capabilities



Currency: U.S.Dollar

● Recurring benefits ● One-time benefit



Creating value through Cloud Delivery

Currency: U.S.Dollar



● Recurring benefits ● One-time benefit

Value Potential

Total Value

65.7 M

73.5 M



Transformation Readiness

Reduce business process analysis cost

2.2 M

Reduce custom code management cost

1.8 M

Reduce time to adopt B2B network applications

1.5 M

Reduce time to market for industry innovations

1.3 M

Reduce time to adopt HXM solutions

1.3 M

As a Service Experience

Reduce IT incident resolution time

3.3 M

Reduce ERP patching and upgrade cost

2.2 M

Reduce IT governance cost

1.8 M

Operational Resilience

Reduce infrastructure overprovisioning

0.9 M

Reduce downtime losses

0.7 M

Reduce cyber security risks

0.3 M

Reduce data security costs

0.2 M

Predictable, lower TCO

Reduce software maintenance cost

1.8 M

Reduce TMS cost

0.3 M

Reduce internal IT maintenance cost

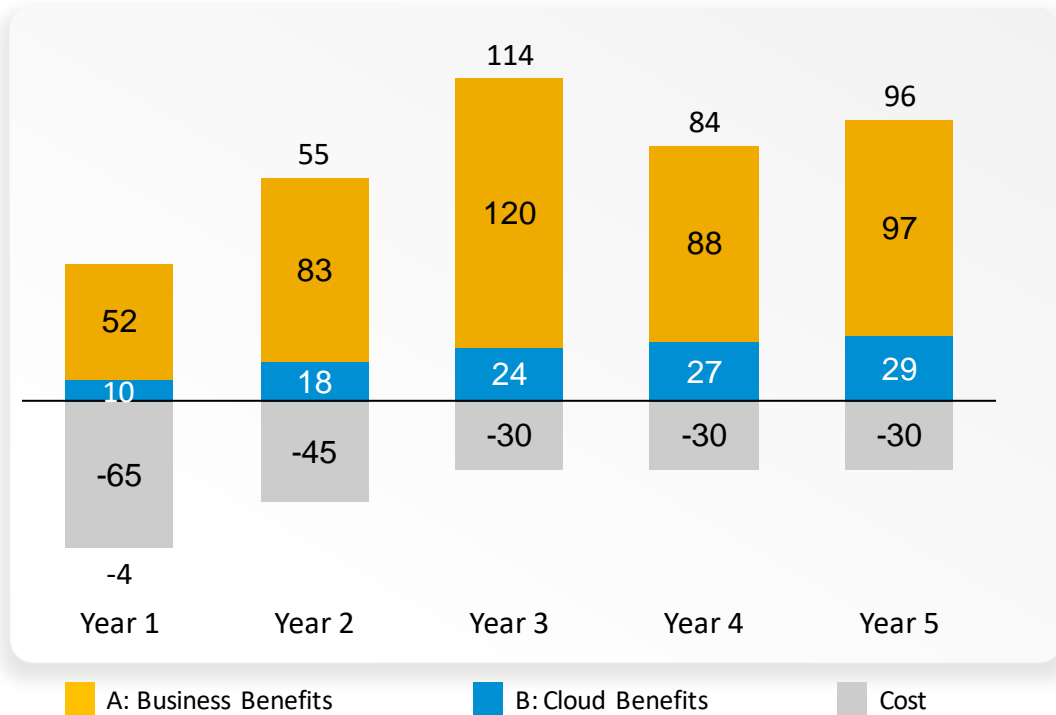
0.3 M

Reduce infrastructure renewal and maintenance cost

2.1 M

Holistic business case leads to a NPV of \$246M with a payback time of 14 months

5-Year Benefits Summary (Likely benefits, in \$M's)



Project Economics

	Likely	Conservative
Return on Investment (%)	173%	75%
5-Yr NPV	\$246M	\$120M
Payback Period	14 Months	25 Months

Costs & Benefit Summary

	Likely	Conservative
One-Time Implementation Costs	\$50M	\$60M
One-Time License Costs	-	-
Annual Subscriptions	\$30M	\$36M
Annual Maintenance	-	-
Annual Steady State Benefit (after year 5)	\$126M	\$97M

Assumptions

1. Implementation costs & software costs are subject to SAPBoard approval, and are for budgetary purposes only. Subject to change
2. Costs exclude internal costs borne for project management, SAP experts, etc.
3. 10% discount rate used for future benefits
4. SaaS and Cloud Solutions Ramped at 50% during year 1 and 80% during year 2
5. Benefits assume full system adoption, proper change management, employee training, and use of SAP best practices

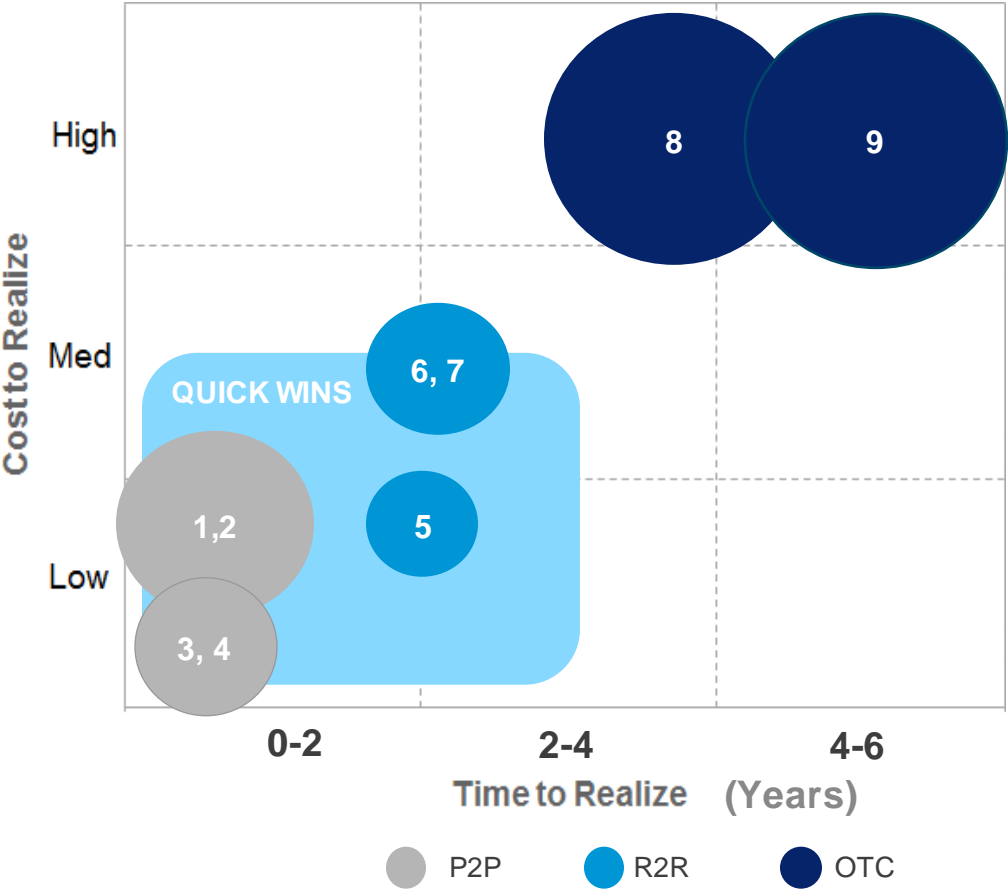
Conservative scenario assumes:

Low-End business benefits
120% of estimated implementation costs

Likely scenario assumes:

High-End business benefits
100% of estimated implementation cost

Top Actionable Recommendations & Quick Wins



Key Recommendations

1	Leverage automated two-bids and a buy process to drive down costs of spot purchases and sourcing more spend strategically
2	Increase spend compliance with pre-agreed terms for materials, services and travel and expense
3	Drive use of electronic and smart invoices to decrease human effort for invoice capture, reconciliations, workflow, and exception management
4	Reduce the need for heavy back office support for processing and audit of expense reports through an exception based process
5	Consolidate planning, forecasting and consolidation in one system
6	Leverage the Universal Journal and Closing cockpit to eliminate redundant closing tasks and drive efficiency in Finance while reducing the days to close further
7	Automate treasury processes by leveraging Treasury and Risk Mgmt. Cash and Liquidity Mgmt. and In-house Cash
8	Consolidate the whole billing process in one platform from 12+ systems used today
9	Bring order to cash within a single technology stack to drive complete end-to-end efficiency between sales, service, and billing

Example of Value Academy Agenda

8:00 - 8:30	<i>Arrival & Breakfast</i>
8:30 - 8:45	Welcome, and Academy Objectives
8:45 - 9:15	Value Management: Challenges and Opportunities
9:15 - 10:00	Industry Focus: Challenges to Value Management
10:00 - 10:15	<i>Break</i>
10:15 - 10:30	Journey to Value Management
10:30 - 11:00	Benchmarking – Overview & Framework
11:00 - 11:30	– Case study & Report Walk-through
11:30 - 12:30	– Hands on Exercise & Presentations
12:30 - 13:15	<i>Lunch</i>
13:30 - 14:00	Value Lifecycle Manager – Walkthrough
14:00 - 15:00	– Hands on Exercise
15:00 - 15:15	Case Study
15:15 - 15:50	<i>Break</i>
15:30 - 16:00	Value Realization
16:00 - 16:15	Project Governance and Organization
16:15 - 16:45	Round Table Discussion: Opportunities & Applications
16:45 - 17:00	Next Steps & Closing Remarks

✔ On Track







⚠ Challenges to be addressed

● Fully Implemented / Live

● Implementation Planned / Ongoing

● Implementation at Risk

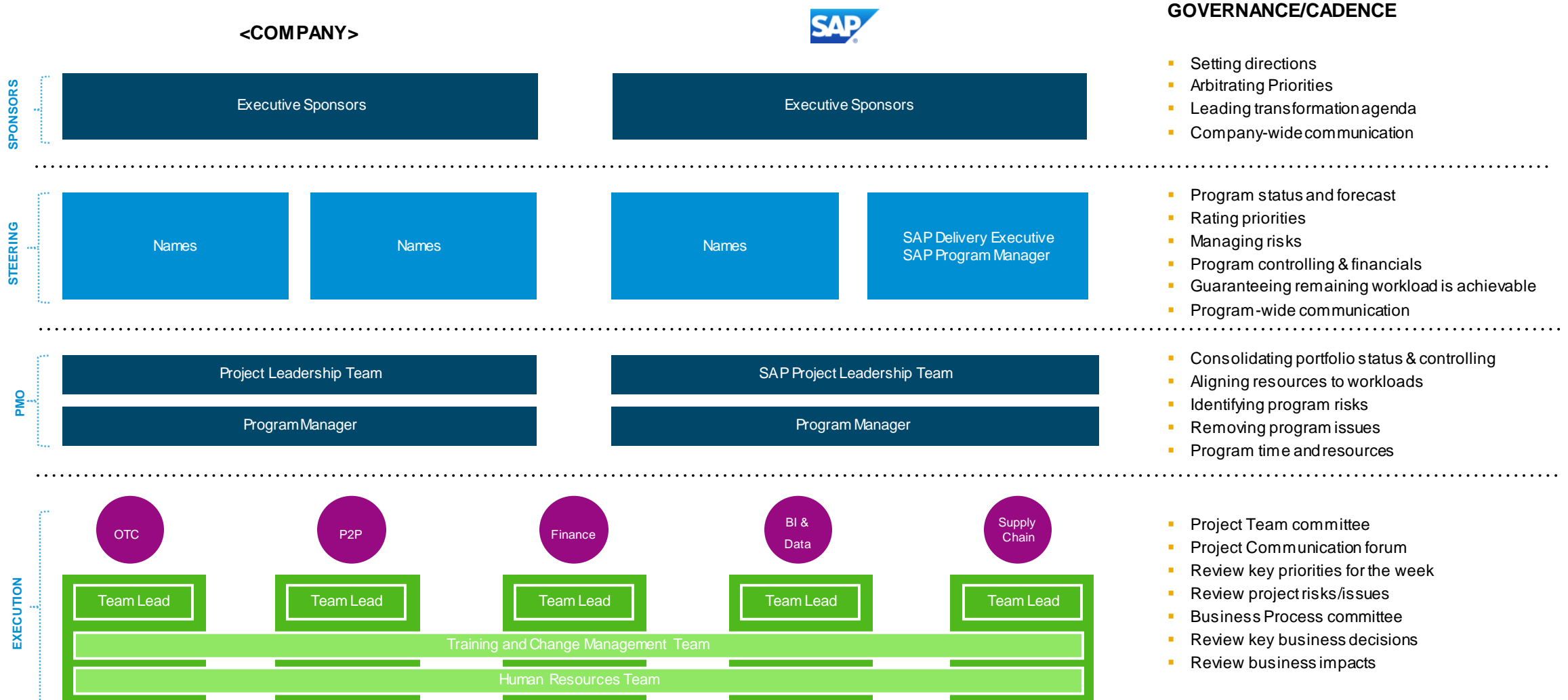
Detailed Transformation Overview

Workstream / LOB Initiatives		Progress	Solution	Adoption Status	Top KPIs/PPIs	Baseline Value M\$	Target Value M\$	Value Realized (%)
Finance	 Description of Initiative / Transformation Workstream	✔	S/4HANA Finance - Treasury Mgmt - Accounting & Fin. Close - Treasury Management - Real Estate Management	●●●●	Finance FTEs per bil<customer> revenue (overall) Cash Forecast Accuracy (in %) Finance Cost (% of revenue) Days Sales Outstanding	10 5 6 20	6 7 9 12	96% 99% 92% 85%
	 Description of Initiative / Transformation Workstream	⚠	Solution Name - Solution Module - Solution Module - Solution Module	●●●●	Value Driver Name Value Driver Name Value Driver Name Value Driver Name	x x x x	x x x x	X% X% X% X%
Supply Chain	 Description of Initiative / Transformation Workstream	⚠	Solution Name - Solution Module - Solution Module - Solution Module	●●●●	Value Driver Name Value Driver Name Value Driver Name Value Driver Name	x x x x	x x x x	X% X% X% X%
	 Description of Initiative / Transformation Workstream	⚠	Solution Name - Solution Module - Solution Module - Solution Module	●●●●	Value Driver Name Value Driver Name Value Driver Name Value Driver Name	x x x x	x x x x	X% X% X% X%
Procurement	 Description of Initiative / Transformation Workstream	⚠	Solution Name - Solution Module - Solution Module - Solution Module	●●●●	Value Driver Name Value Driver Name Value Driver Name Value Driver Name	x x x x	x x x x	X% X% X% X%
Sales	 Description of Initiative / Transformation Workstream	✔	S/4HANA Sales - Order and Contract Management - Sales Force Support - Sales Performance Management	●●●●	Value Driver Name Value Driver Name Value Driver Name Value Driver Name	x x x x	x x x x	X% X% X% X%

Consumption & Performance (T1)

			T0		T1				
License	Consumption	KPIs	Baseline M\$	Target M\$	Realized M\$	Cumulative Value Realized	Expected Cum. Benefit	% Realized	Trend
Finance	S/4HANA Finance	Finance FTEs per bil<customer> revenue (overall)	\$XX M	\$XX M	\$M	\$XX M	\$XX M	\$XX M	✔
	- Accounting and Financial Close		\$XX M	\$XX M	\$M				
	- Advanced Accounting and Financial Close	■	\$XX M	\$XX M	\$M				
	- Advanced Financial Operations	■	\$XX M	\$XX M	\$M				
	- Cost Management and Profitability Analysis	■	\$XX M	\$XX M	\$M				
	- Enterprise Risk and Compliance	■	\$XX M	\$XX M	\$M				
	- Financial Operations	■	\$XX M	\$XX M	\$M				
	- Real Estate Management	■	\$XX M	\$XX M	\$M				
Procurement	S/4HANA Sourcing & Procurement	Value Driver Name	\$XX M	\$XX M	\$M	\$XX M	\$XX M	\$XX M	⚠
	- Central Procurement	■	\$XX M	\$XX M	\$M				
	- Invoice Management	■	\$XX M	\$XX M	\$M				
	- Operational Procurement	■	\$XX M	\$XX M	\$M				
	- Procurement Analytics	■	\$XX M	\$XX M	\$M				
	- Sourcing and Contract Management	■	\$XX M	\$XX M	\$M				
	- Supplier Management	■	\$XX M	\$XX M	\$M				
	- Supplier Management	■	\$XX M	\$XX M	\$M				
Supply Chain	S/4HANA Sourcing & Procurement	Value Driver Name	\$XX M	\$XX M	\$M	\$XX M	\$XX M	\$XX M	⚠
	- Advanced Order Promising	■	\$XX M	\$XX M	\$M				
	- Delivery and Transportation	■	\$XX M	\$XX M	\$M				
	- Inventory	■	\$XX M	\$XX M	\$M				
	- Order Promising	■	\$XX M	\$XX M	\$M				
	- Warehousing	■	\$XX M	\$XX M	\$M				
	- Advanced Transportation	■	\$XX M	\$XX M	\$M				
	- Logistics Material Identification	■	\$XX M	\$XX M	\$M				
- Advanced Warehousing	■	\$XX M	\$XX M	\$M					
- Service Parts Management	■	\$XX M	\$XX M	\$M					

Proposed Organizational & Governance Model for Value Management Office



LOB NAME – Value Driver Name

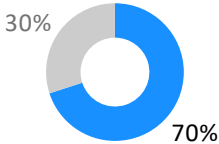
Metric Performance

Value Driver Performance

Realized Value

Gap to Full Value Potential

KPI	Baseline Metric T0		Target Metric Value	Current Metric Value (T1)	Baseline Value T0	Target Value	Value Realized (this period)
	Value	Measure					
Reduce Days Sales Outstanding	13.3	FTE	6	8	\$225,333	\$500,000	\$271,200



70% of the target value has been realized.

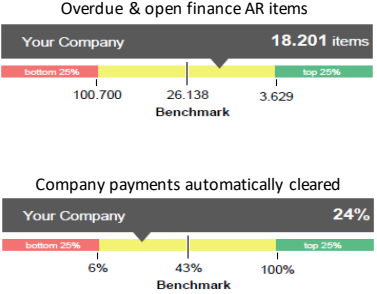
Challenges (today)

PPIs

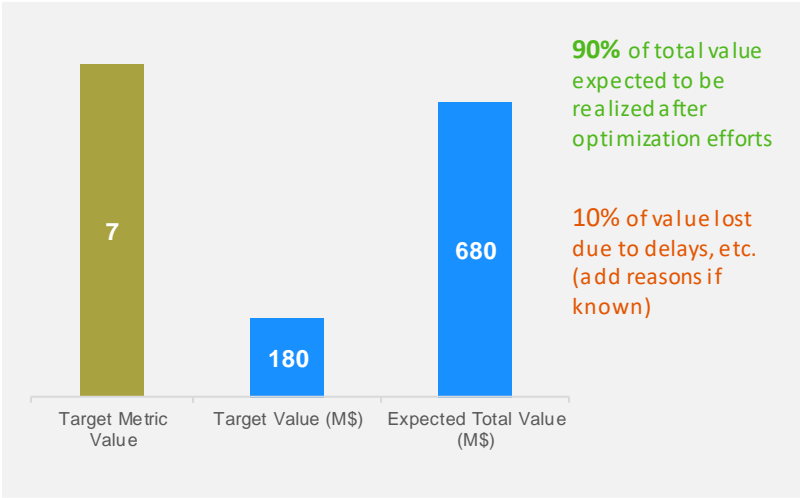
Recommendations to Bridge Value Gap

Expected Value Realization (Future State)

- Pain Point / Challenge
Add description
- Pain Point / Challenge
Add description
- Pain Point / Challenge
Add description



- Recommendation for Value Optimization
-
-
- Recommendation for Value Optimization
-
-
- Recommendation for Value Optimization
-
-



Assumptions & Considerations

- Assumption
- Assumption
- Assumption
- Assumption
- Assumption

Technology Used (today)

- Digital Commerce
- Retail Operations
- Supply Chain
- Name
- Name

Technology Updates

- Logistics Business Network
- Name
- Name

Value Realization Dashboard

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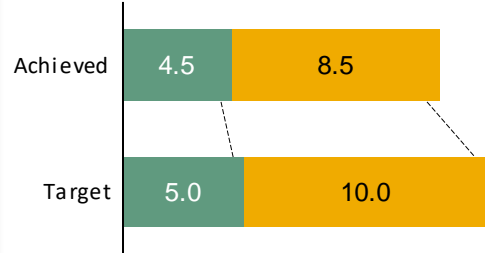
Total Achievement

Total Steady State Annual Benefits

Overall Gap to Full Value Potential

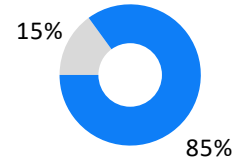
Finance

In mil<customers>s of dollars

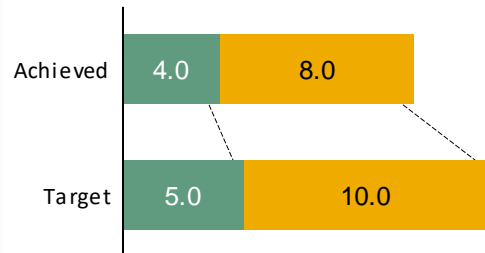


\$13m

- 8 KPIs Impacted
- X Initiatives (for Recovery)
- 3 Solutions
- 45% Value Contribution

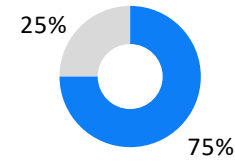


Procurement

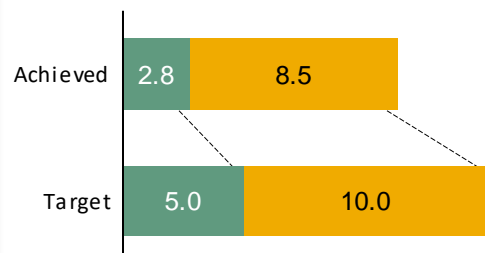


\$12m

- 8 KPIs Impacted
- X Initiatives (for Recovery)
- 3 Solutions
- 45% Value Contribution

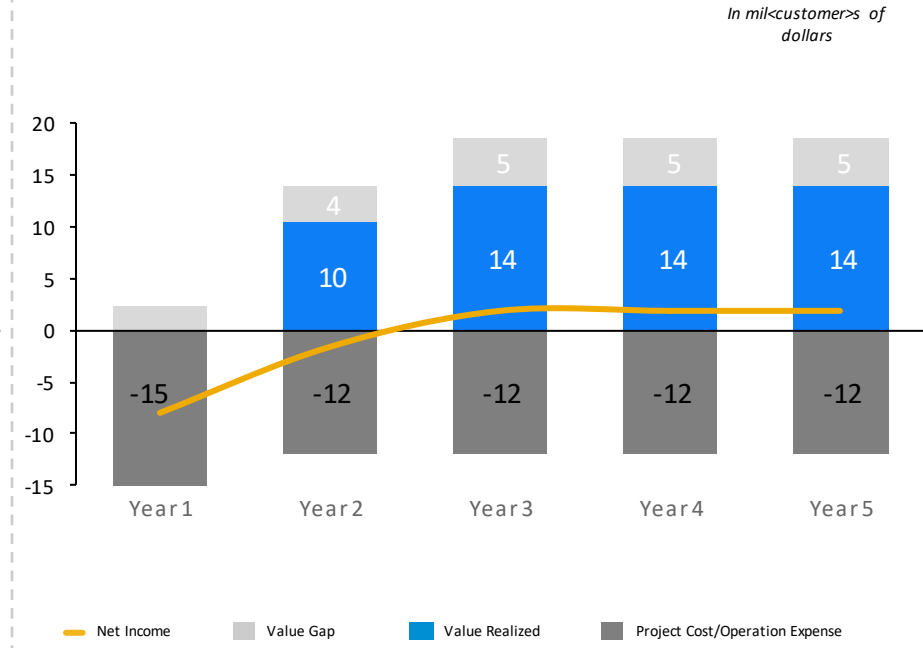
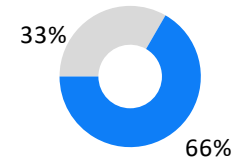


Supply Chain

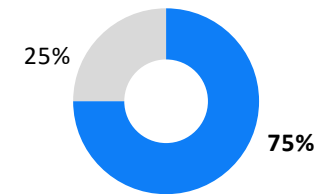


\$11.3m

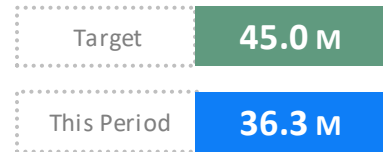
- 8 KPIs Impacted
- X Initiatives (for Recovery)
- 3 Solutions
- 45% Value Contribution



Overall Gap to Value Potential (%)



Realized Value



█ One Time Benefit █ Recurring Benefit