



# Top 5 Value Areas for **SAP S/4HANA® Cloud** and How to Start the Cloud Journey

November 2017

# Digital transformation with cloud-first strategy

## Digital transformation and innovation

Businesses are constantly challenged to improve their operations and transform their business to keep pace with the digital economy, whether by executing excessive growth strategies, usually through mergers and acquisitions (M&A), or continuous introduction of new products, services, and business models. CIOs must also contribute to the organization's overall strategy; they need to deliver new levels of organizational agility, usually at lower and lower costs. This typically translates in to devising strategies and adopting new digital technologies to respond to the digital transformation challenges.

## Cloud-first strategy

In order to attain new levels of agility, more and more organizations consider cloud computing as a strategic enabler of digital transformation. For CIOs, it is one of the top three technology priorities for 2017 and beyond.<sup>1</sup> Organizations are moving to a cloud-first strategy, where investments are being made across the three available cloud service models – software-as-a-service (SaaS), infrastructure-as-a-service (IaaS), and platform-as-a-service (PaaS). With this movement to a cloud-first strategy, cloud will become the main technology delivery mechanism.

## Cloud adoption

Many organizations are moving their core business processes to the cloud and embracing enterprise-wide SaaS initiatives. It is estimated that, by 2018, 50% of applications hosted in the public cloud will be considered mission-critical by the organizations that use them.<sup>2</sup> All sectors are being disrupted by this fast-paced cloud adoption, and it is clear that value creation through these digital technologies must be the number one focus for all organizations that seek a sustained, competitive advantage. It is becoming evident that cloud strategy will enable new revenue streams, improved customer service, and cost reductions that were not previously possible.



<sup>1</sup>Gartner CIO Survey, 2016; <sup>2</sup>Gartner Predicts 2016: Cloud Computing to Drive Digital Business, December 2015; <sup>3</sup>Gartner, Market Guide for Service-Centric Cloud ERP Solutions, December 2016; <sup>4</sup>Gartner, Gartner Says Worldwide Public Cloud Services Market to Grow 18 Percent in 2017, February 2017

# Top 5 Value Areas for

## SAP S/4HANA Cloud

In a world where cloud first is the path forward, SAP S/4HANA Cloud is taking ERP into the digital age. It is the intelligent cloud ERP from the trusted market leader that delivers the latest innovations and unparalleled industry expertise. With SAP S/4HANA Cloud you have the confidence to grow and change at any speed, with a real-time view of your business and the ability to act instantly – and wisely – on that insight. Outlined below are the top five value areas for SAP S/4HANA Cloud.



### SAP S/4HANA Cloud value proposition

- 01 Faster return on investment (ROI)**  
A cloud solution that provides faster value realization for IT and the business
- 02 Increased business agility**  
An agile cloud solution that helps consume innovation(s) with minimal effort and adapts to dynamic business needs
- 03 Lower total cost of ownership (TCO)**  
A fully managed ERP cloud solution that makes deployment, configuration, and maintenance simpler, faster, and less expensive
- 04 Improved governance and compliance**  
A foolproof cloud solution where the value is achieved not only through technology, but also through governance, security, and transformation
- 05 More intelligent cloud ERP**  
Intelligent ERP that acts as your copilot, eliminating repetitive tasks and making suggestions based on business patterns and employee behavior



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## Faster return on investment (ROI)

### Key message

Organizations must make value creation a primary focus in the digital economy. They need a solution that not only helps them realize value, but also accelerates time to value so as to thrive in this business environment. **50%** of executives think that, within five years, IT's value proposition will shift from support to business value creation.<sup>1</sup> It is therefore imperative that both IT and the business lead this journey together.

### SAP S/4HANA Cloud benefits

#### 1. Faster time to value

- Move your IT at the speed of your business with standard best-practice content for all key business functions
- Rapidly deploy SAP S/4HANA Cloud across the organization, with the possibility of a two-tier deployment approach for subsidiaries and divisions

#### 2. Increased automation with digital assistant

- Achieve zero-touch processes with the SAP® CoPilot digital assistant
- Drive actions and decisions at the speed of thought with machine learning

#### 3. Rich user experience

- Reduce training time and enable fast user actions and decisions with the solution's intuitive interface and responsive design
- Improve productivity and employee buy in with ready-to-use applications

The worldwide market for cloud-based SaaS offerings is expected to expand by about **20%** per year through 2018, when it could exceed the **\$100 billion mark**<sup>2</sup>

Just **12%** of all respondents say their IT organizations are very effective at leading digital transformations across their business<sup>1</sup>

<sup>1</sup>McKinsey survey, *IT's future value proposition*, July 2017; <sup>2</sup>McKinsey&Company, *From box to cloud*, June 2015



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## Improved business agility

### Key message

Linear and mechanical processes that were suitable for one mode of operation, such as maximizing economies of scale, will seem slow in the digital age. Businesses need a more organic platform that facilitates rapid and easier evolution. Smarter organizations and process innovation are imperative to improving agility.

### SAP S/4HANA Cloud benefits

#### 1. Infinite possibilities

- Supports cloud combinations (hybrid approach) with on-premise systems, and other cloud offerings, coexisting in a business environment
- Provides the ability to scale up the cloud footprint as needed
- Supports M&A activities: feasibility analysis, business process consolidation, and IT system integration

#### 2. Seamless integrations

- Easy integration to existing SAP and non-SAP investments. Out-of-the-box connectivity to other SAP cloud products, such as SAP Ariba and SAP SuccessFactors solutions
- Easy-to-manage customer-specific integration scenarios – customizations with minimal impact to existing system functionalities

#### 3. Faster delivery of innovation

- Broader value proposition with quarterly innovation cycles
- New features and services in each cycle that help customers meet their business needs faster
- Minimal time and effort to keep the application up to date with the latest software release and features

**16%** higher business satisfaction rating for organizations where IT facilitates a high degree of integration with the company's ecosystem<sup>1</sup>

**55%** of business apps will allow direct API access to most applications by 2019<sup>2</sup>

<sup>1</sup>SAP performance benchmarking 2017; <sup>2</sup>IDC FutureScape: Worldwide Cloud 2017 Predictions, December 2016



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## Lower total cost of ownership (TCO)

### Key message

Organizations understand that massive investments in hardware and platforms tie up capital that could be used for other business priorities. Therefore, businesses now seek solutions to help them run their projects without the need for big budget approvals. Cost-efficient operations are necessary to achieve a good return on investments.

### SAP S/4HANA Cloud benefits

#### 1. Rapid deployment and efficient operations

- Go live in matter of weeks, saving huge project and deployment costs
- Lower costs for support and training by freeing up resources to perform more value-added tasks
- Rapidly activate solution capabilities when you need them, even after your initial go-live

#### 2. Subscription-based model

- No upfront cost or initial investment with pay-as-you-use model; shift from license and maintenance to subscription
- Transition from capital expense to operating expense to free up funds for other business priorities

#### 3. Simplified architecture

- Virtualized infrastructure for customers, reducing their ownership and maintenance cost
- Minimal investment in time and resources to handle infrastructure and platform

**73%** of organizations consider lower total cost as a deciding factor for moving to a cloud service<sup>1</sup>

**88%** of respondents state that cost-efficient operations is a must have as the organization considers deploying cloud solutions for enterprise processes<sup>2</sup>

<sup>1</sup>Forrester, *Global Business Technographics® Software Survey*, November 2016; <sup>2</sup>SAP enterprise cloud computing survey 2014, N=317



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## Improved governance and compliance

### Key message

More and more, organizations are considering the option of keeping their data outside their four walls. **74%** of organizations reported keeping some or all of their sensitive data in public clouds.<sup>1</sup> Conversations on improved security measures to prevent data loss and governance of cloud solutions have come to the foreground as organizations seek cloud solutions they can trust.

### SAP S/4HANA Cloud benefits

#### 1. Legal and regulatory compliance

- Local regulatory compliance with tax support, accounting rules, and preconfigured audit reporting
- Legal compliance with respect to data residency as per regional requirements
- Quarterly releases help ensure that organizations stay up to date on compliance regulations

#### 2. Safe in the cloud

- Legal requirements and privacy concerns addressed with respect to data protection
- Built-in disaster recovery to ensure business continuity; no risk for mission-critical financial processes

#### 3. Cloud governance

- Intuitive dashboard for comprehensive identity and access governance capabilities, improving user productivity
- Reduced cost and complexity of access governance and compliance for business users and auditors

**By 2020, 92%** of workloads will be processed by cloud data centers whereas only 8% will be processed by traditional data centers<sup>2</sup>

**53%** of CIOs believe that data loss and privacy risk are barriers to cloud adoption<sup>3</sup>

<sup>1</sup>McAfee's Cloud Survey, *Building trust in a cloud sky*, 2016; <sup>2</sup>Cisco Global Cloud Index: *Forecast and methodology*, 2015-2020, 2016 <sup>3</sup>KPMG, *The Creative CIO: Harvey Nash/KPMG CIO Survey 2016*



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## More intelligent cloud ERP

### Key message

Digital transformation is happening everywhere. New business requirements mandate a significantly simplified digital core that allows organizations to efficiently and effectively run their business. They seek a cloud solution that provides end-to-end business process coverage along with continuous innovation and self-service intelligence. According to IDC research, by 2020, at least **50%** of net-new IT spending will be cloud based, shrinking non-cloud enterprise applications by **20%**.<sup>1</sup>

### SAP S/4HANA Cloud benefits

#### 1. Intelligent innovation with machine learning

- Intelligent services based on machine learning algorithms, such as integration with SAP Cash Application software to automate the invoice matching process and provide prediction results back to SAP S/4HANA Cloud

#### 2. Self-service intelligence with contextual analytics

- Built-in, enriched analytical capabilities creating many “mini” CEOs and CFOs
- Actionable insights to quicken decisions, maximize resources, and drive profitability
- Instant visibility into every aspect of the business to move beyond automation to intelligent, predictive suggestions delivered in context to users

#### 3. End-to-end business process coverage

- Successful digital transformation of business processes across the enterprise
- Standard best practices that are available for rapid global deployment
- SaaS solution that includes procurement, sales, finance, supply chain, and HR business areas

Over the 2015-2020 forecast period, overall public cloud spending will experience a **21.5%** compound annual growth rate (CAGR), reaching **\$203.4 billion** by 2020<sup>2</sup>

More than **85%** of enterprise IT organizations will commit to multicloud architectures by **2018**, driving up the rate and pace of change in IT organizations<sup>1</sup>

<sup>1</sup>IDC FutureScape: Worldwide Cloud 2017 Predictions, December 2016; <sup>2</sup>IDC, Worldwide Semiannual Public Cloud Services Spending Guide, July 2017

# Customers are achieving value

## SAP S/4HANA Cloud



**The Birchman Group** chose to implement SAP S/4HANA Cloud suite as an early adopter. Major benefits realized include:

- Rapid Implementation, from purchase to live launch in **just eight weeks**
- Secure, robust, **low-maintenance platform**

[Click here to watch the Birchman Group story](#)

**Delaware Consulting** replaced the legacy system and has implemented SAP S/4HANA Cloud. Major benefits realized include:

- **Reduced** manual processes, such as reconciling bank statements
- **Increased** automation
- **Real-time** operational insights into project status at any given time

[Click here to watch the Delaware story](#)

**PLAUT** improved processes and support for customers with SAP S/4HANA Cloud. Major benefits realized include:

- **Eight weeks** to deploy a new system to manage financials from end to end
- **Four weeks** to deploy systems for professional services, procurement, and sales

[Click here to watch the PLAUT story](#)

**MOD Pizza** gained global, real-time visibility into critical financial and resource availability data with SAP S/4HANA Cloud. Major benefits realized include:

- **\$400K** savings expected over three years
- **Triple-digit** year-over-year growth

[Click here to watch the Mod Pizza story](#)

**Intrigo** turned to SAP S/4HANA Cloud to create a single platform to manage its resources and projects. Major benefits realized include:

- **Eight weeks** to deploy SAP S/4HANA Cloud
- **Seamless integration** with existing solutions – Concur and SAP Integrated Business Planning

[Click here to watch the Intrigo story](#)

# Steps to the future

## Starting the SAP S/4HANA Cloud journey

It's clear now that companies are realizing the benefits of cloud solutions, which include greater agility, scalability, lower costs, faster ROI, and more opportunities for innovation – all of which are factors that fuel business growth and enable companies to keep pace with the digital economy. So, the question for them is not whether to deploy a cloud solution, but when and how will it be carried out.

Below are four simple ways for an organization to start its cloud journey.



# Discover SAP S/4HANA Cloud

With Free Trial

SAP S/4HANA Cloud is built to drive instant value across lines of business with sophistication and simplicity. Organizations can start their experience with a free 14-day trial. This trial provides access to concrete roles and predefined scenarios across sales, finance, procurement, Production and project management functions.



## Finance

Roles are available for cash manager, asset accountant, accounts receivable manager, and accountants (general ledger, accounts receivable and payable). All important business transactions can be executed with predefined scenarios in SAP S/4HANA Cloud. Examples include monitoring and analyzing cash position, managing fixed assets and receivables, and reviewing financial statements.

## Sales

A sales representative would be able to reviews sales orders, identify problems, and analyze options for resolution.

## Purchasing

A purchaser would be able to easily create a purchase order, post a goods receipt notice, and create an invoice. In addition to this, early payment requests can be created (using SAP Ariba solutions).

## Production and Quality Management

A production planner can manage forecasted demand, monitor and manage material shortages, and schedule MRP runs. A quality inspector can verify the quality of the inspection lots and take usage decisions

## Project management

A project manager would be able to easily create, plan, staff, and bill customer projects, and perform event-based revenue recognition.

[Start your free trial now](#)

# Deploy SAP S/4HANA Cloud

## Deployment methodology

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The SAP Activate innovation adoption framework expedites SAP S/4HANA Cloud deployment throughout the customer and partner lifecycle. It provides a consistent, agile methodology for any deployment type – cloud or hybrid. SAP Activate offers ready-to-run digitized business and technology processes and guided configuration tools. SAP Activate helps in reducing the total cost of ownership by streamlining and accelerating deployment projects. The SAP Activate framework is structured into the following phases – Discover, Prepare, Explore, Realize, Deploy, and Run. Below is a brief description of each phase.



**DISCOVER** – Discover the solution capabilities (e.g. Free Trial), understand the business value and benefits. Determine the adoption strategy and roadmap in alignment with your priorities and product roadmap.

**PREPARE** – Perform the initial planning and preparation for your deployment project, finalize plans, on-board project team, receive starter system to start the project optimally.

**EXPLORE** – Conduct a fit-to-standard analysis confirm that the business needs can be satisfied. Identified requirements and configuration values are captured in a backlog. Request quality system provisioning.

**REALIZE** – Use a series of iterations to incrementally configure, and test an integrated business and system environment. During this phase, data is loaded, adoption activities occur, and operations are planned.

**DEPLOY** – Finalize the production system, confirm customer organization readiness, and switch business operations to the new system.

**RUN** – Continuously adopt the solution across the organization, add new users, enable business to run, manage regression testing during quarterly upgrades and activate additional functionality as needed.

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[SAP Activate overview](#)

[SAP Best Practices Explorer](#)

[SAP Roadmap Viewer](#)

# A success assured transition to S/4HANA Cloud

## SAP Service Portfolio offerings

Cloud changes more than the deployment method and commercial model of a customer's IT infrastructure. SAP S/4HANA Cloud delivers the organizational visibility, intelligence and agility that our customers demand. Cloud changes the expectations around why and how SAP should be engaged with customers - Our SAP Service and Support portfolio for S/4HANA Cloud delivers trusted partnerships based on Success Plans and tailored Professional Services to deliver continuous adoption of innovation, proactive Best Practise adherence and access to SAP expertise.

Advisory Services

Strategic & Innovation Services

Success Plans

### Success Plans

Through a continuous trusted partnership, Success Plans support customers in achieving their cloud goals. SAP Preferred Success, the flagship Success Plan, assures customer success through Learning Resources, Change Management support, Best Practise adherence and solution adoption post go-live and across the quarterly innovation releases. With SAP Preferred Success customers are empowered to derive continuous value from their Cloud ERP.

### Strategic & Innovation Services

Strengthening an SAP Success Plan foundation, Strategic and Innovation services are tailored professional services designed to achieve specific outcomes. SAP Quick Start and SAP Accelerate are prime examples of next generation services, created for the cloud.

Key to both of these offerings are the associated deliverables; Expert guidance, Quality gate checks and actionable feedback ensures the customer is empowered to make change based on expert insight and prescriptive guidance. **SAP Quick Start** and **SAP Accelerate** deliver maximum quality with minimal risk for SAP primed, or customer/partner led projects, respectively.

[SAP Preferred Success](#)

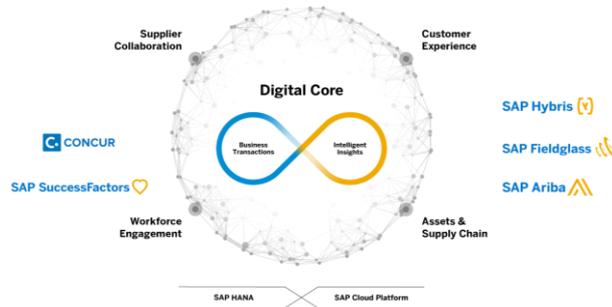
[SAP Cloud Services](#)

More than **80%** of cloud solutions from SAP are implemented by partners

# Beyond SAP S/4HANA Cloud

## Integrations and extensions

To help customer transition into the digital economy, SAP devised the SAP Digital Transformation Framework methodology. This is a structured framework to help develop and execute the digital business strategy of any organization. With this framework, the entire value chain is digitized, including the core (SAP S/4HANA Cloud), which serves as the platform for innovation and business process optimization. The key to success for the digital platform is the seamless integration to connect all aspects of the value network. With sophisticated integration options and built-in integrations, SAP S/4HANA Cloud can be connected to other SAP and third-party cloud solutions.



### Extend (cloud apps)

Quickly add new functionalities to your existing SAP S/4HANA Cloud to optimize your existing investments.

### Integrate (your apps and data)

Connect to your SAP S/4HANA Cloud and other apps to eliminate data silos and make digital access simple, secure, and scalable. Native integrations available for SAP Ariba, SAP Hybris, SAP Hybris Cloud for Customer, SAP Fieldglass, Concur, SAP Financial Services Network, and SAP SuccessFactors solutions.

### Build (brand new cloud apps)

Rapidly build and run new cloud apps to solve new problems, engage new customers, and drive new revenue.

[Whitelisted APIs](#)

[SAP S/4HANA extensibility](#)

# Appendix

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## Additional SAP S/4HANA Cloud references

SAP S/4HANA Cloud on SAP.com

<https://www.sap.com/products/s4hana-erp/cloud.html>

SAP S/4HANA Cloud on Solution Explorer

[https://solutionexplorer.sap.com/solexp/ui/vlm/is\\_s4hana\\_cloud/vlm/is\\_s4hana\\_cloud-ind-is\\_s4hana\\_cloud](https://solutionexplorer.sap.com/solexp/ui/vlm/is_s4hana_cloud/vlm/is_s4hana_cloud-ind-is_s4hana_cloud)

SAP Best Practice Explorer

<https://rapid.sap.com/bp/>

SAP S/4HANA Cloud on SAP HELP

[https://help.sap.com/viewer/p/SAP\\_S4HANA\\_CLOUD](https://help.sap.com/viewer/p/SAP_S4HANA_CLOUD)

SAP S/4HANA Cloud road map on SAP.com

<https://www.sap.com/india/products/roadmaps.cross-topics.html>

SAP S/4HANA Cloud blog series

<https://blogs.sap.com/2017/03/04/s4hana-cloud-use-case-series-the-collection/>

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