

SAP Business ByDesign – On Demand Enterprise SOA for Midsize Companies



Peter Zencke
Member of the Executive Board
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A blurred photograph of two business professionals, a woman in a grey suit and a man in a dark suit, walking from left to right in a modern office hallway. The background is a light-colored wall with a grid pattern. The floor is also light-colored with a grid pattern.

**Business Network
Transformation**
Source of New
Competitive
Differentiation

Business Network Transformation is a Fact of Life ...



From “build to last”...



Consolidation & efficiency

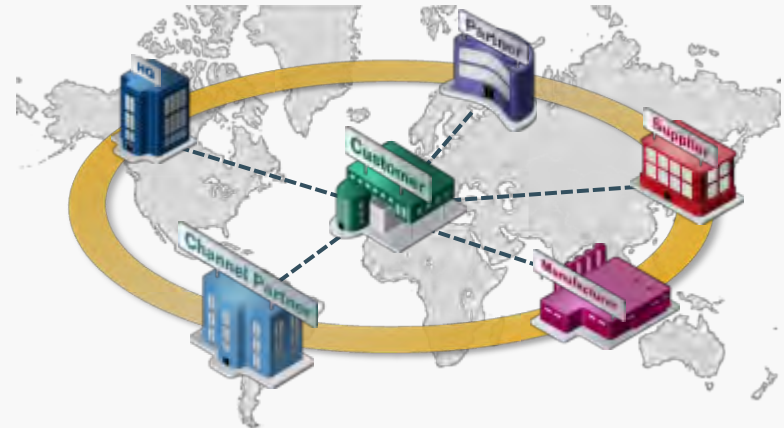
Command & control

Internal R&D

Uniformity



...To “build to adapt”



Agility & innovation

Connect & collaborate

Co-Innovation

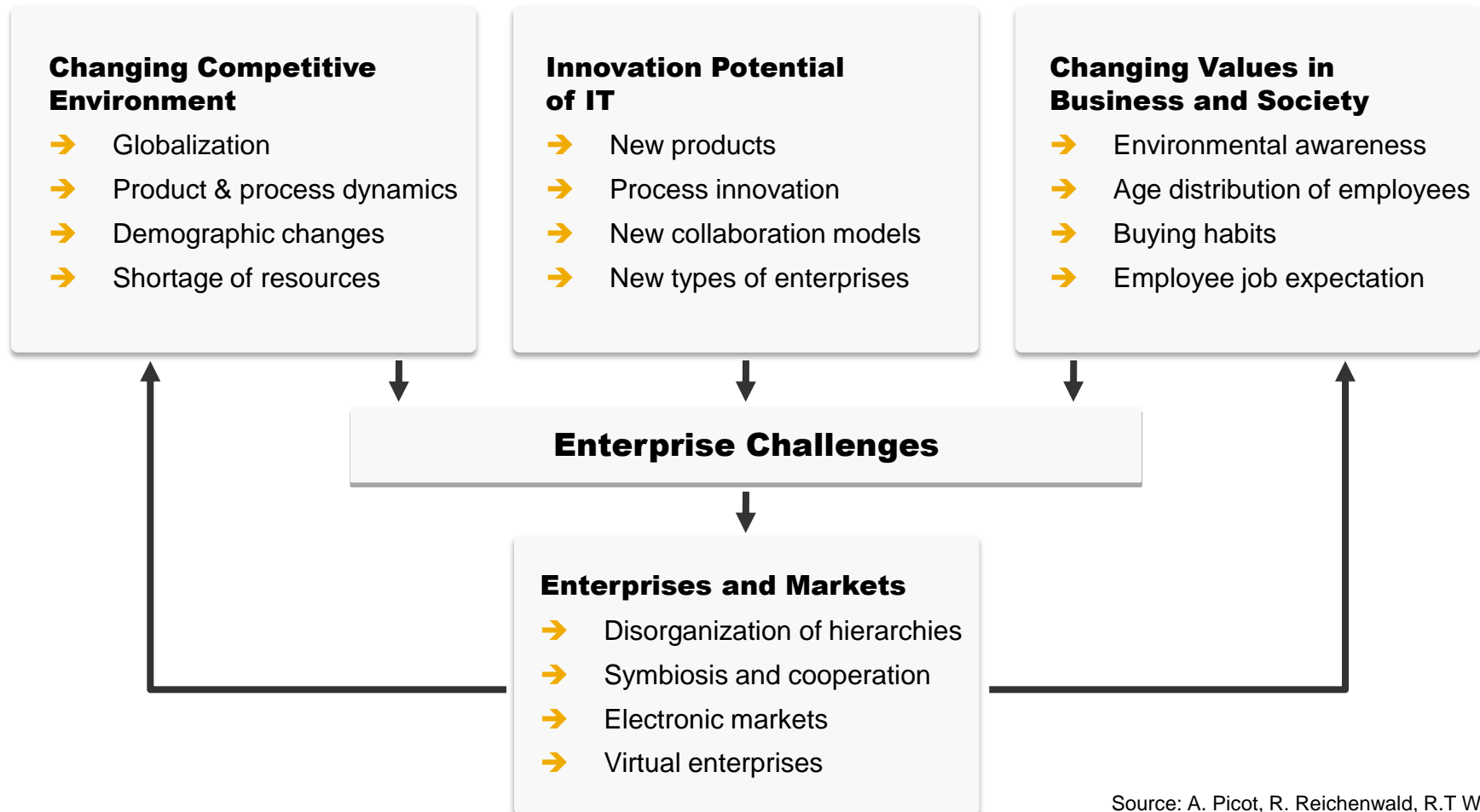
Diversity

→ **Network-Readiness and Ongoing Portfolio Optimization**

... And Has Been Taking Place Over the Last Decade



A. Picot, R. Reichwald, R.T. Wigand 1996: Corporate boundaries are expanding since ten years



Source: A. Picot, R. Reichenwald, R.T Wigand: Die grenzenlose Unternehmung, 1996

Collaborative and Coordinated Business Networks



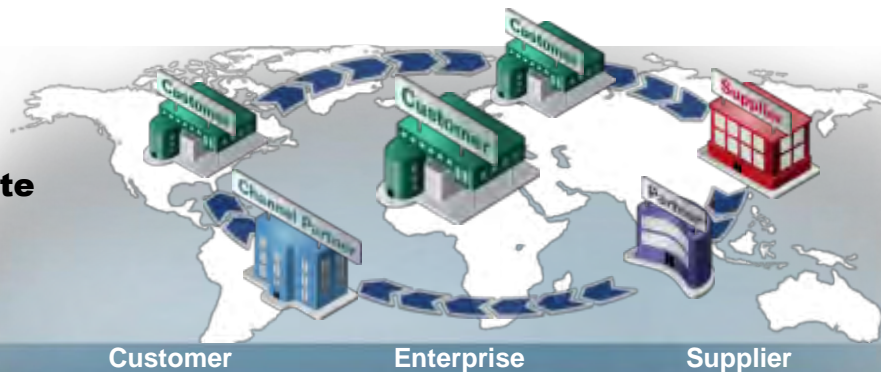
Collaborate



Collaborative networks (user-centric)

- Adaptivity, communication
- Share information
- Participation
- Actionable analytics

Coordinate



Coordinated networks (process-centric)

- Efficiency, computing
- Share processes
- Automation
- Process innovation

Company Specific Sourcing

1 : 1



Individual Sourcing by ERP/SRM

- ➔ Individual sourcing infrastructure
- ➔ Individual sourcing processes
- ➔ Individual sourcing partners



Sourcing Marketplace

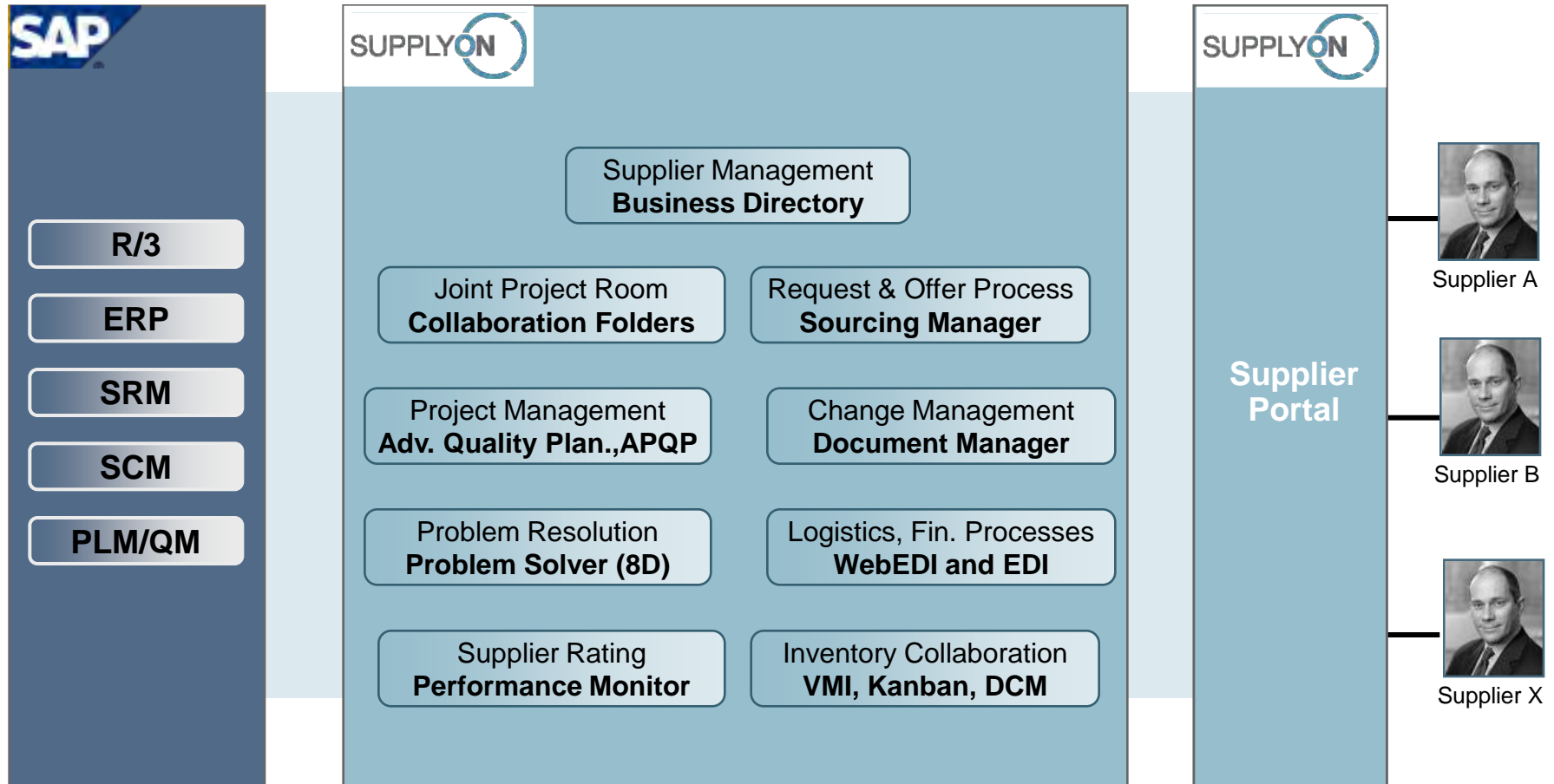
N : M



Joint Sourcing by SaaS

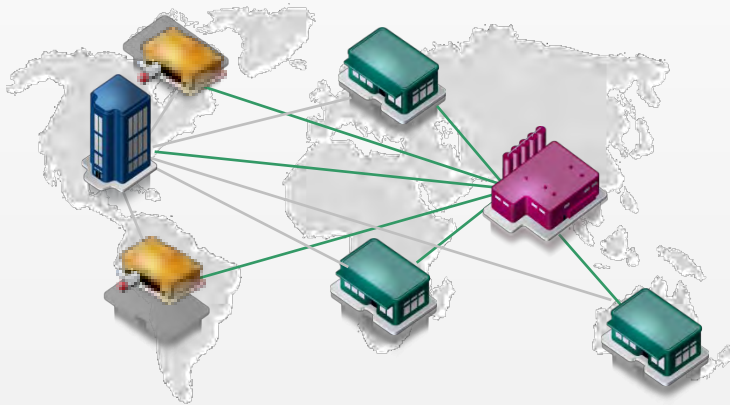
- ➔ Common sourcing infrastructure
- ➔ Standardized sourcing processes
- ➔ Shared sourcing network

Running Best of Bread Processes as a Service: SupplyOn on the SAP Platform



SAP NetWeaver

Midsize companies: **Agile players** in a dynamic and interweaved business environment



Midsize Companies and Their Business Networks

- Midsize Companies participate in multiple business networks with numerous larger and smaller business partners
- Midsize Companies have to conform to various practices and technologies dictated by larger partners and regulators
- Midsize Companies are forced to quickly adapt to their changing environment

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SAP Business ByDesign
The On-Demand
Solution for
Midsize Companies

Setting the New Standard for an Underserved Market



Situation Today Mix of Point “Solutions”



Mix of outdated systems, point “solutions” and spreadsheets



The New Standard SAP Business ByDesign



The affordable and most complete on-demand solution for midsize companies

Addressing the Needs of the Entire Business



Build your business

- ➔ Financial, Human Resources Management, Executive Management Support

Optimize operations

- ➔ Project and Supply Chain Management

Develop relationships

- ➔ Customer and Supplier Relationship Management

Achieve full transparency

- ➔ Business Analytics, Compliance Management

Unprecedented User Productivity



Intuitive user experience

- Personalized, event-driven work environment

Empowering people

- Business analytics, built-in learning, self-service

Integrated collaboration

- Facilitating collaboration between coworkers and their external peers

Affordable, Predictable, Easy to Adopt



On-demand delivery

- SaaS managed by SAP, subscription-based licensing

Built-in services and support

- Always up-to-date software, proactive healing

“Explore, Evaluate, Experience”

- Low risk with a personalized trial, innovations throughout the customer life cycle

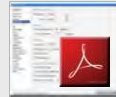
The Open Business Process Platform for Collaboration, Extensibility and Growth



Lightweight Composition



People
Collaboration



Forms,
Reports



Web Service
Integration

Business Network



B2B Collaboration



Outtasking

Model-Based Development and SOA



Personal Productivity

WorkCenter



Office,
Groupware

Mobile
Applications



3rd Party Integration



Shop Floor



Existing Apps

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**SAP Business ByDesign
& Business Collaboration**
Leveraging the Power
of Enterprise SOA by
Design

Extended Order Acquisition to Cash Process

SAP Analyst Summit 2003



2003

EXTENDED ORDER FULFILLMENT



Suppliers

Business Division A

Business Division B



Merge Centers



Logistics Service Providers

SAP Extended Order Management

Dynamic Sourcing

Multi-Channel Order Management

SAP NetWeaver BPM

Fulfillment Coordination

Settlement

MULTI-CHANNEL ORDER ACQUISITION



Mobile



Phone



Sales Portal

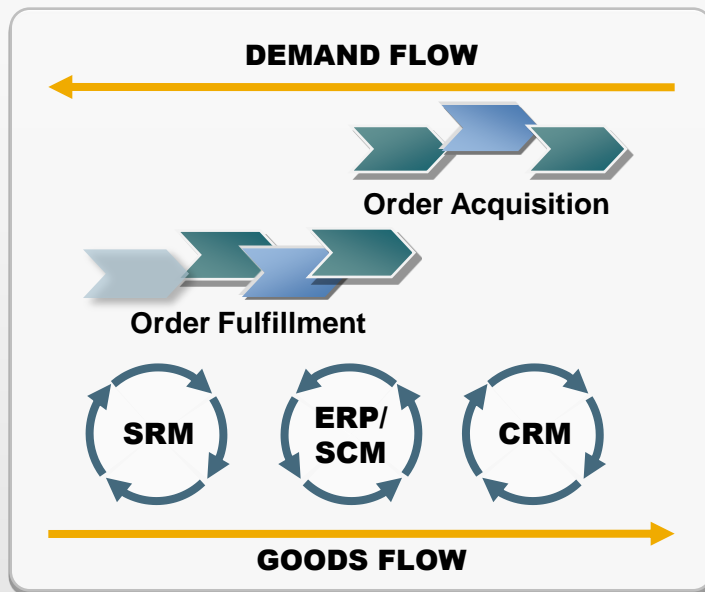


Customer

Seamless Opportunity to Cash Process for Midsize Companies



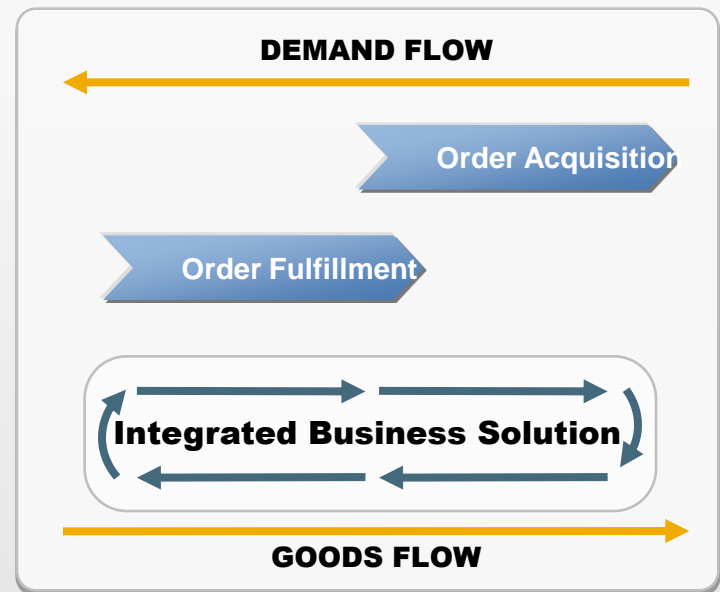
Situation Yesterday Multiple Specialized Solutions



Solutions with redundant data and overlapping processes



SAP Business ByDesign Integrated Business Solution



Integrated order acquisition and order fulfillment process

Multi-Channel Order Acquisition

One Integrated Order Acquisition Process



Challenges Today

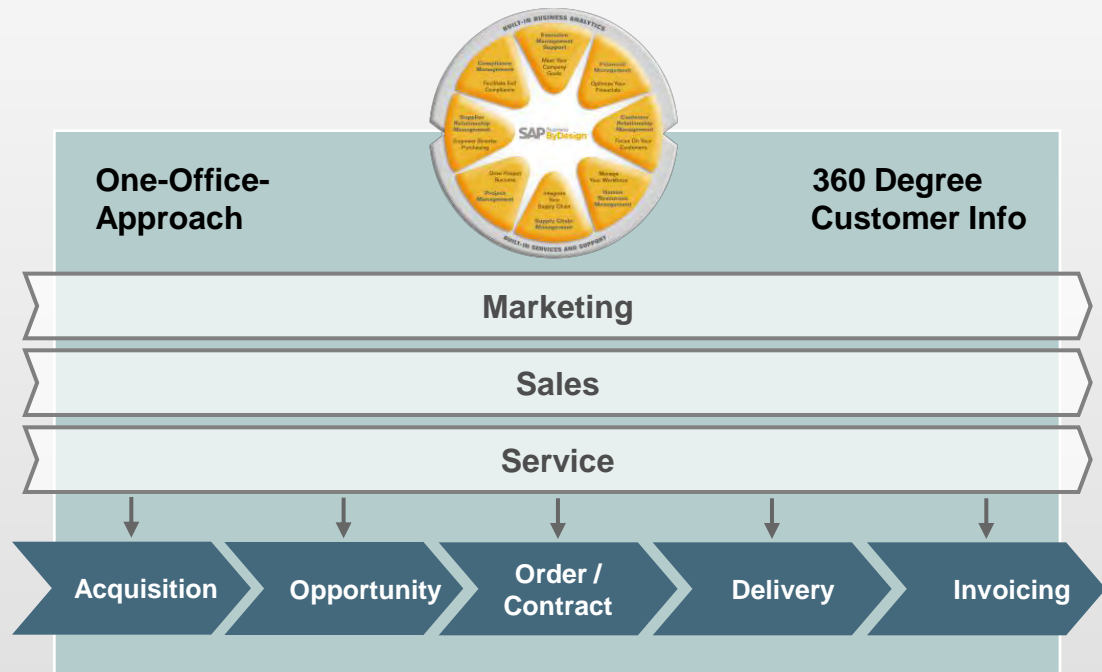
- Inability to commit to customer requests
- No integration of front- and back-office
- Customer interaction instead of customer-driven processes

Innovations

- Active sales support harmonized across multiple channels
- One-office-approach with integrated processes in marketing, sales, and service
- Analytical CRM for intelligent, enduring profitable business performance
- 360 degree customer information for all employees

FOCUS ON YOUR CUSTOMERS

Integration of front- and back-office into one solution





Challenges Today

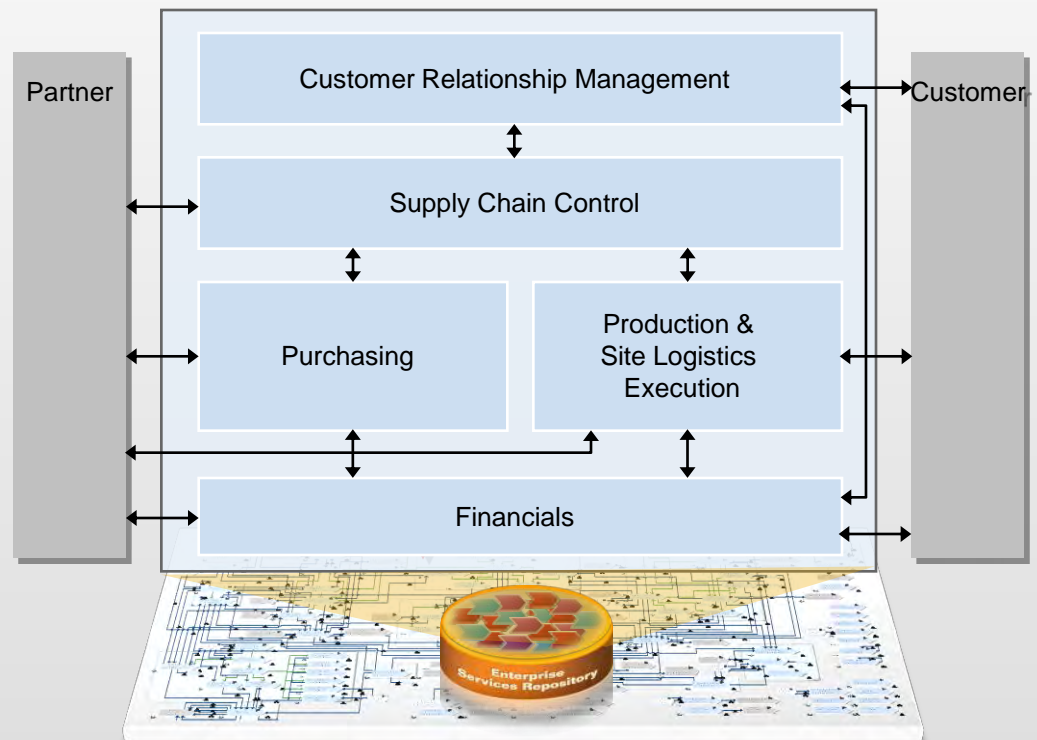
- Rigid information systems limit process flexibility and prevent process adaptations
- Poorly aligned cross-system processes
- Non state-of-the-art value chain processes

Innovations

- Ability to combine enterprise services to flexible processes
- Extended order fulfillment as a combination of subprocesses and their variants
- Model-based solution for maximum process transparency
- Integrated suite with designed end-to-end processes

OPTIMIZE YOUR SUPPLY CHAIN

Increasing business transparency, flexibility and co-innovation



SAP Business by Design: Enterprise SOA for Agile Business



SAP Business
ByDesign

User Experience



Composite Applications



ByDesign Deployment Units

Continuous Business Adaptation

CE

PI

Portal

BI

WD

SAP NetWeaver 7.1

- Entire **user experience** including embedded analytics composed upon services
- All objects and processes accessible through one active **services repository**
- Business Process Management across modular **Application Components**
- End-to-End usage of all new **SAP NetWeaver deployment units**
- Flexible system configuration optimized for all **in one deployment**

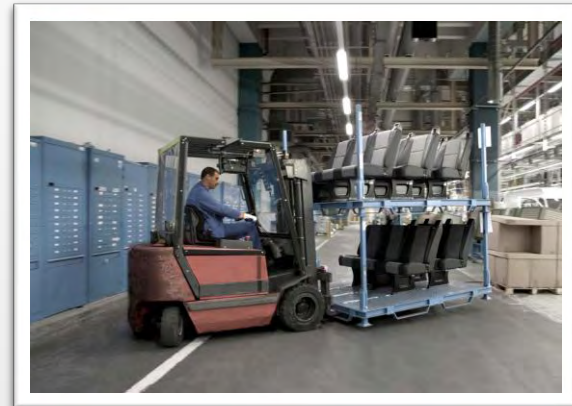
Principles of Enterprise SOA



- One integration paradigm for internal and external integration - based on open standards
- Fostering collaboration and extensibility
- Empowering adaptable business processes
- SaaS as one way of making eSOA available for midsize companies



Value for Business Collaboration



- Sophisticated collaboration models with external suppliers, contract manufacturers and carriers
- Integrated end-to-end value chain processes
- Value chain flexibility: value chain processes and value chain setup
- Process transparency

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