SAP Business ByDesign – On Demand Enterprise SOA for Midsize Companies

Peter Zencke
Member of the Executive Board
SAP AG
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

Changing Competitive Environment
- Globalization
- Product & process dynamics
- Demographic changes
- Shortage of resources

Innovation Potential of IT
- New products
- Process innovation
- New collaboration models
- New types of enterprises

Changing Values in Business and Society
- Environmental awareness
- Age distribution of employees
- Buying habits
- Employee job expectation

Enterprise Challenges

Enterprises and Markets
- Disorganization of hierarchies
- Symbiosis and cooperation
- Electronic markets
- Virtual enterprises

Collaborative and Coordinated Business Networks

Collaborative networks (user-centric)
- Adaptivity, communication
- Share information
- Participation
- Actionable analytics

Coordinated networks (process-centric)
- Efficiency, computing
- Share processes
- Automation
- Process innovation
On Demand Marketplaces: First Generation of Software as a Services for Business Networks

**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

Supplier Management
Business Directory

Joint Project Room
Collaboration Folders

Request & Offer Process
Sourcing Manager

Project Management
Adv. Quality Plan., APQP

Change Management
Document Manager

Problem Resolution
Problem Solver (8D)

Logistics, Fin. Processes
WebEDI and EDI

Supplier Rating
Performance Monitor

Inventory Collaboration
VMI, Kanban, DCM

SAP NetWeaver

Supplier Portal

Supplier A
Supplier B
Supplier X

R/3
ERP
SRM
SCM
PLM/QM
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.
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
The Most Complete On-Demand Solution

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
Breakthrough User Experience

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
An All New Experience for Customers

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
SAP Business ByDesign & Business Collaboration
Leveraging the Power of Enterprise SOA by Design
Seamless Opportunity to Cash Process for Midsize Companies

Situation Yesterday
Multiple Specialized Solutions

- DEMAND FLOW
  - Order Acquisition
  - Order Fulfillment

- GOODS FLOW
  - SRM
  - ERP/SCM
  - CRM

Solutions with redundant data and overlapping processes

SAP Business ByDesign
Integrated Business Solution

- DEMAND FLOW
  - Order Acquisition
  - Order Fulfillment

- GOODS FLOW
  - 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

One-Office-Approach
- Marketing
- Sales
- Service
- Acquisition
- Opportunity
- Order / Contract
- Delivery
- Invoicing

360 Degree Customer Info

© SAP 2008 / 18
Extended Order Fulfillment
Leveraging Enterprise SOA

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

» 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
Addressing the Challenges in Business Collaboration

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

© SAP 2008 / 21
SAP Business ByDesign –
On Demand Enterprise SOA for
Midsize Companies

Peter Zencke
Member of the Executive Board
SAP AG