SAP Value Paper | PUBLIC

Transform Automotive with SAP® Solutions

Business Value with Intelligent ERP

THE BEST RUN SAP

The Need for an Intelligent ERP System

Support next practices with intelligent ERP

The automotive industry is set to change more in the next 5 years than in the past 50. Disruptions in propulsion technology and infrastructure, the advent of new mobility business models, innovative manufacturing techniques, and connected ecosystems are fundamentally reshaping the needs and demands of customers. To successfully turn these seismic changes into competitive advantages, organizations – both established and startup – need to become intelligent enterprises. More importantly, companies need to unlock new revenue opportunities using the power of data-driven insights.

Personalized mobility

The combination of autonomous driving, connected vehicles, ride sharing, and electrification are reshaping the mobility experience. Many automotive manufacturers realize that they need to find new and different ways of generating revenue using the connected nature of the autonomous vehicle. Intelligent technologies such as machine learning and the Internet of Things (IoT) are essential in interpreting the vast quantities of data consumers produce in order to optimize interactions and ensure the delivery of personalized mobility experiences.

Customer centricity

An intelligent enterprise places the needs of its customers at the heart of all strategic decisions. Transformation – not only of the automotive buying experience but also of the customer's experience throughout the entire lifecycle of the relationship – strengthens brand loyalty, promotes customer retention, and provides key insights into the market's next move.

Hungry new entrants

The scope of disruption in the automotive sector is unprecedented. New entrants, looking to leapfrog incumbents, are aggressively competing for market share around the world. At the same time, established players are investing heavily to stay competitive. Both kinds of organizations need to harness the power data, IoT, and machine learning to gain complete visibility and optimize their processes to compete effectively in this marketplace.

Intelligent manufacturing

Intelligent technologies transform the ways that mobility hardware supply chains and manufacturing happen. Automotive companies must be enabled to respond to new market expectations with real-time supply chain planning features that help them meet demand, profitably. For example, using service parts software that uses the power of blockchain, status information, and location about parts can be shared more easily and transparently across the entire supply network

Enhance and extend next-generation processes with intelligent ERP

Bringing SAP S/4HANA® and SAP® Leonardo technologies together as a digital core results in a more flexible and intelligent enterprise. To achieve next-generation business processes, companies need an intelligent ERP solution that can be continuously enhanced and extended with innovative business services and applications built on emerging technologies, including machine learning, blockchain, and IoT. Automotive organizations that have big innovation appetites or prefer to be early adopters have already begun this journey.

Daimler

6 days to 4 hours
For new order forecast

8 weeks to 4 weeks
For program planning

SAP S/4HANA
As the foundation for digital growth and the basis for the next generation of a global supply solution

"Breakthrough business value in business processes must be applied across the entire value chain versus just embedding intelligence in siloed line-of-business applications. This is the basis for innovation and speed."

Dr. Marco Spohn, Daimler AG

Karma Automotive

1 platform
For a single version of the truth

Simplified interactions
With customers and the dealer network

SAP S/4HANA
As the horsepower behind the automotive industry's future

"From order through delivery, we have one system of record, one version of the truth, and one platform to ensure 100% customer satisfaction."

Mikael Elley, Vice President and CIO, Karma Automotive

Strategic Priorities in a Digital Economy

The digital economy is disruptive. Automotive companies need strategic priorities that drive transformation. SAP supports a reimagined set of end-to-end (E2E) business scenarios to support the strategic priorities of working in a digital environment.

Digital smart products

Throughout the value chain, companies are designing and developing new innovations that combine physical product with embedded sensors and software, introducing capabilities and value beyond traditional components, vehicle systems, and all types of vehicles – and developing the capabilities to support the lifecyle of the products while in service.

E2E scenario: Individualized product offerings – Provide individualized products to end consumers to increase customer satisfaction

Digital supply chain and connected manufacturing

Digital technology on the shop floor and in the supply chain is not new. What is new is the way the entire value chain is intelligently connected to the rest of the business and is able to deal with external impulses, such as short-term demand and supply fluctuations or changes in configuration that require different materials, parts, and operations.

E2E scenario: Process simplification in the material requirements planning (MRP) system – Improve productivity and reduce inventory

Engaging the changing workforce

Two trends are dramatically reshaping the automotive workforce. First, the demographic shift from boomers to millennials requires new approaches to attract, maintain, and develop the skills of a younger workforce. Workers have different experience and skill levels, and new expectations for technology in the workplace. Second, the shift in focus from physical to smart products requires a new type of automotive worker. Software developers, data scientists, and artificial intelligence (AI) experts are needed, forcing companies to compete for talent with the likes of Google, Apple, and Facebook.

E2E scenario: Attract and acquire the right talent – Improve effectiveness of the talent acquisition process

Customer centricity

As the market is constantly shifting, putting your customers (and their customers) at the center of your business is an imperative. Transformation not only of the buying experience but also of the customer's experience throughout the entire lifecycle of the relationship strengthens brand loyalty, promotes customer retention, and gives you key insights into the market's next move.

E2E scenario: Lead to cash – Contextualize the customer's individual needs and provide a seamless experience

New business models and mobility services

Due to market trends, an increasing amount of automotive-related revenue will be derived from shared mobility, transportation as a service, and other digital services related to automotive. Therefore, OEMs, suppliers, dealers, and retailers are exploiting new, connected technologies to open up new business models and explore new possibilities for monetizing and offering innovative services.

E2E scenario: Subscription model – Redefine traditional vehicle ownership models to meet changing customer expectations

Individualized Product Offerings

Differentiation and flexibility for vehicle options are more important than ever. As design complexity and collaboration between different groups become more important, the ability of engineering, procurement, and manufacturing to collaborate becomes more important. Automotive companies need the ability to provide their customers with individualized products faster and at a lower cost.

Traditional scenario

- Inefficient development process
- Treatment of every variant as a new product in the enterprise system

- Limited number of variants offered in the variant product catalog
- Existence of every variant as an independent product
- Inconsistency and errors in variant management downstream
- Individualized product or production engineering process
- Time-consuming and costly process
- No variant referencing to procurement, manufacturing, and service
- Inefficient and error-prone variant fulfillment
- High lead time and cost

A new world with SAP

- Solutions from SAP, SAP S/4HANA, and SAP S/4HANA Cloud for intelligent product design provide a bill of material (BOM) for configurable material
- BOMs contain all the components, dependencies, and routings needed to design, source, sell, and manufacture personalized vehicles

- Rules-based management, helping ensure accuracy for product and production engineering of all variants
- Greater flexibility with support for smart products and multidiscipline designs
- Tailored product specifications, with a variant configuration interface between point of sales and sales systems, enabling greater consistency and fewer errors
- Integration with SAP Ariba® solutions, enabling supplier collaboration for lead times and accelerating time to market
- Improved efficiency through automatic updates of BOM and routing after engineering changes
- Personalized vehicles delivered quickly at the same price as an off-the-lot vehicle
- High customer satisfaction

Top value drivers* **Faster** time to market **Lower** R&D costs **Increase** in revenue from new products

* Benefits are based on early adopters of SAP S/4HANA or conservative outside-in benefits due to moving from a traditional ERP to enhanced SAP S/4HANA, line-of-business or cloud capabilities, and SAP Leonardo technologies. As each enterprise is at a different level of maturity, we recommend working with you to determine the value proposition for your enterprise.

Process Simplification in the MRP System

In today's connected world, automotive companies must respond quickly and effectively to changes in demand and supply. This requires a next-generation production planning ("MRP live") that has been optimized for faster planning cycles across both finite and infinite material plans. This provides synchronization to demand changes, resulting in fewer material shortages and delays and less safety stock.

Traditional scenario

- Multiple planning runs required
- Several applications required for the MRP process

- Manage master data in SAP ERP
- Manage master data in the SAP Advanced Planning and Optimization (SAP APO) component
- Run finite planning in SAP APO for production planning
- Manage conflicts in SAP APO
- Monitor capacity in SAP APO
- Run MRP in SAP ERP for noncritical components
- Manage conflicts in SAP ERP
- List scheduled planned orders for release

A new world with SAP

- SAP S/4HANA delivers one MRP run for finite and infinite material planning with harmonized master data
- One SAP Fiori® launchpad is used for material flow and capacity

SAP S/4HANA

More than smarter and faster . . . a reimagined process

SAP Fiori launchpad for material flow and capacity

- Harmonized master data
- One process for finite and infinite material planning

- Maximized capacity utilization
- Optimally scheduled planned orders
- Real-time inventory management
- Creation of appropriate purchase orders

Top value drivers* **Increase** production planning for FTE productivity | **Improve** order-to-delivery and production cycle times | **Reduce** inventory and planning cost

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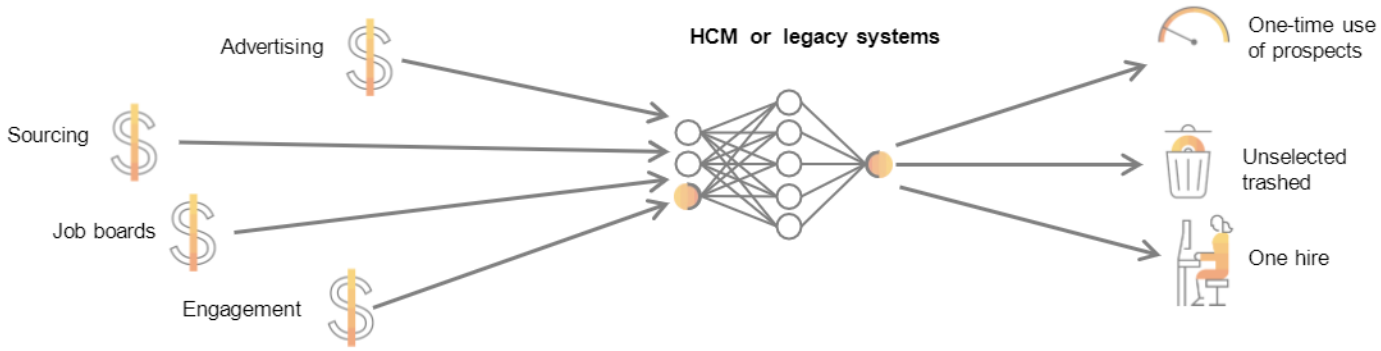
Attract and Acquire the Right Talent

Candidates today can present themselves and/or are targeted through an unlimited number of sources and channels. Often some of the best candidates are not even actively looking for job opportunities. Whether a "ready to switch" jobseeker or a targeted top prospect, today's talent won't tolerate a painful recruiting process. This reality demands a focus on the candidate and thinking about new ways to attract and acquire the best talent. A holistic approach to the talent acquisition journey is needed – sourcing candidates across the globe, engaging and nurturing top candidates, and simplifying the hiring process with state-of-the-art tools. It also includes onboarding new hires before day one, connecting them to peers, content, and resources for better engagement and faster time to productivity.

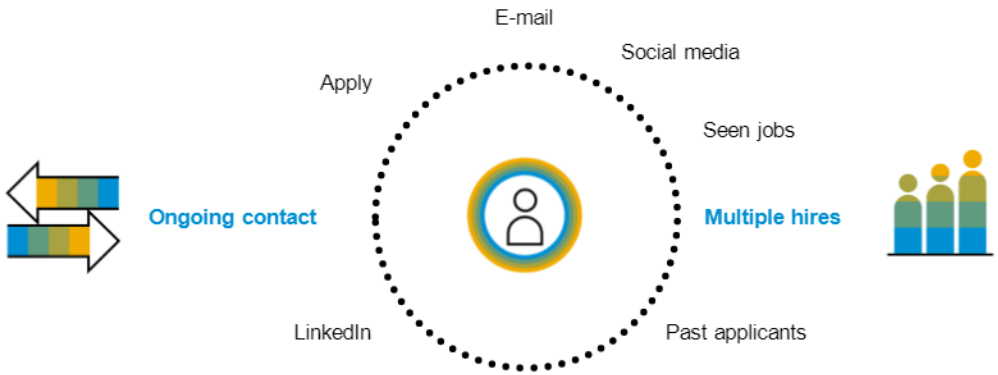
Traditional scenario

- Requisition-centric process
- Reactive process
- More costly candidate acquisition
- Longer time to hire
- Lower quality of candidate
- Onboarding as a compliance tool



A new world with SAP

- Candidate-centric process
- Proactive process
- Lower, optimized cost of candidate acquisition
- Shorter time to hire
- Higher quality of candidate
- Onboarding as a strategic system to accelerate people, processes, and productivity



Top value drivers* **Reduce** time to hire | **Reduce** cost per hire | **Faster** time to contribution

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Lead to Cash

Understanding and putting the end customer's point of view at the center of every decision is a key prerequisite for success in the digital age. This does not stop in the sales department but also applies to which products are built and what services are offered. Enabling real-time, 360-degree insight into customers and vehicles – and the ability to adapt and automate the lead-to-cash process with a real-time integrated and automated multichannel system – is essential.

Traditional scenario

- **Leads have low visibility**, combined with slow routing and categorization, which results in spending time on the wrong opportunities
- **Discovery and evaluation** has incomplete insight into customers and vehicles, which makes responding to customers difficult
- **Quote and order** is a complex and time-consuming manual process
  - Decisions and communications are not tracked
  - Up-selling and cross-selling are limited
- **Compensation** is misaligned to sales campaigns and demotivating to the sales force
- **Billing and revenue** systems are inflexible, making compliance and monetization difficult

A new world with SAP

AI-powered | Ongoing training and enablement

Lead inquiry → Discovery and evaluation → Quote and order → Compensation → Billing and revenue

Integrated and collaborative | Anytime, anywhere | Personalized coaching

- **Immediate visibility** of leads with 360-degree view of customers and vehicles – means faster time to hand off leads and close
- **Consistent, accessible**, and reliable insight – making it easier to respond quickly to customers
- **Simpler quote and order system** with bundled offers
  - Constant monitoring of sales order status
  - Relevant insights and collaboration features for internal sales to maximize opportunities
- **Motivated and empowered** sales force
- **Consolidated invoicing** for a complete view of consumption

Top value drivers* **Improve** customer satisfaction | **Reduce** sales and service cost | **Increase** revenue growth

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Subscription Model

Emerging business models focus on providing complimentary and alternative solutions to vehicle purchasing and leasing. The new business models are intended to attract new customers who value flexible and convenient choices for buying and leasing automobiles. Offerings need to be configured and priced based on new service business models and monetized based on value delivered to the customer. As automotive companies move from product-centric to customer- and service-centric offerings, they must implement these new business models. The SAP C/4HANA and SAP S/4HANA suite provide capabilities that help companies pursue subscription or pay-per-use business models.

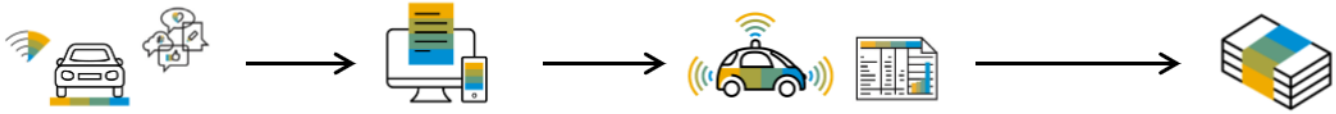
Traditional scenario

- Siloed approach results in several independent processes and no support for an end-to-end process for subscription-based models
- Companies struggle to implement and run new business models efficiently and profitably

- The description of the business model typically happens outside of ERP, limiting system follow-up
- Business model information is not available for the follow-up processes
- High manual effort or add-on development is needed to support subscription-based contracts
- Challenges are in managing IoT integration to retrieve usage and performance data from vehicles
- High manual efforts are required to create accurate usage-based invoices

A new world with SAP

- One integrated solution
- Support for the complete end-to-end process for subscription-based models



- Business model design enabling flexible creation of new digital offerings and products, including the definition and simulation of pricing conditions
- Easier setup and maintenance of subscription-based customer contracts for vehicle usage, including individual agreements
- Easily retrievable usage and performance data from connected vehicles using IoT connectivity, helping ensure usage data is available for billing
- More-accurate billing through automated rating of usage and performance, and according to contract conditions without any user interaction

Top value drivers* **Improve** customer centricity of sales engagements | **Increase** customer satisfaction and retention | **Increase** in service revenue from new business models and retention

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Deep Dives Along the Automotive Value Chain

This section examines primary capabilities where value can be achieved through SAP S/4HANA, line-of-business (LoB) solutions, and SAP Leonardo.

Sustainable product innovation

- Project and portfolio management
- Compliant product lifecycle management
- Asset management
- Environmental, health, and safety

Manufacturing and logistics

- Operational procurement and inbound logistics for direct material
- Responsive manufacturing
- Outbound logistics

Responsive supply networks

- Sales, inventory, and operations planning
- Demand management and insights
- Transportation management
- Warehouse management
- Logistics networks

Marketing, sales, and aftermarket

- "In the moment" marketing
- Empowerment of sales to sell more
- Omnichannel commerce customer service excellence

Smart mobility and transportation

- Mobility as a service
- Intelligent transportation systems

Sustainable Product Innovation

Typical challenges

- Inability to bring selected ideas and concepts to market in a timely manner, resulting in low brand equity and stagnant growth
- Lack of success in planning and managing engineering change for vehicles, leading to high downstream costs
- Failure to identify reasons and/or reduce unsuccessful vehicle and product initiatives
- Ineffective management of collaborative work and new requirements
- Loss of information along the end-to-end process, making it challenging to enable seamless manufacturing and service
- Inability to get vehicle costs under control
- Complex and costly configuration modeling

Current state with ERP

- Management and linking of product-related documents to ERP vehicle and master data throughout the end-to-end process
- Context-sensitive analytics
- Ability to release engineering changes for a unique VIN or lot number and release date
- Collaboration management through e-mail
- Unmanaged requirements
- Enablement of BOM and routing management
- Visual handover to manufacturing, supporting BOM, routing, and visual work instructions
- Support for manual effort to do simple costing estimates
- Handling of variant configuration through the complete business process (engineering, sales and distribution, planning, and so on)

Capabilities of SAP S/4HANA

- Searchable development history of vehicles, increasing reuse
- Less time and investment in development efforts that go nowhere
- Increased profitability from executing engineering changes on vehicles with full knowledge of downstream costs
- Instant transparency on live data with enhanced context-sensitive analytics
- SAP Fiori app maintaining multiple BOMs with an intuitive, easy-to-personalize user interface and enhanced analytics capabilities
- Compatibility assurance between parts of the vehicle, the vehicle, and the ecosystem
- New, optimized configuration engine in SAP HANA® business data platform
- New simulation environment with efficient user experience

Capabilities of cloud-based LoBs and SAP Leonardo

- Efficient definition, structuring, and management of customer requirements in a requirement-driven vehicle
- Product development environment with SAP S/4HANA Cloud solution for intelligent product design
- Traceability and impact analysis of requirements to fully understand implications of requirement changes
- Collaboration on vehicle and product data within and outside the organization
- Document-based collaboration enabled by SAP 3D Visual Enterprise applications
- Integration capabilities of document management with intelligent product design
- Requirement-driven engineering and live cockpit through intelligent product design and SAP Cloud Platform

Business Benefits

- Increased revenue from new products
- Reduced engineering change cost
- Faster time to market
- Improved margins
- Fewer project cost overruns
- Accelerated product development across the extended enterprise
- Product development based on requirements
- Less manual rework in manufacturing
- Ability to meet target costs matched to real customer needs

Manufacturing and Logistics

Typical challenges

- Lengthy and overnight batch runs – resulting in planning inefficiencies
- Cumbersome and time-consuming analysis of planning situation
- Trouble getting an end-to-end view of quality
- Difficulty changing a local or departmental quality management focus to a company-wide (and later to a supply chain) focus
- Inability to manage a "lot size of one" in a cost- effective manner
- Interrupted material flow resulting in inefficient operations

Current state with ERP

- Planning runs at predefined times using data that first must be consolidated from various systems
- Separate manufacturing planning processes available in planning and ERP systems
- Quality management– relevant functions that are integrated with the supply chain, covering the areas of quality engineering, quality inspection, and quality improvement
- Support for variant configuration and make-to-order scenarios using SAP Business Suite software
- Support for just-in-time production with Kanban, just-in-time inbound, and just-in-time outbound material flow

Capabilities of SAP S/4HANA

- Single run supporting both detailed scheduling and MRP, with no coordination of runs required between finite and infinite planning
- Optimized material flow by harmonizing requirements to the production schedule together with the supplier – for example, grouping purchase orders to ensure only full truckload shipments
- Constraint-based planning (capacity and resource) using various heuristics and optimizers to generate a precise production plan by bringing production planning and detailed scheduling in SAP S/4HANA
- Quality management capabilities, enabling an integrated and simplified solution
- Change impact analysis and change record apps, allowing for more efficient integration between engineering and manufacturing

Capabilities of cloud-based LoBs and SAP Leonardo

- Demand-driven planning alignment through integration with the SAP Integrated Business Planning solution
- Enhanced quality technician and engineering overview pages with analytical information
- Stock transfers and quantity splits enabled during usage decision-making
- Enablement of end-to-end process integration from sales order to shop floor using the SAP Manufacturing Execution application in combination with SAP S/4HANA
- Machine orchestration
- Data collection
- Nonconformance management
- Touch and mobile user interface

Business Benefits

- Faster manufacturing cycle time
- Improved manufacturing planning function efficiency
- Lower revenue loss due to fulfillment issues
- Reduced total manufacturing costs
- Increased on-time delivery performance
- Less revenue loss due to quality and compliance issues
- Reduced scrap and rework
- New revenue potential enabled through individualized products or new business models
- More streamlined and efficient hand-over process

Responsive Supply Networks

Typical challenges

- Inability to include real-time, changing demands in the planning run leads to outdated and inaccurate planning
- Missing visibility and control of material movements across the network
- Batch-based processes and lack of real-time monitoring, resulting in poor on-time delivery performance
- Pressure to manage increasingly complex, multimodal, global transportation needs on a single platform
- Lack of end-to-end visibility with electronic track and trace capabilities

Current state with ERP

- Basic demand planning features, with limited ability to sense or predict short-term demand based on a growing number of demand signals
- Visibility of overall progress across system boundaries
- Ability to achieve overview of the material flow messaging interface between ERP and the extended warehouse management application
- Limited capabilities in cross-docking, labor management, and quality management
- Limited optimization possibilities
- No planning combining inbound and outbound movements
- Planning based on deliveries
- No transportation capacity planning
- No preconfigured event-tracking capabilities

Capabilities of SAP S/4HANA

- Real-time order management platform for omnichannel demand management
- Visibility of changes in demand without waiting for lengthy batch processes
- Prioritization of orders and tight integration with supply and fulfillment
- Single warehousing platform for all warehousing operations, including optimization, automation, and labor management
- Single platform enabled with the SAP Extended Warehouse Management (SAP EWM) application embedded in SAP S/4HANA
- Single platform for the SAP Transportation Management application, with basic and advanced shipping functionality and real-time analytics, embedded in SAP S/4HANA
- Process transparency and collaboration with partners to identify and address issues with in-transit tracking

Capabilities of cloud-based LoBs and SAP Leonardo

- Enablement of both demand-sensing algorithms for short-term prediction and advanced statistical forecasting methods for forecasts for medium to long-term demand using SAP Integrated Business Planning
- Product lifecycle management tools used for statistical forecasts on new products
- SAP EWM deployed as a stand-alone application for high-volume and highly automated warehouses
- SAP Transportation Management used as a stand-alone application for complex transportation requirements
- Insights into transportation execution, timely execution of critical business processes, and goods and assets tracked in transit with the SAP Global Track and Trace solution

Business Benefits

- More-accurate forecasts
- Lower cost of demand planning and forecasting
- Lower total cost of logistics
- Reduced warehouse operating cost
- Increased inventory accuracy
- Improved lead time for order fulfillment
- Lower TCO through landscape simplification
- Reduced transportation management costs

Marketing, Sales, and Aftermarket

Typical challenges

- Slow resolution of order fulfillment issues
- Risk of delayed delivery due to lack of visibility into the order management process
- Lack of immediate transparency in order-to-cash process performance, making performance hard to monitor
- Complexity of user interfaces, which challenges casual users and may cause them to miss simplified search capabilities, leading to lengthy up-skilling
- Difficulty for user to manage the selling of low-availability products
- Complex handling of rebate processing

Current state with ERP

- Employee checks of multiple reports to get a holistic view of all process-related issues (typically requiring batch processing)
- Lack of system tracking for previous communications and decisions
- Traditional ERP systems that do not provide embedded analytics to monitor sales process performance
- Monitoring order-to-cash process performance requiring a separate BI system, replication of operational data (with long lead times), and setup of a front-end reporting tool
- Traditional ERP systems lacking modern search technologies
- Traditional ERP systems supporting only simple available-to-promise (ATP) capabilities; for comprehensive ATP capabilities, an additional global ATP solution is needed

Capabilities of SAP S/4HANA

- New sales order fulfillment monitor providing a prioritized list with key characteristics of outstanding sales orders based on real-time information
- SAP S/4HANA providing relevant insights and collaboration features for internal sales professionals
- Embedded order-to-cash process performance monitor, delivering predefined performance key performance indicator (KPI) overviews, based on real-time transactional data
- A flexible analytics framework for embedded analytics with SAP S/4HANA, allowing sales managers to quickly identify performance trends
- Advanced ATP simplified for users, with new strategies for back-order processing, support for high volume, and confirmation of business priority

Capabilities of cloud-based LoBs and SAP Leonardo

- SAP C/4HANA suite comprising five cloud solution portfolios
- SAP Sales Cloud portfolio providing transparency to sales professionals considering all relevant customer information
- SAP Commerce Cloud portfolio providing consumer-grade customer experience through one-stop shop capabilities
- SAP Marketing Cloud portfolio enabling event-driven, contextual, and relevant customer messaging
- SAP Customer Data Cloud portfolio helping ensure compliance and consistent customer data across all customer touch points
- SAP Leonardo automating sales and marketing processes for increased productivity and customer satisfaction

Business Benefits

- Increased on-time delivery performance
- Lower costs of sales and sales training
- Improved order management and productivity of FTEs
- Reduced order-to-cash costs
- Increased performance efficiency
- Greater sales quotation productivity
- Reduced revenue loss by faster onboarding
- More sales transactions
- Intuitive, intelligent demand classification of back orders, reducing sales order lead times
- Increased productivity of rebates receivables and claims processing FTEs
- Fewer overpayments of sales rebate

Smart Mobility and Transportation

Typical challenges

- Need for support of new business and monetization models
- Inability to combine billing for physical goods, services, and externally generated billing data on a single invoice
- Inability to collect high-volume usage across service platforms when monitoring new business models, leading to inaccurate billing and customer dissatisfaction
- Missing Big Data from connected vehicles needed to enable mobility service solutions
- Need for Integration of cross-industry players in the ecosystem and creation of an open industry business network

Current state with ERP

- Ability to capture external billing data using traditional ERP, but inability to combine this with sales data in one invoice
- Lack of overall visibility of the vehicle and parts lifecycle
- No network for vehicle data
- Inability of software management to be fully embedded

Capabilities of SAP S/4HANA

- SAP S/4HANA solution for billing and revenue innovation management, allowing companies to generate a single invoice from SAP S/4HANA that combines goods, services, and external data
- Scalable, service-agnostic billing engine, supporting a high volume of subscriptions and usage based on any type of events or usage criteria, and combined with SAP Fiori apps for better operational efficiency
- Feedback loop enabled in internal business processes
- Vehicle network available for connecting digital products in the field
- Support for performance-based services and products as a service
- Monitoring of remote conditions and performance
- Support for predictive services

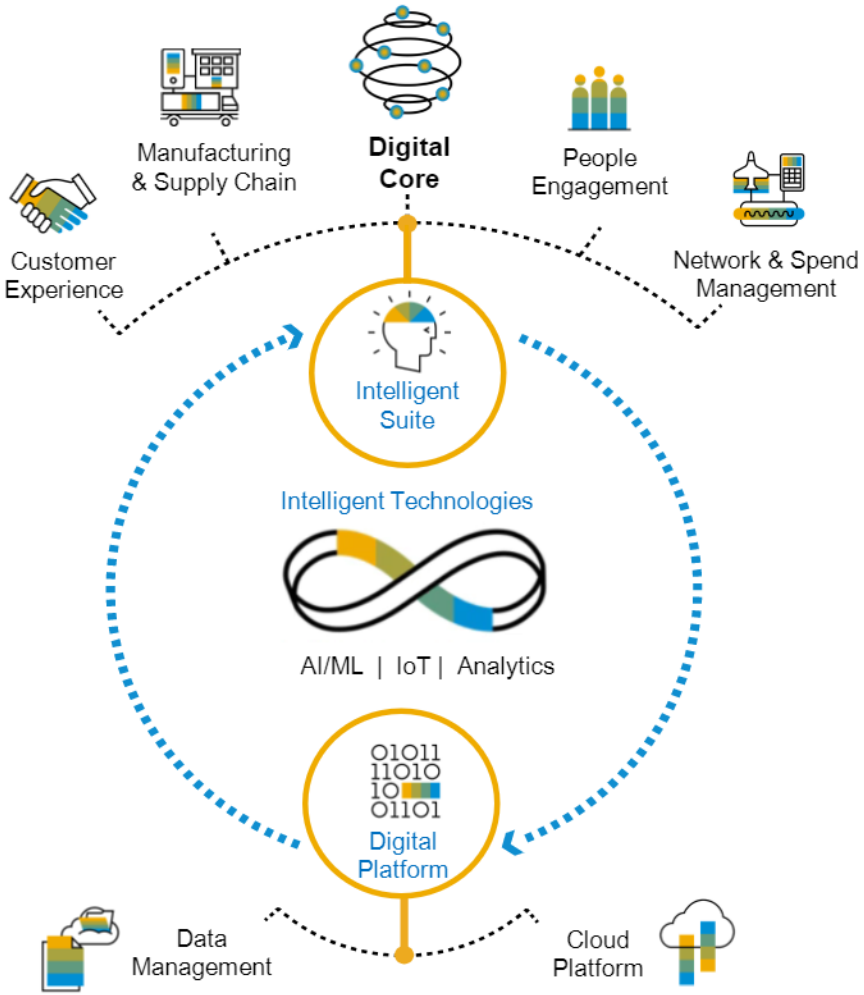
Capabilities of cloud-based LoBs and SAP Leonardo

- Support for the SAP C/4HANA suite, including the SAP Sales Cloud portfolio with the SAP CPQ solution
- Subscription billing with billing and invoicing in SAP S/4HANA supporting flexible business model innovation, quote management, and billing
- Scalable, easy-to-deploy, multitenant platform for subscription billing and revenue management
- SAP Leonardo IoT accelerator package for SAP Vehicle Insights using IoT and analytics for fleet monitoring
- Event-driven, contextual, and relevant customer messaging enabled with the SAP Marketing Cloud portfolio in SAP C/4HANA
- SAP Customer Data Cloud helping ensure consistent customer data across all customer touch points, and compliance

Business Benefits

- Extension of traditional business models with digital product
- Increased customer satisfaction
- Reduced revenue loss due to underbilling
- Lower operating costs
- Increased revenue due to new services

SAP Strategy – Deliver the Intelligent Enterprise



Intelligent ERP is the digital core of an intelligent enterprise

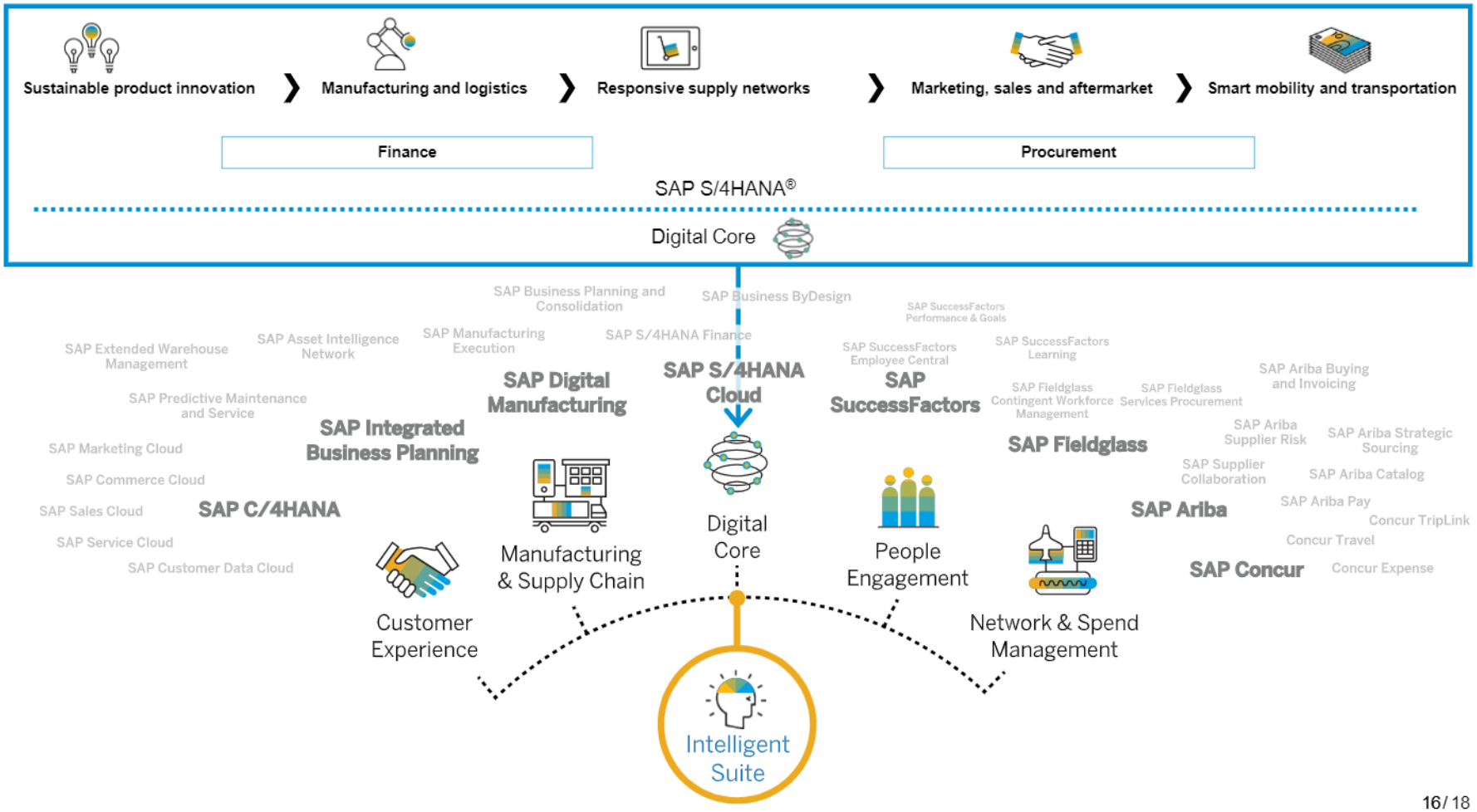
An intelligent enterprise can be continuously enhanced and extended with business services and applications built on a digital platform to create transformative business value.

Automotive organizations that have big innovation appetites or prefer to be early adopters have already begun this journey.

Portfolio of SAP Solutions for Automotive

An end-to-end intelligent enterprise for automotive

To achieve an intelligent enterprise, employees must be enabled to focus on higher-value outcomes and to invent new business models and revenue streams. Automotive companies must apply intelligent technologies – such as IoT, artificial intelligence (AI), machine learning, and advanced analytics – to help them transform into event-driven businesses. Event-driven businesses automate repetitive tasks, monetize data-driven capabilities, and apply core competencies in new ways. SAP S/4HANA provides the digital core for successfully running an automotive business along the entire value chain.

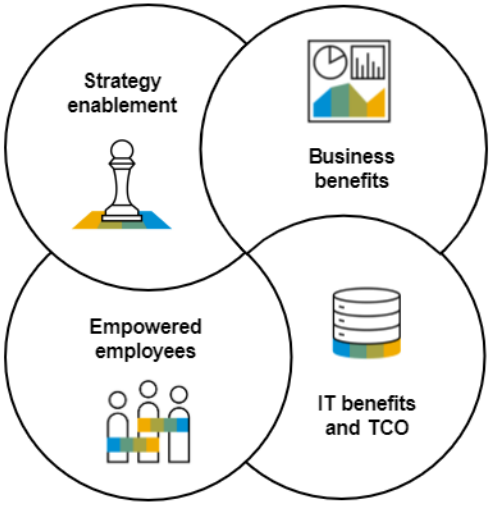


The Value of SAP S/4HANA for Automotive Companies

SAP S/4HANA provides automotive companies with a proven framework to adopt industry next practices while attaining operational excellence across the full value chain.

Strategy enablement

- Accelerate creation of new business models
- Enter new markets and industries
- Accelerate synergy for mergers and acquisitions
- Run live (SAP Digital Boardroom)
- Reorganize on the fly
- Achieve greater speed and agility
- Run simply (master complexity)
- Manage risk and ensure compliance



Business benefits*

- 10%–15% reduction in order-fulfillment lead time
- Up to15% reduction in revenue loss due to stock-outs
- 25%–30% reduction in inventory levels
- Up to 10% reduction in total manufacturing costs
- 5x–25x increase in material posting throughput
- 10%–30% increase in on-time delivery
- 10%–20% increase in customer satisfaction

Empowered employees

- Higher productivity with a new, role-based way of working with a responsive, intuitive SAP Fiori user experience on all devices
- Role-driven, user-centric processes and self-service business intelligence for user empowerment
- Actionable insights on unified, real-time data and processes with built-in system suggestions for decision support

IT benefits and TCO

- Reduced data footprint
- Merging of OLAP and OLTP
- Elimination of many desktop clients
- Lower testing costs
- Simplified landscapes
- Native integration

*Benefits are based on results from early adopters of SAP S/4HANA or are conservative outside-in estimates of the benefits of moving from a traditional ERP system to enhanced SAP S/4HANA with line-of-business and cloud capabilities. As each enterprise is at a different level of maturity, our recommendation is that you work with SAP to determine the value proposition for your enterprise.

Customers Are Achieving Value from SAP Solutions

Daimler

Industry
Automotive

SAP Solution
SAP S/4HANA

Customer Web site
www.daimler.com/en

Click here to watch the customer testimonial video.

Lead the market with the latest innovations while creating a sustainable, flexible, and agile IT environment. Look how Daimler AG is deploying a next-generation global order and supply solution with SAP S/4HANA to remain competitive and deliver key capabilities successfully to its business and its valued customers.

"Breakthrough business value in business processes must be applied across the entire value chain versus just embedding intelligence in siloed line of business applications. This is the basis for innovation and speed."

Dr. Marco Spohn, Daimler AG

Karma Automotive

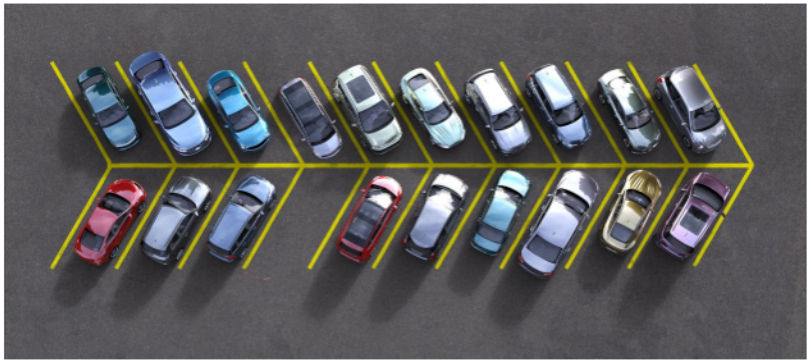
Industry
Automotive

SAP Solution
SAP S/4HANA

Customer Web site
www.karmaautomotive.com

Click here to read the business transformation study.

As a startup, Karma Automotive faced significant challenges in implementing a single system that would meet rigorous requirements at every level of the value chain. The company quickly resolved those obstacles by implementing SAP S/4HANA. By adding a mix of cloud solutions to this new digital core, Karma was ready to bring the business closer to existing and potential customers.



"From order through delivery, we have one system of record, one version of the truth, and one platform to ensure 100% customer satisfaction."

Mikael Elley, Vice President and CIO, Karma Automotive

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