Business Process Improvement in a nutshell
Your navigation help to success

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Why Business Process Improvement

Value realization & tracking

You want to reduce costs and improve business / value drivers. Hence you bought standard software.

To gain the full value of the software you have to ensure that your master data and configuration reflects reality and allows a high degree of process automation. You also need well-trained end users that know how to use the software best and do not bypass or undermine defined processes. Process harmonization and standardization is recommended as well.

Use the Business Process Improvement service & tools to improve the above mentioned influencing factors and support your value realization.
Business Process Improvement for SAP solutions
More than just a(neighbor) tool

Business Process Improvement for SAP solutions is a **service offering** that

- Provides an initial **analysis** of an SAP BusinessSuite or SAP S/4HANA system,
- Activates different **SAP Solution Manager tools** with **out-of-the-box key figure content**,
- Applies **best practice knowledge**

in order to achieve **tangible improvement results** that could be business and/or IT driven.
Goals  Business Process Improvement for SAP solutions
Value of SAP solution: Potential vs Realization (1/2)

No complaints: ‘As is’ considered as normal/optimal even if it is not

Illustrative typical 90% customer case

Potential value of SAP solution

Realized value of SAP solution

The gap typically widens over time

New innovations shipped by SAP

Value in %

120

110

100

90

80

Year

1 2 3 4 5
Business Process Improvement can address highlighted degradations

Illustrative typical 90% customer case
Value of SAP solution: S/4 HANA transition
Supporting different target groups during different phases of transition

Support foundation for digital transition
- Improving (transactional) data quality to support
  Fast Closing
  MRP Planning
  Inventory Optimization
- Support clean-up activities for old & obsolete business data / prepare archiving

Reduce Complexity
- Identification of customers, materials, vendors, etc. with no / low activity
- Support standardization / harmonization projects
- Identification of incorrect / not ideal application configuration
- Identification of inactive organizational units or document types

Optimization of Business / Value Driver
(e.g. DSO, DPO, DII, Fast Close, Reduce costs for purchasing, finance or manufacturing, improve Supply Chain Planning accuracy)

Reduce TCO
- Increase business process efficiency by reducing manual rework and reprocessing
- Increase degree of business process automation
- Improve throughput & performance

Timeline
Plan & Build
GoLive
Run
Tools

Business Process Improvement Suite in SAP Solution Manager
Business Process Improvement Suite with SAP Solution Manager 7.2
Tool overview and target groups

1. **Level 1**
   - **Manager**
   - BPO Dashboards
     - Web Dynpro
   - Dependency Diagrams
     - SAP UI5
   - Progress Management Board
     - SAP UI5

2. **Level 2**
   - **Process Expert**
   - BP Analytics
     - Web Dynpro
   - BP Analytics
     - SAP UI5

3. **Level 3**
   - **Process Expert**
   - Detail List
     - SAP GUI
   - Detail List
     - SAP UI5

4. **Level 4**
   - **Process Expert**
   - Display Document
     - SAP GUI
Business Process Operations Dashboards
Example: Head of Finance

Dynamic rating tables provide tabular view with
1. Trending over time
2. Individual rating per characteristic (e.g. organizational unit)
3. Switch between count and monetary value
4. Drilldown into detail/child panels
5. Usage of virtual characteristics (e.g. grouping in regions, markets)
6. Integration with Business Process Analytics & jump into detailed result list
Dependency Diagram
Example: Perfect Order Fulfillment / On-time In-full

- Visualize dependencies between different key figures, KPIs and PPIs
- Default data source is Business Process Analytics, but also other data sources can be used, e.g. business SAP BW via BEx Query
Progress Management Board (1/2)
Example: Perfect Order Fulfillment / On-time In-full

Track the organizational progress per key figure
Progress Management Board (2/2)

Example: Perfect Order Fulfillment / On-time In-full

Track the progress per key figure system fact based
Business Process Analytics

Identify root causes for a key figure
Methodology  How to best utilize Business Process Analytics as a root cause analysis tool
Applied Business Process Improvement

Delivery approach

1. Select high-level goal, business/value driver as focus area based on initial analysis

2. Apply Business Process Improvement methodology per area
   - Control & track via Dashboards
   - Align & implement action items for sustainable improvement
   - Select & define Best Practice key figures & KPI trees
   - Activate & measure via Business Process Analytics
   - Analyze via Business Process Analytics

3. Track progress & value realization centrally across business KPIs, PPIs via Progress Management Board

4. Bundled in one or several work streams within a Business Process Improvement program / initiative with respective roadmap
Content  Nearly 1,000 out-of-the-box key figures for the entire SAP Business Suite and SAP S/4 HANA
# Key Figure Overview (1/2)

Types of key figures and their respective use cases

<table>
<thead>
<tr>
<th>Measure</th>
<th>Type</th>
<th>Use Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Throughput</strong></td>
<td>No. of documents/items posted in time frame</td>
<td>• Go-Live support/hypercare</td>
</tr>
<tr>
<td><strong>Backlog</strong></td>
<td>No. of documents/items not completely processed until expected date</td>
<td>• Go-Live support/Process excellence/improvements/Process compliance/audits/Data archiving support/Migration prep.</td>
</tr>
<tr>
<td><strong>Exception</strong></td>
<td>No. of error messages (incl. msg. texts) raised in selected time frame</td>
<td>• Integration tests/Go-Live support/Process excellence/improvements/Process compliance/audits/Root cause analysis</td>
</tr>
<tr>
<td><strong>Lead Time</strong></td>
<td>Avg. processing time for completed process instances</td>
<td>• Process excellence/improvements/Go-Live support/Process efficiency increase/process cost reduction/Process harmonization/standardization</td>
</tr>
<tr>
<td><strong>Automation rate</strong></td>
<td>How many documents were processed manually vs. automatically</td>
<td>• Go-Live support/Process efficiency increase/process cost reduction/Process harmonization/standardization</td>
</tr>
</tbody>
</table>
## Key Figure Overview (2/2)
Types of key figures and their respective use cases

<table>
<thead>
<tr>
<th>Measure</th>
<th>Usage</th>
<th>Changes</th>
<th>Configuration check</th>
<th>Process progress</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Configuration / master data not (much) used</td>
<td>All (dialog) changes per master data / business document</td>
<td>„Wrong“ configuration typically leading to performance problems</td>
<td>Process progress &amp; leakages within given timeframe</td>
</tr>
</tbody>
</table>

### Use Cases
- Use better
- Reduce complexity
- Process harmonization / standardization
- Process excellence / improvements
- Process efficiency increase / process cost reduction
- Reduce complexity
- Integration tests
- Go-Live support
- Run better
- Process excellence / improvements
- Process efficiency increase / process cost reduction
Process Progress content delivered with ST-A/PI 01T SP 2 & 3

**Sales**
- Sales order item creation to outb. delivery item
- Sales order item creation to SD invoice item
- Sales order item creation to FI-AR clearing
- 3rd party sales order item to SD invoice item
- Sales order items (via purchase to order) to SD invoice item
- Sales order items (via make to order) to SD invoice item
- ICo Sales order item creation to ICo billing document

**Procurement**
- Purchase order item creation to GR/IR clearing
- Purchase order item creation to invoice receipt
- Purchase order item creation (with approval) to IR
- Purch. order item creation (w. approval & conf.control) to IR

**Replenishment**
- Stock transport order items creation (w/o delivery) to GR
- Stock transport order items creation (with delivery) to GR
- Cross-company STO item creation to FI-AR clearing

**Manufacturing**
- Production order creation to technical completion
- Process order creation to technical completion
- PM/CS orders creation to status 'closed'
Business Process Analytics with Process Progress Key Figure

Example: From sales order item creation to FI-AR clearing

One process progress key figure allows tracking an entire pre-defined business process and indicating where improvement areas exist.

One can filter dynamically per organizational unit, material, customer, vendor or single document where applicable.
Key Figure Overview
KPI Catalog in the Cloud

https://go.support.sap.com/kpicatalog
The service offering **Business Process Improvement** for SAP solutions
Delivery approach based on initial analyses
From scoping to continuous improvement

1. Customer challenge and respective objective is known (and specified) or identified via initial analysis results (self-service or expert analysis) – this can come in many forms:

   - Customer builds on initial analysis results by starting a **SAP Business Process Improvement** (#9503133) initiative to achieve their objective (business/IT driven) – either in a pre-defined format or tailor-made:

   - Business Process Automation Check
   - SAP S/4HANA Preparation: Data Quality Pre-Check
   - Business Process Improvement (tailored/individually scoped initiative)
Migrate only transactional data that is really required in the new solution. SAP’s experience shows that customers may be migrating far too much data, including open but old business documents. This service helps to identify these documents and provides recommendations on how to close them to save migration effort and hardware costs (memory). In addition, the transition to SAP S/4HANA provides the opportunity to leave unused master and configuration data behind and hence reduce system and business process complexity.

Overview
- The Business Process Improvement tools in SAP Solution Manager will be activated for selected transactional backlog & master data usage key figure content by SAP to provide transparency on as-is measurements & root cause analysis (RCA) functionalities.
- In a series of joint remote & onsite sessions, the proven best-practice methodology will be applied to achieve tangible improvement results, which can be business and/or IT driven.
- Effort: 12 service days #9503133

Tools & Content
- Activation of key figures for Business Process Analytics:
  - Transactional backlog:
    - Overdue sales schedule line items / outbound deliveries (for GL) / delivery & SO items items (for billing)
    - Open & overdue PR/PO items / inbound deliveries (for GR)
    - Open & overdue FI-AR/FI-AP items
    - Production/process/PM orders overdue for deletion flag
    - Open FI-GL items
  - Master data usage:
    - Sales document type usage
    - Order type usage in production/process/PM orders
    - Customer (vendor) master usage in SD invoices (purchasing documents)
- Dependency Diagrams for both transactional & master data
- Dashboard visualized by trend per calendar week & Progress Management Board for transactional data

Interaction
- Kick-off session to outline the steps & preparation
- Remote on-demand support with preparation & authorizations
- 3-day onsite workshop including RCA & recommendation of best-practice action items (can optionally be done remote)
- 2 remote follow-up sessions to safeguard customer adoption

Prerequisites
- SAP Value Assurance, SAP MaxAttention, SAP ActiveAttention
- SAP ERP or SAP S/4HANA with ST-A/PI 01T SP2 or higher
- SAP Solution Manager ST7.2 SP08 or higher
- Implementation (incl. manual steps) of SAP notes 2811411 & 2424585
Increase the degree of automation in business processes (especially for no value-adding, repetitive tasks) to reduce process and overhead costs. As part of the service, recommendations are given on how to improve the degree of automation with already existing capabilities. Where applicable, new SAP S/4HANA innovations like robotic process automation or machine learning capabilities from SAP might be brought to attention.

Business Process Automation Check
Provide transparency about current automation rates and processed document volumes

**Overview**
- The Business Process Improvement tools in SAP Solution Manager will be activated for selected automation & throughput key figure content by SAP to provide transparency on as-is measurements & root cause analysis (RCA) functionalities.
- In a series of joint remote & onsite sessions, the proven best-practice methodology will be applied to achieve tangible improvement results, which can be business and/or IT driven.
- Effort: 12 service days #9503133

**Tools & Content**
- Activation of key figures for Business Process Analytics:
  - Outbound deliveries created / automation
  - Sales invoices created / automation (sales billing documents posted to accounting)
  - Purchase requisition items created / automation
  - Purchase order items created / automation
  - Production/process orders created / automation
  - Automation: vendor/customer payments
  - Automation: FI-GL clearing
- Dashboard visualized by trend per calendar week
- Progress Management Board for automation key figures

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Thank you.