Designing IT for Business Innovation

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Enterprise SOA Delivered, Mass Adoption Underway

“Expect 75% of customers in upgrade by mid-2008.”

“Over 53% view SAP NetWeaver as their strategic platform by 2010.”

SAP ERP 6.0 Adoption

- Apr’06: 225
- Mar’07: 2,574
- 2000+ new productive systems in the last year

SAP NetWeaver Platform Adoption

- Apr’06: 5,881
- Mar’07: 13,068
- 7000+ new productive systems in the last year
Open Integration Platform for Heterogeneous Landscapes

- 8,500+ productive customers using SAP NetWeaver to integrate non-SAP
- Richest integration of SAP ERP with PeopleSoft HR, Siebel CRM

The only platform that brings .NET and Java together

- Standards Leadership: UN/CEFACT, JEE5, BPEL4People, WS*…
From Operational Efficiency to Competitive Differentiation

Operational Efficiency

Business Process Reengineering + ERP

1990s

Competitive Differentiation

Business Network Transformation + Business Process Platform

2000s

2010s
Business Network has become the primary source of new differentiation
## The Business Value of a Business Process Platform

### Best Practice Examples of IT Providing Value to the Business

<table>
<thead>
<tr>
<th>Business Network Transformation Initiatives</th>
<th>Company</th>
<th>Business Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost containment</td>
<td>GISA®</td>
<td>Reduced days outstanding</td>
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<td>Compliance</td>
<td>e-on</td>
<td>5 years ahead of mandate</td>
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<tr>
<td>Mergers and acquisitions</td>
<td>VALERO</td>
<td>Post-merger Integration in 2-8 months</td>
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<tr>
<td>Managing relationships</td>
<td>Ministry van Verkeer en Waterstaat</td>
<td>7x growth in permits / year</td>
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<tr>
<td>Business process innovation</td>
<td>Endress+Hauser</td>
<td>Grow 2x industry average</td>
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<tr>
<td>New products or services</td>
<td>Kimberly-Clark</td>
<td>50% less time to market</td>
</tr>
<tr>
<td>New markets and channels</td>
<td>Hubert Burda Media</td>
<td>Reduced costs and found alternate revenue source</td>
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</tbody>
</table>

SAP survey with 175 customers
The IT Value of a Business Process Platform

**Optimized IT**
- **Align** business strategy with IT execution
- **Consolidate** on a single **ecosystem** of solutions based on a common platform

**Empowered Users**
- **Best practice** business processes across 26 industry solutions
- Delivered in the right **User context**

**Trusted Information**
- **Harmonization** of information across business processes
- Built-in **analytics** for performance and governance

**Adaptable Processes**
- **Pre-integrated** with standard processes
- **Composition / BPM** by using **productized** service-oriented business process steps
Natively Integrated Industry Processes on 1 Open Platform

Elevating SOA into a Common Language of Business: Ready-to-Run, Co-Defined Enterprise Services, e.g. Cancel Order

"Cancel Order"

- Rollback inventory
- Notify Suppliers
- Cancel Shipment
- Cancel Invoicing
- Adjust Planning
- Send Notification
- Delete from database
Natively Integrated Industry Processes on 1 Open Platform

Composite applications orchestrate Enterprise Services into new processes for continuous innovation.

One open platform to build, run and integrate process components for lower TCO.

Open repository of Enterprise Service Definitions for expandability.

Configurable, industry-specific best practices accessible through Enterprise Services for standardization and efficiency.
Natively Integrated Industry Processes on 1 Open Platform

Example: Retailer Offers Branded Financial Services (Store Credit Card)
What are we delivering with SAP NetWeaver in 2007

Lots of innovation in the platform coming your way!

Empowered Users
- Web 2.0
- Collaborative Portal, Business Client
- Mobile & Voice

Adaptable Processes
- Standards: Java EE 5 and WS-*
- ES Messaging, BPM, Events & BAM
- Productivity and Performance

Trusted Information
- Blended BI & Enterprise Search
- Information Integration & Federation
- Information Quality and Security
- Performance & Automated Syndication (MDM)

Optimize IT
- ES Repository for SOA Governance
- SOA Testing, Acceleration and Optimization
- Simplified IT landscape management
Faster Innovation Without Disruption for ERP

2006/2007

Enhancement Packages based evolution pioneered by ERP

Composite Applications

Business innovation with enterprise service bundles

- Easy-to-consume
- Implementation in less than two weeks

ERP

SAP NetWeaver

Enterprise SOA by Evolution

EhP = Enhancement Packages
Faster Innovation Without Disruption for the Business Suite

2006/2007
Enhancement Packages
based evolution
pioneered by ERP

2007/2008
Enhancement Packages
based evolution
extended to the Suite

Composite Applications

- New composition environment
- SAP Business Suite based on SAP NetWeaver
  - Service-enabled
  - Stable core
  - Switch framework

ERP

SAP NetWeaver

Enterprise SOA by Evolution

EhP = Enhancement Packages
Bundles of Enterprise Services
Mid-Year Shipment 2007 – PREVIEW*

Order to Cash
- Customer Fact Sheet v2
- Electronic Bill Presentment and Payment v2
- Order to Cash
- Bank Relationship Management
- External cash desk

Hire to Retire
- Absence Employee Time Request (Duet)
- Benefits and Compensation (Duet)
- Organizational Management (Duet)
- Personnel Admin. (Duet)
- Travel Management

Manufacturing
- Batch Traceability & Analytics
- Integration of MES v2
- Integration of Quality Management Systems v2

Mid-Year Shipments 2007

Logistics Execution
- Inventory Lookup
- Radio Frequency Identification Processes (SCM)
- Handling of Business Events (SCM)
- Yard and Storage Mngt (SCM)
- Customer Collaboration for the Supply Chain (SCM)
- Supply Network and Production Planning Processes (SCM)

EAM
- Asset Configuration
- Maintenance Processing
- Maintenance Service Collaboration

Service for Customer
- Customer Service Execution
- Internal Service Request (Duet)
- Advanced Meter Infrastructure (Utilities)

Trading Industries
- Trade & Commodity Management
- Demand Management v2

Idea to Product
- Technical Document Management Connectivity v2

Preview them** in www.sdn.sap.com ➔ Enterprise SOA ➔ Explore Enterprise Services (➔ ES Workplace / ➔ ES Wiki)

*Disclaimer: SAP reserves the right to change the ES bundles listed without prior notice.
**Some of the bundles listed on this page can be previewed in the ES Wiki.
<table>
<thead>
<tr>
<th>Bundles of Enterprise Services</th>
<th>End-Year Shipment 2007 – PREVIEW*</th>
</tr>
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<tbody>
<tr>
<td><strong>Order to Cash</strong></td>
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<tr>
<td>■ Order to Cash v2 (incl. B2B)</td>
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<tr>
<td>■ Quote to Order for configured Products</td>
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<tr>
<td>■ Financial Shared Service Center – Intercompany Processing</td>
<td></td>
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<td>■ Real Estate Reservation</td>
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<td><strong>Public Sector</strong></td>
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<td>■ Public Sector Budget Management</td>
<td></td>
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<td>■ Reserve and Commit Budget</td>
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<td>■ Multi-channel tax &amp; revenue management</td>
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<td><strong>End-Year Shipments 2007</strong></td>
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<td><img src="image1.png" alt="Image" /></td>
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<tr>
<td><strong>Banking &amp; Insurance</strong></td>
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<td>■ Accounting Integration</td>
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<td>■ Collection &amp; Disbursement for Insurance</td>
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<td>■ Credentials (ICM) for Insurance</td>
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<tr>
<td>■ FS Business Partner Maintenance v2</td>
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<td>■ Insurance Claims Management v2</td>
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<td>■ ISV Claims Management Software with Analytical Banking</td>
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<td>■ Loans Management Bus. Operations v2</td>
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<tr>
<td><strong>Manufacturing</strong></td>
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<td>■ Batch Traceability &amp; Analytics v2</td>
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<td><strong>Healthcare</strong></td>
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<td>■ Patient Administration</td>
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<td>■ Resource Planning and Scheduling</td>
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<tr>
<td>■ Med. Activities, Patient Billing &amp; Invoice</td>
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<tr>
<td>■ Medical Documentation and Coding</td>
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<td>■ Medication and Materials Management</td>
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<td>■ Collaborative Health Network</td>
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<td>■ Supply Chain Healthcare Providers</td>
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<td><strong>Enterprise Asset Mgmnt</strong></td>
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<td>■ Asset Configuration v2</td>
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<td>■ Maintenance Processing v2</td>
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<td>■ Maintenance Service Collaboration v2</td>
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<td>■ Project System</td>
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<td><strong>Trade to Retire</strong></td>
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<td>■ HCM Master Data</td>
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<td>■ HCM Time Management</td>
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<td>■ HCM Learning Solution</td>
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<td><strong>Service for Customer</strong></td>
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<td>■ Customer Service Execution v2</td>
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<td><strong>And more ....</strong></td>
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<td>■ Advertising Management (Media)</td>
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<td>■ Compliance relevant data exchange – eLogbook (Defense)</td>
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<td>■ Information Integr. Systems (GIS) (Defense)</td>
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<td>■ Environment Health and Safety (EH&amp;S) Services</td>
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<td>■ Integration of Learning Management Systems</td>
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<td>■ Subscription Management (Media)</td>
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</tbody>
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* Disclaimer: As the roll-in for the winter edition is not completely finalized, the list of enterprise service bundles shown here is subject to change by SAP without prior notice. Not all Scenarios and Industries are listed here.  

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Leveraging Enterprise SOA to Deliver Continuous Innovation

2006
BPP-based SAP ERP launched
SAP ERP innovation without disruption

2007
BPP-based SAP Business Suite launched

2008
SAP Business Suite innovation without disruption

2009
New application components become available

... 2012
5-1-2 maintenance (includes SAP ERP)

Enterprise SOA Established
Continuous Innovation Without Business Disruption
Tradition of Co-Operation and Co-Innovation

Expand Our Business Network Along Three Dimensions

User Groups

Communities of Innovation

Partners

SAP PartnerEdge

SAP Solution Extensions

Endorsed Business Solutions

Technology Partners

SAP User Groups

SAP Community

SAP Developer Network

ASUG

CWG

SAUG

JSUG

Business Process Expert Community

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Getting Ready for Business Network Transformation

Together we can manage this transition much smarter

► Think big, start small
► Don't under-estimate the skills challenge
► Partner with us in an open and frequent opinion exchange

Together with us, get ready for Business Network Transformation!
Thank you!

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EVP SAP Labs, LLC