SAP S/4HANA Cloud ERP Monolithic to Cloud-based Architecture

Stefan Batzdorf, CTO SAP S/4HANA

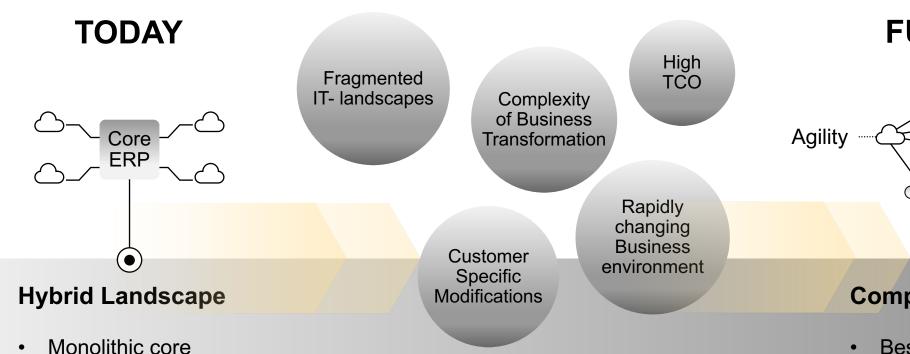
CUSTOMER CONFIDENTIAL





CUSTOMER CHALLENGES ARE DRIVING US FORWARD REQUIRING US TO EVOLVE

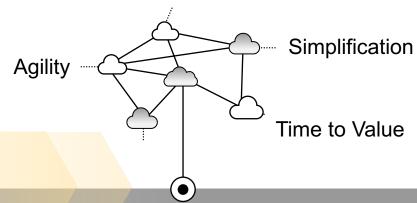
Customer Challenges...



Selected capabilities in

the Cloud

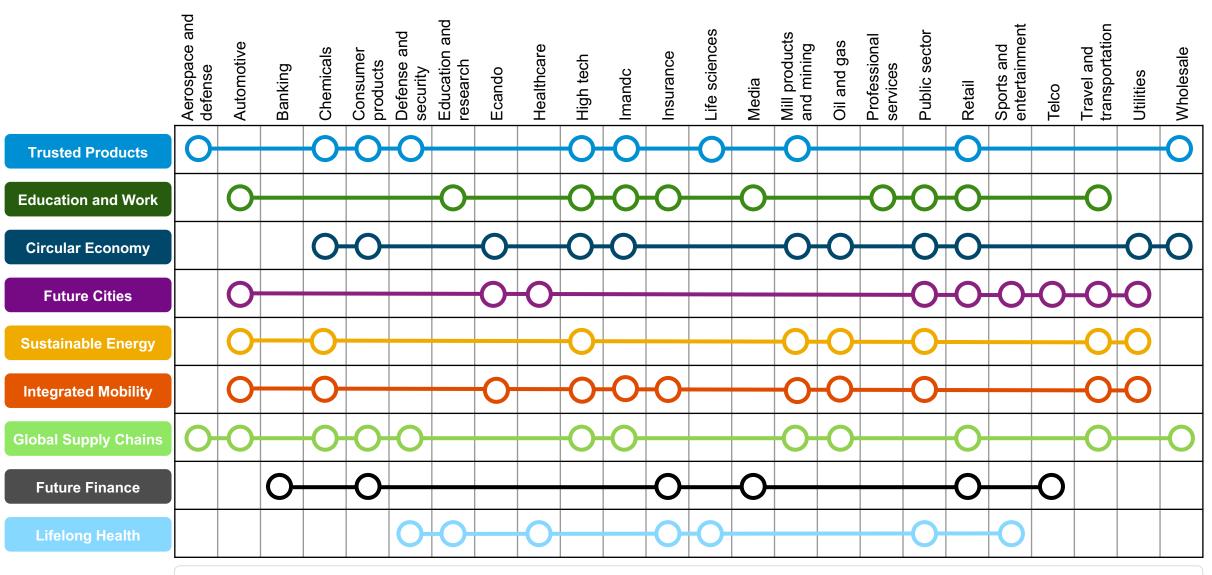
FUTURE



Composable Suite

- Best of Breed Capabilities
- E2E Processes
- Suite Qualities
- Commercial flexibility

MEGA TRANSFORMATION THEMES GO ACROSS MULTIPLE INDUSTRIES



Trust, Safety and Security

FIT FOR FUTURE TECHNOLOGY STRATEGY



Business Specific

Competitive advantage, tuned to business and customer needs

Principles

- Fit for purpose → Customer Focus
- Agile → Flexible, adapt to change
- Speed → Deliver Value early

Examples

- R&D development
- Verticalization differentiation
- Price determination
- **Produce Product**



Enterprise Core

Competitive necessity, driving operational effectiveness, across your company globally

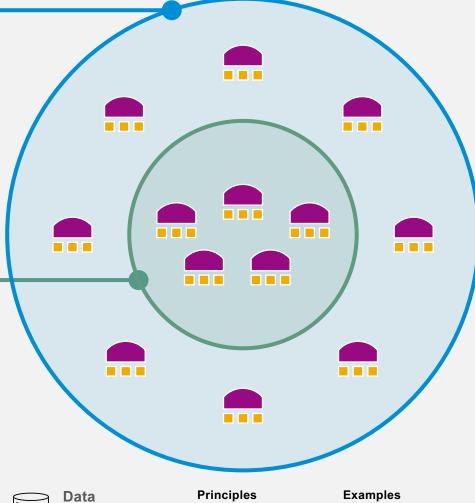
Principles

- Standardized → Out of the box functionalities
- Quality and Cost optimized → Max automation
- Clearly governed → One decision maker

Examples

- Manage account receivables & payables
- Inventory planning & forecasting
- Manage Payroll

BUSINESS CAPABILITIES



Structured.

organized quality data for the enterprise

- Data Governance
- Data Management
- **Date Models**
- Democratized data
- Ownership, Quality
- Trusted Reporting, AI supported decisions



Composable Architecture

Modular technology to enable business resilience

Principles

- Modularity packaged business capability
- Discovery easy to find, integrate and (re)use
- Autonomy easy to change, replace, remove
- Orchestration secure by design and ready to be used

Examples

o A 'Pricing Engine' used for price determination for a wide variety of products by different business lines



Connected Enterprise via Suite Qualities

Easy access to technology capabilities

Principles

- Commoditization of connectivity
- Accessibility and usability
- Innovation enabled through zero friction

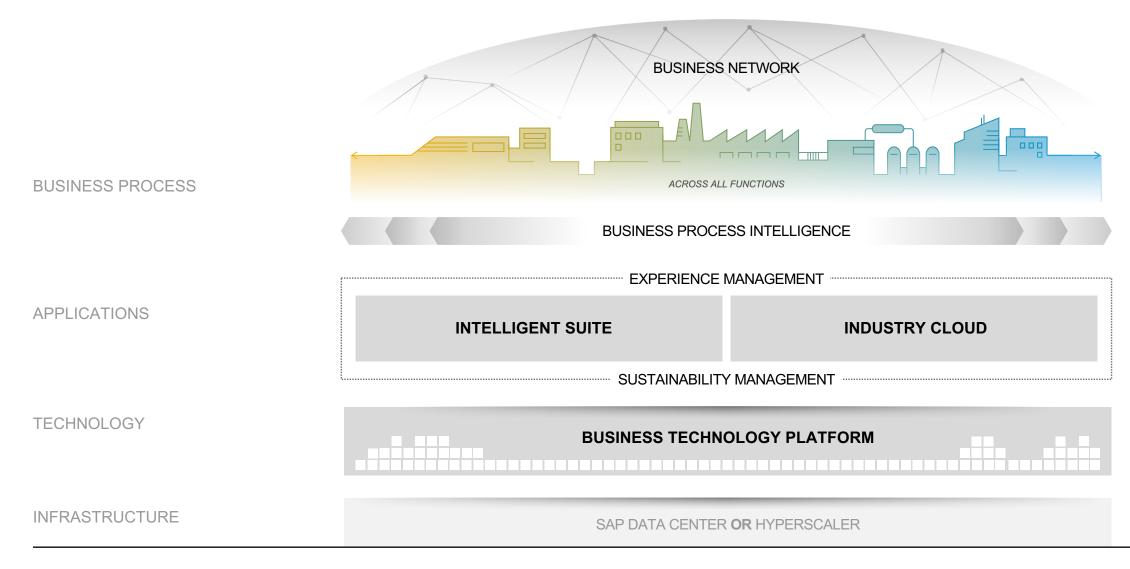
Examples

- Every (business) capability is digitally published
- Exposed capabilities may be consumed, combined and innovated upon without consent of the owner

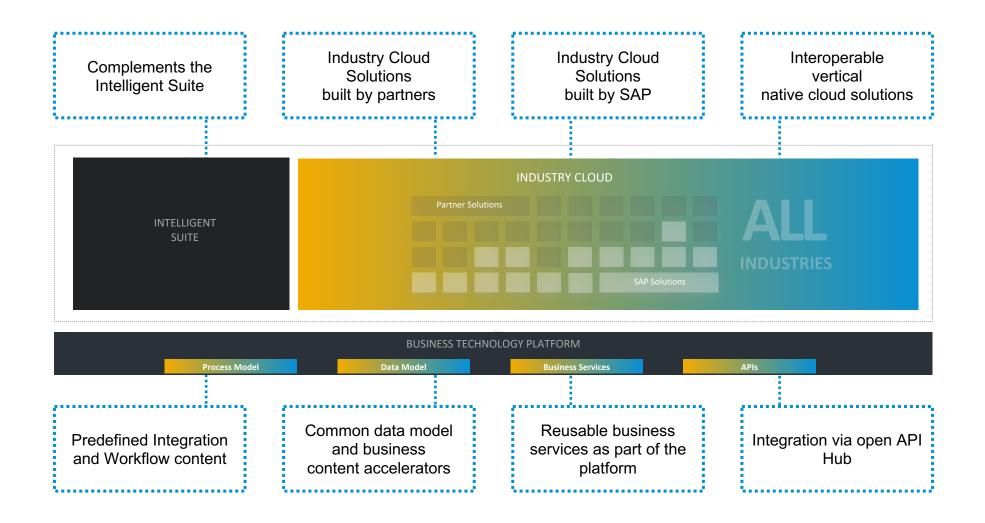
FIT FOR FUTURE TECHNOLOGY

INTELLIGENT ENTERPRISE

Evolved Vision.

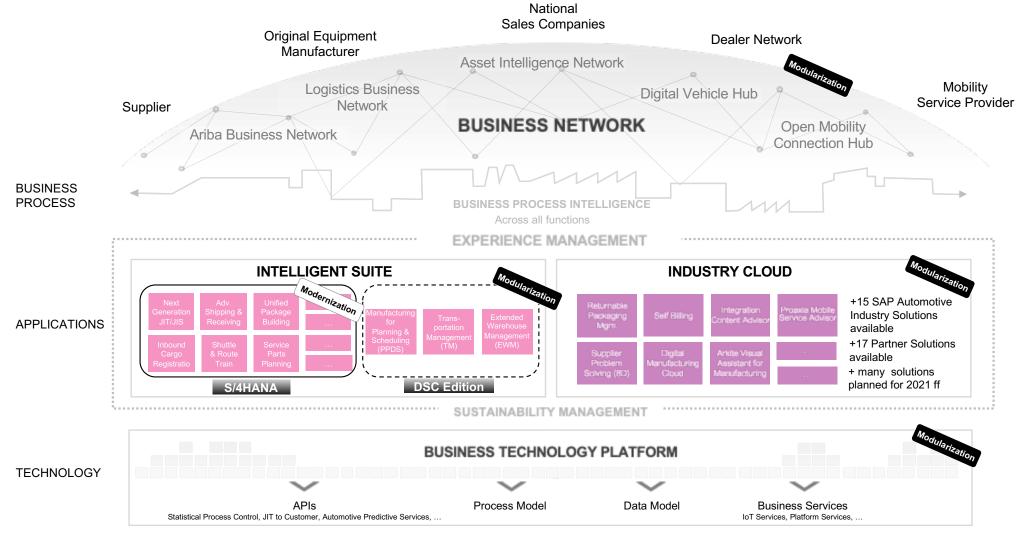


SAP'S INDUSTRY CLOUD SOLUTIONS - MODULAR BY DESIGN

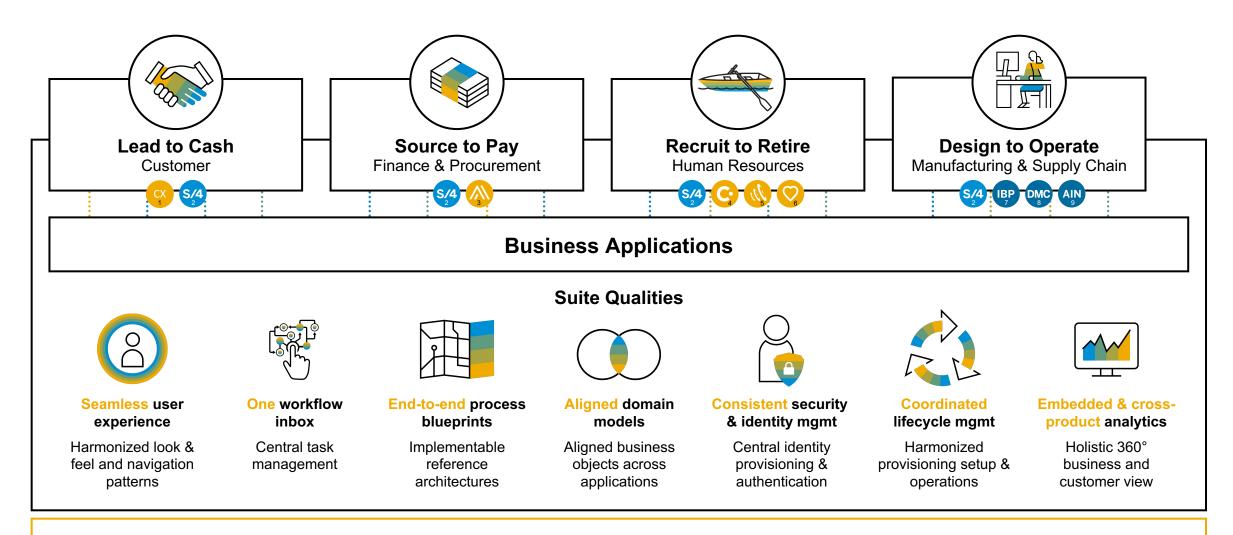


INTELLIGENT ENTERPRISE

Composability Example for the Automotive Industry.

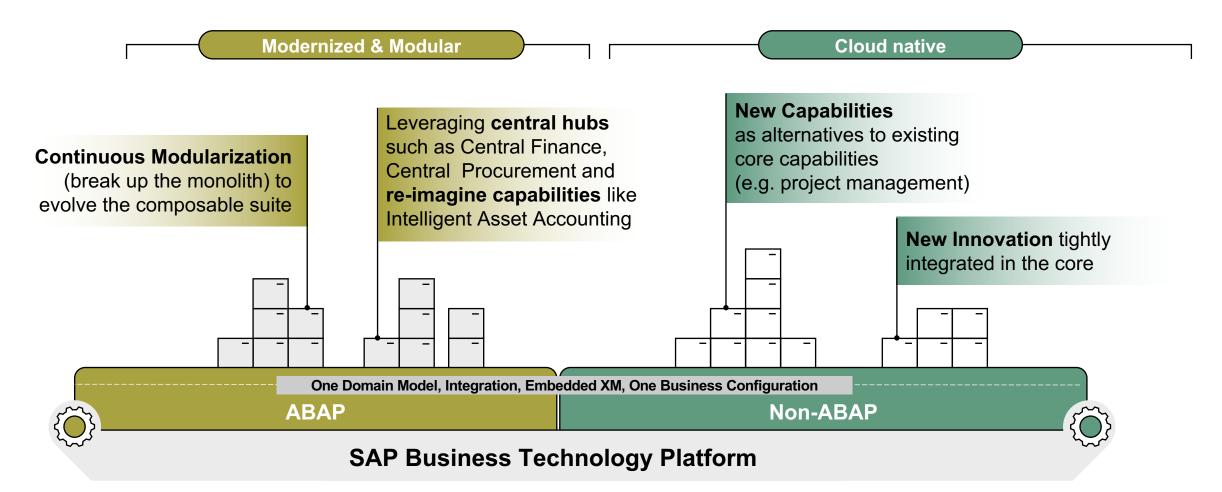


INTELLIGENT ENTERPRISES ARE CONNECTED ENTERPRISES VIA SUITE QUALITIES



Business Technology Platform

SAP S/4HANA CLOUD MODERNIZATION STRATEGIES



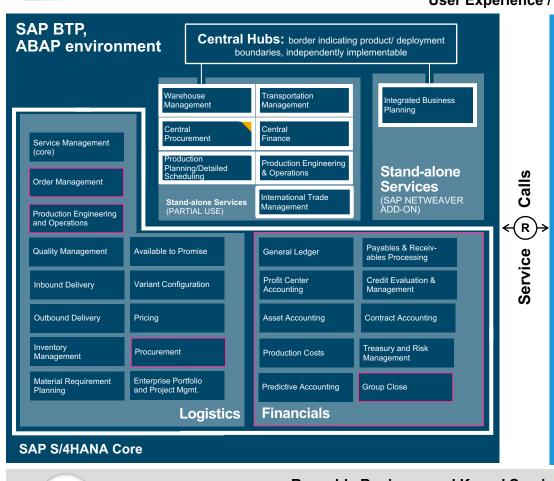
MODULARIZATION ARCHITECTURE 2021/2022

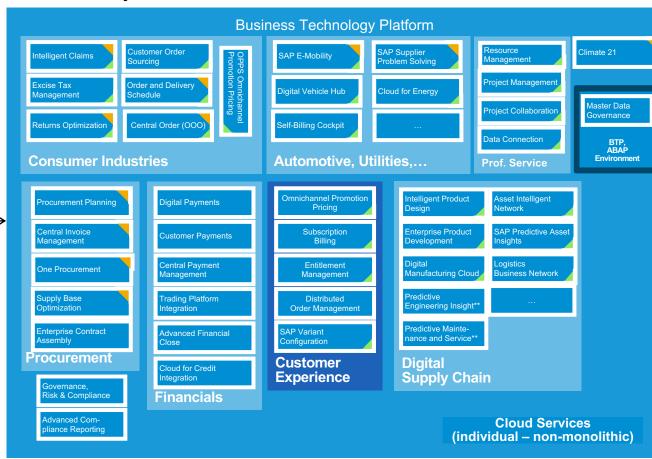
ABAP-based stack
Independently implementable
Replacement via hub deployment possible

in development, first delivery in 2021/2022

marketed as Industry Cloud

User Experience / Embedded Analytics





Reusable Business and Kernel Services, Virtual Data Model (VDM), and One Domain Model

Data Lake

Multi-Cloud Infrastructure

Concur

Success-Factors

Fieldglass

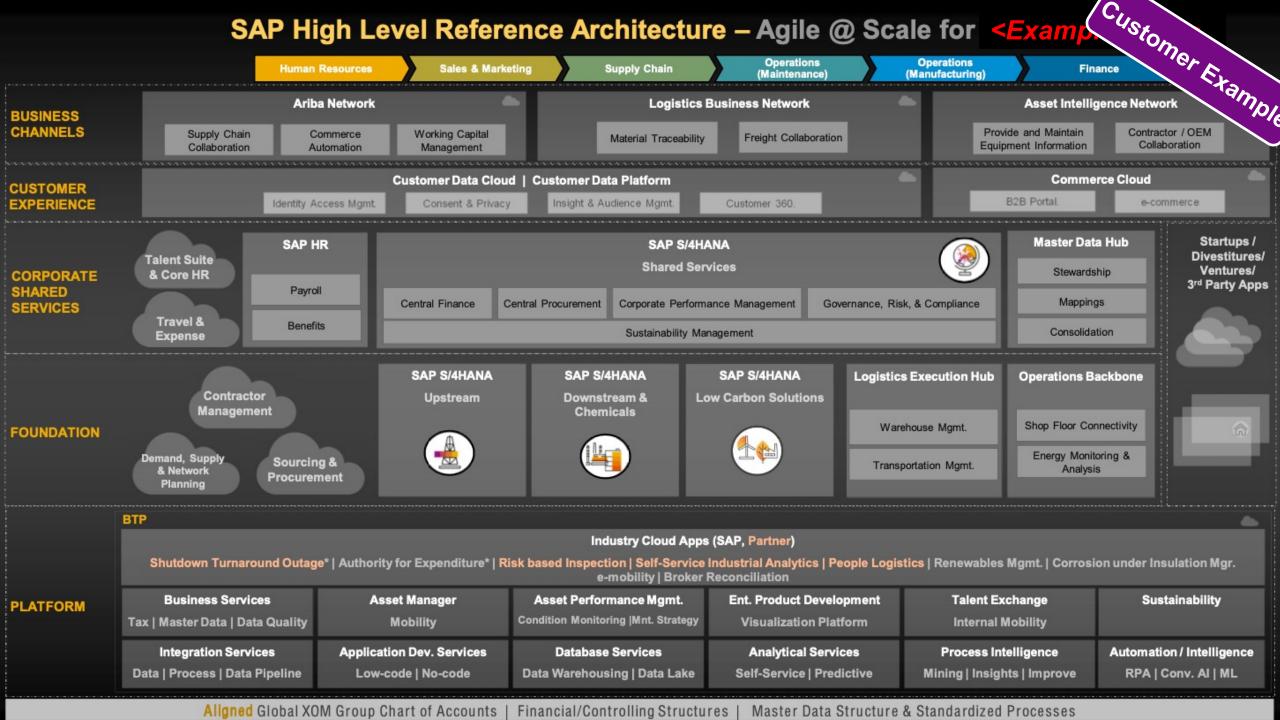
Ariba

Our strategy provides an opportunity to simplify the ERP landscape and unlock agility

Today - Monolithic Future - Modular & Agile SAP & non-SAP satellite systems **Accelerators** ERP 1 Far from standard Move to Cloud Inflexible High-maintenance Scale technologies SAP & non-SAP satellite systems Flexible Periphery - Agile development - Customizations & Differentiations Fit to Standard vs. Fit to Gap Best Practices + Activate Methodology **Enterprise Services** Far from standard Inflexible Plug & Play High-maintenance SaaS Simplified ERP Foundation Common Platform as a Service SAP & non-SAP satellite systems - Efficient & Fast Integration, Extension & Innovation Close to Standard Data Integration Layer - Open Integration Far from standard - Linking of data across all levels Integrated Analytics Inflexible High-maintenance Create visibility SAP & non-SAP satellite systems **Data Strategy** ERP ..x Harmonized data transparency Far from standard

Global Harmonization without Local Compromise

Inflexible High-maintenance



Thank You.

Stefan Batzdorf

SAP S/4HANA Cross Product Architecture SAP SE

stefan.batzdorf@sap.com

