GLOBAL STRATEGY EXECUTION SUMMIT

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fruiStrategy

A Data Labs India Product

Digital Transformation in Professional Service

for Business Services as well as for Software Providers

Dr Mohammed Hasan
Vice President of SAP MidMarket Business, MEA North
Dec. 6, 2023

THE BEST RUN **SAP**

Key business challenges in Digital Services

Inconsistent customer experience across channels

Disparate, siloed processes (products, services, platforms)

Cumbersome and manual process steps

Lack of comprehensive reporting

Lost sales opportunities

Compliance risks (revenue recognition standard ASC 606 …)

Siloed status information

Inconsistent master data

Entitlement management and control

Global Trends and Imperatives

Trends

Imperatives / Business Priorities

Rise of the virtual firm

Traditional processes and business models

Innovative business models on agile digital platform

Empower Workforce with Technology

Augmenting, supplementing, and facilitating delivery through the combination of humans and technology

War for Talent

Employee pyramid, local knowledge

Flexible scale capacity, develop skills, employee engagement

Total talent management

Enable a fluid workforce with agile, omnichannel people supply and holistic talent development

Blurring Industry Lines

Traditional players

Agile new competition
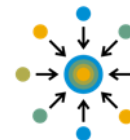
Everything as a service

Productize, bundle and set up for scale

Key trends driving Software and Services Providers

Adoption of new business models

"Software companies are increasingly adopting the **as-a-service approach and transaction-based business models** to capture higher margins. "[1]

"a willingness to **expand "as-a-service" offerings beyond subscription pricing**"[2]

"a switch from selling licenses to encouraging **consumption of services**"[3]

Focus on profitability

"Investors are looking more closely at **bottom-line health…….**With investors focused on profitability, vendors need to **optimize margins** "[2]

Rule of 40: …companies, whose growth has tapered off, **need to improve performance and profit margins to hit that metric**.[3]

Ease of doing business

As SaaS matures, **the customer's expectations around ease of use and ease of doing business** will continue to rise.[2]

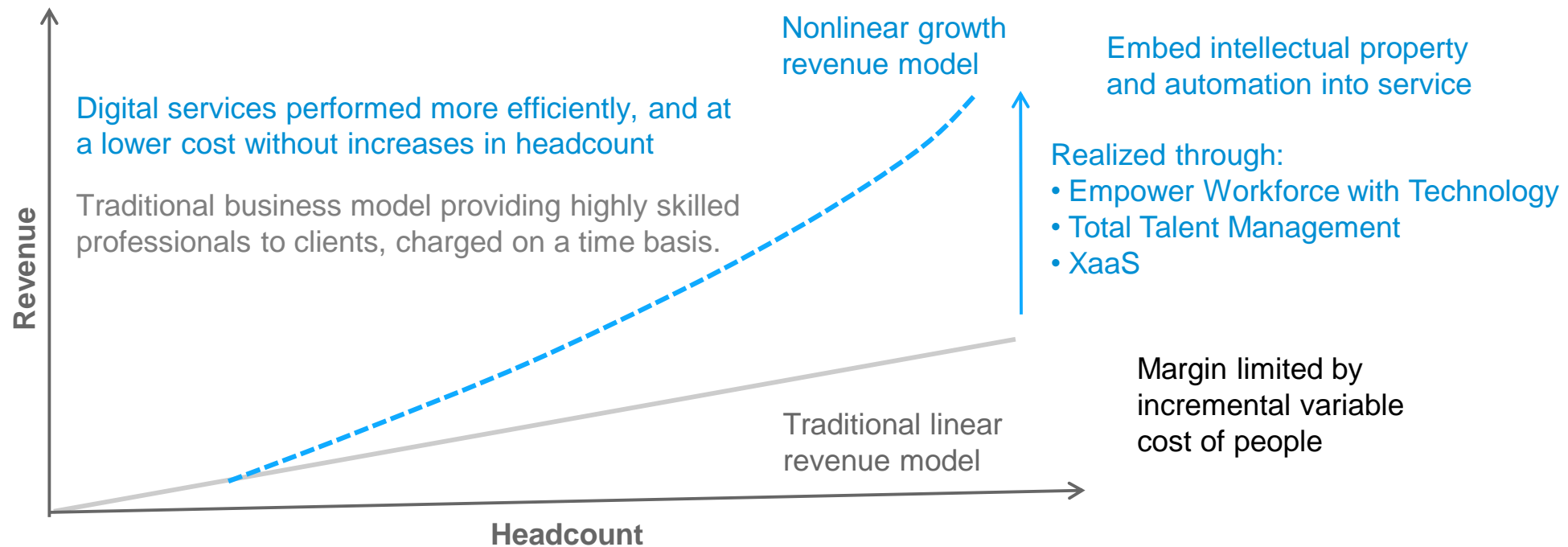**Increasing efficiency and effectiveness** in a maturing business [3]

As-a-Service & Consumption-based business models
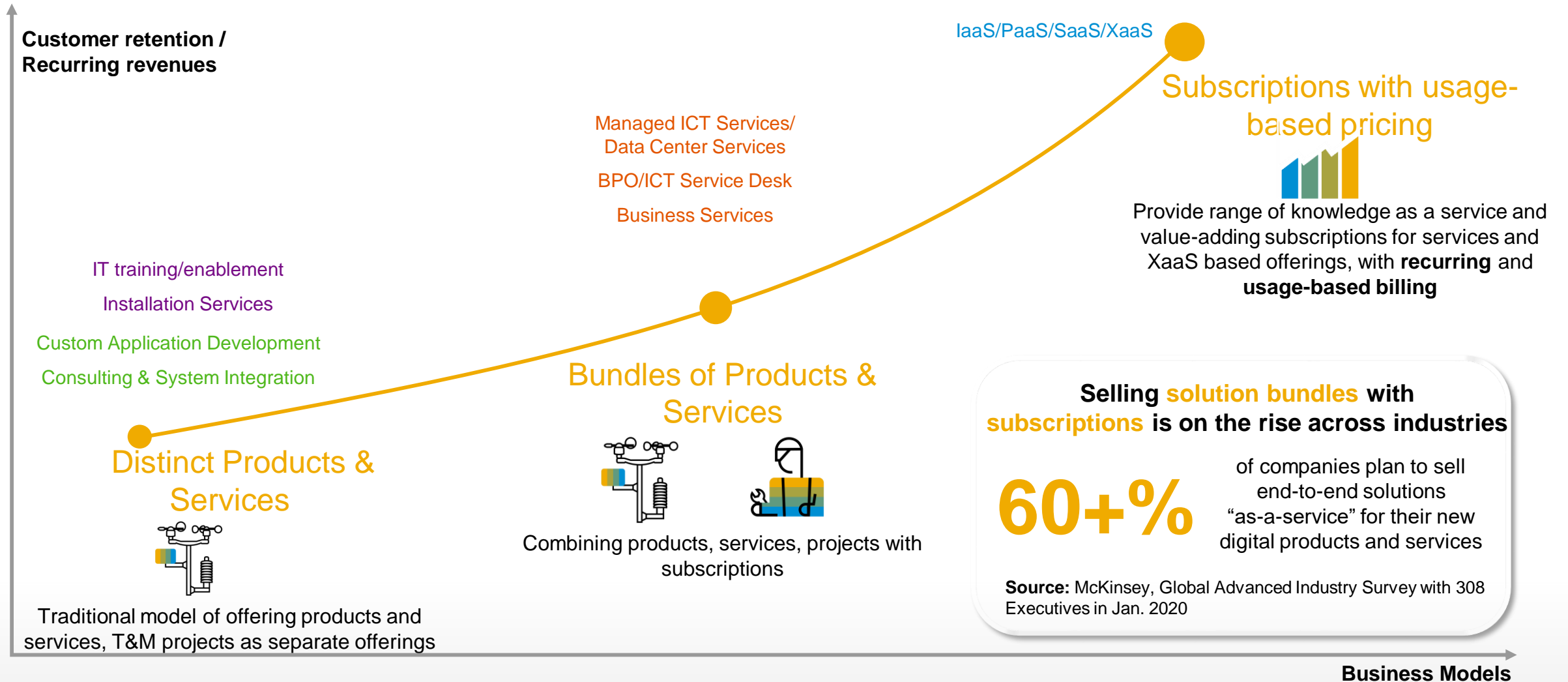
Operational Excellence

*The Rule of 40—the principle that a software company's combined growth rate and profit margin should exceed 40%

[1] Boston Consulting Group   [2] McKinsey   [3] Bain Source 1 I Bain Source 2

Unlocking the value of non-linear growth in Professional Services

Digital services performed more efficiently, and at a lower cost without increases in headcount

Traditional business model providing highly skilled professionals to clients, charged on a time basis.

Nonlinear growth revenue model

Embed intellectual property and automation into service

Realized through:
• Empower Workforce with Technology
• Total Talent Management
• XaaS

Margin limited by incremental variable cost of people
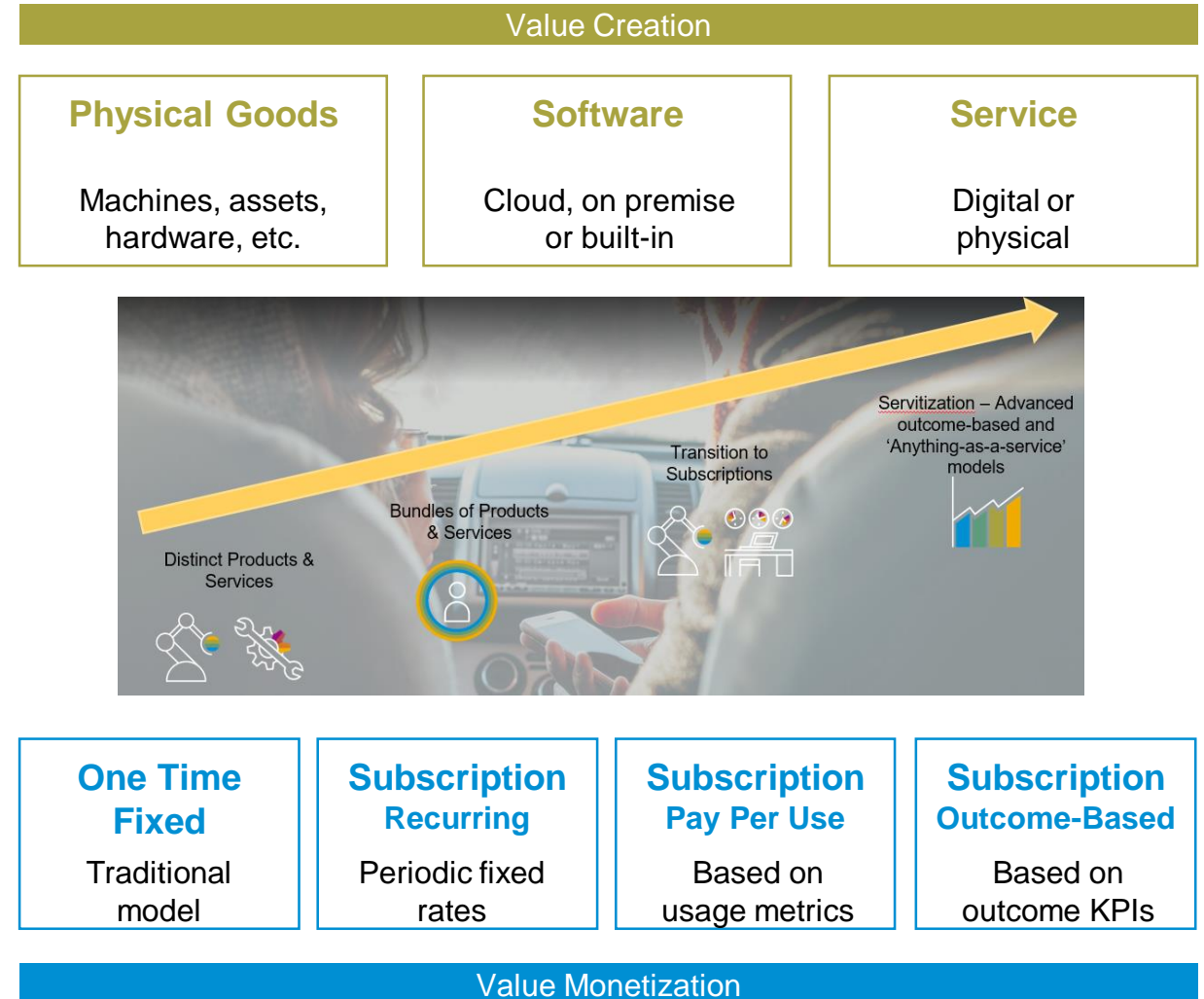
Traditional linear revenue model

Revenue

Headcount

Companies transform their business models for growth

Solution & Subscription Business on the rise in Professional Services

**Customer retention /
Recurring revenues**

IaaS/PaaS/SaaS/XaaS

Subscriptions with usage-based pricing

Provide range of knowledge as a service and value-adding subscriptions for services and XaaS based offerings, with **recurring** and **usage-based billing**

Managed ICT Services/
Data Center Services

BPO/ICT Service Desk

Business Services

IT training/enablement

Installation Services

Custom Application Development

Consulting & System Integration

Bundles of Products & Services

Combining products, services, projects with subscriptions

Distinct Products & Services

Traditional model of offering products and services, T&M projects as separate offerings

Selling solution bundles with subscriptions is on the rise across industries

60+%

of companies plan to sell end-to-end solutions "as-a-service" for their new digital products and services

Source: McKinsey, Global Advanced Industry Survey with 308 Executives in Jan. 2020

Business Models

Evolution from Traditional Service / Products/ Equipment Selling to
Outcome-Based Business, Solution Business, Subscriptions

1 **Distinct Products & Services**
Products, services, service parts as separate offerings

2 **Bundles of Products & Services**
Configurable, adaptable and personalizable solution bundles

3 **Transition to Subscriptions**
Provide range of aftersales and value-adding subscriptions for services and software based offerings, with recurring and usage-based billing

4 **Outcome-Based Business and Xaas**
Outcome-based subscriptions incl. equipment, services, maintenance, software etc.
(XaaS – Everything-as-a-Service)

Value Creation

Physical Goods	**Software**	**Service**
Machines, assets, hardware, etc.	Cloud, on premise or built-in	Digital or physical

Servitization – Advanced outcome-based and 'Anything-as-a-service' models

Transition to Subscriptions

Bundles of Products & Services

Distinct Products & Services

One Time Fixed	**Subscription Recurring**	**Subscription Pay Per Use**	**Subscription Outcome-Based**
Traditional model	Periodic fixed rates	Based on usage metrics	Based on outcome KPIs

Value Monetization

Professional services firms pursue 3 **strategic priorities**

Strategic view

CEO

CFO

COO

CHRO

- Corporate growth and profitability
- Real-time insights and strategic decision-making
- Customer satisfaction and employee engagement

Value chain view

Practice lead

- Market opportunity
- Services and products profitability

Project manager

- On-time delivery
- Project profitability
- Customer satisfaction

Resource manager

- Time to staff
- Resources utilization
- Employee satisfaction

Engagement controller

- Work in progress (WIP)
- Revenue leakage
- DSO
- Project margin

Procurement lead

- Work in progress (WIP)
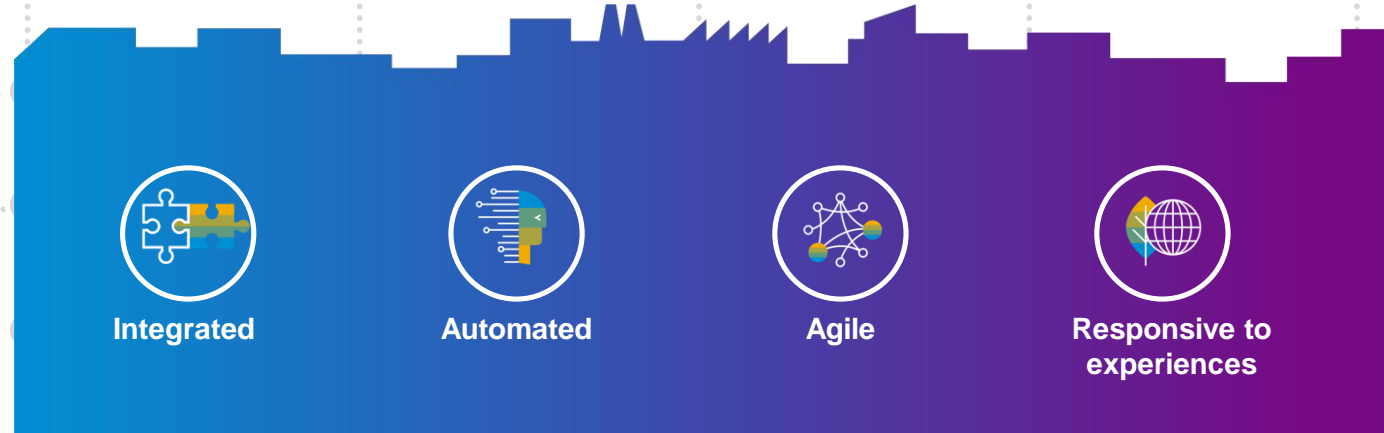- Revenue leakage
- DSO
- Project margin

| Enterprise transformation | Business dev and sales | Project and managed services business | Total talent management | Core finance | Procurement |

Everything as a Service

Total Talent Management

Empower Workforce with technology

Core end-to-end processes

Lead to cash (for projects)
Lead to cash (for digital services)

Hire to retire
Source to pay (contingent/SOW)

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Procurement lead
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Enterprise transformation

Business dev and sales | **Project and managed services business** | **Total talent management** | **Core finance** | **Procurement**

Everything as a Service

Total Talent Management

Empower Workforce with Technology

Integrated

Automated

Agile

Responsive to experiences

Best Practices

Next Practices

Vertical Edge

Transform and Extend your Business

Develop new business models based on solution offerings to differentiate from your competitors

Rapidly design and launch new subscription offerings to establish reliable revenue-streams

Foster the loyalty of your customers with tailored solutions and a seamless customer experience

Gain additional insights about your customers and products to identify opportunities for long-term growth

Optimize your Processes

Increase your cash-flow and lower your revenue leakage with near real-time rating and invoicing and integrated entitlement management

Drive the productivity of your employees with a greater degree of automation and an integrated user-experience

Identify and resolve exceptions quickly along the fulfillment processes with a transparent progress tracking and intelligent situation handling

Improve the legal compliance, security and sustainability of your processes

Uplift your Technological Platform

Reduce your TCO by adopting a native Cloud Solution

Rapid deployment and adoption of solution leads to lower Time-to-Market

Provide a digital platform that scales with your needs and those of your customers and partners

Stay at the forefront of innovation with SAP's continuous delivery approach

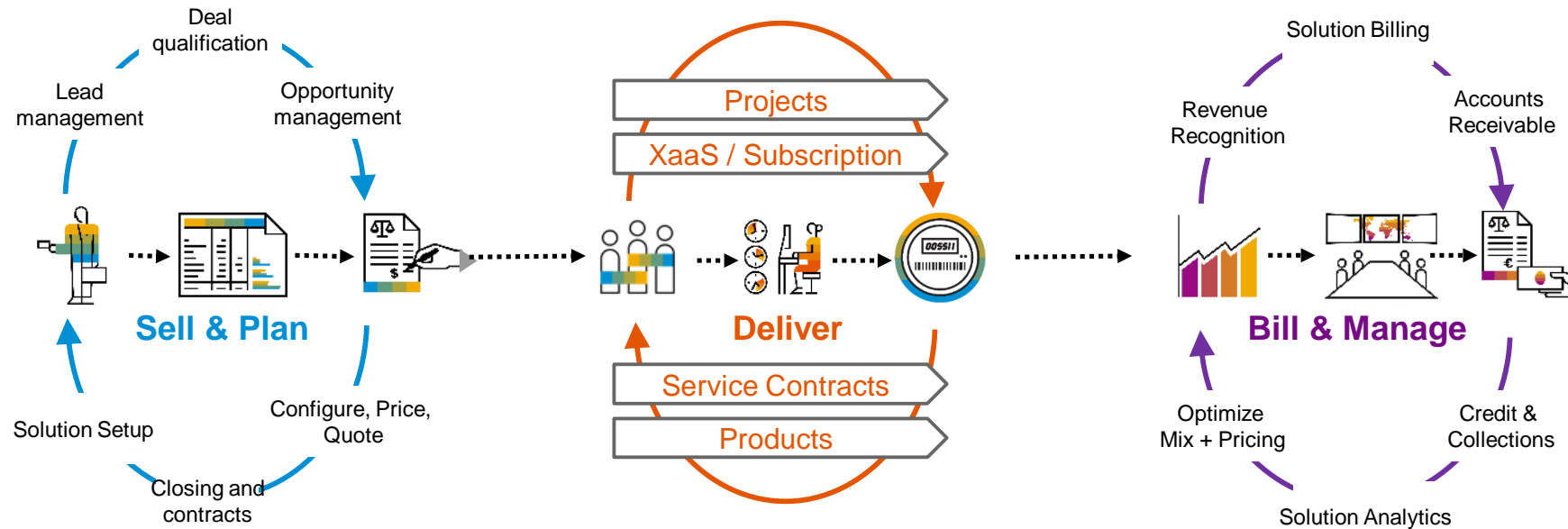Realize best-of-suite benefits with out-of-the-box integration to other SAP solutions

Solution Business/ XaaS

Enable every **customer's business transformation** from selling stand-alone products / services **to providing higher margin bundle solutions** and **differentiate** through offering a **holistic one-stop shop experience.**

Configure, Price, and Quote (CPQ)

Solution Order Management

Design, Offer & Sell Solutions

Orchestrate and Deliver

Project Management

Subscriptions & Entitlements

Service Contracts & Field Services

Fulfillment of physical goods

Solution Billing

Receivables Mgmt.

Margin Analysis and Revenue Recognition

Bill and Optimize

Analytics and Reporting

End-to-end Value Chain

Sell & Plan: Lead management, Deal qualification, Opportunity management, Configure, Price, Quote, Closing and contracts, Solution Setup

Deliver: Projects, XaaS / Subscription, Service Contracts, Products

Bill & Manage: Solution Billing, Accounts Receivable, Credit & Collections, Solution Analytics, Optimize Mix + Pricing, Revenue Recognition

Finance

Accounting & Financial Close   AP/AR Mgt.   Treasury & Working Capital Mgt.   Cost Mgt. & Profitability Analysis   Governance, Risk & Compliance

End-to-end Value Chain

Sell & Plan

- Deal qualification
- Lead management
- Opportunity management
- Configure, Price, Quote
- Closing and contracts
- Solution Setup

Projects

| Search & assign resources | Procure Services + Materials | Manage Travel + Expenses | Record Time + Services | Manage WIP |

XaaS/ Subscription

| Subscription Provisioning | Entitlement Management | Usage + Outcome Collection | Rating + Charging | Subscription Lifecycle |

Service Contracts

| Procure Services + Materials | Field Service Planning | Dispatch | Service Confirmation | Contract Performance |

Products

| Product availability check | Order orchestration | Product Procurement | Goods movement | Goods issue processing |

Bill & Manage

- Solution Billing
- Revenue Recognition
- Accounts Receivable
- Credit & Collections
- Solution Analytics
- Optimize Mix + Pricing

Traditional project business lead-to-cash process

New solution and subscription business lead-to-cash process

End-to-end Value Chain

Sell & Plan

- Deal qualification
- Lead management
- Opportunity management
- Solution Setup
- Configure, Price, Quote
- Closing and contracts

XaaS/ Digital Subscription

| Subscription Provisioning | Entitlement Management | Usage + Outcome Collection | Rating + Charging | Subscription Lifecycle |

Service Orders/Contracts

| Service Order/Contract | Service Planning | Resource Planning | Service Confirmation | Contract Performance |

Projects

| Search & assign resources | Procure Services + Materials | Manage Travel + Expenses | Record Time + Services | Manage WIP |

SW Products

| Quote | Sales Contract | SW Delivery | License Billing | Maintenance Billing |

Bill & Manage

- Solution Billing
- Revenue Recognition
- Accounts Receivable
- Optimize Mix + Pricing
- Credit & Collections
- Solution Analytics

Traditional software license business lead-to-cash process

New solution and subscription business lead-to-cash process

SAP's Leadership in the Professional Services Industry…

50 years of industry innovation

- Project and Engagement Management
- Talent Management
- Resource Management
- Real-time Revenue Recognition
- Digital Business Models
- Service Management
- Embedded Intelligence
- Experience Management
- Clear industry roadmap
- Predefined Best Practices

Unparalleled customer base …

(20 out of top 20 run core business on SAP)

Consulting, Audit, and Tax: Deloitte. ZS ATKearney accenture KPMG EY pwc

Consulting & IT Services: IBM HCL NTT DATA delaware Atos Infosys WIPRO

Software & Subscription: Microsoft CA CITRIX sage Apple Adobe servicenow

Other Business Services: serco Sabre nielsen Sotheby's Baker McKenzie. NORTON ROSE Linklaters

Proudly helping companies run at their best for 50 years

77% of the world's transaction revenue touches an SAP system in over 180 countries

94% of the world's 500 largest companies are SAP customers

85 of the **100** largest companies in the world are SAP S/4HANA customers

~80% of SAP's customers are mid-size enterprises

22,500+ partner in SAP ecosystem across 140 countries

Our Place in the High Tech Industry

Top high tech customers include:

MIcrosoft	Varian	Ebm-papst
Nvidia	ERCO	Fujitsu
Siemens	Celestica	Panasonic
Lexmark	Quanta Computer	Esri
Ophir	HP	Lenovo
Dell Technologies	Adobe	Agilent

Facts about SAP and our high tech customers:*

- **10 of the 10** top technology companies in the world run SAP solutions.
- **16 of the 20** most innovative IT software and services companies in the world run SAP solutions.
- **92%** of the greenest high tech companies in the world run SAP solutions.

96%
Of the most successful semiconductor companies in the world run SAP solutions*

>16,700
High tech customers worldwide*

Multisegment support on a single platform
Deep, industry-specific capabilities
Embedded, preconfigured best practices
Clear industry road map

*Source: Fast Facts

Why SAP S/4HANA Cloud?

Key characteristics delivered
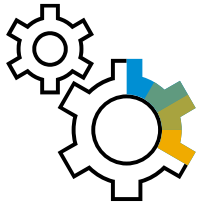
**End-to-End Industry
Value Chain**

**Next Generation User
Experience**
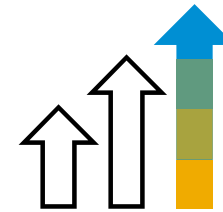
Platform for Growth

- "Baked-in" next generation Industry Best Practices

- Comprehensive end-to-end solution

- Intelligent, automated processes

- Real time, granular visibility and insights to run the organization

- Compelling end-user experience on any device

- Intuitive and personalized to enhance the user's usage and adoption

- Embedded analytics and reporting throughout

- Optimized performance to ensure ease of use and a seamless experience

- A platform for continuous innovation

- Leverage emerging technologies as business and technical services (ML, iRPA, digital assistants, IoT, etc)

- Open architecture and ML-driven integration services to support hybrid landscapes

Thank you.

Contact information:

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THE BEST RUN **SAP**

Appendix

Business model innovation driving growth of the top line

Flexible business models need flexible solutions
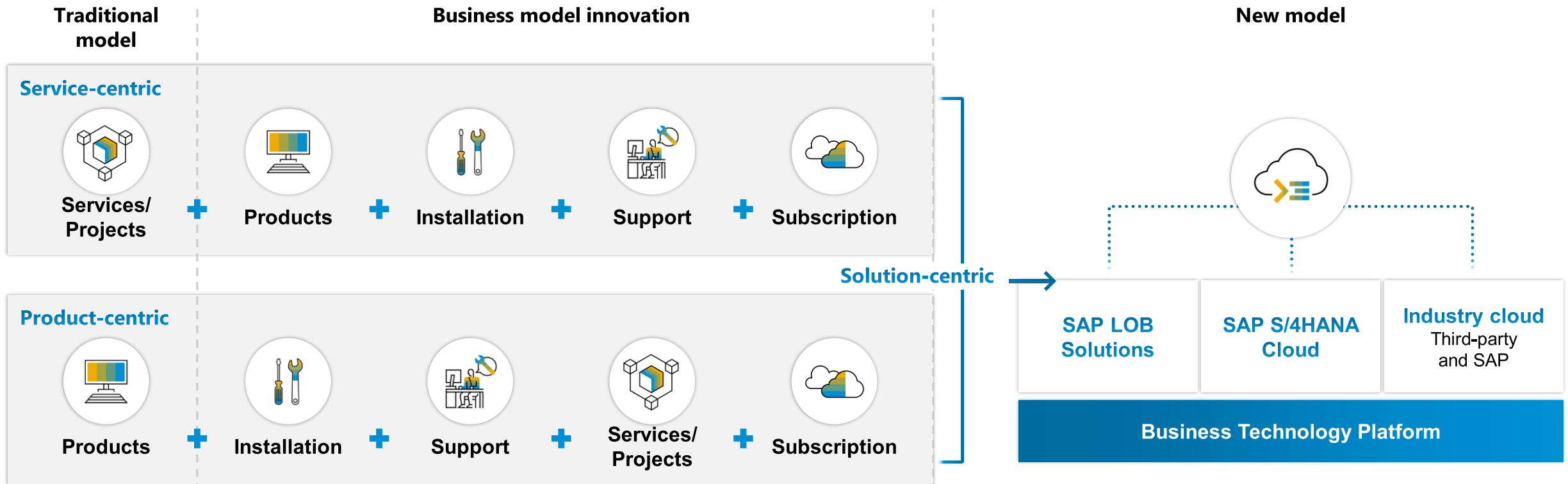
Modular cloud delivering business agility

Delivering end-to-end processes for changing business models

SAP LOB Solutions	SAP S/4HANA Cloud	Industry cloud Third-party and SAP

Business Technology Platform

Quote	Subscription contract	Usage collection	Rating, charging	Invoicing and payments	Finance and revenue
Order	Usage Right Mgmt.				

CPQ	Subscription billing	Digital route	Subscription billing	SAP S/4HANA Cloud
	Entitlement Mgmt.			

SAP analytics cloud

SAP Business Technology Platform

Agile, integrated solutions

Solution-Based Business and Subscriptions

Sell & Plan — **Deliver** — **Bill & Manage**

SAP Analytics Cloud

Resource Mgmt (C4P RM/ProFinda)	Field service/ Dispatch (FSM)	Expense Capture (Concur)	Time Capture (Replicon)

CRM

Lead, Opportunity, Pipeline

CPQ

Quote
- Physical products
- Service products
- Service contract products
- Subscription products

API

Solution Order (S/4HANA Cloud)
- Customer projects
- Physical/SW products
- Managed Services and BPO
- Subscription products

S/4HANA Cloud

Customer Project	Delivery
Sales Order	Procurement, Delivery
Service Order	Service Confirmation
Service Contract	Service Orders, Confirmations
Subscription Contract (SB, BTP)	Usage Metering, Rating, Charging

Entitlement Management (BTP)

Accounting, Revenue Recognition, WIP Management, Margin Analysis

Billing / Invoicing

Accounting

Revenue Accounting

SAP Business Technology Platform

Integration

Key capablities SAP S/4HANA Cloud Sales

Order and Contract Management

Pricing Management
- Pricing Master Data
- Pricing Procedure
- Pricing Calculation

Sales Master Data
- Sales Organization
- Business Partner - Customer
- Customer Material
- Sales BOM
- Product Hierarchy

Sales Contract Mgmt.
- Sales Contract (quantity / value based)
- Sales Contract with Down Payment

Sales Quotation Mgmt.
- Sales Quotation
- Sales Quotation to Order Conversion Rate prediction

Solution Order Mgmt.   Sales Order Processing
- Solution Order for selling bundle products (physical goods, services, subscriptions and project)
- Sales Order
- Sales Order Automation
- Order fulfillment tracking
- Sales Order delivery insights with IoT**

Sales & Solution Billing
- Solution Billing
- Sales Billing
- Preliminary Billing
- Retroactive Billing
- Debit/Credit Memo

Sales Rebate & Commissions
- Sales Rebate
- Sales Commissions

👤 Pricing Specialist

👤 Internal Sales Representative; Solution Order Specialist

👤 Billing Clerk

👤 Settlement Clerk

Claims, Returns Refund Mgmt.
- Returns
- Refunds and Replacement /Sales Order without Charge

Sales Monitoring & Analysis
- Sales KPIs Reporting
- Sales Plan
- Embedded Predictive Analytics

👤 Return & Refund Clerk

👤 Sales Manager

Sales Management Overview Page

Billing Document Process Flow
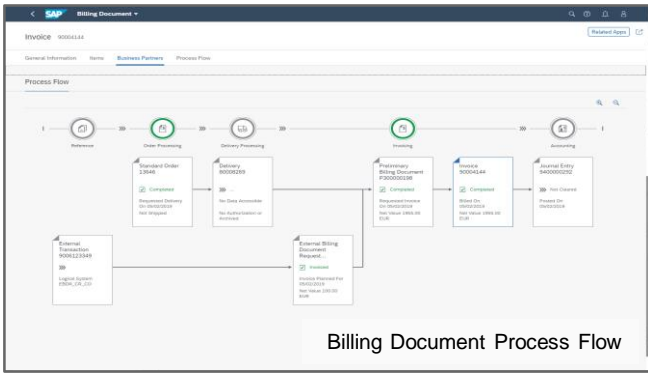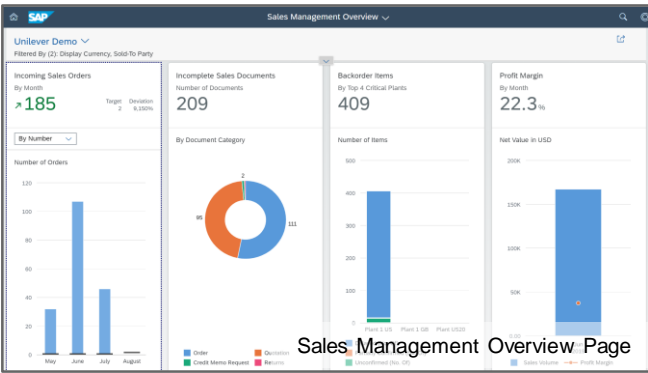
SAP S/4HANA Business Benefits[1]

2%–10% increase in revenue from new offerings

5%–50% reduction of order fulfillment lead time

10%–20% increase of order management FTE

2%–10% reduction in days sales outstanding

15%–40% improved customer satisfaction

** Additional subscription and separate setup

[1] Benefits 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.

SAP Subscription Billing
Provide flexible control of the Subscription Lifecycle

SAP Subscription Billing is designed to help companies rapidly deploy highly innovative and effective sales processes in an agile, flexible and scalable environment that leverages other SAP cloud and on-premise investments. It helps companies synchronize complex sales and revenue management processes, all within one solution.

.

- **Innovate your business model**
  to enable continuous differentiation

- **Streamline Quote-to-Cash**
  to protect and grow with reliability and security

- **Drive success**
  through outcome-based customer experience

(s)ignify

"We are excited about the journey with SAP Subscription Billing that enabled us to disrupt and lead the business transformation in our industry in a way not possible before"

Source Signify (aka Philips Lighting)

SAP Subscription Billing enables **customers** to

- Model subscription-based products

- Manage the order for subscription components

- Control subscriptions throughout their lifecycle

- Generate subscription billing data: one time, recurring and consumption charges

SAP S/4 HANA CLOUD

SAP Subscription Billing

| Solution Order | Business Model Design | Subscription Capture | Subscription Management | Subscription Monetization | Consumption Billing & Invoicing | Contract Accounting AR & AP | Finance | Digital Payments Add-on |

Equipment & Service

SAP Entitlements Management

SAP Convergent Mediation by DigitalRoute Cloud Edition

Usage Data
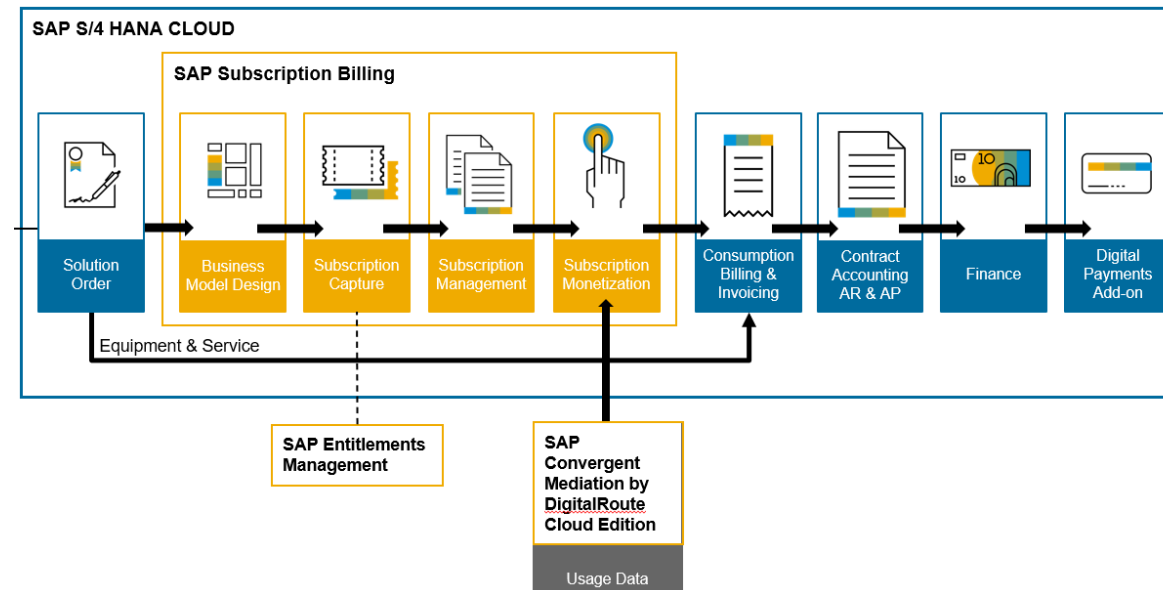
SAP Entitlement Management

Capture Value in a "XaaS-World" with effective Entitlement Management

SAP Entitlement Management manages any right of usage, authorization, any privilege, access or permission that is given to a customer. These "right of usage" are called entitlements and can be software specific, such as licenses, downloads, updates, free trial periods etc., but can also relate to maintenance and support services, training, as well as warranties for physical hardware. .

SANDVIK

- Able to leverage software to offer various "features" to their customers on the same physical products
- Provide Sandvik's customers self service capabilities
- Enabled governance around software usage
- Reduced risk

- Prevent Revenue leakage by enforcing entitlements
- Offering Trials
- 360* view of customer's entitlements
- Improved upsell / cross-sell opportunities
- Automation – Renewals, fulfillments and provisioning
- Improved customer experience

Integration:
SAP Subscription Billing
S/4HANA Cloud / On-premise
ECC
SAP Commerce Cloud

SAP Entitlement Management enables **customers** to

- Model any kind of entitlement
- Manage the end-to-end Lifecycle of entitlements
- Enable self-service scenarios and custom views for sales, support and customers with APIs
- Configure Rules for Upsell / Returns / Upgrade
- Track, how customer consumes entitlements
- Integrate 3rd party responsibles for entitlement fulfillment

Software
Digital Content
Trainings
Services / Warranty

Products

B2C
B2B
B2B2C
Partners

Customers

Perpetual

As-a-service (XaaS)

Hardware linked

Pay-as-you-go

On demand

Tech partnerships

Entitlements

Business Models

Demo Video

Solution Page (sap.com)

Help.sap.com

SAP Convergent Mediation by DigitalRoute

Real time data flow management

SAP Convergent Mediation by DigitalRoute turns raw data into critical business information. It is a single platform for all mediation activities, effectively leveraging the value of data across systems.

SAP Convergent Mediation by DigitalRoute enables customers to

- Collect multiple data streams or sources and merge asynchronous data

- Handle Error Detection and de-duplication

- Enrich, merge or split data

- Add, remove or reformat content in real-time

- Standardize data formats across platforms

TELUS

"Real-time has unleashed benefits which were difficult to capture in a business case: customers feel a smoother experience overall and begin to trust us more."

Source Alex Rootham, Operations Management Telus
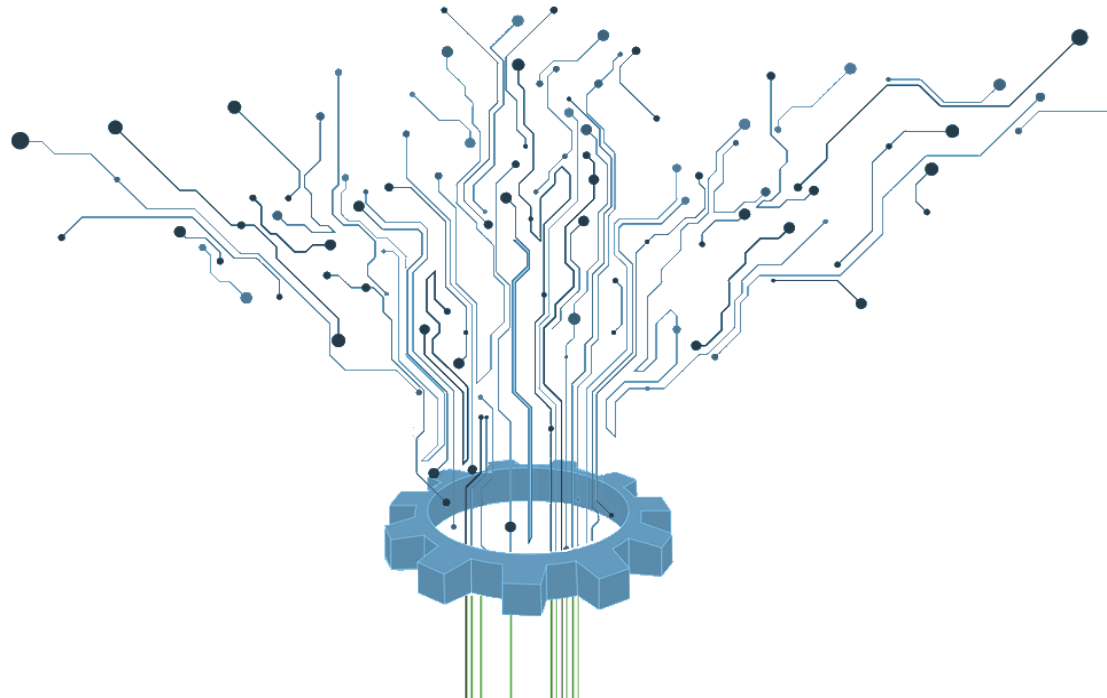
- Simplify data infrastructures
- Shorter time-to-market
- Quickly adapt to new requirements with minimal impact on technology
- Single point of integration for business and operations processes
- Ensures data consistency
- Reduce revenue leakage

Solution Page (sap.com)

Help.sap.com

Solution Brief

SAP S/4HANA Cloud – Leveraging the SAP portfolio

SAP S/4HANA offers unique native integration and side-by-side extensibility with SAP's full portfolio

SAP Fieldglass
Contingent Labor

SAP Ariba

Concur
Travel and Expense
Management

SAP Industry Cloud
Subscription Billing
Entitlement Management
....

SAP SuccessFactors
HCM / Talent
Management

SAP Customer Experience
Customer Engagement
Field Service Management

SAP Analytics Cloud

Custom Extensions and Applications

Resource Management
Core Finance & Procurement
Engagement Management
Revenue Billing
Intelligent Core
Real-time Foundation
Business Technology Platform
SDK

SAP S/4HANA Cloud – Leveraging the SAP portfolio

SAP S/4HANA offers unique native integration and side-by-side extensibility with SAP's full portfolio

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SAP Customer Experience
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Software-Selling Quote-to-Cash
Core Finance & Procurement
Intelligent Core
Real-time Foundation
Business Technology Platform

SAP Industry Cloud
Subscription Billing
Entitlement Management
….

SAP Analytics Cloud

SDK

Custom Extensions and Applications

SAP Industry Cloud Overview – Leveraging the SAP portfolio
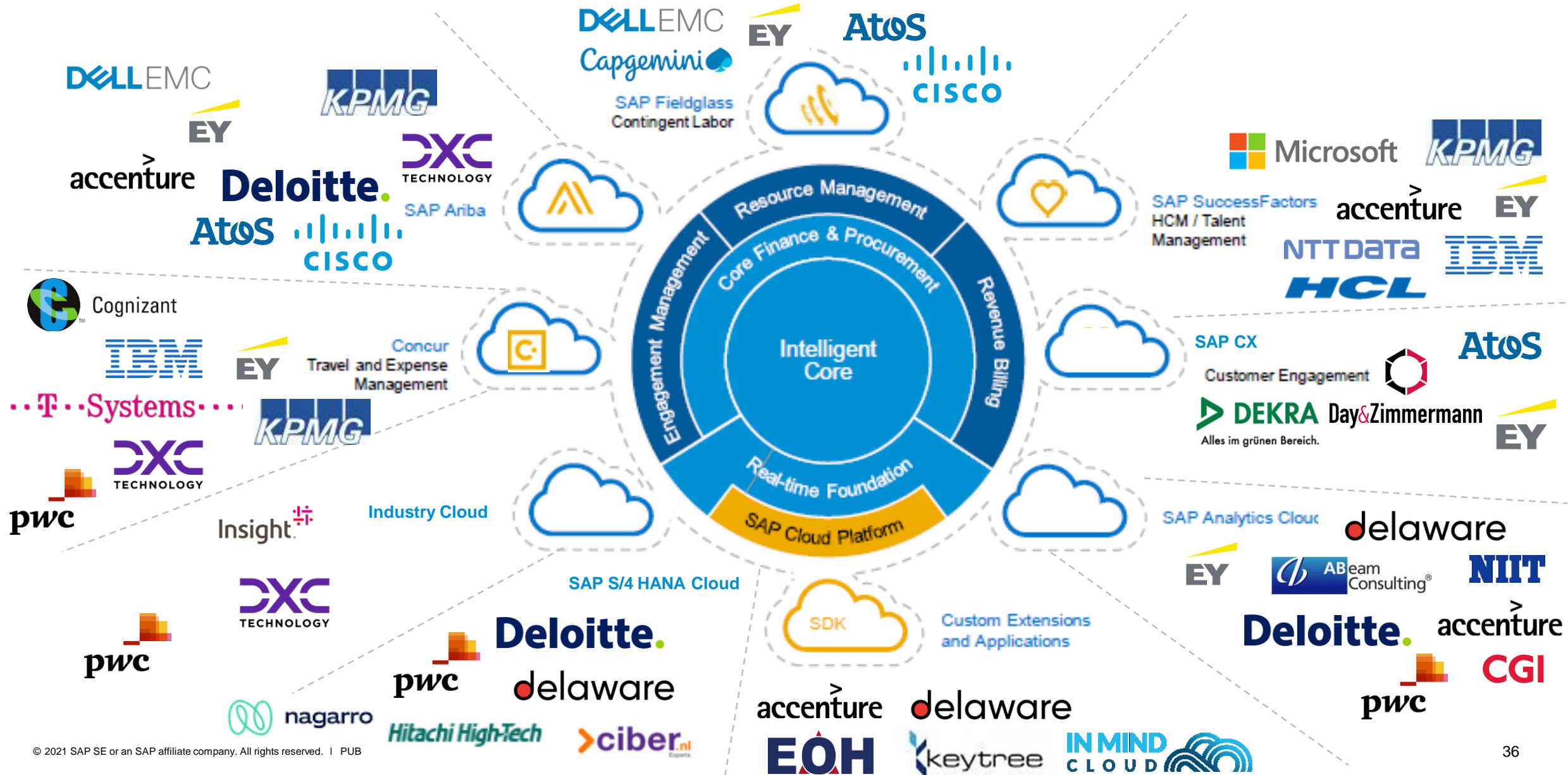
Three ways how S/4HANA Solution Order Management helps to create operational excellence and flexibility:

Transform the existing business model to increase customer satisfaction and uncover new revenue opportunities

Optimize an existing order-to-cash process to improve productivity and user-satisfaction

Uplift the system infrastructure to a scalable technological platform with lower TCO and a faster time-to-market
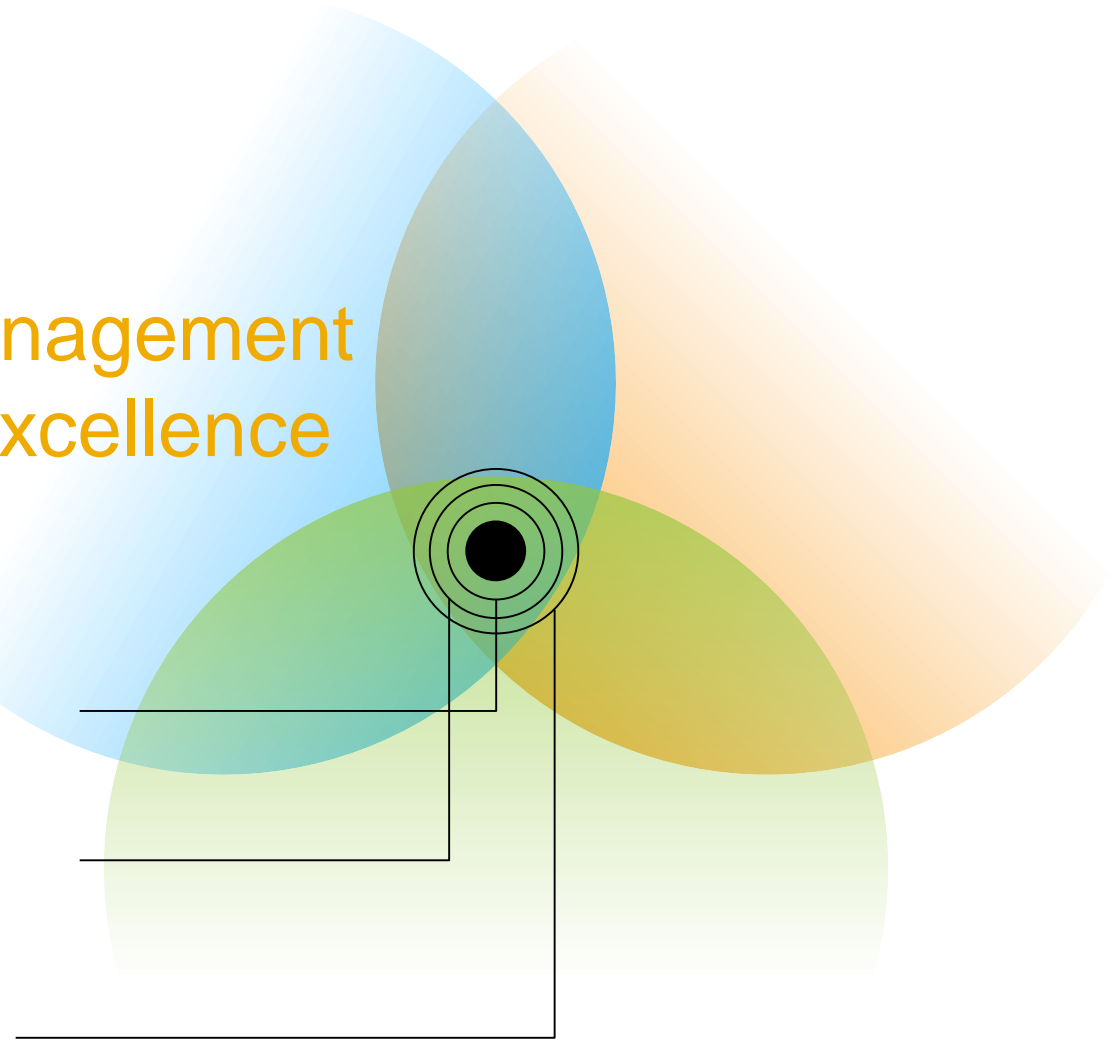
Rethink the Order-To-Cash journey with SAP

Identify key drivers and specific use cases.
Do you want to:

- **TRANSFORM** your existing business model to open new opportunities
  - "Servitize" your products and move to outcome-based services
  - Productize and monetize your services with subscriptions
  - Combine your strengths and offer bundled solutions

- **EXTEND** your core business and channels to find new revenue streams
  - Develop online business to meet digital demand
  - Grow your business on a global scale
  - Add new products, services and subscriptions around your core offerings

- **OPTIMIZE** your order-to-cash process to
  - Increase time-to-market
  - Scale for high volume handling
  - Reduce revenue leakage, increase your cash flow and DSO

SAP Advisory Service for XaaS

Prepare & Explore	Realize	Deploy
~1-2 weeks	~2 weeks	~1 week

Service overview…

This service develops your transition to XaaS, defines a target architecture to support your strategy, identifies gaps between the current and future state, and creates a transformation plan to achieve the desired target state.

Helps you…

- Identify the best fitting architecture for your digital transformation to XaaS
- Understand and select architecture offering solution bundles
- Start your journey toward a best run outcome-based business with confidence

Provides…

- Clear insights on how to transform your business to XaaS
- Assessment of relevant scope and the readiness of your organization to adopt it
- Your best path forward for a successful transition to an outcome-based business!

Solution outcomes

Transformation support

Service outcomes
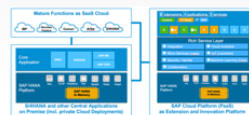
Architecture
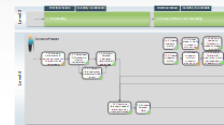
Process-IT Solution Map

Insight
Reselling software licenses within very fluctuating markets

GOALS & BUSINESS CHALLENGES

- Re-selling software (e.g. from Microsoft) to B2B buyers through online self-service portal

- Advanced partner portal for ordering, product + pricing management, self-service

- Direct billing for Insight customers. Billing on behalf of 2nd tier customers

- Customers changing their contracts very frequently
  - adapting number of licenses up to several times per day

- Fluctuating pricing models, influenced by Cloud Service Providers

- Integration with multiple backend services (multi-markets)

SOLUTION

- SAP Subscription Billing

- SAP Commerce Cloud, Customer Data Cloud, ECC, SCP

KEY DIFFERENTIATORS

- Insight has a cloud-first strategy, supported by and in alignment with SAP's offering

- Very flexible pricing (incl. costs) and subscription management

- System reacting real time on contract changes, adapting billing preview immediately

- Easy integration with existing invoicing systems

- Needed a partner experienced in B2B implementations, as associated complexity (pricing/products/hierarchies, etc.)

> *Our sales and services are core to our business. Allowing clients to manage those subscriptions and licenses online means faster time to value for them and greater scalability for us. SAP CX solutions make it all possible.*
>
> **by Sharif Aly**
> Director, Global Transformation

COMPANY
Insight Enterprises

HEADQUARTERS
Tempe, AZ, USA

INDUSTRY
IT Solutions Provider

PRODUCTS & SERVICES
Intelligent Technology Solutions
Data center, Devices, Servers, Softw
Licensing, Power, Storage, IT Servic

EMPLOYEES
11,000 (2017)

REVENUE
$9.2B (2018)

WEBSITE
insight.com

kakaoenterprise

The AI-based cloud service company in South Korea established to provide an enterprise platform for PaaS and SaaS to leading companies in the healthcare, financial, retail, logistics and car manufacturing sectors.

Business Goals

- Evolve its know-how in operating AI technologies and services into corporate-tailored applications (e.g. Enterprise Messenger, Cloud Services, Chatbot Service, Big Data Analytics)
- Centralize the applications through a business platform with automated Lead to Cash sales process with subscription model.
- Digitalize environment to enable connecting enterprises to individuals as well as enterprises to enterprises
- Compete with global leaders on new innovative services and product's Time-to-Market

Key Differentiators

- Easily monetize AI business model to opens up new revenue streams
- Obtain the sales and customer insight through centralized and standardized sales process
- Optimize sales by giving discount and diverse rating plan to the customer
- Support flexible pricing strategies by unifying various charging models to one rate plan (Recurring, One-time, Tier pricing)
- Strong data consistency with clear and streamline Lead to Cash process

SAP Customer Experience Solutions (CX)

- SAP Sales Cloud (C4C)
- SAP CPQ
- SAP Subscription Billing
- SAP Cloud Platform Integration

JMC TECHNOLOGIES
JOIN THE MOVING CIRCLE

Go-Live in
10 Weeks

SAP | ∞
Product Management & Implementation Collaboration

COMPANY
Kakao Enterprise

HEADQUARTERS
Seoul, South Korea

INDUSTRY
IT Platform Business

PRODUCTS & SERVICES
AI Services and IT Platform

WEBSITE
https://www.kakaoenterprise.com/

+ ∞ AI

" Flawless quality of the service alone is not sufficient.
An ambitious IT enterprise platform operator will look beyond the quality.
Timely launch, swift and innovative response to the customer experience are of vital importance to lead the market.
SAP CX and JMC Technologies made them all possible.
by Taehyung Kim, IT Director, Kakao Enterprise. "

Facilitating a Rapid Deployment and High Adoption of
SAP S/4HANA® Cloud

nagarro ES

Before: Challenges and Opportunities
- A complete restructure of the company
- Expectation of strong organic and inorganic growth
- Small implementation team and a very tight timeline – including choosing the right software – with the go-live scheduled to take place after six months

Why SAP
- SAP S/4HANA® Cloud, a scalable cloud solution that supports comprehensive process integration
- Familiarity of Nagarro's implementation team with SAP® solutions
- Business process automation using SAP Intelligent Robotic Process Automation services

After: Value-Driven Results
- Unification of all enterprise processes in one interface that was quickly accepted by users
- Ability of consultants to take care of travel expense reports, postings, and time recording on mobile devices
- Elimination of manual processing times in the areas of finance and HR through process automation
- Plans to roll out SAP S/4HANA Cloud at a sister company
- Tapping new lines of business, such as Nagarro's new managed service support for cloud customers

"Our implementation of SAP S/4HANA Cloud has enabled us to **gain valuable experience, automate processes, and build a new line of business**. This ensures the success of our customer projects and has helped us become the first partner globally to have received the SAP Recognized Expertise designation for SAP S/4HANA Cloud."

Carl-Philipp Müller, Director SAP Cloud Services, Nagarro ES

10
Weeks to complete the implementation

13
Hours of time saved each month through process automation

Nagarro ES
Kronberg im Taunus, Germany
www.nagarro-es.com

Industry
Professional services

Products and Services
IT services
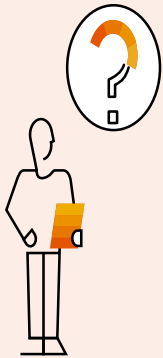
Employees
8,400

Revenue
€402 million
(2019)

Featured Solutions and Services
SAP S/4HANA Cloud and SAP Intelligent Robotic Process Automation

THE BEST RUN **SAP**

Companies need to rethink their quote-to-cash process for solution selling

Want to experience ONE order – ONE financial view

Customer Requirements

- How can I manage **mixed deals** incl. solutions?

- Are our **solutions profitable?**

- How can I **integrate** with my external applications?

Business capabilities

- **ONE order** containing projects, subscriptions, physical goods, one-time services, and long-running contractual services.

- **ONE margin view** per mixed deal based on solution order ID.

- **Integrate with SAP and 3rd party front-office applications** using open APIs.

Customers we are innovating with

TOPCON   Carrier   AAF INTERNATIONAL   BCG

NTT DATA Trusted Global Innovator   nagarro ES   KMD An NEC Company   SUSE

TELUS Agriculture   JOIN THE MOVING CIRCLE   ifm   ...

Endress+Hauser EH

Value Proposition

- **Higher win-rate** of deals
  by offering bundled business solutions

- **Reduce TCO**
  by offering a single order managing combinations of products and services

- **Reduce DSO**
  due to accurate & timely billing

Rethinking your E2E Quote-To-Cash Process
Solution and Subscription Business

Rapid Design
of Service-Based Business Models

Holistic Management
of Recurring and Usage-Based Revenue

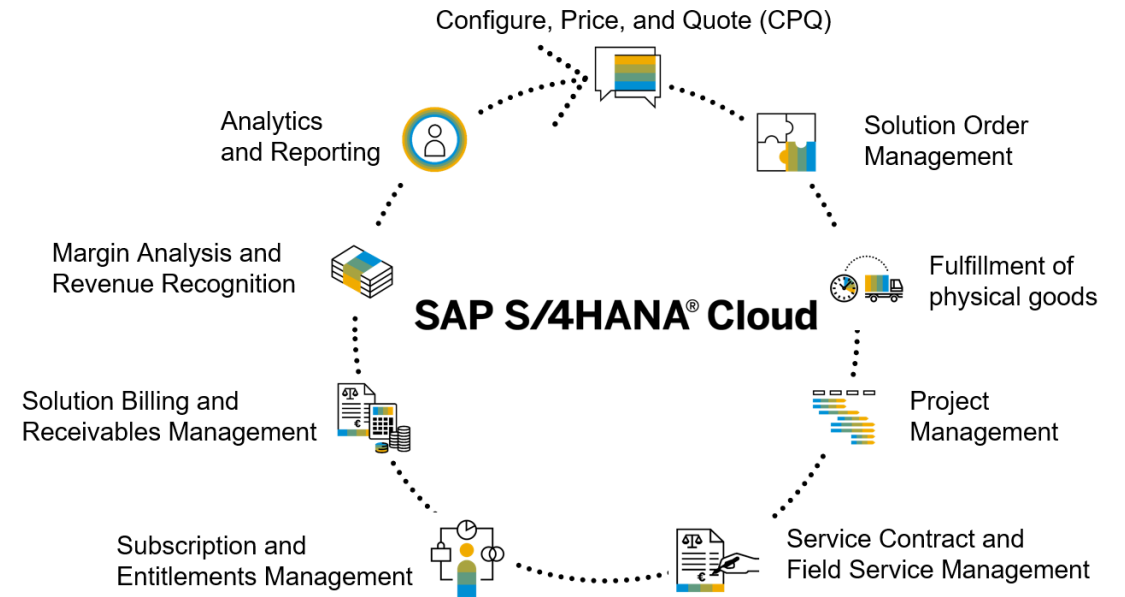**Customer-Focused**
Settlement and Service at Scale

Product & Bundle Modeling

Analytics

Quote, Orders, Subscription & Entitlements management

Accounting, Controlling & Revenue Accounting

SAP S/4HANA® Cloud

Usage Collection

Customer Care, Credit and Collections

Pricing and Charging

Payments

Billing and Settlement

Revenue Share & Partner Settlement
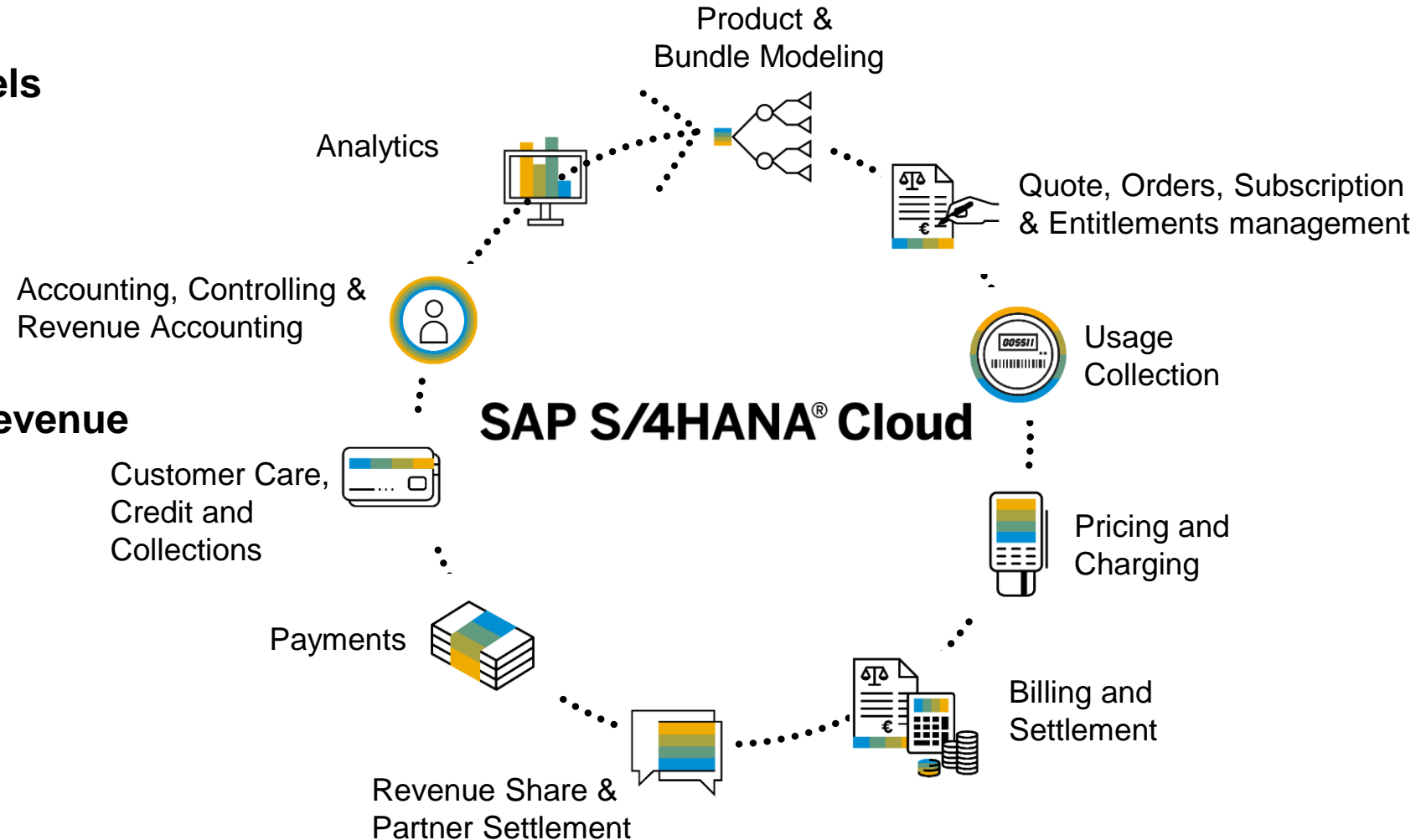
Realizing Your E2E Quote-To-Cash Process
Solution Business with SAP S/4HANA Cloud

- **Rapid design and selling** of solutions containing physical goods, services, projects, and subscriptions
  - combined in **one order**
  - support of **complex pricing models**
- **Holistic order orchestration** of all solution order items
- **Solution Order Progress Monitor** with situations handling
- **Fulfillment of physical goods**
- **Professional Service / Project Management**
- **Integration into Field Service Management**
- **Subscription and Service Contract lifecycle mgmt.**
- **Integration to Entitlement Management** for usage rights tracking
- **Rating and charging** of metered usages
- **One Invoice** for the complete solution
- **Integrated finance** for all solution order items
- **Margin view** on different levels of granularity

Configure, Price, and Quote (CPQ)

Solution Order Management

Analytics and Reporting

SAP S/4HANA® Cloud

Fulfillment of physical goods

Margin Analysis and Revenue Recognition

Project Management

Solution Billing and Receivables Management

Service Contract and Field Service Management

Subscription and Entitlements Management

Demo

Transform into a Solutions and Subscriptions Business with SAP S/4HANA Cloud
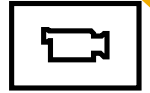
Solution order items
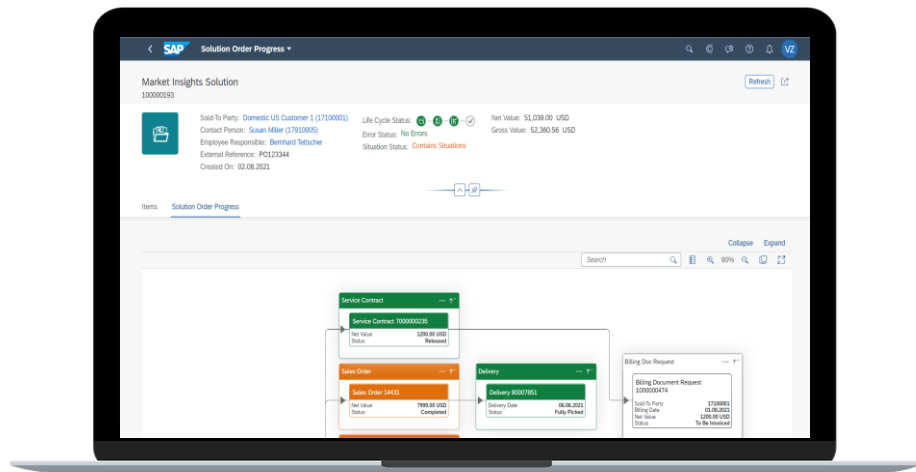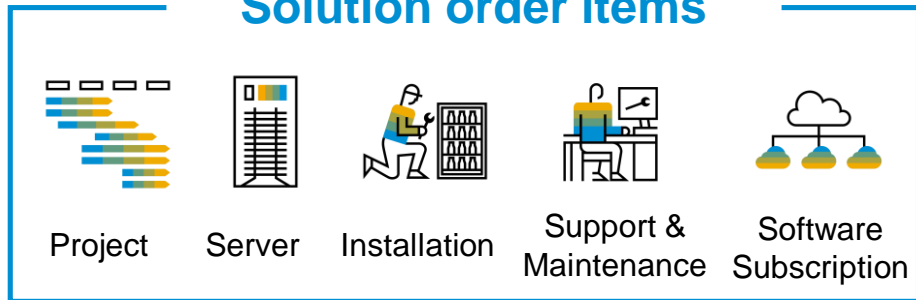
Project Server Installation Support & Maintenance Software Subscription

1

Manage Solution Order

Develop new business models based on solution offerings to differentiate from your competitors

2

Manage Projects

Plan customer projects with work packages, assign resources and define flexible billing options

3

Manage Subscriptions

Exploring new business models including pay-per-use subscription offers

5

Margin Analysis

Analyze revenues and cost by solution order supporting the matching principle without any additional settlement in controlling
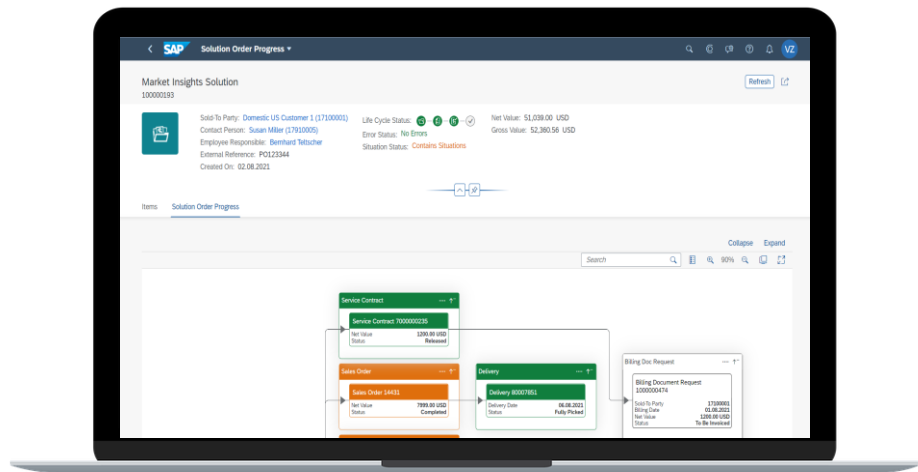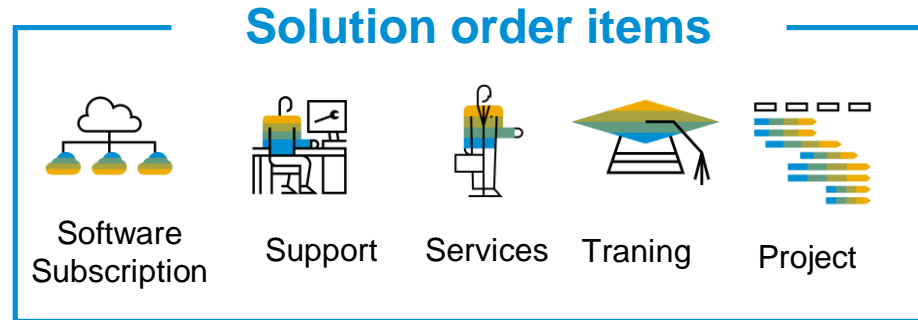
4

Revenue Recognition

Automate revenue recognition and margin analysis for solution orders enabling a simplified period-end closing

Running a solutions and Subscriptions Business with SAP S/4HANA Cloud
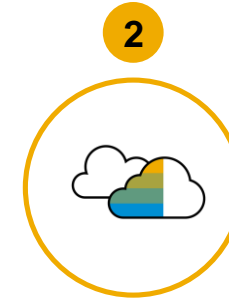
Demo - follows

Solution order items

Software Subscription

Support

Services

Traning

Project

1

Manage Solution Order
Develop new business models based on solution offerings to differentiate from your competitors

2
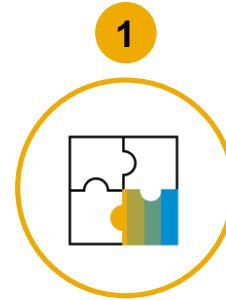
Manage Subscription
Exploring new business models including pay-per-use subscription offer

3

Manage Entitlements
Manage the rights of usage, authorization and privilege, access or permission that is given to a customer.

5

Margin Analysis
Analyze revenues and cost by solution order supporting the matching principle without any additional settlement in controlling

4

Revenue Recognition
Automate revenue recognition and margin analysis for solution orders enabling a simplified period-end closing