

The Future of Operations Management is Intelligent

Kai Aldinger, SAP September 29, 2022



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Enabling Technology



Internet of Things

Provides sensor-enabled value-added services and business outcomes



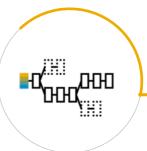
Advanced **Automation**

Increasing efficiency by integrating latest automation technology and robotics



Data Science

Sophisticated algorithms for data-driven optimize of processes



Networks

Align distribution and fulfillment processes by collaborating with logistics participants



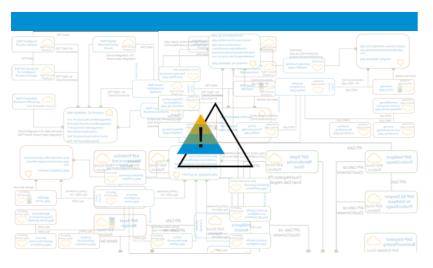
Cloud

Flexible consumption models to cope with volatile demand situations

Technology alone is not enough

Technology transformation versus Business Transformation

Stand-alone technology transformation



- Risk a myopic view of optimizing particular function
- High-risk projects and rigid, complex landscape



Business transformation enabled by intelligent applications



- In line with strategic business priorities
- Long-term agility and regular innovation

Difference Between Sensor-Based Scenarios and Smart Sensing Scenarios

Sensor: continuous measurement and tracking



Smart sensing: create discrete events

Sensor: sensors capture parameters in their surrounding (e.g. temperature, pressure)





Sensor: devices which can capture complex situations using multiple sensors







Smart sensing: tags trigger events (e.g. when leaving/entering warehouse)



Smart sensing: small, cost efficient and can be attached to almost any item

Sensor: associated to physical object (e.g. milk truck)



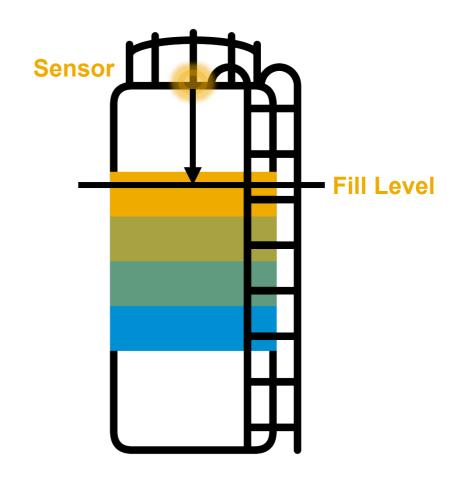


Smart sensing: associated to business object (e.g. handling unit)

Example: SAP S/4HANA with IoT for Replenishment

Tank Management with Fill Level Calculation

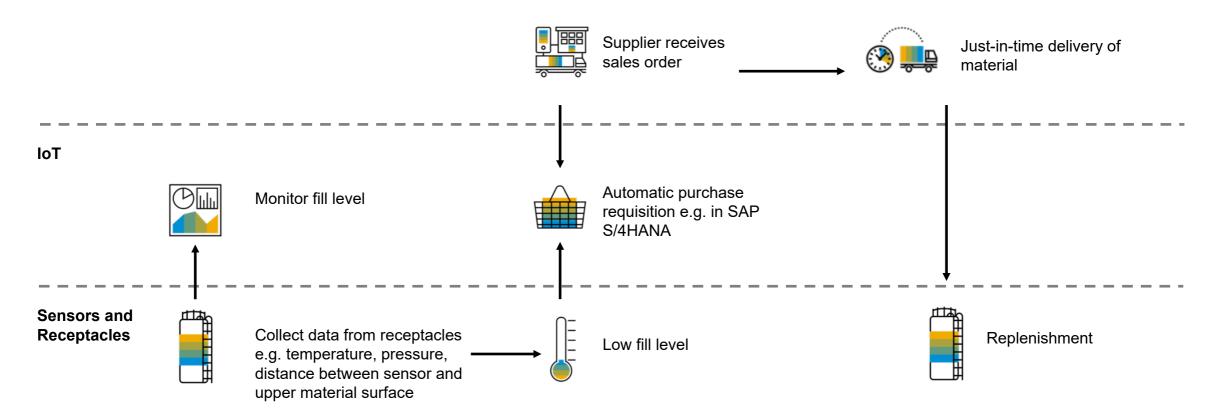
- Radar depth sensor measures distance between sensor and upper material plane
- Once distance threshold inside the silo is reached the replenishment is automatically triggered
- Additionally, the sensor can measure more raw data for further scenarios:
 - Temperature, Humidity, Pressure, Geolocation



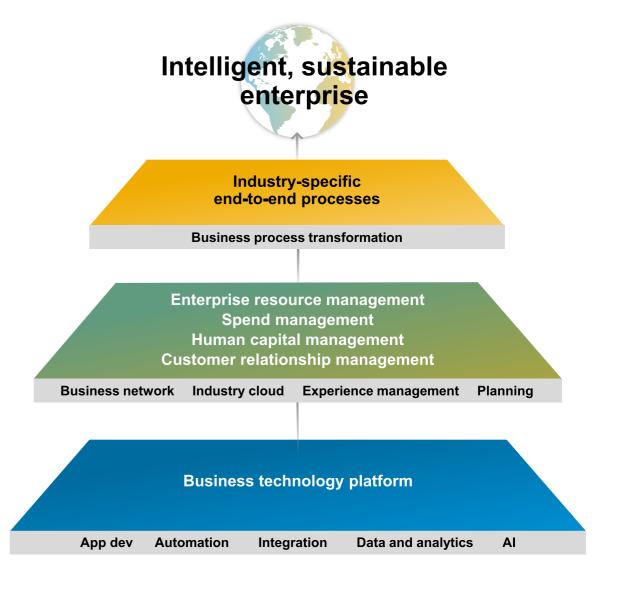
SAP S/4HANA with IoT for Replenishment

Business Process Flow

Supplier



Enable every enterprise to become an intelligent, sustainable enterprise



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IoT-enabled supply chain for a resilient enterprise

Use of IoT across the supply chain



Design

- Extend your product development and engineering models with sensors and IoT technology
- Analyze actual product performance and conduct what-if simulations



Plan

- Improve supply chain planning and visibility through an end-to-end connected supply chain
- Applications connected to IoT can track the movement and performance of IoT-enabled resources in real-time



Manufacture

- Real-time manufacturing performance management through IoT-enabled production line monitoring**
- Manufacturing automation by tracking resources throughout production



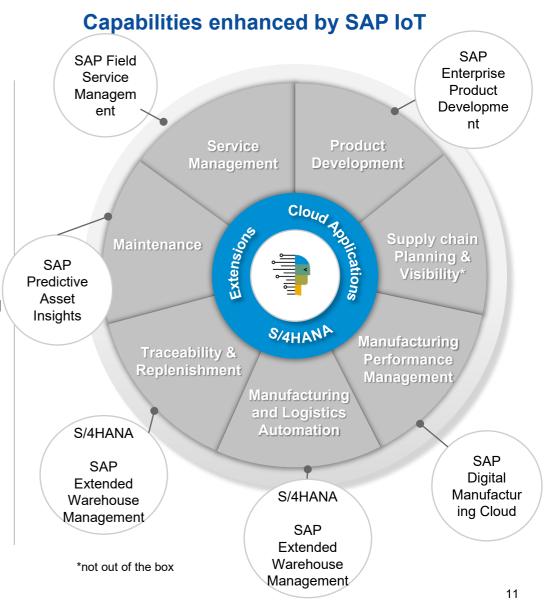
Deliver

- Automate traceability of physical items in warehousing and logistics and automate replenishment
- Gain real-time visibility into location of IoT-enabled goods
- Track and automate response to condition-based monitoring



Operate

- Connect assets with IoT for real time predictive and prescriptive maintenance
- Integrate maintenance and service management across the enterprise, removing functional silos



SAP Digital Manufacturing Cloud - Discrete Industry & Process Industry

Automate processes and resources to improve manufacturing efficiency, quality and productivity



Paperless production with intuitive user interfaces for production operators, automatic data collections and set machine parameters, thereby lowering cost, increasing productivity and quality.



Design, distribute and dynamically control manufacturing shop floor activities enabling a smart factory.



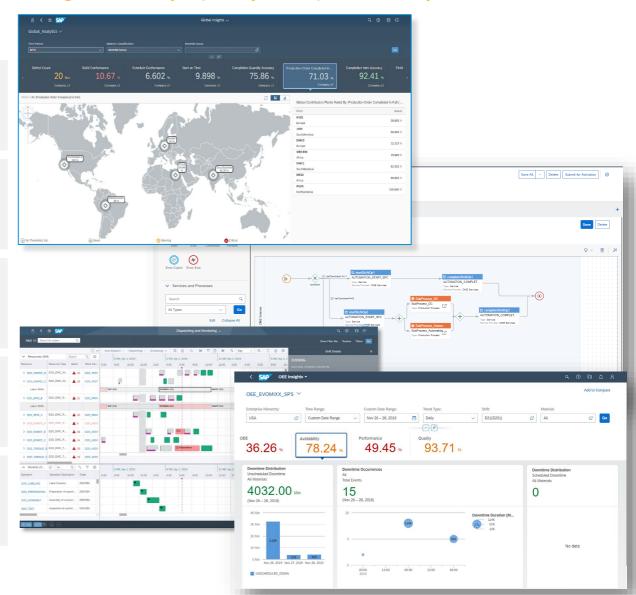
Shift and Labor planning to ensure business operations with right qualifications. Production Order scheduling and dispatching considering labor, resource and maintenance constraints to plan operations and adopt to short term changes.



Cross plant real-time analytics for manufacturing performance e.g. Perfect Order Fulfillment, Overall Equipment Effectiveness, loss analysis along with machine data to identify improvement opportunities.



Ability to collect and share product genealogy data between members of the network to trace accountability and provide transparency.



SAP Digital Manufacturing Cloud

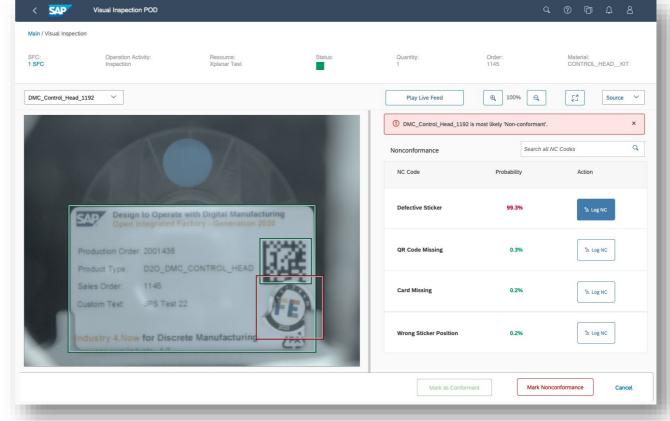




Machine learning models **assist operator** on the shop floor **to execute visual inspection tasks** of manufactured products. Using a **Production Operator Dashboard**, it **simplifies** the **identification of defects** and **logging** the right **Nonconformance** to ensure defective parts are handled as business requires.

Key Capabilities

- Upload pre-trained machine learning model and deploy it to shop floor supporting the operator on visual inspection tasks.
- Operator can capture images with connected cameras or can inspect images from industrial cameras provided by the data collection API
- Assist operator to identify defects and log the right Nonconformance code using the machine learning model
- Allow the machine learning model to log the Nonconformance automatically based on the prediction and under operator's control
- Automated collection of images and inspection results which can be reviewed, analyzed and downloaded as analytical data sets to train new machine learning models.



SAP Intelligent Asset and Service Management

SAP Service and Asset Manager



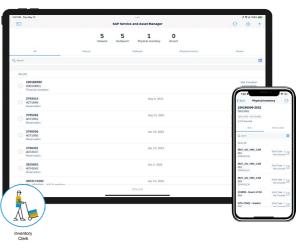
Cloud-based solution to transform enterprise business processes on a mobile experience

- Mobile-enabled processes integrated with enterprise systems enable easy and timely execution on the go
 - Maintenance component for technicians who maintain and service enterprise assets and need to perform their job with complex asset information and business logic for own and customer assets
 - Service component for field service technicians out on the field that need to follow a guided workflow and complete all service assignments based on the job to be done on customer equipment
 - Inventory management component for clerks who need flexible and automated mobile support in goods movements and stock management
 - Native integration with SAP S/4HANA Asset Management On premise, Private Cloud Edition and Public Cloud (SAP Maintenance Assistant) and SAP ECC Enterprise Asset Management.
- Ready-to-use, extensible iOS and Android app integrated with native mobile features and services. Enables the worker to be more productive and seamlessly take advantage of the mobile technologies to perform their job
- Easy configuration, in a cloud-based editor by leveraging SAP Business
 Technology Platform Mobile Services and the mobile development kit,
 providing online and offline access to context-rich visualizations and
 actionable asset insights.



Service Component

Inventory Component



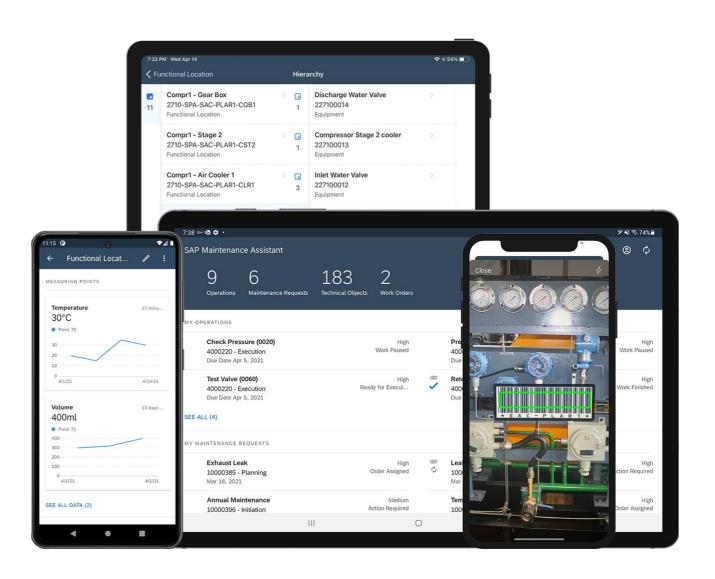
SAP Maintenance Assistant

Introduction

SAP Maintenance Assistant is a mobile application for maintenance technicians using SAP S/4HANA Cloud 2105 and onwards.

The native application has full offline capability and follows the best practice maintenance processes defined in SAP S/4HANA Cloud.

Supports iOS and Android, both phone and tablet form factors.



Improving Asset Utilization with the SAP® Asset Manager Mobile App for SAP S/4HANA®



Before: Challenges and Opportunities

- Limited capabilities of its aging mobile system increasingly unable to meet specific business needs
- Desire to improve efficiency and lower costs of maintenance operations
- Lack of a clear road map for its legacy system out of step with the company's strategic IT plan
- Empowerment of the maintenance team to perform daily tasks more efficiently and with greater accuracy

Why SAP

- Evaluation of the SAP® Asset Manager mobile app for SAP S/4HANA® during the implementation of SAP S/4HANA according to SAP Activate methodology
- Flexibility to use the mobile app online and offline and use it with various devices, allowing the most suitable device to be used in each maintenance area
- · Customization potential, allowing unique steps in its maintenance processes to be configured
- Solution road map aligned with its strategic IT plans

After: Value-Driven Results

- Successfully integrated the inspection and service authorization capability of SAP Asset Manager with SAP S/4HANA
- · Improved accuracy of important maintenance data, including inspection results, time, and costs
- · Operationalized inspection work, replacing the overhead costs of paperwork with accurate and timely electronic data input
- Automated the collection of maintenance records and created an intuitive experience by leveraging the SAP Fiori® user experience

"We chose SAP Asset Manager because it has a clear solution road map that aligns with our strategic IT plans. Since we implemented the solution, we've had two new updates to the technology."

Adilson Delfino de Abreu, Information Systems Business Partner. Celulose Nipo-Brasileira S.A. (CENIBRA)

3,000

Maintenance orders logged each week, shortening work cycles

60,000

Maintenance inspections included in the first wave of the technology rollout



(Portuguese)

Enabling Innovation Through Green Manufacturing and a High Level of Quality with SAP® Solutions

Arpa■

Before: Challenges and Opportunities

- Build an innovative factory from scratch to help make a new production line highly successful
- Combine employee best-practice knowledge with operations data for constant innovation
- Improve product quality while meeting sustainability targets for water, energy, and waste reduction
- Stabilize and optimize a highly complex and waste-intensive production process

Why SAP

- Innovative capabilities enabled by SAP® Business Technology Platform
- Direct, no-latency connection between the factory's 1,600 sensors and its core SAP software operations, and resource efficiency with predictive analytics from SAP HANA®
- Real-time monitoring of factory sensor data with customized performance dashboards from the SAP Analytics Cloud solution
- Automation through the SAP Manufacturing Execution, SAP Manufacturing Integration and Intelligence (SAP MII), and SAP Extended Warehouse Management (SAP EWM) applications

After: Value-Driven Results

- Energy and water reductions through smart, automated consumption fine-tuning
- Reduction of scrap waste almost down to zero by using best-practice machine learning algorithms
- 24x7 production cycle leveraging autonomous, laser-guided vehicles (LGVs) controlled by SAP EWM
- Best-practice model and solution template for factory operations company-wide

"By using dashboards, predictive analytics, and embedded automation in SAP solutions, we can identify best practices and teach those practices to the factory's machines, systems, and people."

Stefano Rossetti, Production Manager, Arpa Industriale S.p.A.

80%

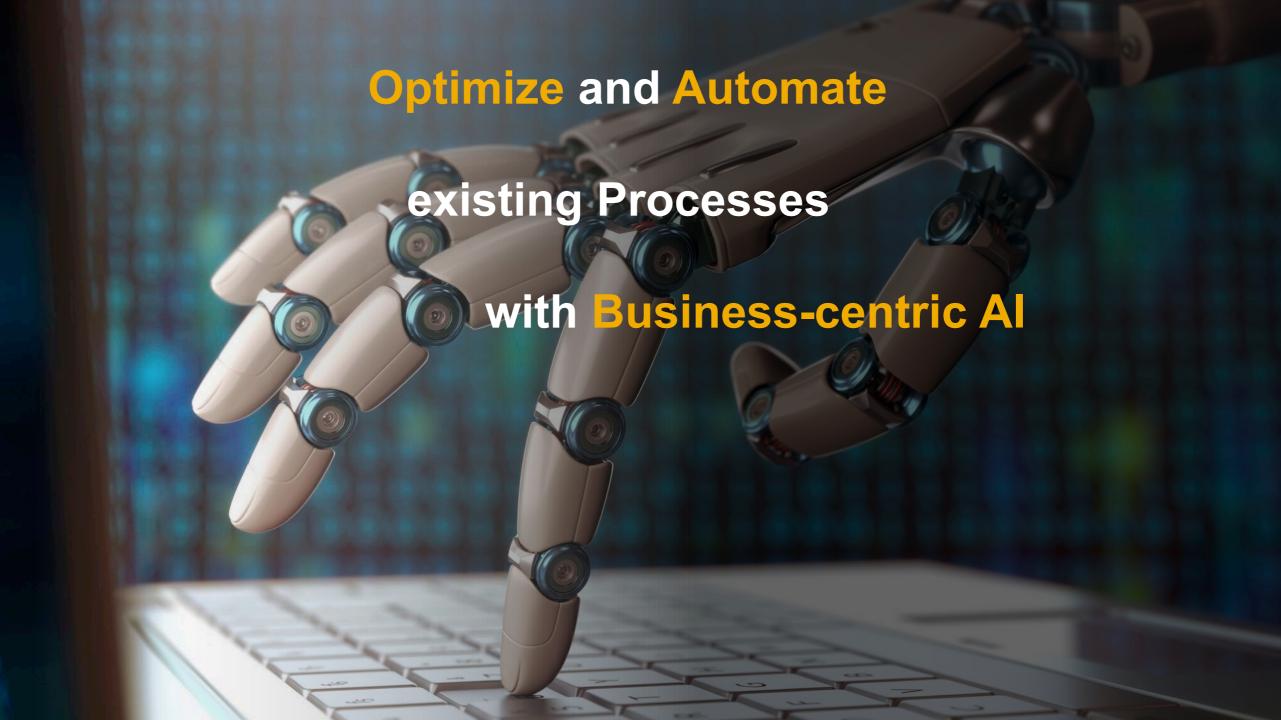
Reduction in water, energy, and other resources used

€750,000

Production cost savings in the first year







Extend and scale applications with business-centric AI capabilities available in SAP Business Technology Platform

Personalized learning

recommendations

Business

recognition

packaging

management

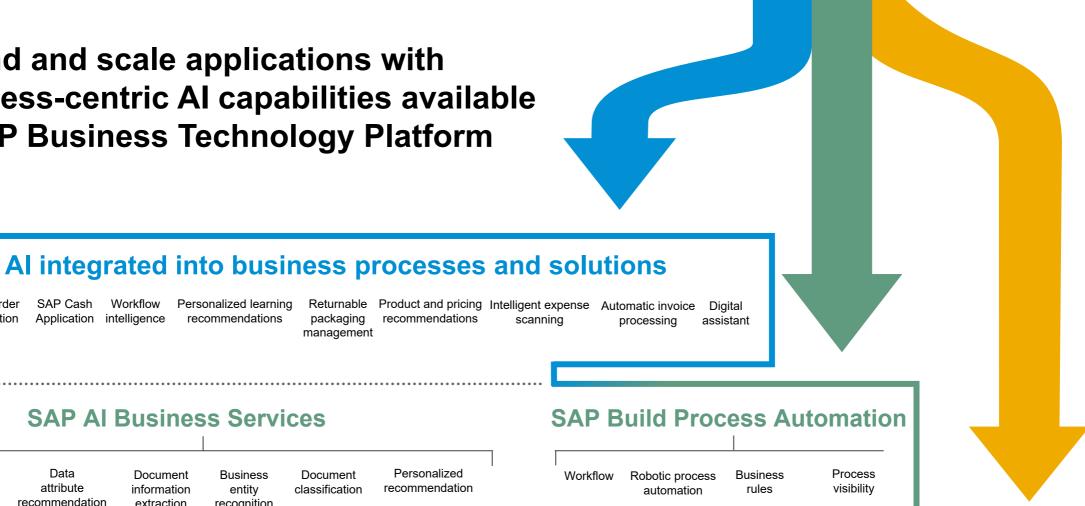
Document

classification

recommendations

Personalized

recommendation



Document

information

extraction

SAP Al Business Services

Application intelligence

Data

attribute

recommendation

Service ticket

intelligence

SAP HANA Cloud

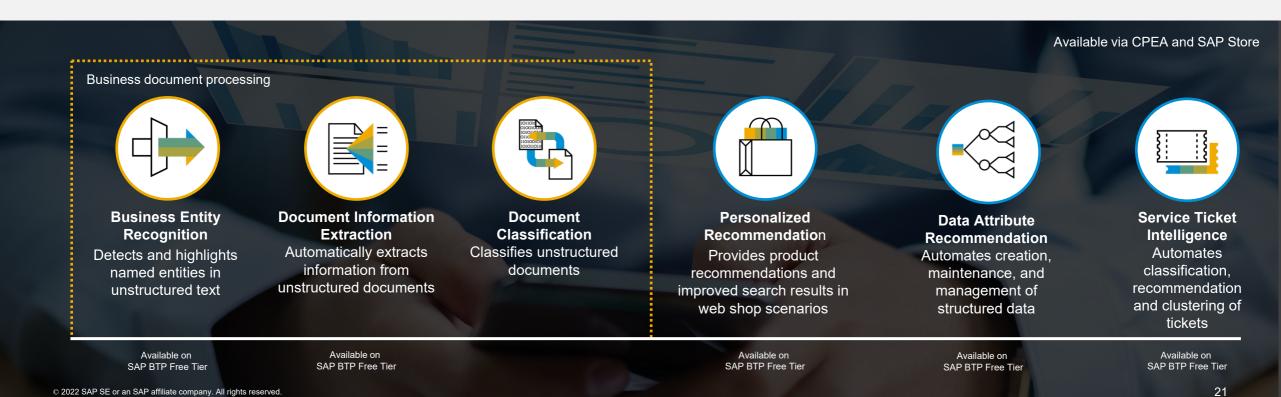
SAP Data Intelligence

SAP AI Core SAP AI Launchpad

Optimize Existing Processes with SAP AI Business Services



SAP AI Business Services provide strategic machine learning capabilities that help you automate and optimize processes while enriching the customer experience. These reusable services are available on SAP Business Technology Platform.



Improve Procurement with Machine Learning



Steel and Steel-related Mining Company



Challenges

- Significant effort for business users to order new spare parts
- High number of returns due to incorrectly chosen material classes
- Time-consuming manual master data creation and management



Implementation of SAP Data Attribute Recommendation:

- 20% decrease of effort for new material creation
- Suggestion of appropriate field content ensures that users correctly fill in a new material request
- Reduction of master data management by applying Machine Learning to match hierarchies



Improve Operational Efficiency with Machine Learning



Villeroy & Boch I Ceramics and Tableware Company



Challenges

- Time-consuming repetitive tasks
- Enable the development of automated workflows
- Improve productivity and efficiency to deliver better customer service



Implementation of **Document Classification** and **SAP Intelligent RPA**:

- Increased operational efficiency by automating complex document classifying tasks
- Automation of determination processes letting employees spend time on meaningful work
- Efficient user feedback capturing through usage of bots matching employees' exact needs





SAP's Industry Cloud

Accelerating innovation for all areas of the business, in every industry



Built by SAP and by its Partners



Interoperable and cloud native



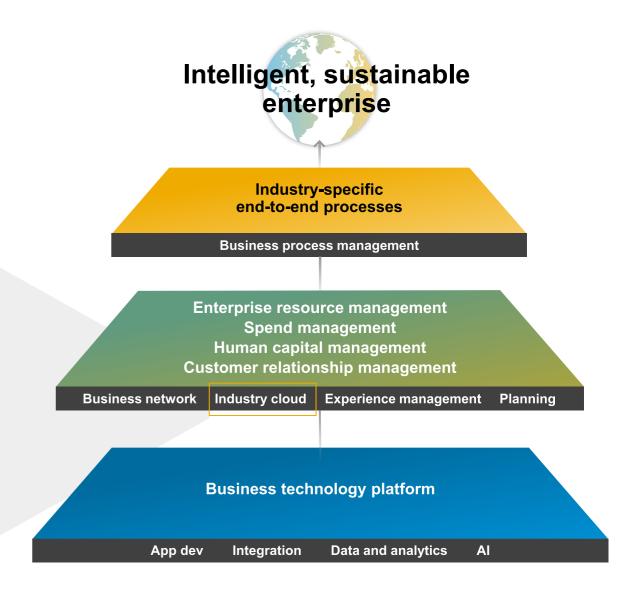
Business applications, not just technologies



Extend SAP's intelligent suite



Optimize, extend and transform core business processes



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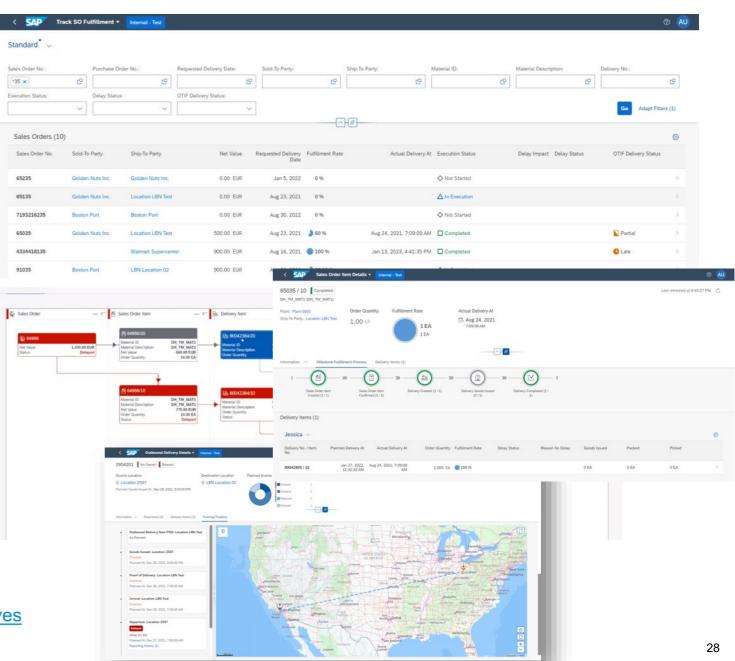
Track SO Fulfillment App

Feature Highlights

- Provide end-to-end document flow throughout the supply chain
- Aggregate logistics execution status from shipment up to corresponding upstream documents (e.g. outbound delivery, sales order)
- OTIF status calculation
- Work with either TM freight documents or LE-TRA shipment (ERP extractor template and configuration provided)
- Enable the extensibility for customer-defined fields or events or event-to-action scripts (e.g. send notifications)
- Flexible UI
- Display estimated status (provided by business partners)

Sample extractor and guide: <u>link</u>

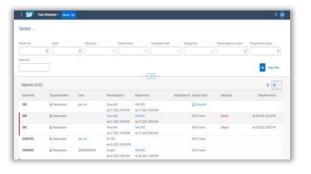
Help document: Guide for Internal Sales Representatives

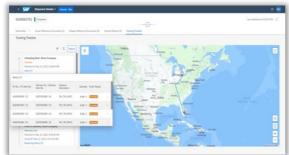


SAP Business Network for Logistics, global track and trace option

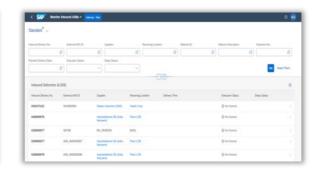
Available Standard Apps for Solution Owners

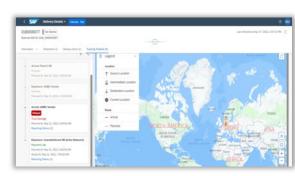
Track Shipments



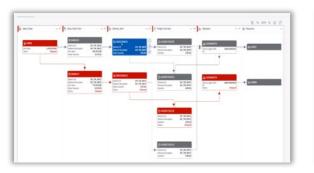


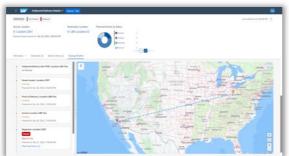
Monitor Inbound ASNs



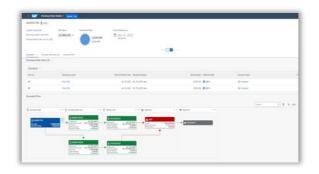


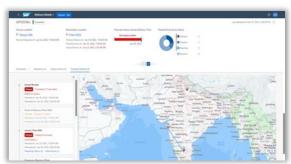
Track Sales Order Fulfillment





Track Purchase Order Fulfillment

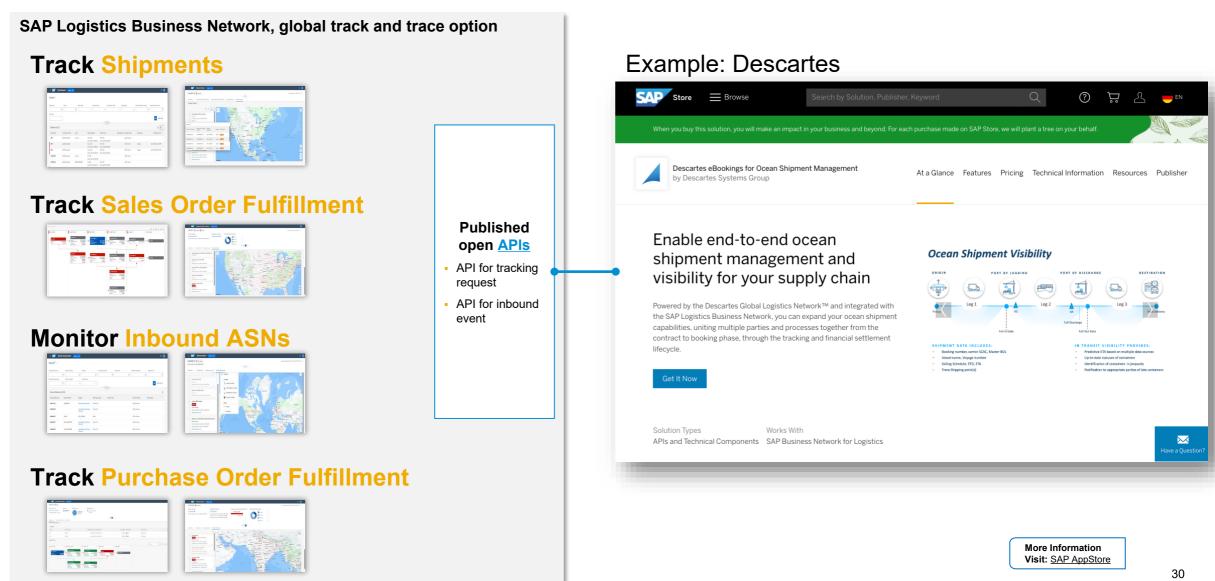




User Roles served with updated information: transportation planners, receiving specialists, internal sales representatives, and purchasers **Supported modes of transport** for visibility data integration: global ocean FCL, global air and FTL and LTL in NA and Europe

Connect to your carrier and LSP network through published APIs

and receive milestones and geo location tracking data from your external fulfilment network



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Trendminer

Software AG

Overview:

Next generation productivity through self-service industrial analytics. Democratizing analytics for process and asset experts. Combining timeseries and contextual data -like batch and quality data- from SAP Digital Manufacturing Cloud and 3rd party sources, enables subject matter experts to analyze, monitor and predict the operational performance in batch, grade and continuous manufacturing.

With Trendminer you can:

- Leverage the power of self-service analytics
- Use actionable intelligence to drive your business
- Help become a process engineer 4.0
- And much more ...







Roundwood Measurement Solution

Timbeter

Overview:

Al-powered solution for quick and accurate digital timber measurement and data management that enables sustainable forest management by bringing transparency and efficiency to the measurement process from the field to the factory.

With Roundwood Measurement Solution you can:

- Increase transparency & efficiency
- Make data driven decisions
- Increase safety of employees
- And much more ...







Thank you.

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