



Die Transformation der Unternehmenssteuerung bei der SAP

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Chief Analytics Officer

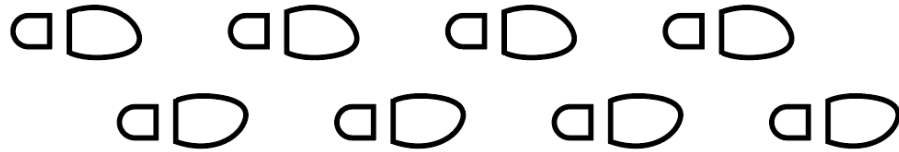
Nov 2018

PUBLIC

Surviving digital disruption

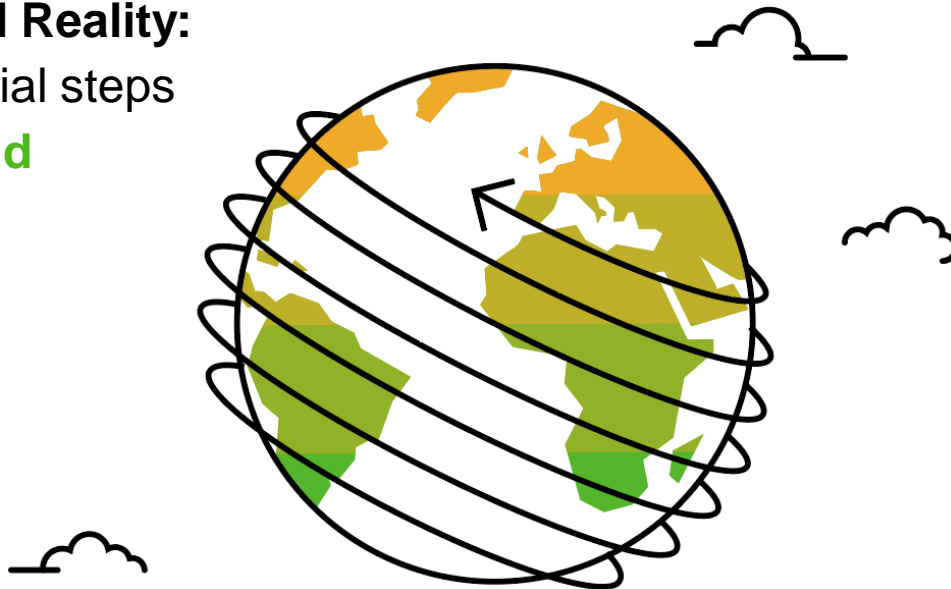
Linear Thinking:

30 linear steps
= 30 meters



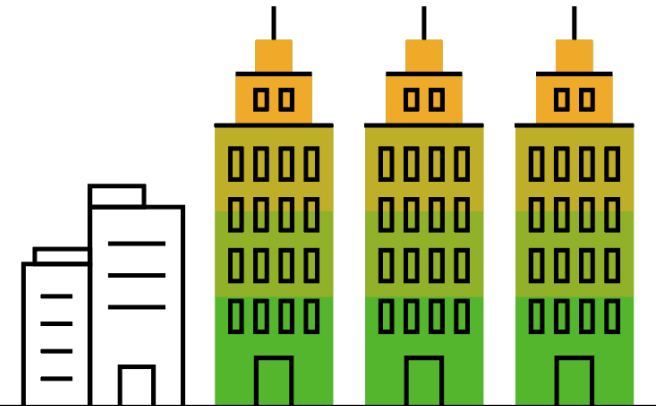
Exponential Reality:

30 exponential steps
= 26x around
the earth

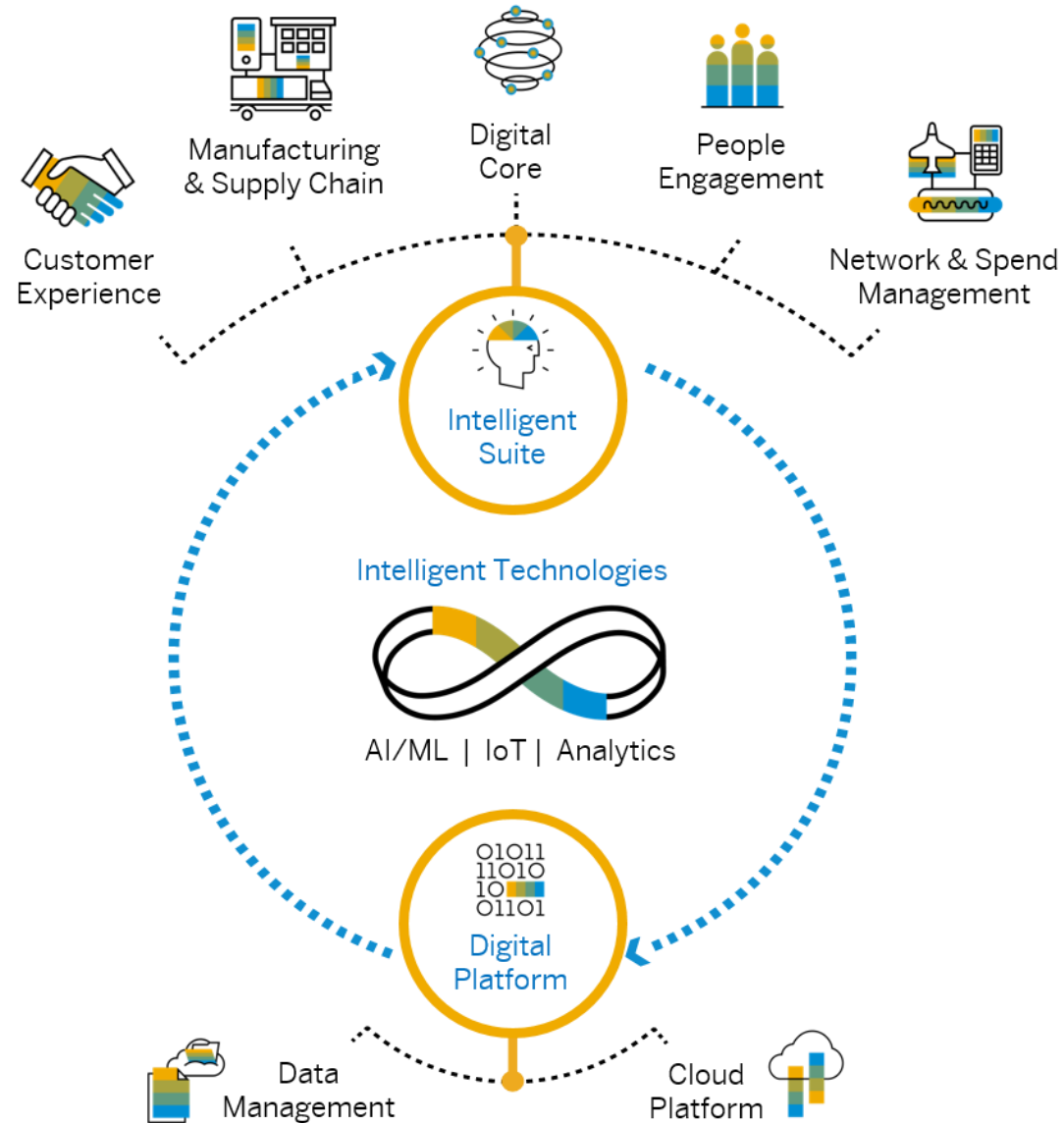


In 1961 the avg. tenure of a corporation was 61 years.
By 2026 it is expected to be no more than 14 years.

By 2030 3 out of 4 companies being in the S&P 500 today **will be replaced by companies not yet existing today.**



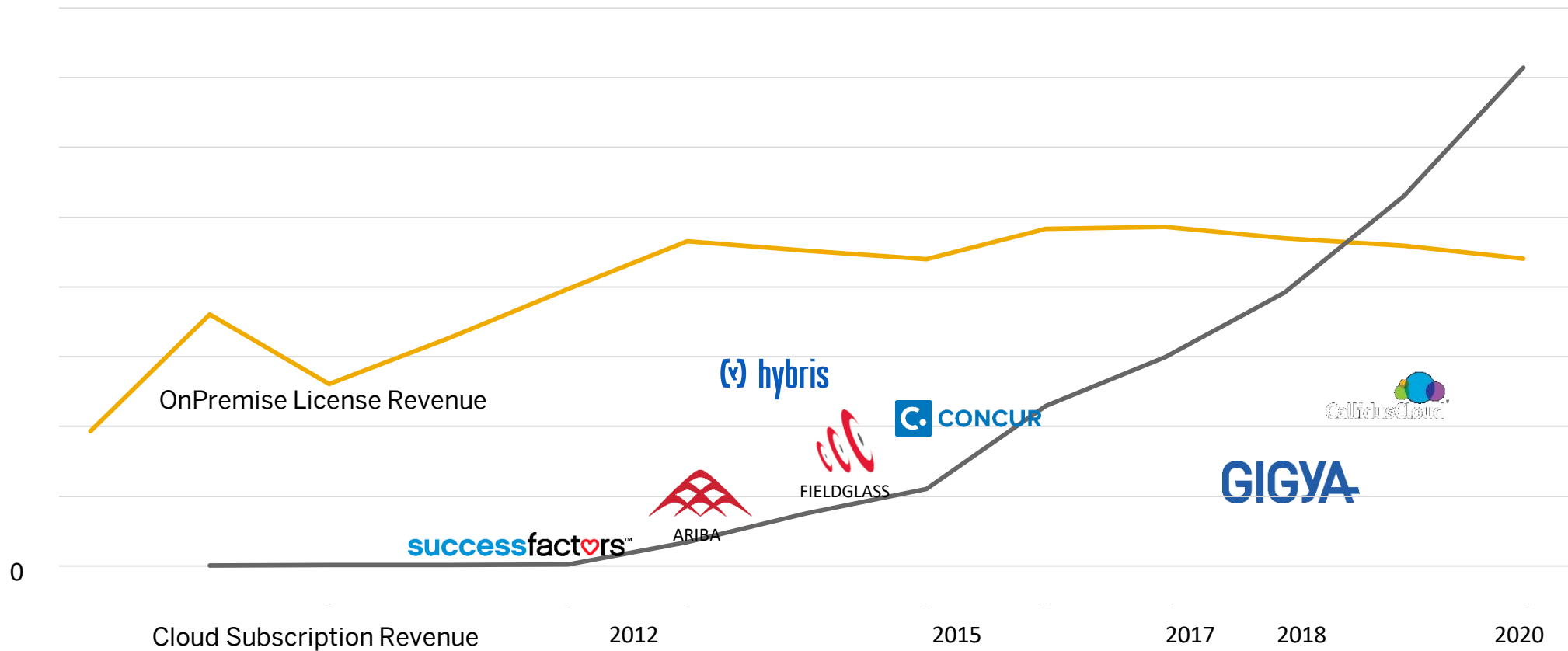
The Intelligent Enterprise Framework



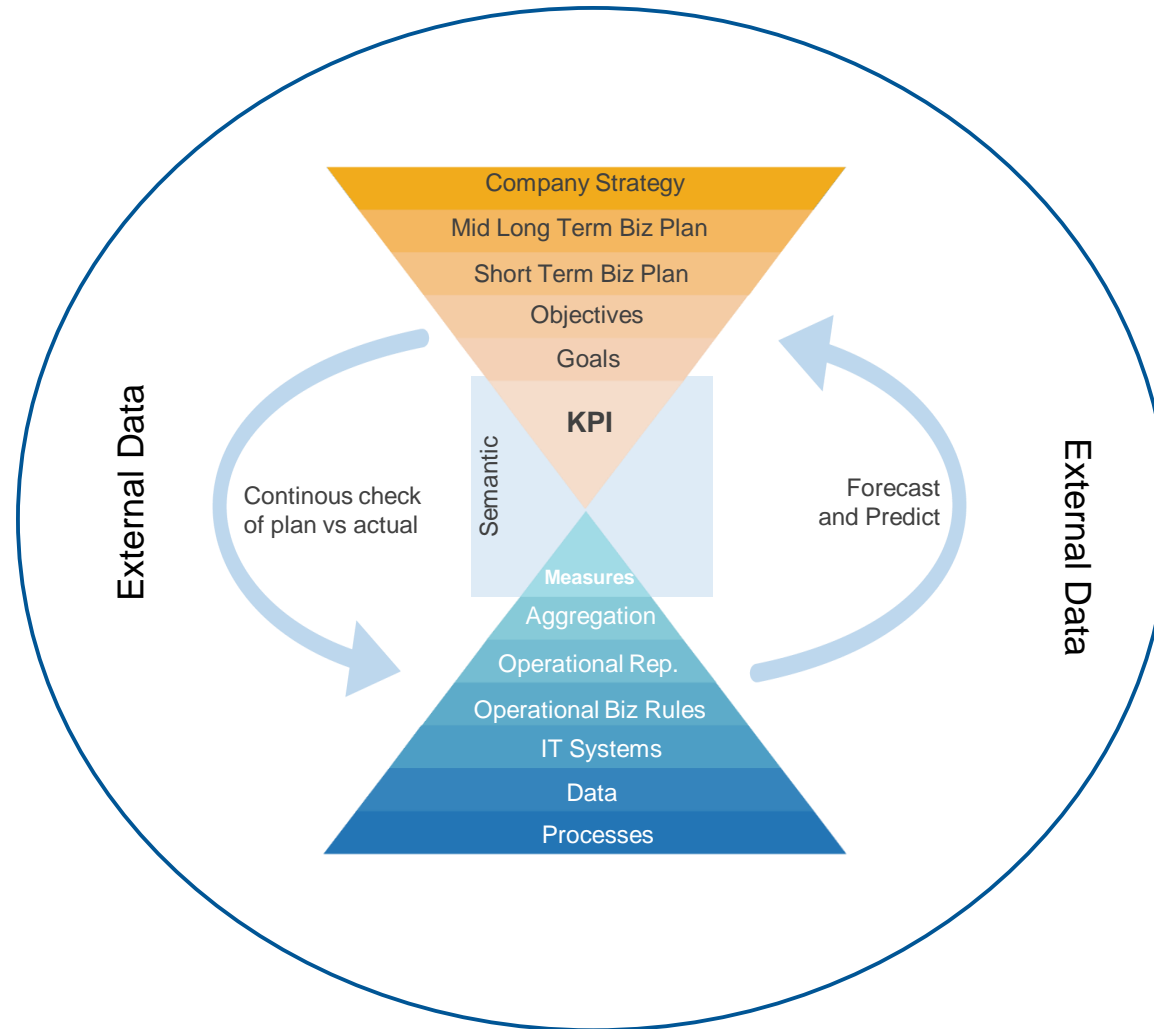
THE INTELLIGENT ENTERPRISE features **3 KEY COMPONENTS**:

- 1 Intelligent Suite
- 2 Digital Platform
- 3 Intelligent Technologies

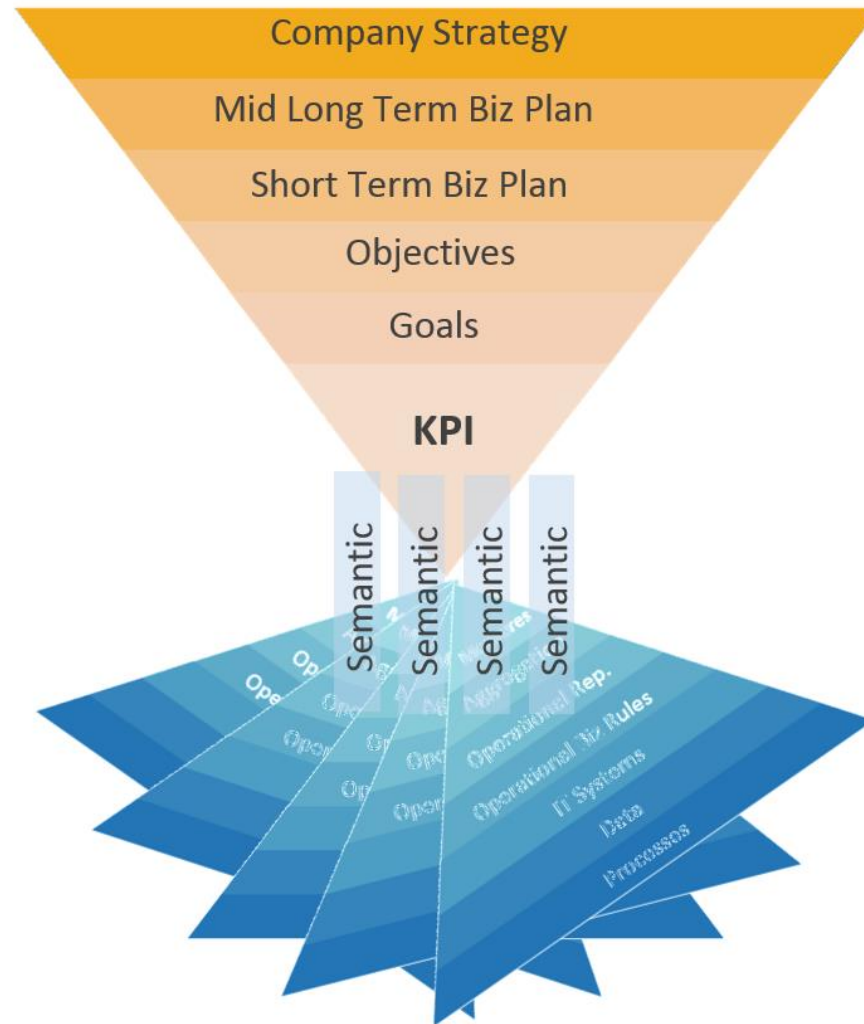
SAP's own business transformation



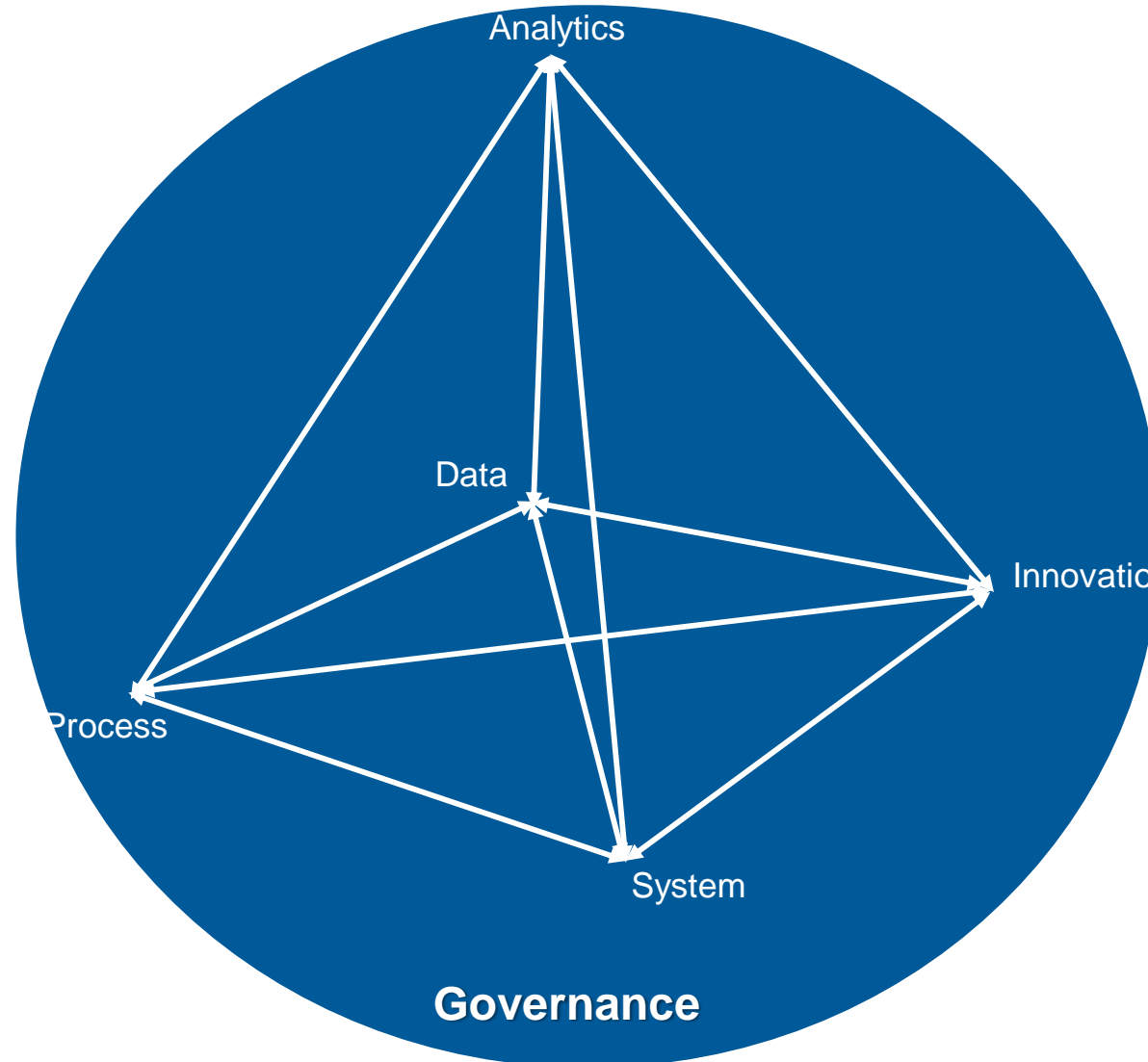
What everybody wants when it comes to steering....



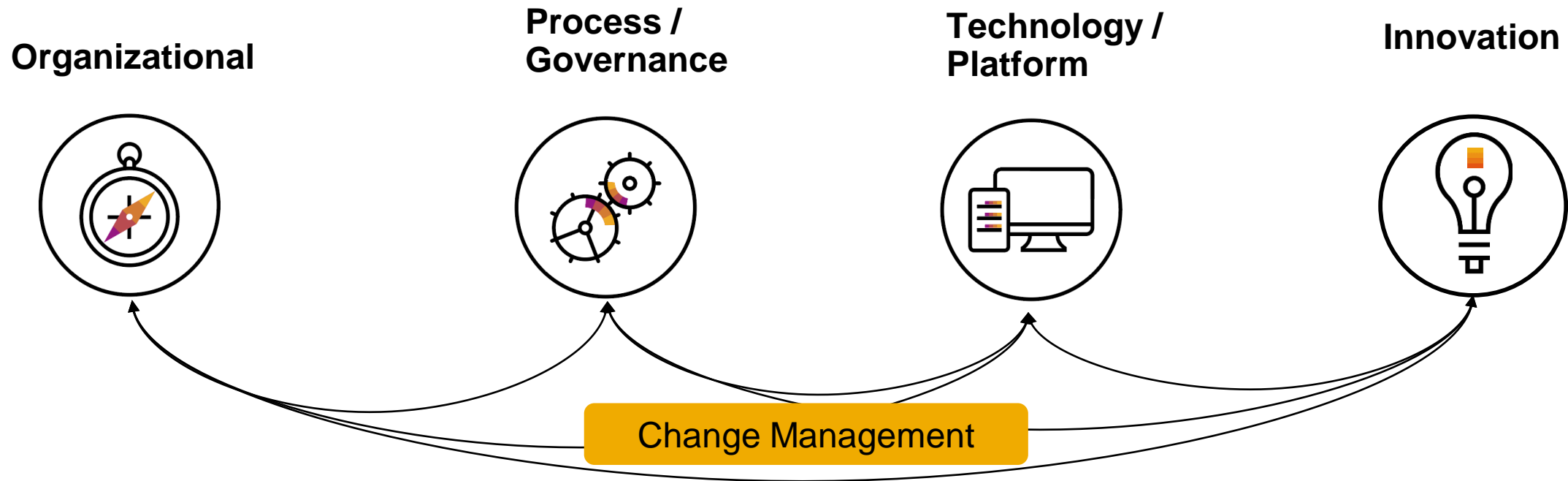
...what most companies have when it comes to steering



Steering Excellence is not an Analytics „problem“ (alone)



Four Dimensions of Transformation Approach

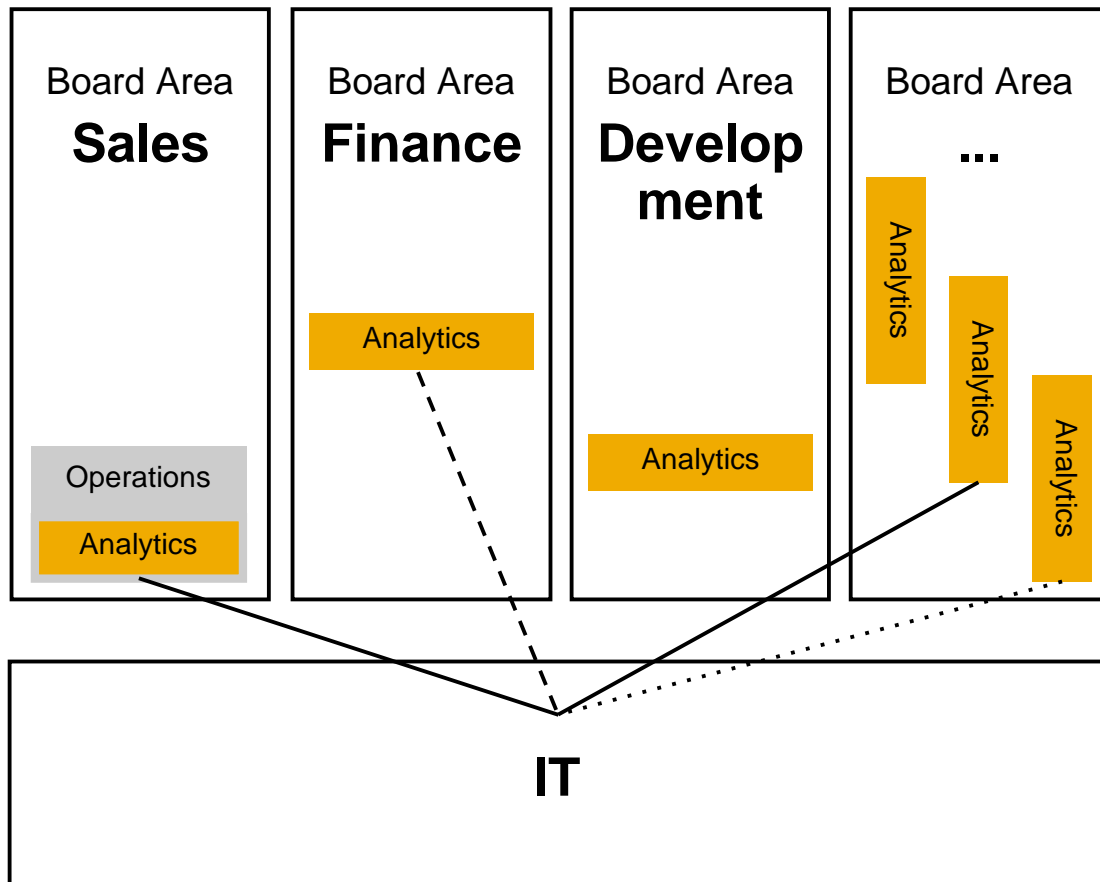


Four Dimensions of Transformation Approach

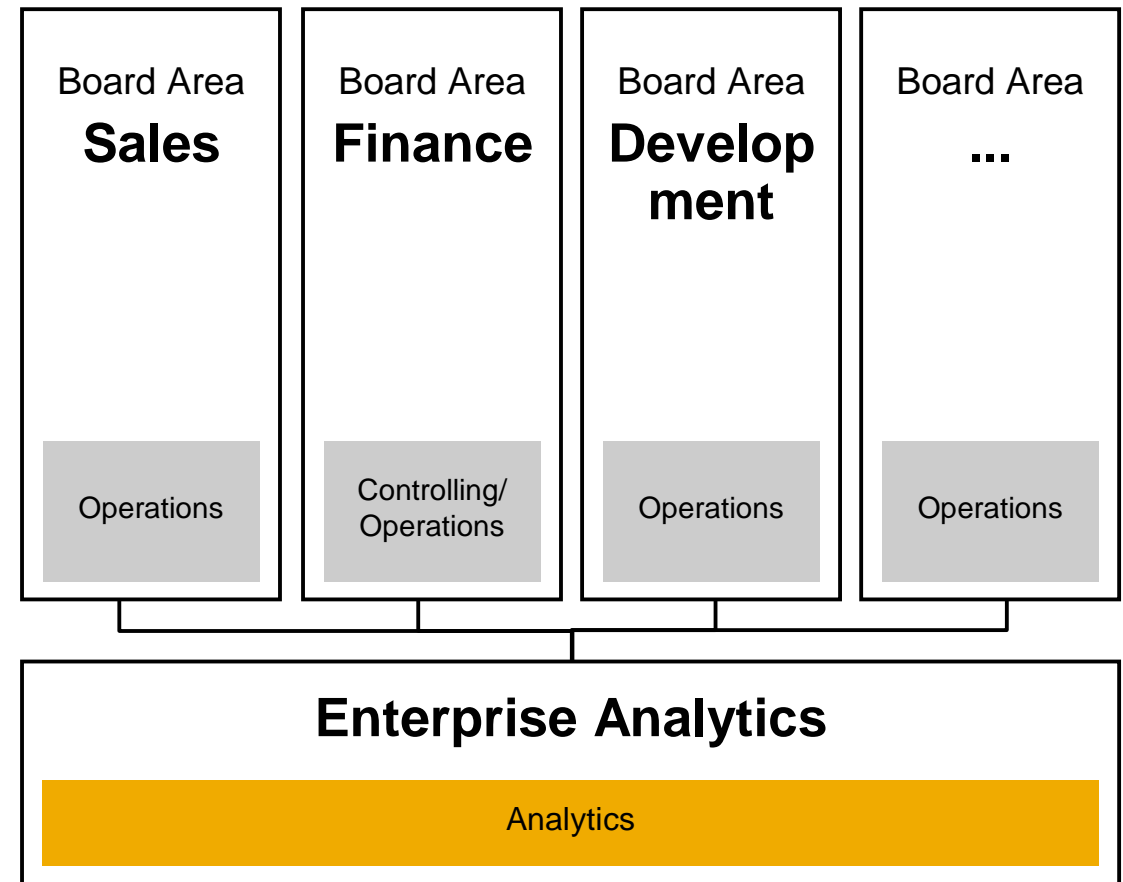
Organizational



From...

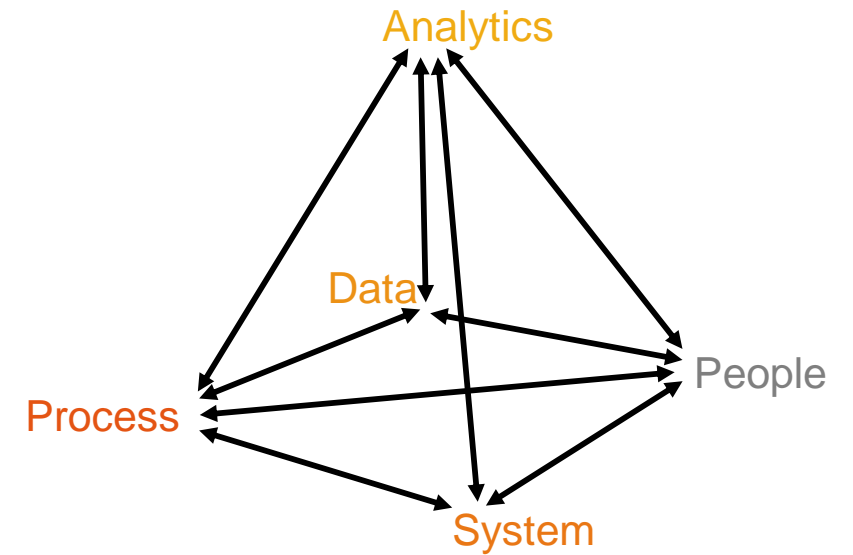
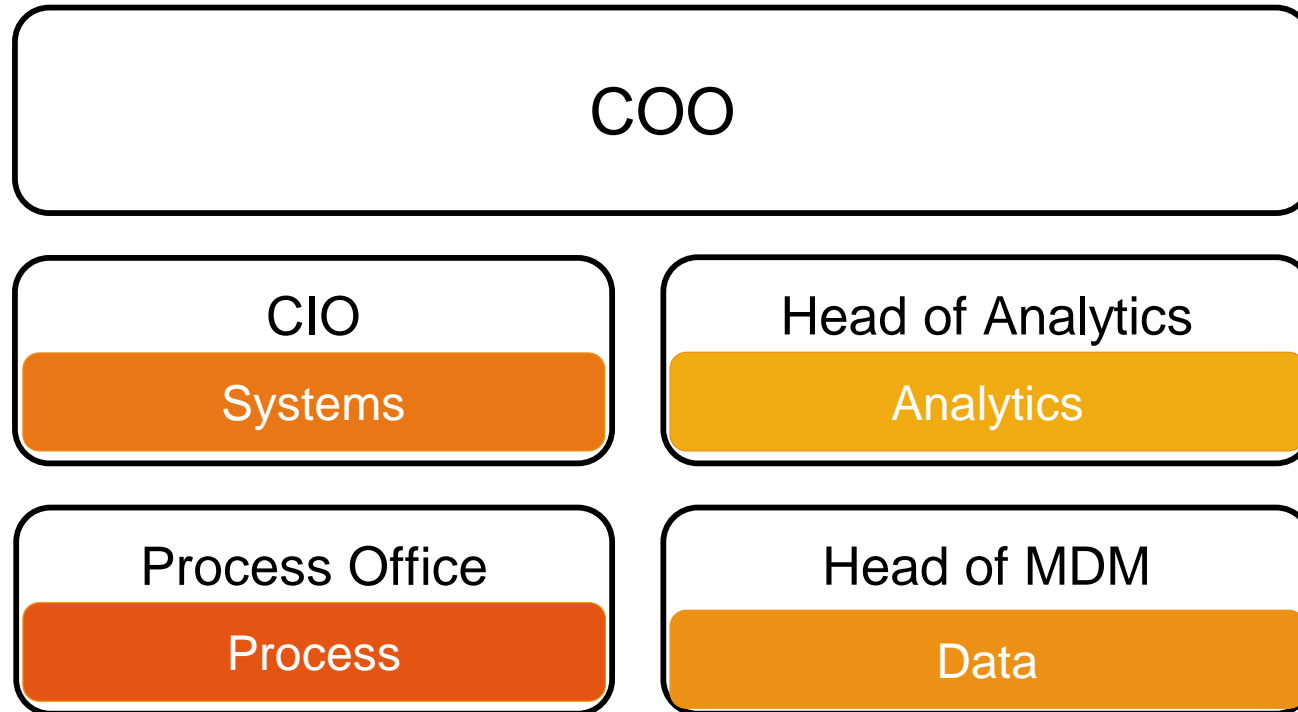


To...



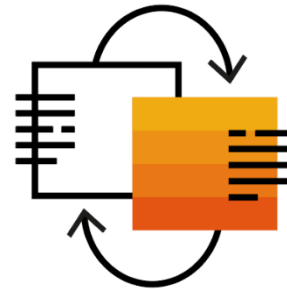
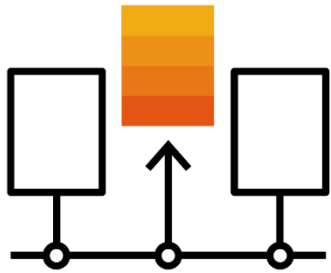
Enterprise Analytics DESIGN

Organizational Transformation: bringing ownership together



Four Dimensions of Transformation Approach

Process and Governance



**Standardize KPI
definition and
dimensions**

**Ensure data
consistency**

**Avoid redundant und
duplicative work**

by reusing analytical
assets and views

→ modular approach like
platform of car
manufacturers

**Cascade the steering
logic into the company**

From the top to the bottom

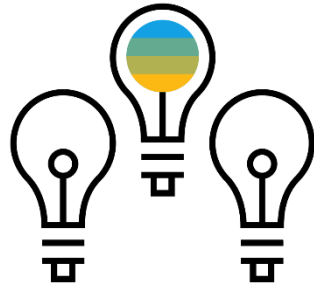
Four Dimensions of Transformation Approach

Technology and Platform



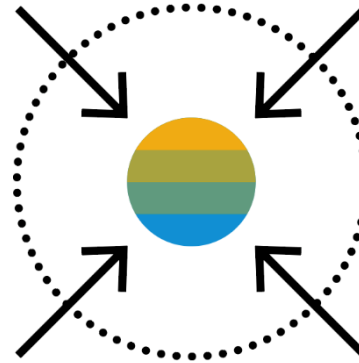
Technology /
Platform

ENTERPRISE
ANALYTICS



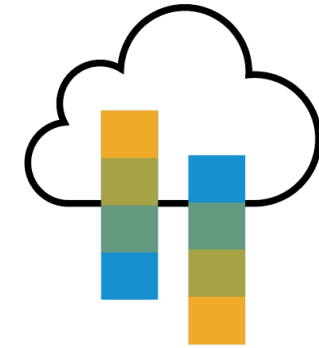
Single Source of Truth

Governed, federated System approach = One Analytical Platform incl. Mass Data Extension



SAP S/4HANA at the core

In memory technology allows for on the fly reporting

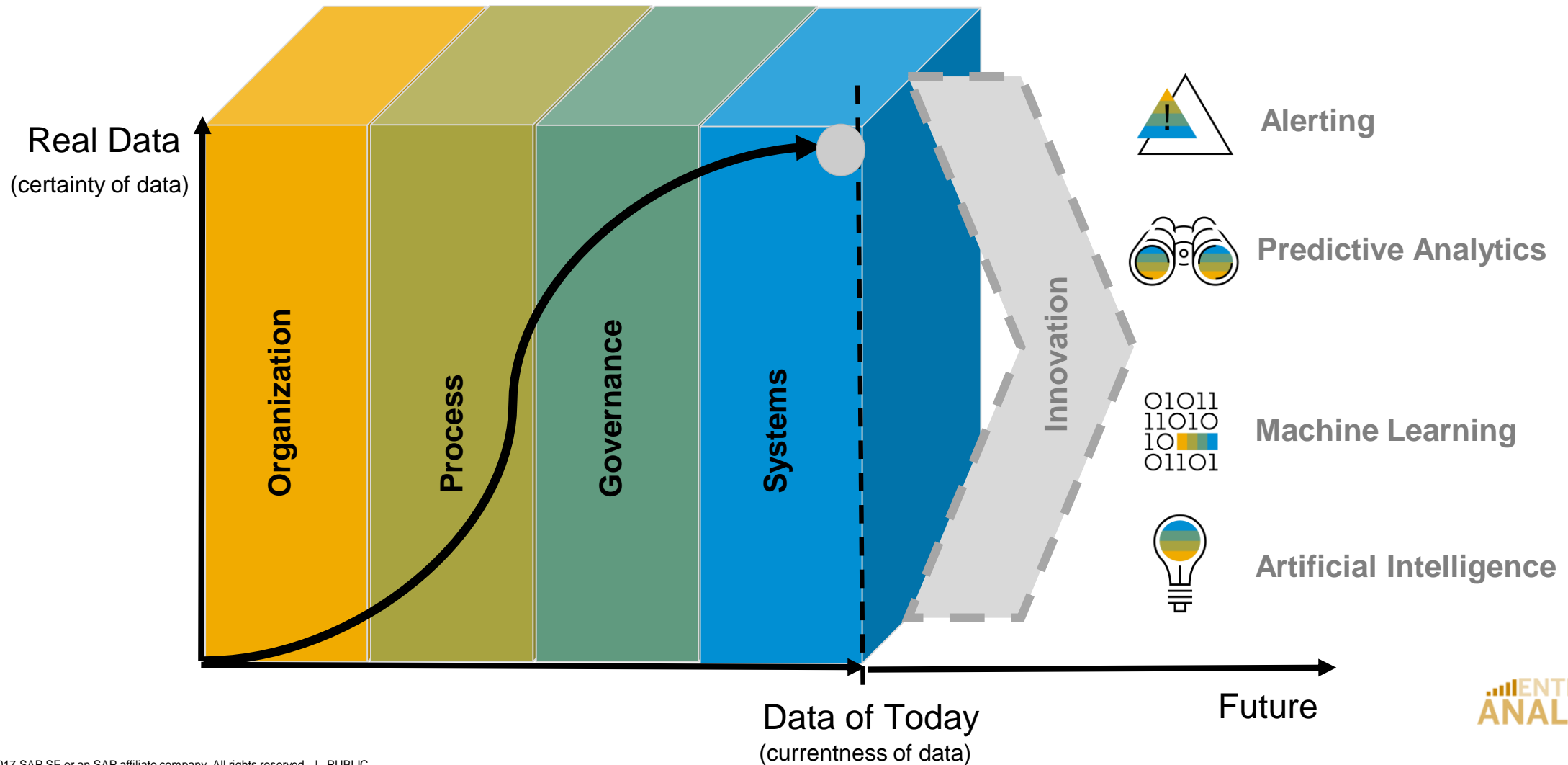


SAP Analytics Cloud

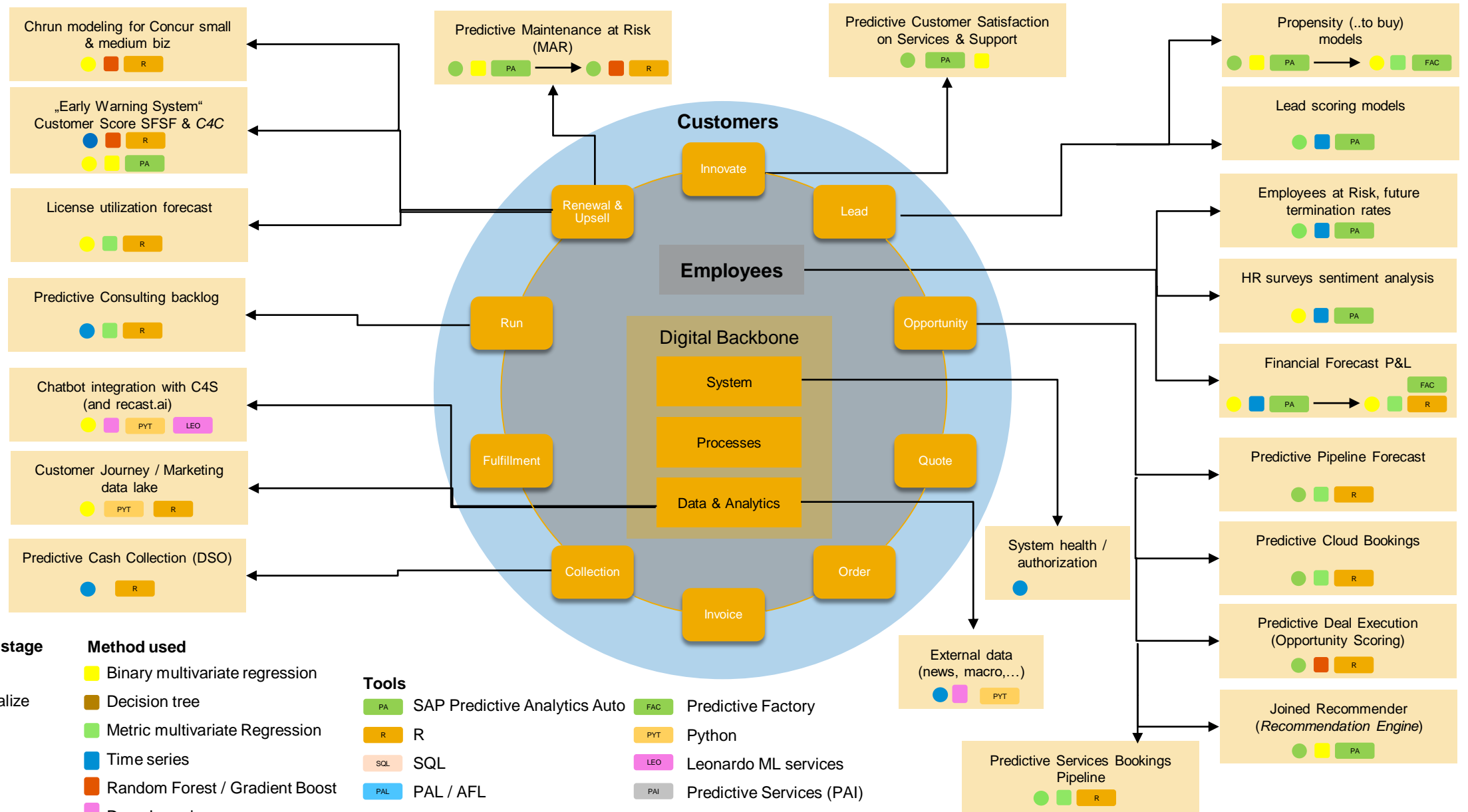
as the Analytics platform running on our SAP Cloud Platform

Four Dimensions of Transformation Approach

Innovation – building on the foundation created

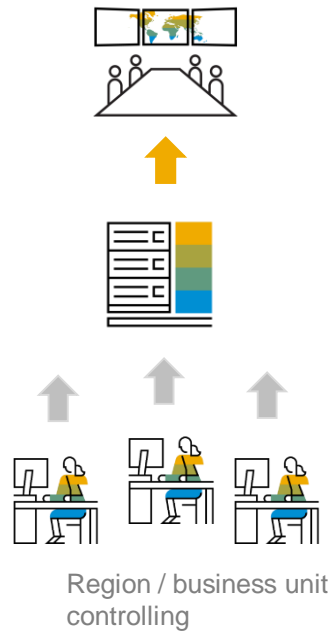


Predictive Analytics and Machine Learning at Enterprise Analytics



Evolving Financial Forecast Process for the Controller of the Future

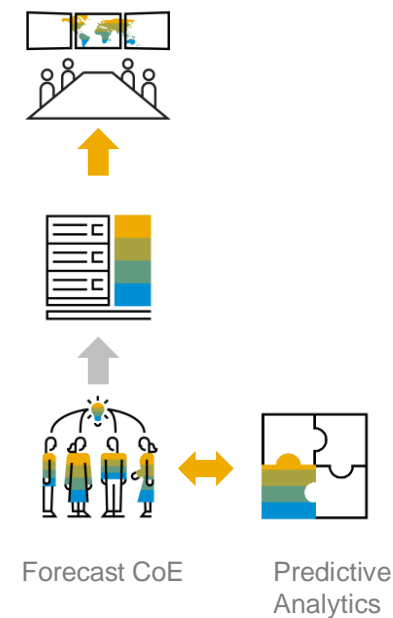
Decentral forecast



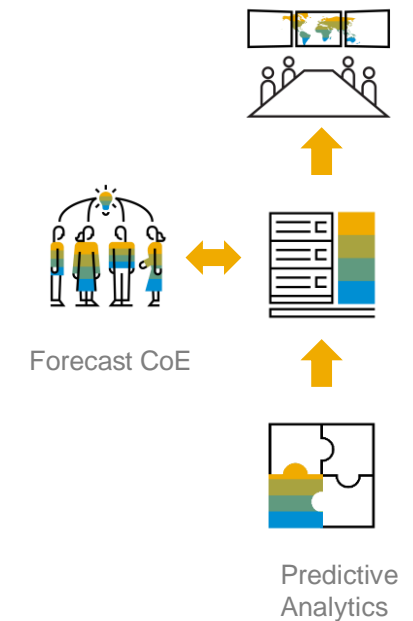
Central group forecast



Supported by predictive



Automated prediction



From a decentral approach with **inaccuracies** at group level leading to wrong steering measures...

...to a central group forecast through a **Center of Excellence** at the core of things, over...

...to a central forecast based on a **predictive analytics driven forecast**, eventually resulting in

... **automated** predictive models **integrated** in the planning environment for faster decision-making.

Predictive Analytics coverage on P&L Forecasting

Total Revenue

~85%

Cloud Subscription & Support.
(Bookings & Renewals)

Software Licenses

Software Support

Services

Total Cost

~60%

Contingent Workforce

Other 3rd party

License / Message / Sales Com.

Personnel I

Travel & Entertainment

Marketing

Infrastructure

Provision / other tax

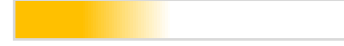
Other inc. / exp net

Logial expense

Contribution I

Maturity

Methodology



● Predictive
● Engine / satellite

Customer Churn Score and Renewal Rate Prediction

Built on SAP HANA with R algorithms



1 Data Input

Target variable and influencing factors:

- **Customer Contract Renewal (YES/NO)**
- Customer master data
- Usage information
- Incident, survey, marketing, sales information
- ...

2 Implementation

Technology and algorithm

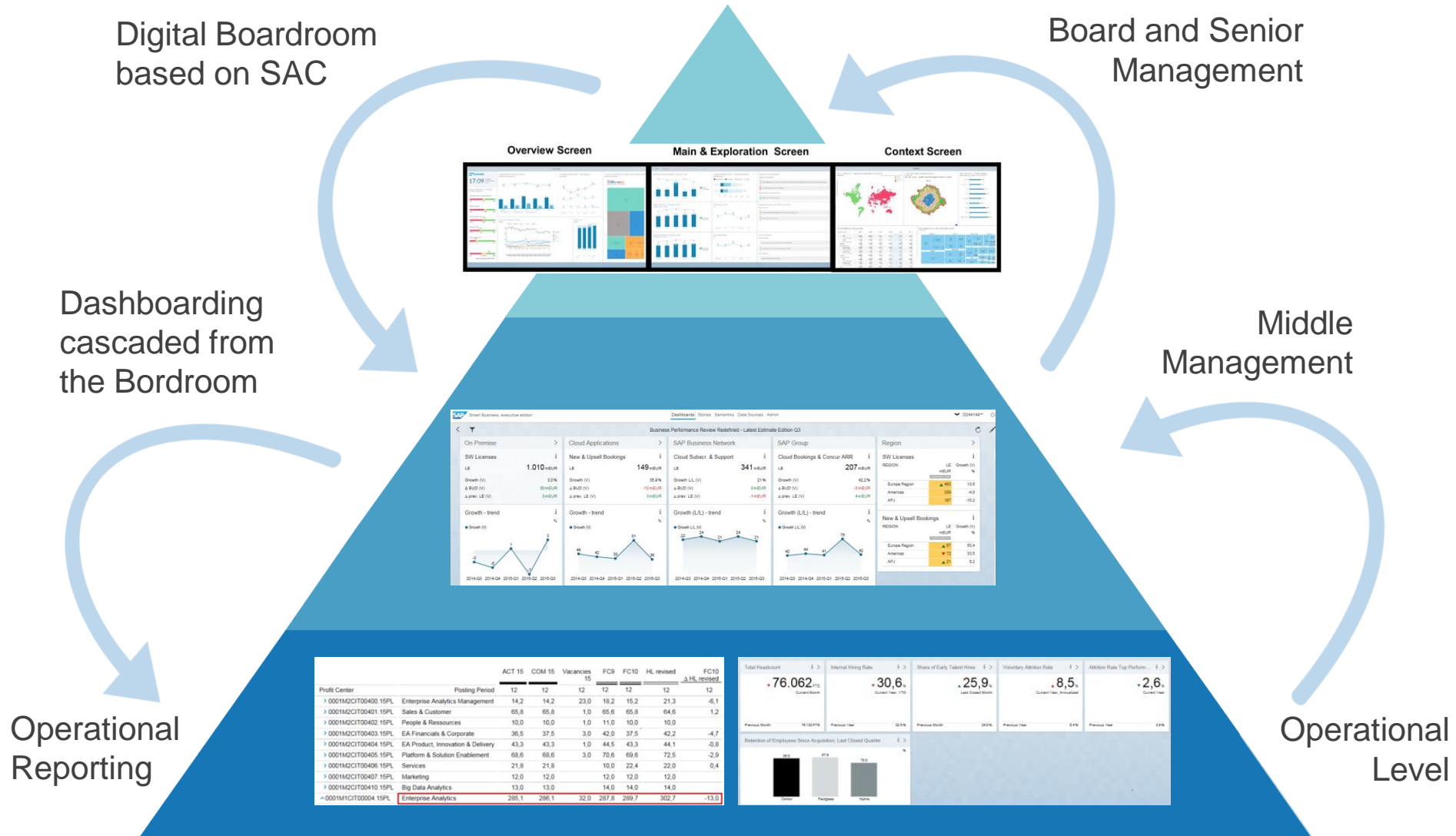
- RandomForest and Gradient Boosting Models
- Built on R server that consumes SAP HANA views
- Run via SQL + R procedures

3 Usage

Delivery of KPIs

- SAP Analytics Cloud & Harmony Insight (Cust. Success Tool)
- Used by Customer Success Managers and controlling to anticipate a customer's renewal behaviour

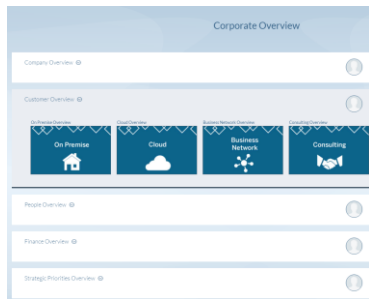
Steering Excellence – How to streamline and cascade



SAP's approach to implement and run the Digital Boardroom landscape

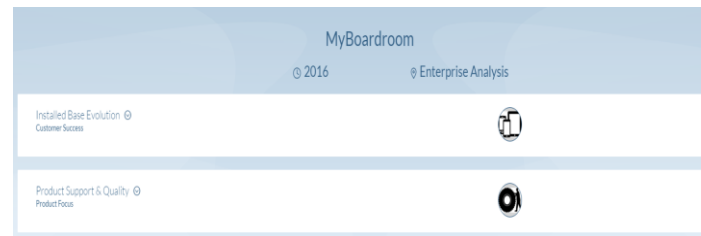
Corporate Overview

- Single entry point for all Board Members
- Steering relevant measures available at fingertips anytime



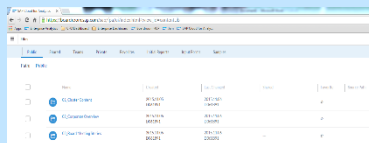
Board Member Specific : My Boardroom

- Board Member relevant content
- Always available for the Board Member to steer his/her board area



SAP Board Meeting

- Content is based on the Board Meeting Agenda
- Only available during the Board Meeting and stored as reference



Item	Category	Created	Modified	Owner	Check
Customer Overview	Customer	2016-01-01	2016-01-01	Admin	✓
Customer Overview	Customer	2016-01-01	2016-01-01	Admin	✓
Customer Overview	Customer	2016-01-01	2016-01-01	Admin	✓

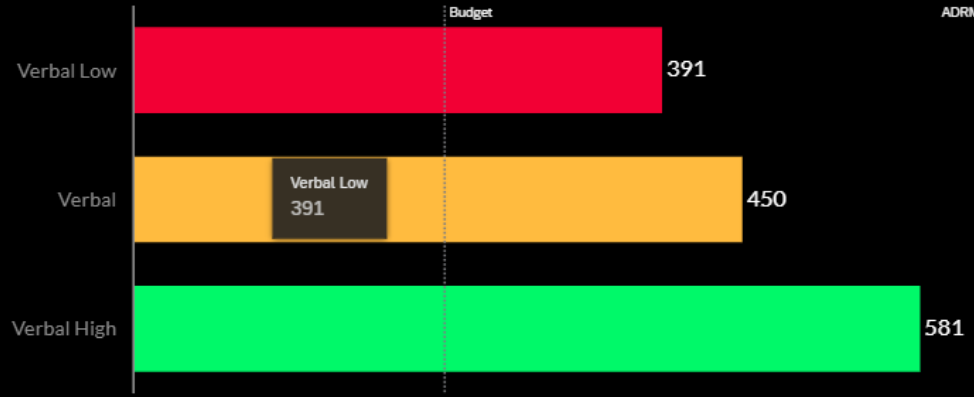
Content repository (single source of truth)



- Regions**
- All
 - APJ excl. GC
 - EMEA
 - Greater China
 - Latin America
 - Middle & Eastern Europe
 - North America

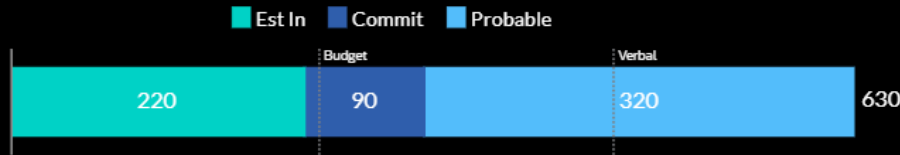
Comparison to Verbal

in mEUR



ADRM

in mEUR



Predictive FC

in mEUR

503

Budget Attainment

Verbal FC as % of Budget

195

Verbal to ADRM

in %

71

Δ to BUD

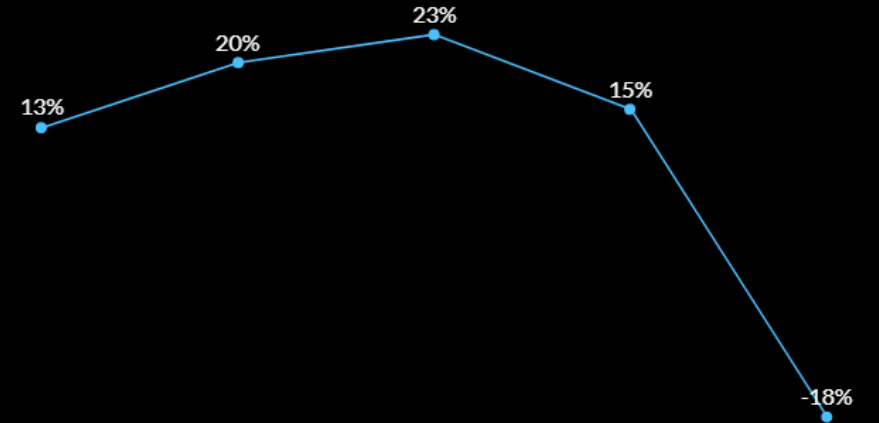
220

Bookings ADRM by Market Unit

in kEUR; Forecast @ ACV



YoY Growth @cc



Q4 2017	Q1 2018	Q2	Q3	Q4

Est In

in %

49

Pipeline Coverage

2.8

Upside

in mEUR

243

Est In

220

Bookings ADRM by Salesbag

in kEUR; Forecast @ ACV





Quarter (1)
CQ

Filter Selection (right-click anywhere to apply story filter)

Region: (All) Cluster: (All) MU: ANZ, India MU-1: (All) Sales Bag: (All)

Current Forecast

in Million, %

97.0

Verbal

102.6

Budget @BUD

17.2%

% Est In

-3.9%

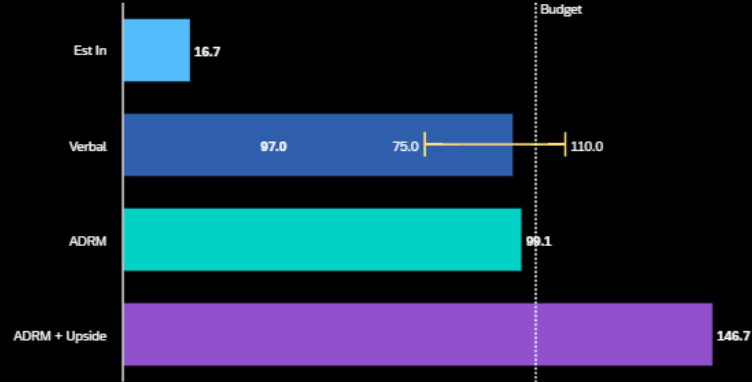
Growth YoY

98.3%

Budget Attain

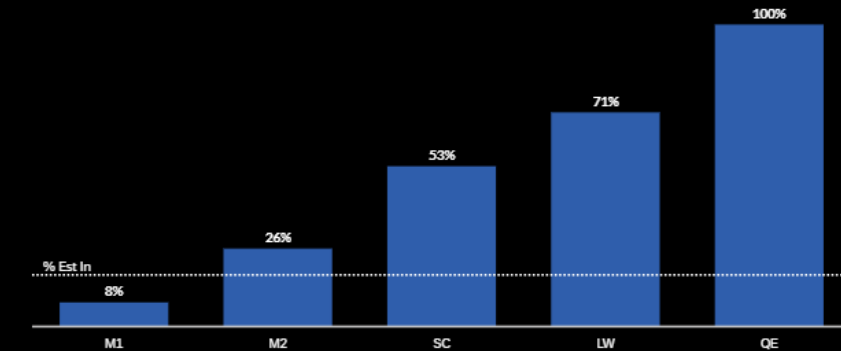
ADRM Overview

in Million

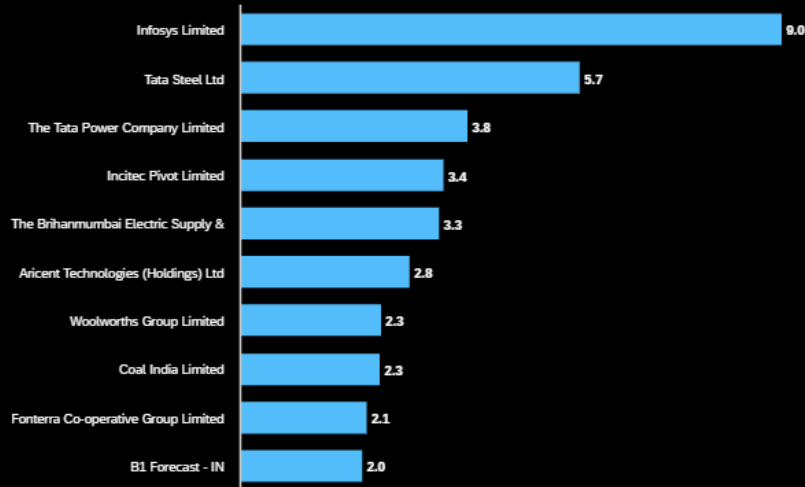


Verbal Linearity

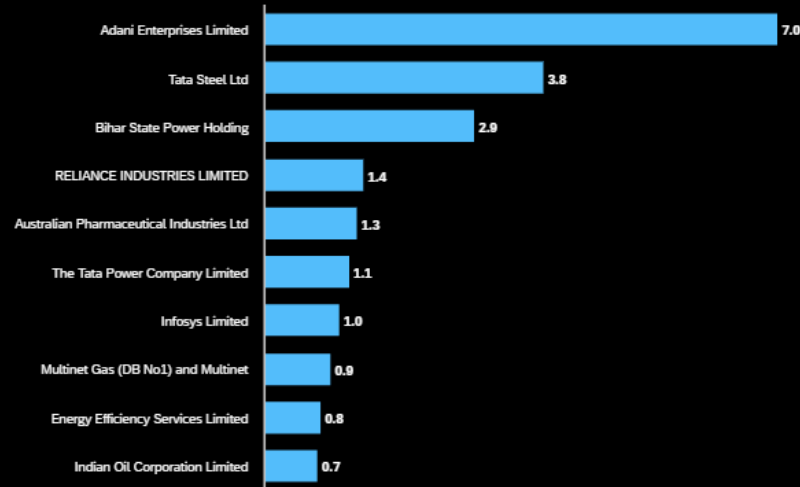
in %



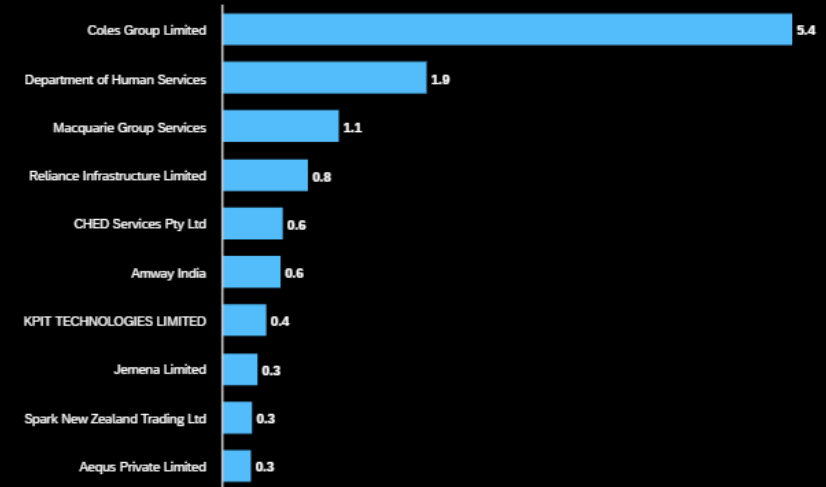
Top Deals - Commit/Probable



Top Deals - Upside



Top Deals - Booked/Won





HR Focus Areas



Be the #1 Talent Magnet

Attracting, hiring, growing, and retaining the best talent in the market.



Passionate Leaders and Experts

Developing a unified leadership and expert culture to continuously inspire innovation and to lead change.

Total Headcount

Current Month; in FTE

96,382

Leadership Trust Index

2017; NPS; in %

61



Agile Workplace of the Future

Creating a work environment that addresses the needs of a digitalized workforce.



Brilliant Learning

Enabling a world-class learning culture that drives continuous innovation and in which everyone is a teacher and a learner.

Span of Control

2018-Q4; in Heads

10.0

Learnings Delivered

2018-Q3; in #

208,158



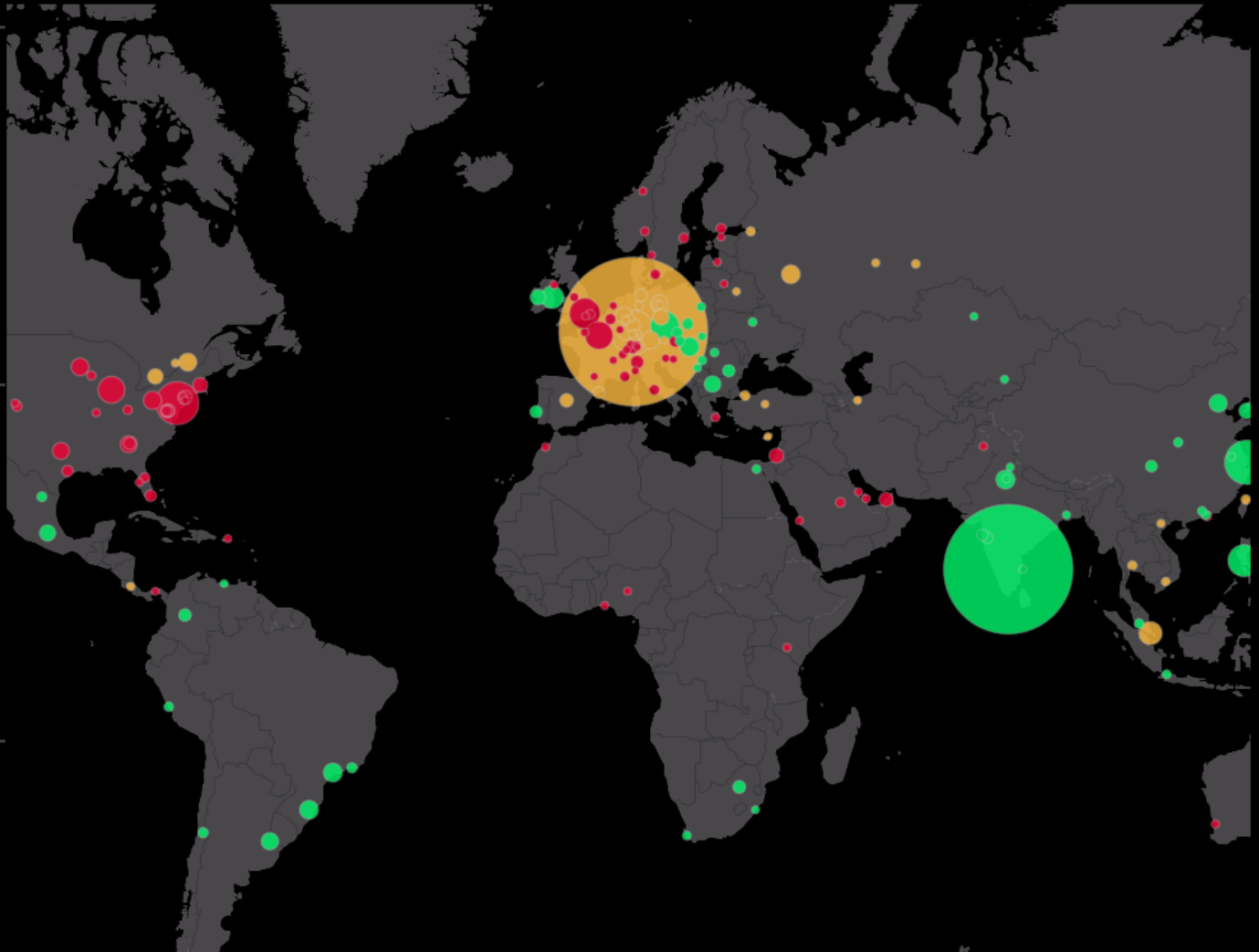
Leading-Edge Digital HR

Creating a world-class HR function that is known and admired for delivering superior consumer experiences powered by SAP cloud and next-gen technology.



Embrace an Inclusive Culture

Driving a sustainable workforce that is inclusive, diverse, and healthy, spanning all generations working at SAP.



Board Area

- All
- CBG
- CEO
- DBS
- GBO
- GCO
- HR
- P&I
- GFA
- Others

Job Level

- All
- T1
- T2
- T3
- T3PM
- T4PF
- T4PM
- T5PF
- T5PM
- ET
- GET
- SET

SAP Management Dashboard

User: Rouven Morato Adam



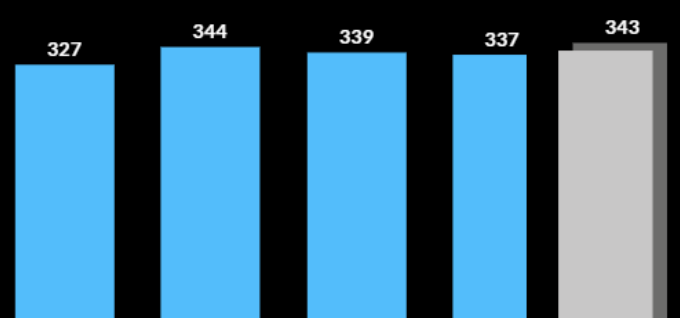
Headcount

in FTE; 2018; End of Period; based on 2018 Forecast 10

Actuals Nov	330
Q4	
Forecast	336
Budget	343
Δ FC to Budget	-7
Total Year	
Forecast	336
Budget	343
Δ FC to Budget	-7

Actuals FC Budget

in FTE; End of Period; based on 2018 Forecast 10



Contribution I

in mEUR; 2018; based on 2018 Forecast 10

Actuals Oct	-4.1
Q4	
Forecast	-11.7
Budget	-12.0
Δ FC to Budget (V)	0.4
Total Year	
Forecast	-47.3
Budget	-47.4
Δ FC to Budget (V)	0.4

Actuals FC Budget

in mEUR; based on 2018 Forecast 10



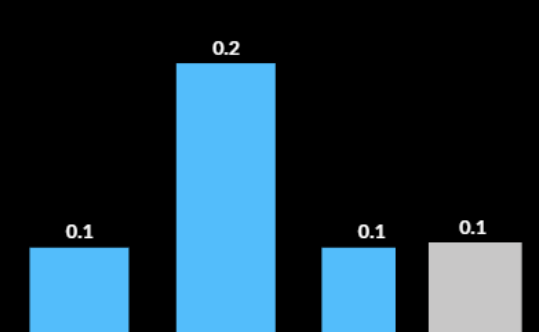
Travel & Entertainment

in mEUR; 2018; based on 2018 Forecast 10

Actuals Oct	0.0
Q4	
Forecast	0.1
Budget	0.0
Δ FC to Budget (V)	0.0
Total Year	
Forecast	0.4
Budget	0.4
Δ FC to Budget (V)	-0.1

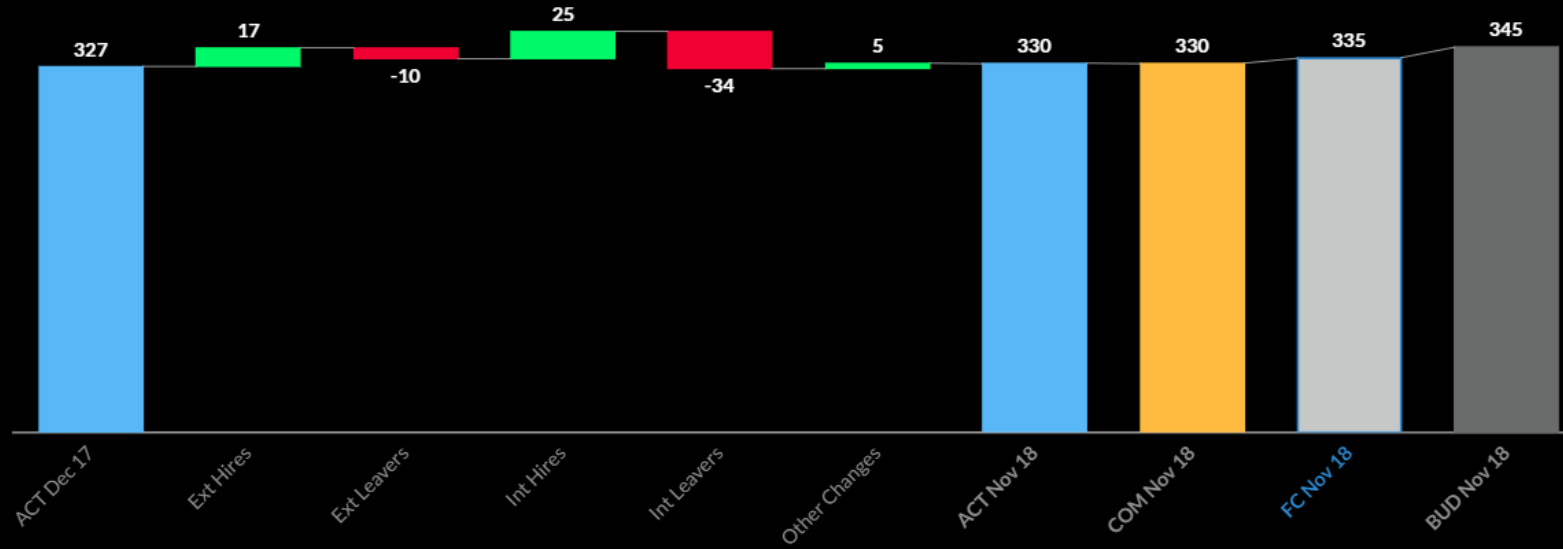
Actuals FC Budget

in mEUR; based on 2018 Forecast 10



Actual Headcount Development

in FTE; based on 2018 Forecast 10



How has my headcount developed since beginning of the year?

in FTE

+3

What is my actual Headcount against the Budget for the current month?

in FTE

-15

Actual Headcount by SAP Location

in FTE; Nov 18



Location Mix Current Month

in FTE; Nov 18

