Value First

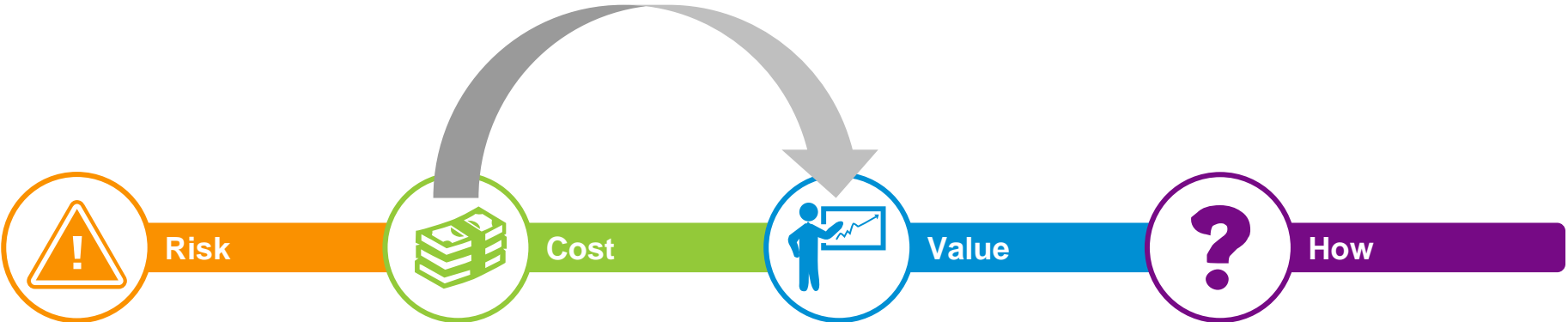## How HANA can help to transform your business

Chris Turner, Strategic Engagement Executive, Platform Solutions Group
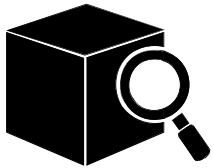April 2015

SAP

The Problem…

Risk · Cost · Value · How

Let's Talk about Real Time, In-Memory Computing

One Box and **No Batch With Cloud Extensibility**

An Opportunity to Re-think The Strategic IT Operating Model?

- Too many computers
- Too many data centres
- Redundant skill sets
- Too many people running IT
- Too much cost

Let's Talk about Real Time, In-Memory Computing

No Batch and No Pre-aggregation

Focus On The Job to Be Done

An Opportunity to Re-think Your Business Processes?

- Real time visibility, insight and action on what is actually happening right now
- New levels of agility
- Simplification through elimination of whole processes that exist only because of batch
- Simplification through the elimination of redundant steps
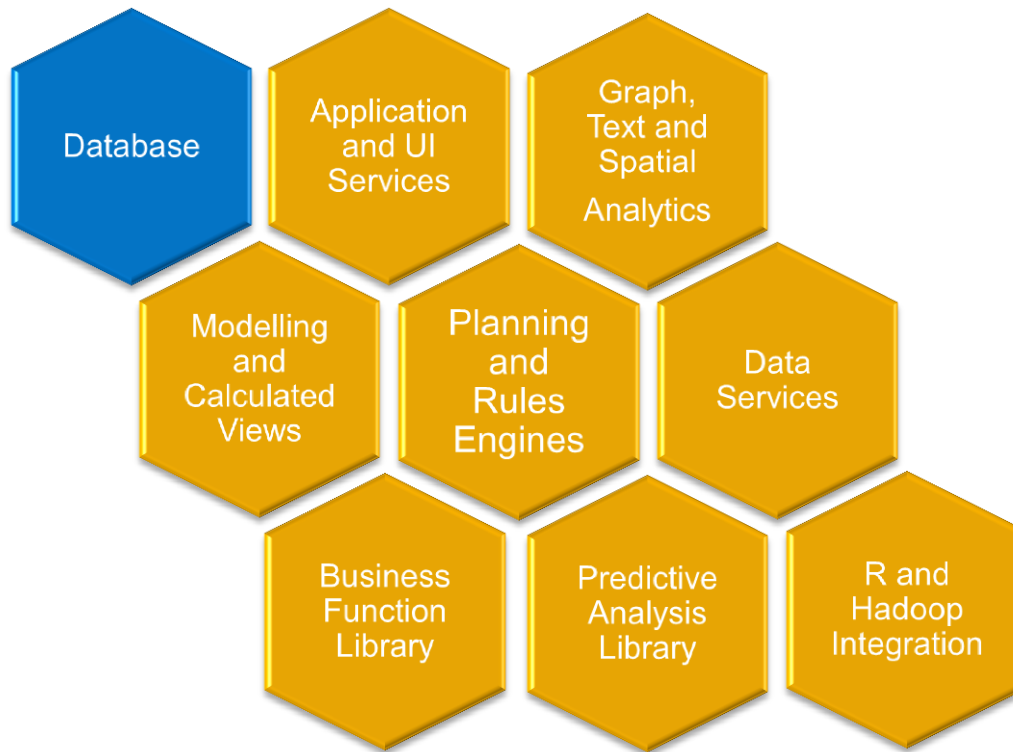- Entirely new business models are possible

Let's have an example…

But What is HANA ? An analogy…..
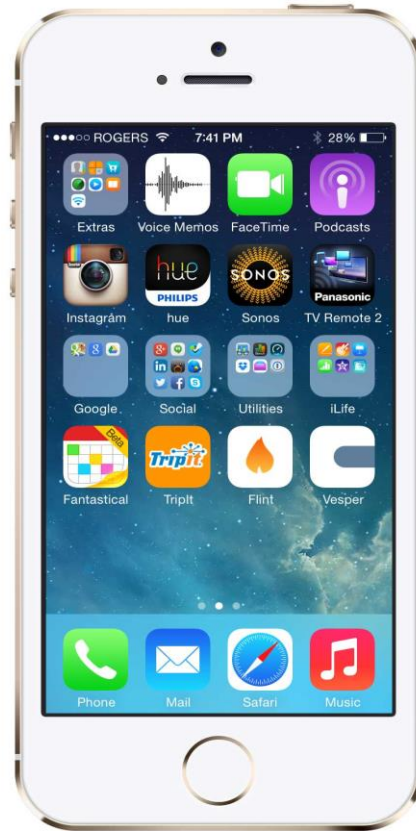
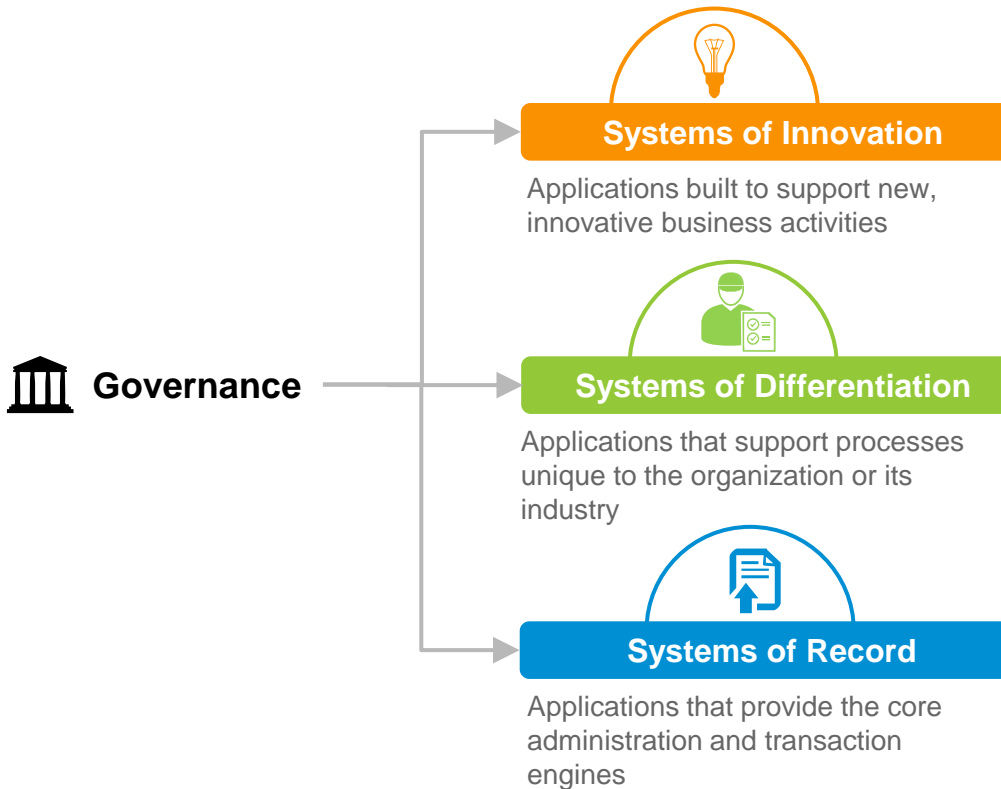# So What is HANA Really ? …MUCH more than just a Fast Database

Transforming a building….

Pace Layering
A Real World Concept Translated to IT by Gartner

Governance

Systems of Innovation
Applications built to support new, innovative business activities

Focus	Experimental; new Idea; breakthrough innovation
Characteristics	Loosely governed; high change pace; high risk
Lifecycle	Few months to low number of years

Systems of Differentiation
Applications that support processes unique to the organization or its industry

Focus	Business differentiation; customer engagement; critical
Characteristics	Well governed; moderate change pace; lower risk
Lifecycle	Several years

Systems of Record
Applications that provide the core administration and transaction engines

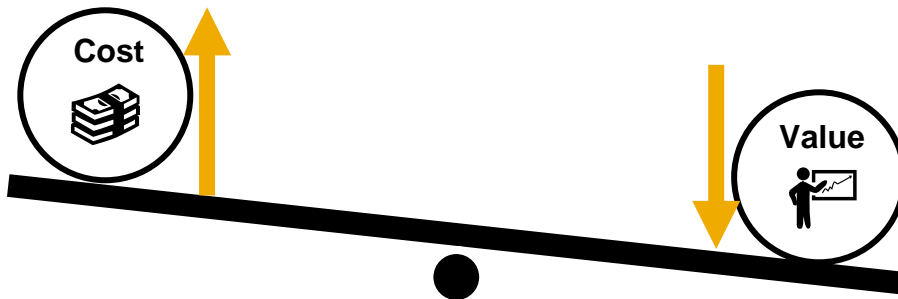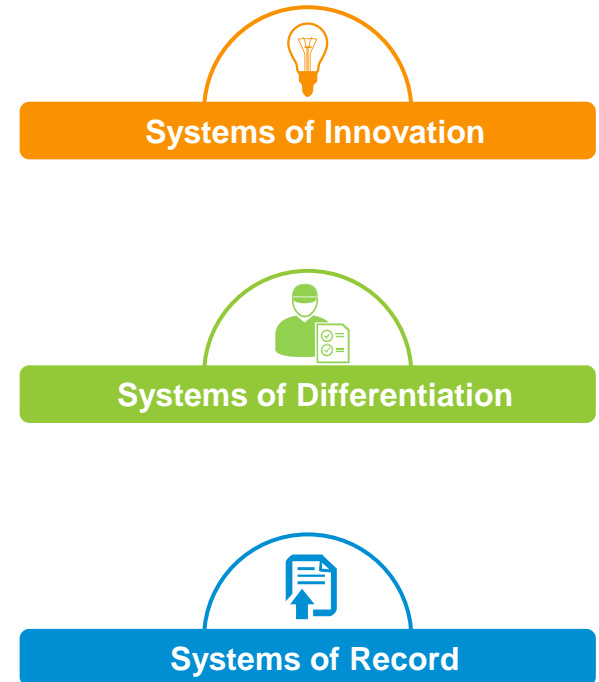|	
Focus	Mission-critical business engine
Characteristics	Tightly governed; low change pace, low risk
Lifecycle	Decades

Business View
Follow the Money, Reduce the Cost

The traditional IT view has been to renovate/renew the SoR and work up the stack

Cost

Value

Systems of Innovation

Systems of Differentiation

Systems of Record

But the business is more interested in the money and the how to lead in the market

Pace Layering and SAP

Systems of Innovation

Systems of Differentiation

Systems of Record

HANA

Custom SAP Innovation Apps

Start Ups

Customer Own Apps

Industry SAP Apps

Partner Apps

Customer Extension

SAP Suite

Partner Extensions

Customer Custom Code
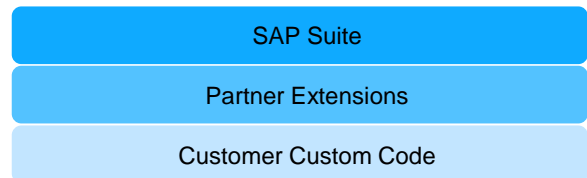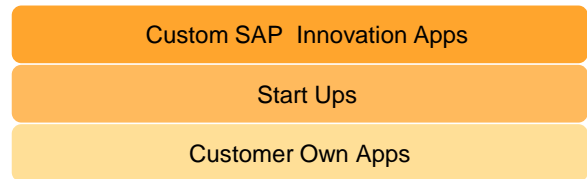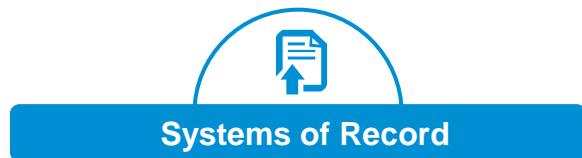
But We Still Need to Make Things Happen…

A Classical Transformation Journey has 3 phases:

Phase 1
The "NEW" ERP project – because we have to get the CORE right first

Phase 2
Build out the systems that recognise the business is changing

Phase 3
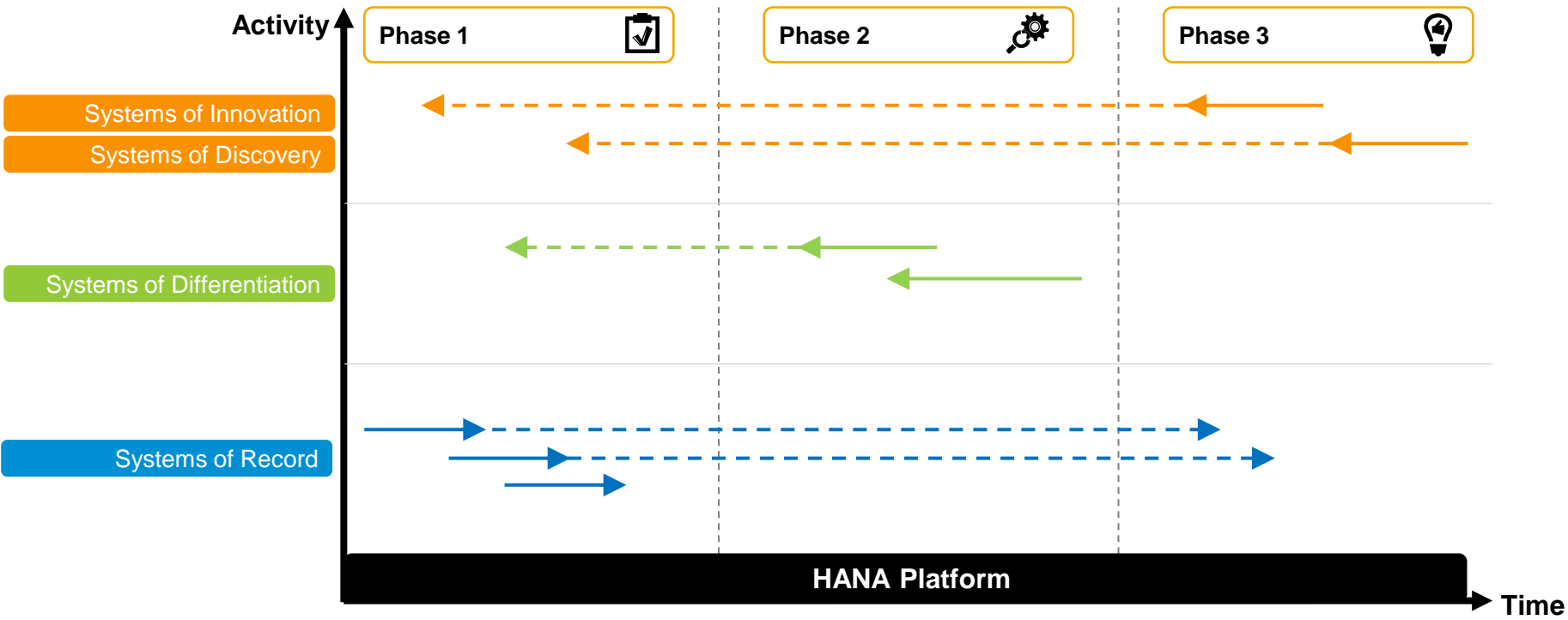Deliver the new INNOVATION

BUT WHAT IF WE COULD DO IT DIFFERENTLY IF WE HAD A PLATFORM FIRST?

Transformation With a **Platform**
Re-Sequence to Follow the Money

Activity

Phase 1

Phase 2

Phase 3

Systems of Innovation

Systems of Discovery

Systems of Differentiation

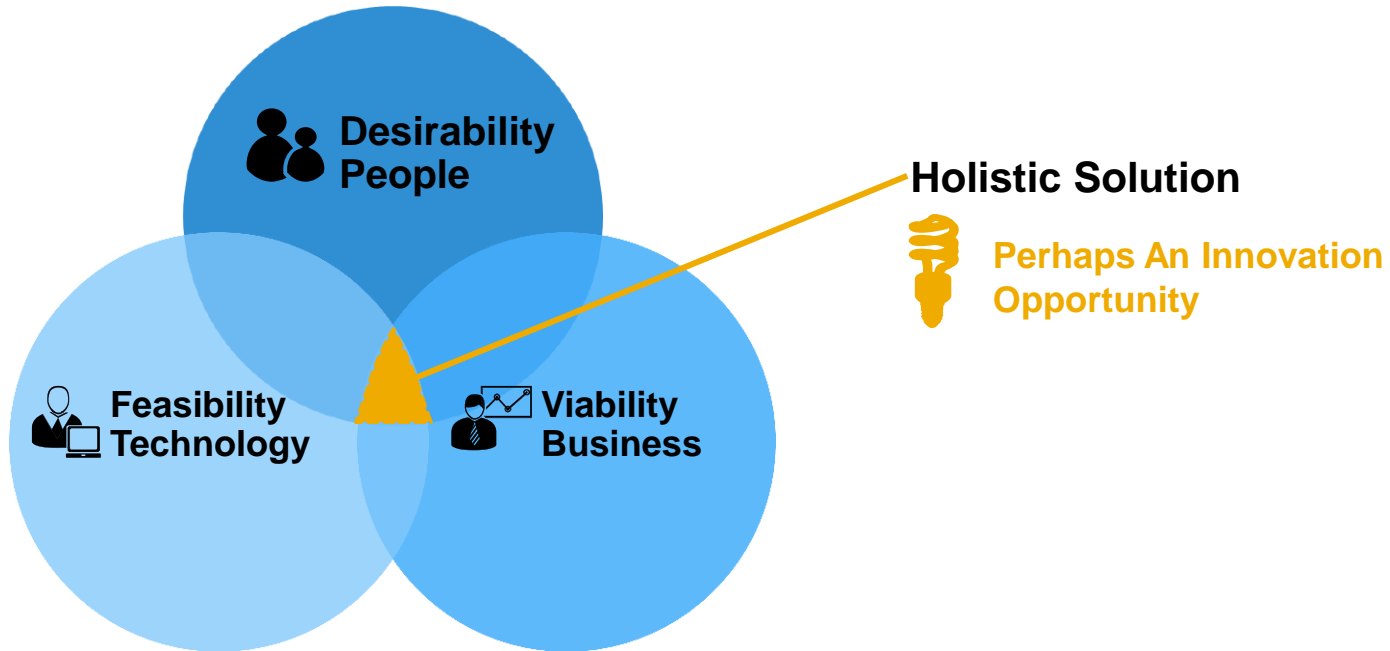Systems of Record

HANA Platform

Time

But How ?....

A Business View Through Design Thinking

Let's Find Something Real That is Valuable Right Now

Design Thinking – Finding the Perfect Balance

Desirability
People

Holistic Solution

Perhaps An Innovation
Opportunity

Feasibility
Technology

Viability
Business

From an Empty Room...

...to a Room Full of Ideas & Concepts…

Diverge to Converge...

" Design thinking is different and therefore it feels different. Firstly it is not only convergent Its is a series of convergent and divergent steps. During divergence we are creating choices and during convergence we are making choices."

Tim Brown, CEO IDEO and author of "Change by Design"

Encourage Wild Ideas

"If at first idea doesn't sound absurd, then there's no hope for it"
Albert Einstien

One Conversation at a time
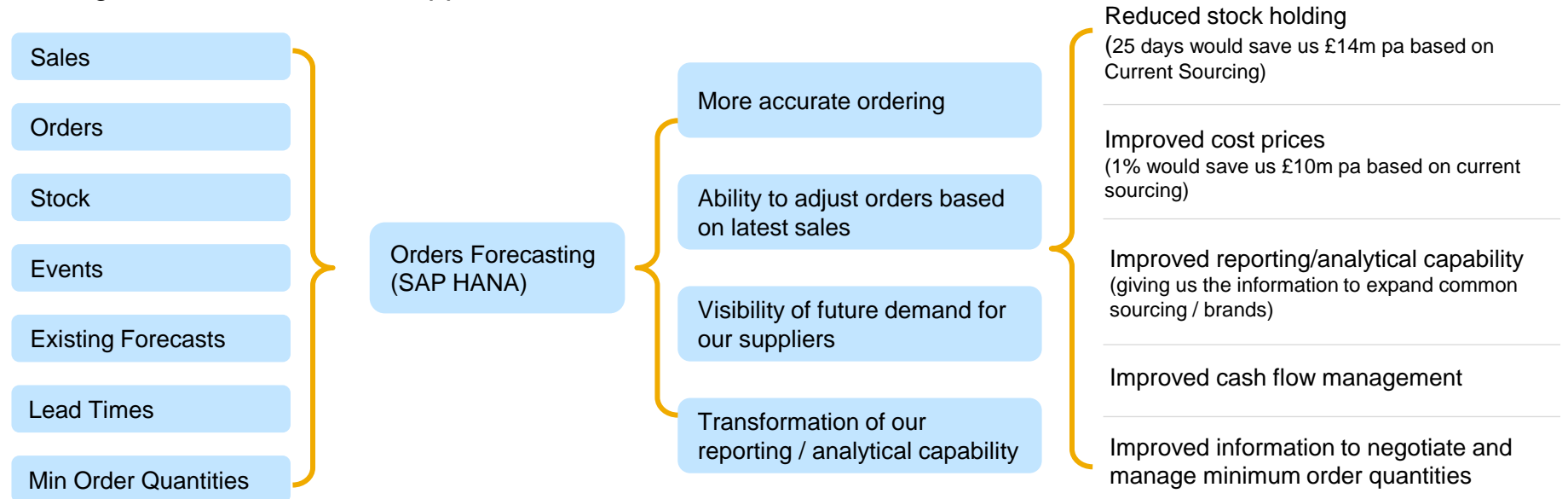
"It takes a great man to be a good listener."
Calvin Coolidge

An Example
Value of HANA Opportunity

SAP HANA will allow us to much more accurately forecast OpCo demand leading to large reductions in stock holding/costs for us and our suppliers

Sales

Orders

Stock

Events

Existing Forecasts

Lead Times

Min Order Quantities

Orders Forecasting (SAP HANA)

More accurate ordering

Ability to adjust orders based on latest sales

Visibility of future demand for our suppliers

Transformation of our reporting / analytical capability

Reduced stock holding
(25 days would save us £14m pa based on Current Sourcing)

Improved cost prices
(1% would save us £10m pa based on current sourcing)

Improved reporting/analytical capability
(giving us the information to expand common sourcing / brands)

Improved cash flow management

Improved information to negotiate and manage minimum order quantities

Thank you

Contact information:

Chris Turner
Strategic Engagement Executive
chris.turner@sap.com