Standardization & Harmonization of SAP Business Processes through SAP upgradation

Optimize your SAP Investment – with the Industry and Innovation Experts

August, 2011
## Agenda

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### Reasons for process harmonization, standardization and IT consolidation

#### Globalization
- Heterogeneous global processes
- Rapidly changing global market and process requirements
- Distributed production, logistic and service locations
- Portfolio adjustments due to mergers and acquisitions

#### Data transparency
- Complex financial consolidation & planning due to multiple data sources
- Long closing cycles for P&L and balance sheet

#### Costs
- Nontransparent IT and Process Costs
- Need to optimize cost structure through shared services
- Pressure to reduce Total Cost of Ownership of IT landscapes

#### Compliance
- Adherence to Governance, Risk & Compliance requirements
- Increasing complexity of legal requirements and statutory reporting
Typical scenarios for consolidation and harmonization initiatives

- Mergers and Acquisitions
- Reorganization
- Significant cut in IT budget
- Introduction of Shared Services
- Global financial consolidation

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What is the “Consolidation & Harmonization” solution?

C&H stands for **Consolidation of applications and Harmonization of business processes**

<table>
<thead>
<tr>
<th>Heterogeneous $\textit{As-Is}$</th>
<th>Homogenous $\textit{To-Be}$</th>
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<tr>
<td><strong>Processes</strong></td>
<td><strong>Processes</strong></td>
</tr>
<tr>
<td><strong>Applications</strong></td>
<td>Application</td>
</tr>
<tr>
<td><strong>Infrastructures</strong></td>
<td>Infrastructure</td>
</tr>
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</table>

**C&H related Services**
- Industry-specific Services and Solutions
- **C&H Core Services**
  - C&H Strategy & Architecture
  - Template Design and Build
  - Global Rollout
  - Learning Solutions
  - Compliance Intelligence
- Application Management Services
- Data Center Consolidation

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**Complete set of C&H services as a basis for project specific solution design**

<table>
<thead>
<tr>
<th>C&amp;H Core Services</th>
<th>C&amp;H Strategy &amp; Architecture</th>
<th>Template Design &amp; Build</th>
<th>Global Rollout</th>
<th>Learning Solutions</th>
<th>Compliance Intelligence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business Impact Assessment</td>
<td>As-Is system analysis</td>
<td>Rollout Strategy &amp; Planning</td>
<td>Learning Solution Design</td>
<td>Compliance Requirements &amp; Audit Support</td>
</tr>
<tr>
<td></td>
<td>Best Practice Sharing Workshop</td>
<td>Process Harmonization</td>
<td>Roll Out &amp; Template Localization</td>
<td>Training Content Development</td>
<td>Gap Analysis &amp; Measurements</td>
</tr>
<tr>
<td></td>
<td>Application Merge &amp; Separation Strategy Workshop</td>
<td>Implementation Blueprint</td>
<td>Application Merge &amp; Separation</td>
<td>Training Execution</td>
<td>Risk Management &amp; Internal Control System</td>
</tr>
<tr>
<td></td>
<td>Processes &amp; Application Strategy</td>
<td>Template Build</td>
<td>Template Management</td>
<td>User Performance Support</td>
<td>Control Monitoring, Automation &amp; Reporting</td>
</tr>
</tbody>
</table>

**C&H Mgmt. Services**

<table>
<thead>
<tr>
<th>Global Program &amp; Project Mgmt.</th>
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<tbody>
<tr>
<td>Integration Mgmt.</td>
</tr>
<tr>
<td>Organizational Change Mgmt.</td>
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Consolidation and Harmonization – our project approach, methods & tools

PM Roadmap

Project phases with defined activities & deliverables

SAP Reference Solutions Automotive, Chemical, Pharma, Machinery Industry Reference Process Houses

Integrated methods and tools

1) RBE PLUS™, IBIS Prof. Thome AG
## Consolidation and Harmonization toolset – proven accelerators

### RBE PLUS™ Analysis

- Tool supported approach for Roll-Out and system Setup workshops
- Evaluate the actual utilization of the SAP functionalities, namely in a process oriented view
- Transparency in the profoundness of the actual utilization of the SAP system

### Reference Documentation

- Process descriptions
- Organizational-Change procedure / Reorganization
- Template Blueprint concepts
- Pre defined Test – Cases
- Configuration Documentation
- Development Documentation
- Template Maintenance List
- Customizing Conventions
- Period-End-Closing procedure
- Chart-of-Accounts maintenance procedure
- Master Data Maintenance concept

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1) RBE PLUS™, IBIS Prof. Thome AG
In order to maximize business value, IT has to manage the balance between individuality and standardization

**IT supports / results in ...**

<table>
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<tr>
<th>High differentiation to competition (with unique selling point)</th>
<th>Low differentiation to competition (w/o unique selling point)</th>
</tr>
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<tbody>
<tr>
<td><strong>Individuality</strong></td>
<td><strong>Standardization</strong></td>
</tr>
<tr>
<td>▶ Critical success factors of the businesses have top priority for IT</td>
<td>▶ Provide IT infrastructure with high performance, availability and stability</td>
</tr>
<tr>
<td>▶ IT must never affect essential investments for the core business</td>
<td>▶ Use market standards instead of defining &quot;corporate standards&quot;</td>
</tr>
<tr>
<td>▶ Develop applications on standard platforms with high flexibility</td>
<td>▶ Implement &quot;Out-of-the-box&quot; solutions available on market</td>
</tr>
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**Enterprise IT Architecture** (interoperability)

**IT must follow business requirements to maximize business value**

**Questions:**
1. Up to which degree can IT landscapes be standardized without compromising business performance?
2. Where SAP-Best Practice can be used?

Source: Siemens Corporate IT
The key question is to find the right degree of standardization for processes and applications.
Attaining greatest customer benefits - C&H is addressing processes, applications and IT infrastructure

Increasing degree of complexity and standardization

1. Infrastructure Consolidation
2. Infrastructure Virtualization
3. Application Consolidation
4. Business Process Harmonization
5. Services out of the Cloud

Customer Cost Savings
- IT Infrastructure Costs: 15–40%
- IT Application Costs: 20–50%
- Process Costs: 15–40%

Cloud Computing Consulting
Consolidation & Harmonization
IT Consolidation & Standardization

Attaining greatest customer benefits - C&H is addressing processes, applications and IT infrastructure
## Agenda

1. Why C & H?
2. Solution and Approach
3. Benefits
4. AtoS – Reliable C & H partner
5. Question and Answer
Customer benefits and Atos’ value proposition in Consolidation & Harmonization programs

<table>
<thead>
<tr>
<th>Benefits for the customer</th>
<th>Why Atos?</th>
</tr>
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<tbody>
<tr>
<td><strong>Significant savings in IT and in business …</strong></td>
<td>Successful customer-led, sustainable, high performing C&amp;H business with clear USPs…</td>
</tr>
<tr>
<td>‣ 15% to 40% less process related costs</td>
<td>‣ <strong>Outstanding long-term C&amp;H expertise</strong></td>
</tr>
<tr>
<td>‣ 15% to 50% less IT related costs</td>
<td>‣ <strong>Proven C&amp;H methodology and tools</strong> enhanced over the last 15 years</td>
</tr>
<tr>
<td><strong>Furthermore …</strong></td>
<td><strong>Global delivery network</strong> with Global Competence center Germany + Regional Hubs in NA and ASP</td>
</tr>
<tr>
<td>‣ Data transparency across countries and legal entities</td>
<td>‣ <strong>Strong references</strong>, e.g. Major German MNC, Leader in Automobile industry etc</td>
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<tr>
<td>‣ Higher flexibility in case of mergers &amp; acquisitions</td>
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<tr>
<td>‣ Basis for Shared Service Center for Business and IT</td>
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<tr>
<td>‣ 1st class compliance on a global basis</td>
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Benefits in the IT and business in regard of Consolidation & Harmonization initiatives

Cost reductions per User\(^1\)

<table>
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<th>Legacy Systems</th>
<th>Consolidated System</th>
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<tbody>
<tr>
<td>Change Requests</td>
<td>-69%</td>
</tr>
<tr>
<td>Application Support</td>
<td>-11%</td>
</tr>
<tr>
<td>Application Hosting</td>
<td>-21%</td>
</tr>
<tr>
<td>Change Requests</td>
<td>-28%</td>
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Cost reduction per area

- Process Costs: -15–40%
- IT Application Costs: -20–50%
- IT Infrastructure Costs: -15–40%

\(^1\) Project example from Company with 9 systems in 7 locations

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## AtoS – Global SAP

### “End to End”
- Industry expertise
- Business outcome focused

### “European SAP Leader with Global reach”
- Global reach
- C&H in large complex engagements
- Long, deep relationship with SAP

### “IP based on real experience”
- LIVE Tools
- Industry templates

### “Innovation”
- Cloud
- Mobility
- HANA
- Proof points

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**Delivery Excellence**

**Global SAP Partner relationship**
AtoS – Global SAP

**To provide**
- Best-in-class industry solutions
- Innovation
- Integrated set of end-2-end solutions

**Deep Industry Expertise**
- Manufacturing, Retail & Services
- Energy & Utilities
- Public, Health & Transport
- Financial Services

**Longstanding SAP Partnership**
- One of the first SAP partners achieving level of full lifecycle service
- Siemens – one of SAP’s largest customers & ATOS largest shareholder
- 20 years license reselling Europe

**Operational Excellence**
- Strong Global Delivery Network
- 1 Way-of-working (global standardized methods and tools)
- 10y track record in profitable growth “Consolidation & Harmonization”

**Value Proposition**

**Mission**

**Strategy**

**Vision**

To be in the Top 3 global SAP Solution and Service Providers:
- #1 European
- #1 SAP’s preferred partner
- #1 Energy & Utilities

**Solutions**

**Global Delivery**

**Market**
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Thanks

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