



GATHERING SUFFICIENT BUSINESS PROCESS INSIGHTS

– The foundation for successfully becoming an
intelligent enterprise with SAP S/4HANA

Executive summary

How do we embark successfully on the journey towards becoming an intelligent enterprise with SAP S/4HANA? It all starts with having sufficient insights into your business processes in order to prepare your business case and road map for SAP S/4HANA.

If we want ERP to stay relevant for top management, it will have to continue being a reliable real-time source of information.

We need to make sure that all the critical aspects of being an organisation in today's digital economy become embedded elements in the SAP S/4HANA journey. Therefore, you need to know how SAP S/4HANA will support growth of your top line, increase your bottom line as well as make it possible for you to ensure that this is happening in a sustainable way, making it a reliable source of truth.

In order to speed up and succeed with your business transformation efforts, it has become increasingly clear that business process insights are the starting as well as the ending point:

- The starting point because you need initial insights to transform the right process steps in the right order to shorten time to impact.
- The ending point because you need to continuously monitor that you have identified, designed and implemented the required improvements to your business processes and thereby created impact on an ongoing basis.

Once you have decided to move ahead with SAP S/4HANA, SAP Process Insights is one of the most promising tools to accelerate your digital transformation and start your journey of becoming an intelligent enterprise – no matter if your starting point is SAP ECC or an earlier version of SAP S/4HANA.

Using SAP Process Insights, you can obtain the following benefits:

- Free business process insights for existing SAP customers benchmarked within your industry.
- Personalised recommendations for moving to SAP S/4HANA.
- Understanding how you can achieve your business goals.
- Identification of areas for improvement and automation potential.



Linking ERP to growth and return on investment

Many organisations struggle to define why they should be moving to SAP S/4HANA. ERP often loses the battle to other top management priorities; and to make it relevant, ERP must solve more than just being another source of questionable information.

In this article, we will explore SAP Process Insights, one of the tools in SAP’s Business Process Intelligence suite that supports growth and return on investment as key elements in the journey towards becoming an intelligent enterprise with SAP S/4HANA.

We have all been in search of the Holy Grail, i.e. the business case for why we should move to SAP S/4HANA. The general perception has been that it does not exist – or does it?

We see that the main reason why organisations hesitate when it comes to adopting SAP S/4HANA is the competing priorities of how to utilise the available resources in the organisation. Normally, the difficulty in producing a SAP S/4HANA business case is not even one of the top 3 reasons for not moving to SAP S/4HANA.

So, organisations struggle with far worse things than not being able to define the business case for transitioning to SAP S/4HANA. But how can that be?

For some reason, ERP is losing the battle to other top management priorities. Is it because our mindset about ERP has changed – or maybe not changed at all – since the early days of the first adoptions back in the 1990s?

Making ERP relevant for top management again

If we want to make ERP relevant for top management again, it will have to become a reliable source of real-time truth that actually supports decision-making.

We need to make sure that:

1. Future business models covering upstream as well as downstream business processes and circularity principles are fully supported digitally, hence leaving as few manual activities as possible.
2. All the critical aspects of being an organisation in today’s digital economy become embedded elements in the SAP S/4HANA journey by using the latest available technology.

Therefore, you need to know how SAP S/4HANA will support growth of your top line, increase your bottom line as well as make it possible for you to ensure that this is happening in a sustainable way, making it your one source of truth.

In the following sections, we will explore SAP Process Insights, a tool in SAP’s Business Process Intelligence suite supporting both growth and return on investment.

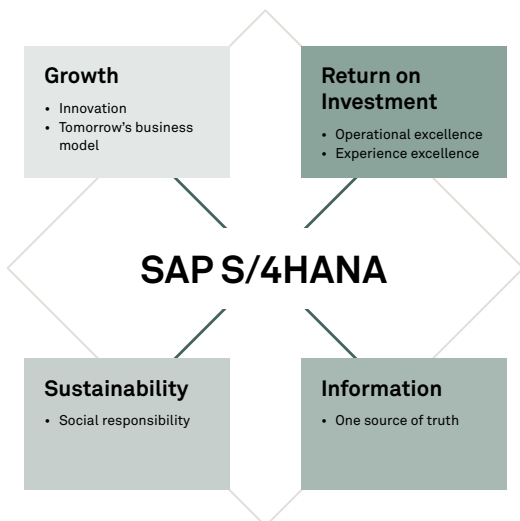


Illustration #1 – Tasks that ERP has to solve in order to become great again

Business process intelligence = intelligent business process management?

Firstly, let us agree on the definition of business process management (BPM) as various definitions exist out there.

The BPM definition which we prefer is the one from Gartner*:

“Business process management (BPM) is a discipline that uses various methods to discover, model, analyze, measure, improve and optimize business processes. A business process coordinates the behavior of people, systems, information and things to produce business outcomes in support of a business strategy. Processes can be structured and repeatable, or unstructured and variable. Though not required, technologies are often used with BPM. BPM is key to align IT/OT investments to business strategy.”

Based on the definition of BPM, we then need to identify which areas BPM should address in order to be fit for the future and not become another outdated discipline:

When we look at the various areas that future BPM is required to support, it becomes very clear that there will be a huge increase in the requirements for using data and intelligent applications as part of BPM. This makes SAP Process Insights highly relevant, especially when embarking on the S/4HANA journey.



*Gartner Glossary: <https://www.gartner.com/en/information-technology/glossary/business-process-management-bpm>

Key areas handled by a future-fit version of business process management



Close the conceptual and organisational gap between the more inward-looking business processes and external customer journeys.



Use the process repository to integrate new business models into the operational business operating system to achieve sustainable impact.



After years of talking about disruptive transformation (“Are we doing the right things?”), you will now hear more about process excellence projects (“Are we doing things right?”).



Use process mining applications to analyse customer journeys; journey mapping and journey analytics will merge into integrated customer lifecycle management.



Analysing the conformity of processes will gain importance. Monitoring actual executed processes provides insights into optimisation in terms of throughput times, quality and costs.



Task discovery components will merge with process mining applications: The analysis of individual tasks will be integrated into the end-to-end analysis of business processes to optimise the overall process.



Integrate RPA-supported, workplace-oriented processes into the company's process landscape.



Process management applications will change to meet the target groups in business departments with good usability and user experience (UX).



Further rollout of enterprise management systems to standardise processes and bring the necessary process know-how to every workplace.



Proof of compliance and control of processes in all legal regulations for all relevant segments are essential aspects in the context of process management (licence to operate).

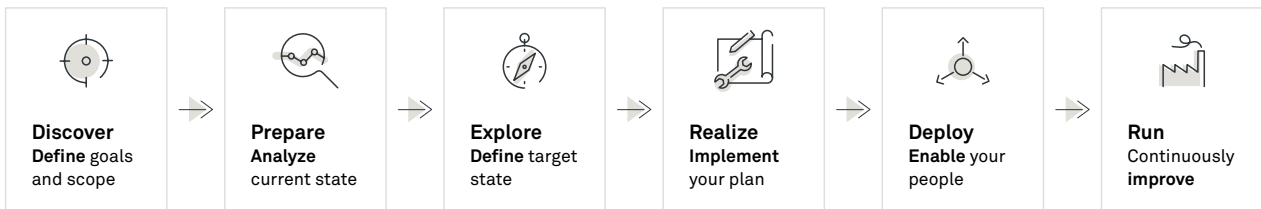
SAP Business Process Intelligence suite – an introduction

SAP has realised just how important business processes are when it comes to any type of transformation of organisations. Consequently, SAP is currently investing massively in a Business Process Intelligence suite in order to be able to fully support all the disciplines required in a future-fit version of business process management.

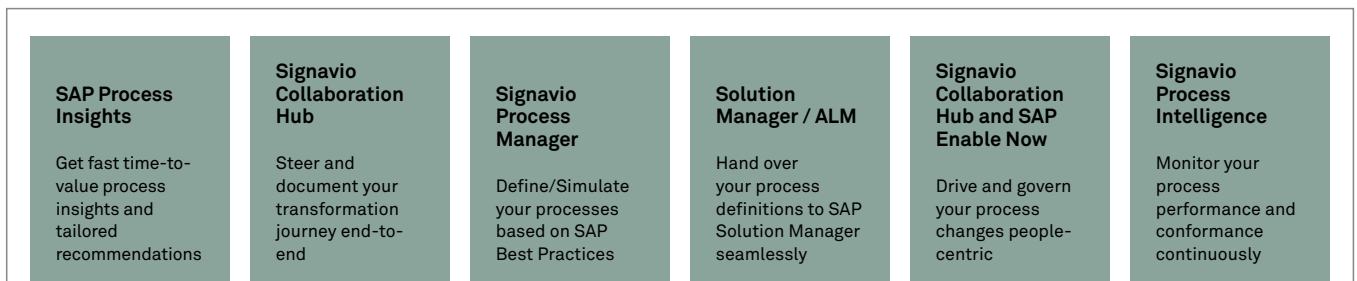
Currently, SAP Business Process Intelligence suite consists of stand-alone applications that cover various functionality such as:

- Process and task mining
- Process documentation (in BPMN notation)
- Process simulation
- Process governance
- Process performance dashboards, including recommendations for which SAP functionality to implement in order to improve process performance

Key phases of business process management linked to Business Process Intelligence suite functionality according to SAP



BPI & Signavio Portfolio Along The Transformation



If you want to discover the opportunities and potential impact that you as an organisation can obtain with SAP S/4HANA, we recommend that

you take a closer look at SAP Process Insights which will deliver tailor-made recommendations based on your current use of SAP.

In the following sections, we will reveal some of the insights that will be available to you when using SAP Process Insights.

Why should you consider using SAP Process Insights?

Have you decided on moving away from SAP ECC and onwards with SAP S/4HANA? Or do you have an early SAP S/4HANA version, and are you curious about what benefits an upgrade to the latest version can bring? One of the most promising tools you can use to accelerate your digital transformation and start your journey towards becoming an intelligent enterprise is SAP Process Insights.

Every organisation is unique. Therefore, you should plan and execute your digital transformation so that it fits your organisation. Also, it should be planned and executed in a manner and at a pace that takes your organisation to the next level and does not leave something crucial behind.

The approach you choose, plan and execute is vital. This is the case as it will radically influence your ability to adopt the next generation of technology as well as business processes when embarking on a SAP S/4HANA transformation journey.

Transforming your organisation takes both courage and stamina. You need to be persistent when insisting on transforming your organisation into supporting new business models, new ways of working and utilising new technology.

Because it requires extensive and strong top management support to stick to a “fit-to-standard” approach all the way through.

Using SAP Process Insights to accelerate your digital transformation

Once you have decided to move away from SAP ECC or an early version of SAP S/4HANA and onwards with the latest available SAP S/4HANA version, we would strongly recommend you to use SAP Process Insights to support your business case preparation and SAP S/4HANA road map planning. It is one of the most promising tools to accelerate your digital transformation and start your journey towards becoming an intelligent enterprise.

Based on your existing use of SAP, the tool gives you concrete, personalised feedback and a detailed analysis of your business process quality.

With SAP Process Insights, you will also get specific recommendations for which process steps are most critical to fix and how you can utilise different SAP applications and functionalities in your business process transformation.

This enables you to create a solid foundation for becoming an intelligent enterprise that is both fit for your future business model as well as for the people in your organisation.



SAP Process Insights

Offers a user-friendly and fast way to identify inefficient business processes based on accurate insights. The solution helps you save time and money by ensuring that you only invest exactly where you have an opportunity for improvement.

Using SAP Process Insights, you can obtain the following benefits:

- Free business process insights for existing SAP customers benchmarked within your industry.
- Personalised recommendations for moving to SAP S/4HANA.
- Understanding how you can achieve your business goals.
- Identification of areas for improvement and automation potential.

Prerequisites for using SAP Process Insights:

- You are running a productive SAP ERP 6.0 or SAP S/4HANA system.
- You have installed SAP Notes for data extraction.
- You find one or more of the following processes relevant to your organisation:
 - » Complaints and returns management
 - » Inventory management
 - » Operate to maintain
 - » Order to cash
 - » Plan to produce
 - » Procure to pay
 - » Record to report

What is SAP Process Insights?

Get valuable insights into your end-to-end business processes

Do you know how your current business processes are performing?

With SAP Process Insights, you can get deep insights into your current business processes within asset management, manufacturing, sourcing and procurement, sales, supply chain and finance, even on an organisational level with standard KPIs.

#1
– Currently available processes

Get Insights into End-to-End Processes



Gathering sufficient business process insights

Based on accurate insights, you will get a quick way to identify inefficient business processes and specific suggestions for improvements. This helps you save time and money by ensuring focus exactly where you have an opportunity for improvement.

Visualisation of your current business processes

Using SAP Process Insights, you will be able to analyse the current situation for each process step in an end-to-end process in order to improve and optimise how you run the process today.

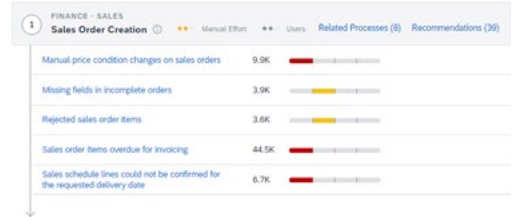
You will be able to compare and break down performance on organisational levels so that you can get insights into how each organisational unit performs and measure them against each other.

In short, this will provide you with a solid foundation based on data from SAP and a visual overview of your current business processes. The overview enables you to have dialogues in your organisation on how the operational process is performing right now and what you can do in the short and long run to improve the process.

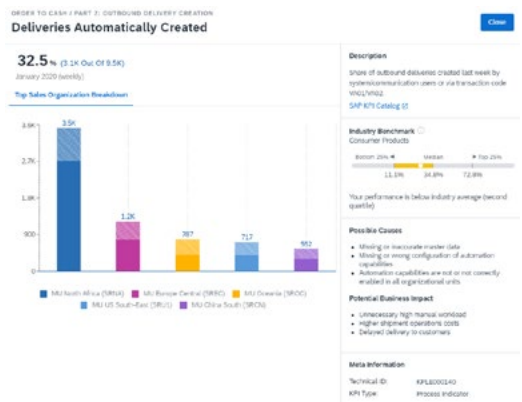
The visualisation will give you valuable insights into how to use your SAP system. For example, do you know how much time is used on standard transactions or z transactions?

Backed by such insight, you will stand stronger when designing your future S/4HANA road map for how to get “back to standard” and having process workshops on how current SAP standard solutions can replace your custom code.

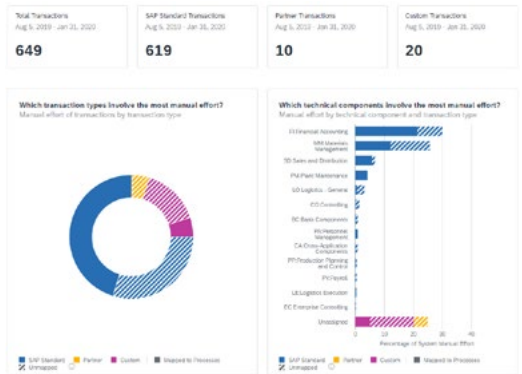
#2
– Examples of process steps



#3
– Comparison on organisational level



#4
– Comparing the use of standard functionality vs. customised code



How to use SAP Process Insights?

Benchmark your performance within your industry

SAP Process Insights can give you insights into how your business processes are performing compared to the industry.

For each process step, SAP will provide possible causes for inefficiencies as well as negative business impact. These inefficiencies can be investigated further in order to calculate expected benefits to be part of the SAP S/4HANA business case.

However, be aware that the foundation for the benchmarks performed is other SAP customers, and it can therefore be biased. Therefore, we recommend that you also compare the results with other KPI benchmarking services.

Discover processes with automation potential

Besides the benchmark, SAP Process Insights also highlights the top 50 processes with the most automation potential by looking at two parameters:

1. Manual effort, which indicates the effort (dialogue steps) required by a user to execute a process.
2. Users, which is the number of active users executing a specific process or transaction within the last month.

#5
– Industry benchmarking, possible root causes and business impact

Description

Absolute number of sales order items (order-related billing), which are not or only partially billed and the planned billing data is overdue for more than one day.

[SAP KPI Catalog](#)

Industry Benchmark

Consumer Products



Your performance is significantly below industry average (first quartile)

Possible Causes

- Missing or inaccurate master data
- System configuration does not reflect business reality
- Failure of automatic billing

Potential Business Impact

- Working capital: Delayed incoming cash
- Inaccurate cash & liquidity planning data
- Unnecessary high manual re-processing workload

#6
– Automation potential comparison



#7
– Automation potential detail report

Process	Manual Effort	Users	Line of Business
Accounting and Financial Close (ARC) - Processes (2)	High	High	Finance
Accounts Payable (APB) - Subprocess	High	High	Finance
Central Purchasing (CPT) - Subprocess	High	High	Sourcing and Procurement
Emergency Maintenance (EM) - Subprocess	Medium	Low	Asset Management
Maintenance (MT) - Processes (2)	Medium	High	Asset Management
Procurement of Materials with Variant Configuration (MTC) - Subprocess	Medium	Low	Sourcing and Procurement

Gathering sufficient business process insights

For each process with an automation potential, SAP Process Insights recommends what you can do in order to automate and reduce the manual effort by suggesting capabilities like a SAP Fiori Lighthouse app, machine learning or a robot that can assist you in your daily operations. This will free up valuable time from repeating and non-valuable tasks – time you can use for value-adding tasks instead.

Recommendations when you consider moving to S/4HANA

Based on data from your system, SAP suggests the top recommendation where you as a company benefit the most from S/4HANA.

The recommendations are grouped into five different areas:

- SAP S/4HANA capabilities
- Machine learning
- SAP Intelligent Robotic Process Automation
- Lighthouse applications
- Situation Handling

SAP rates each of the areas on how relevant they are to your business. The relevance of a recommendation is tailor-made to your organisation as it is based on the current usage of transaction codes in the system. This will then give you insight into how to apply new technologies in your transformation journey to S/4HANA.

In the next section, we will look at the different technologies and the advantages you can gain from them.

SAP S/4HANA capabilities

Based on the usage in your current system and industry popularity, SAP highlights the main business processes that are relevant to you in S/4HANA. You can take a deep dive into each process and get information about what is new in S/4HANA for this process compared to your current SAP solution, best practice (scope item), road map for the solution and related licence information.

#8 – List of recommendations

Name	Usage Based Relevance	Industry Popularity	Lines of Business	Base for Rollout	Relevance
SAP S/4HANA Capabilities (187) View All					
27 Purchase Order Processing	●●●	●●●	Finance Sourcing and Proc.	ME29L ME27L ME22L View All (14)	
21 Accounts Receivable	●●●	●●●	Finance Sales	FB11_F-2L R009L View All (16)	
23 External Processing	●●●	●●●	Manufacturing	ME79L ME75L ME29L View All (2)	
22 Financial Accounting	●●●	●●●	Finance	FA01L18 FB03L FAGL202 View All (30)	
24 Invoice Processing	●●●	●●●	Finance Sourcing and Proc.	MIWA MIWA MIWA View All (2)	
Machine Learning (14) View All					
25 SAP Cash application - add on for contract accounting	●●●		Finance Sales Sourcing and Proc.	FE15L FE09L_A-02 View All (2)	
26 Create Sales Orders from Unstructured Data	●●		Finance Sales	VF02_VMSL VF02_VF02 View All (1)	

#9 – SAP S/4HANA capability overview

Manage customer accounts receivable efficiently

- Record and manage accounts receivable data conveniently for customers.
- Run automation processes in real time with automatic automation.
- Trigger postings automatically to accounts receivable in response to sales and logistics transactions and record postings in the general ledger.
- Automate posting recording in the general ledger, clearing the customer line item on receipt payment.
- Use insight insights into receivable status such as day sales outstanding and bad debts to react quickly to incoming payment delays among customers.
- Gain real-time operational reporting on any device.
- Integrate data with SAP in-Household applications for checks, collections, and credit management.

What is New in SAP S/4HANA	⊕
Value Drivers	⊕
Improved User Experience (SAP Fiori Apps)	⊕
SAP Best Practices (Scope Items)	⊕
SAP Road Maps	⊕
Additional Information	⊕
Related Products	⊕
Related License Materials* (1)	⊕

Machine learning

In order to get the full benefits of the digital enterprise, SAP has developed many machine learning capabilities that can assist and optimise the current business process.

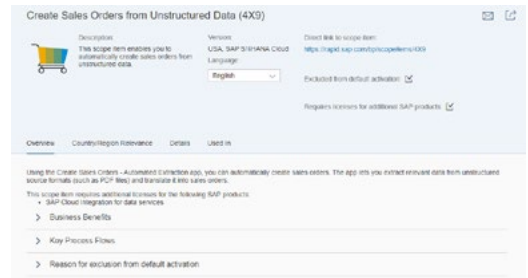
Imagine that the machine can analyse the approval pattern history for purchase requisitions based on price, source of supply, material group and so on and provide recommendations for a mass automated approval.

For each machine learning recommendation, you will be passed on to SAP Best Practice Explorer to learn more about the relevant scope item.

Please be aware that most of the machine learning recommendations are not part of the SAP S/4HANA digital core and therefore have separate license fees.

These robots come preconfigured, and you can take them for a “test drive” before deciding on the relevance for your organisation. Please be aware that most of these recommendations are not part of the SAP S/4HANA digital core and therefore have separate licence fees.

#10
– Machine Learning recommendation



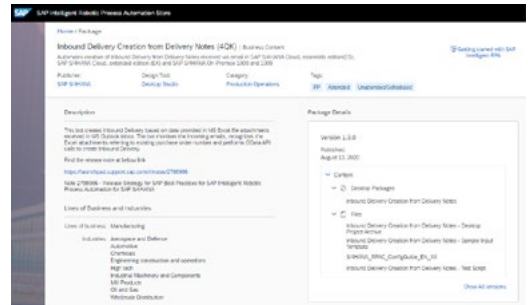
#11
– Intelligent Robotic Process Automation recommendation

SAP Intelligent Robotic Process Automation

Repetitive tasks are boring for the user and very costly for the organisation, and human errors can still occur.

Here, SAP has focused on several operational tasks that can be replaced by a robot. This will free up time for the user and do the job much faster without any errors.

Imagine having a robot that creates inbound deliveries based on data from an Excel file attachment received in MS Outlook. This happens by monitoring incoming emails and recognising the attachment referring to existing purchase orders.

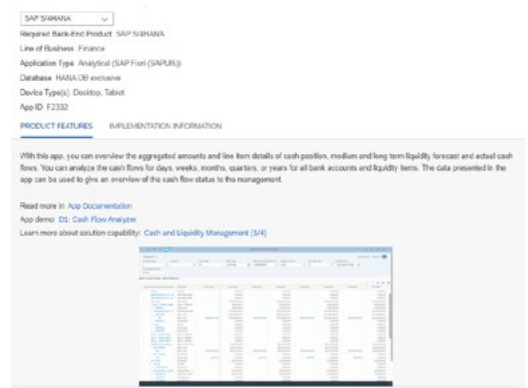


Gathering sufficient business process insights

Lighthouse applications

As part of the SAP UX strategy, SAP has nominated a number of Fiori apps that are “best in class” to use with SAP S/4HANA. To ensure that organisations are being informed about the existence of these apps, SAP has categorised them as Lighthouse apps; and from SAP Process Insights, you are navigated directly to the SAP Fiori app library to learn more about the recommended Fiori apps.

#12
– SAP Fiori Lighthouse app description

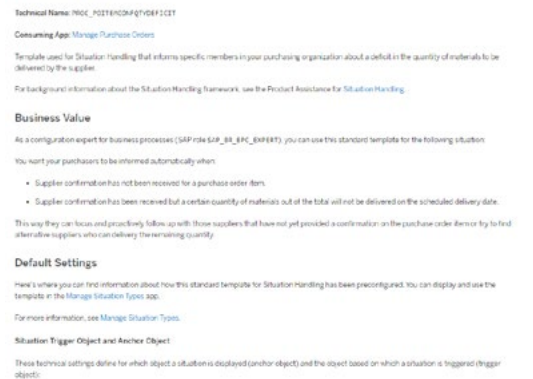


Situation Handling

Based on data in the system, Situation Handling provides the user with guidance on how to handle a specific situation or sends a reminder to the user to act on a situation that is about to happen. This could be a sales quotation that is about to expire or informing the user about exception messages that occurred during the MRP run for purchase orders or production orders.

#13
– Description of possibilities for a specific Situation Handling

Situation Template: Quantity Deficit in Supplier's Delivery ☆



Next step

We expect that SAP Process Insights will be enhanced with different types of recommendations, e.g. in relation to Business Networks. This way, SAP can promote their full suite of solutions to illustrate how SAP can support all aspects of your business processes.

SAP Process Insights: Pros and cons

What benefits and pitfalls can you expect when using SAP Process Insights?



Pros when using SAP Process Insights

- Provides analysis digitally in easy-to-use high-level dashboards with drill-down functionality for further details as well as printable reports in PDF.
- Provides analysis with industry data for benchmarking on process quality.
- Makes it possible to accelerate business process improvement even before moving to SAP S4/HANA due to the provided analysis.
- Facilitates a move away from customised code and back to SAP standard functionality even before moving to SAP S4/HANA.
- Gives specific recommendations for applications and functionalities to use per process step.
- Gives specific recommendations for available functionality within RPA and machine learning to support automation of process steps.



Cons when using SAP Process Insights

- Provides only a snapshot of process performance. SAP Process Insights will not provide continuous monitoring – you will need a process mining tool for that.
- Provides relatively limited insight into system usage as the analysis is normally run on a data set covering from 1 up to 6 months.
- Carries some uncertainty about the quality of industry benchmark data.
- Does not necessarily cover all process steps in a traditional end-to-end process (e.g. no recommendations for master data).
- Has no visibility into licence costs for additional functionalities that are not part of the SAP S/4HANA licence (e.g. machine learning or RPA).
- Does not support all processes by analysis (e.g. HR).





Gathering sufficient business process insights

WATWATER
WATWATER

KOMONO

KOMONO

CARDINAL LEMOINE - JUSSIEU

CARDINAL LEMOINE - JUSSIEU
RUE DES FOSSES SAINT-JACQUES

L'EAU

LE DESIGN MARKET IN EUROPE

UNE CÉLÉBRATION
DES ANNÉES 70
DES MUSÉES

LE DESIGN MARKET IN EUROPE

RUE DES FOSSES ST-BERNARD

JUSSIEU
PARIS

PARIS

RUE DES FOSSES

70
SANTS SPÉCIALISÉS

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Outlook on the use of business process insights

It has become increasingly clear that organisations wanting to speed up and succeed with transformation efforts need to have business process insights as both the starting point as well as the ending point.

Business process insights must be the starting point because we need initial insights to transform the right process steps in the right order to shorten time to impact.

Business process insights must be the ending point because we need to continuously monitor that we have identified, designed and implemented the required improvements to our business processes and created impact on an ongoing basis.

To make business process insights the starting and ending point, SAP Process Insights is now an embedded part of the RISE with SAP offering. RISE with SAP is the flagship of SAP's business transformation as a service concept.

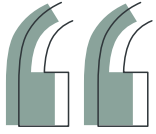
But if you want to ensure that your organisation continues to have resilient, best-in-class, standard, yet agile business processes, it is not sufficient to get process insights through analysis and monitoring. You will also need to be able to master disciplines within process design, process simulation and process governance.

In addition, you will need to have skilled people who can bridge the often-seen gap between management (business strategy and business model), line of business (process landscape) and IT (system landscape). This will ensure that you have full visibility of the enterprise architecture of your organisation.

Being able to build a digital twin of your organisation will be a demand of the very near future. By doing so, you will be able to simulate process improvements before actually implementing the best improvements in your organisation.

You will also be required to have strong governance in place surrounding the business processes. If you do not, you will experience an ever-increasing process debt* that will more than deplete the benefits of implementing the latest and greatest technology.

*Process debt – Suboptimal activity or process that might have some benefits but generates a sustained negative impact on cycle time, error rates, quality, consistency, complexity or customer experience.



The process itself is the multiplier producing superior results over time compared to human expertise or, even better, tech.

weak human +
machine +
superior process,
IS BETTER THAN
human +
faster machine +
inferior process ”

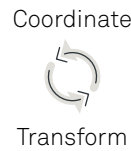
Bill McDermott, former CEO, SAP

Today's integrations (interconnectedness) will fuel tomorrow's intelligence, making enterprise/business architecture a critical discipline

Understand the enterprise



Build a digital twin



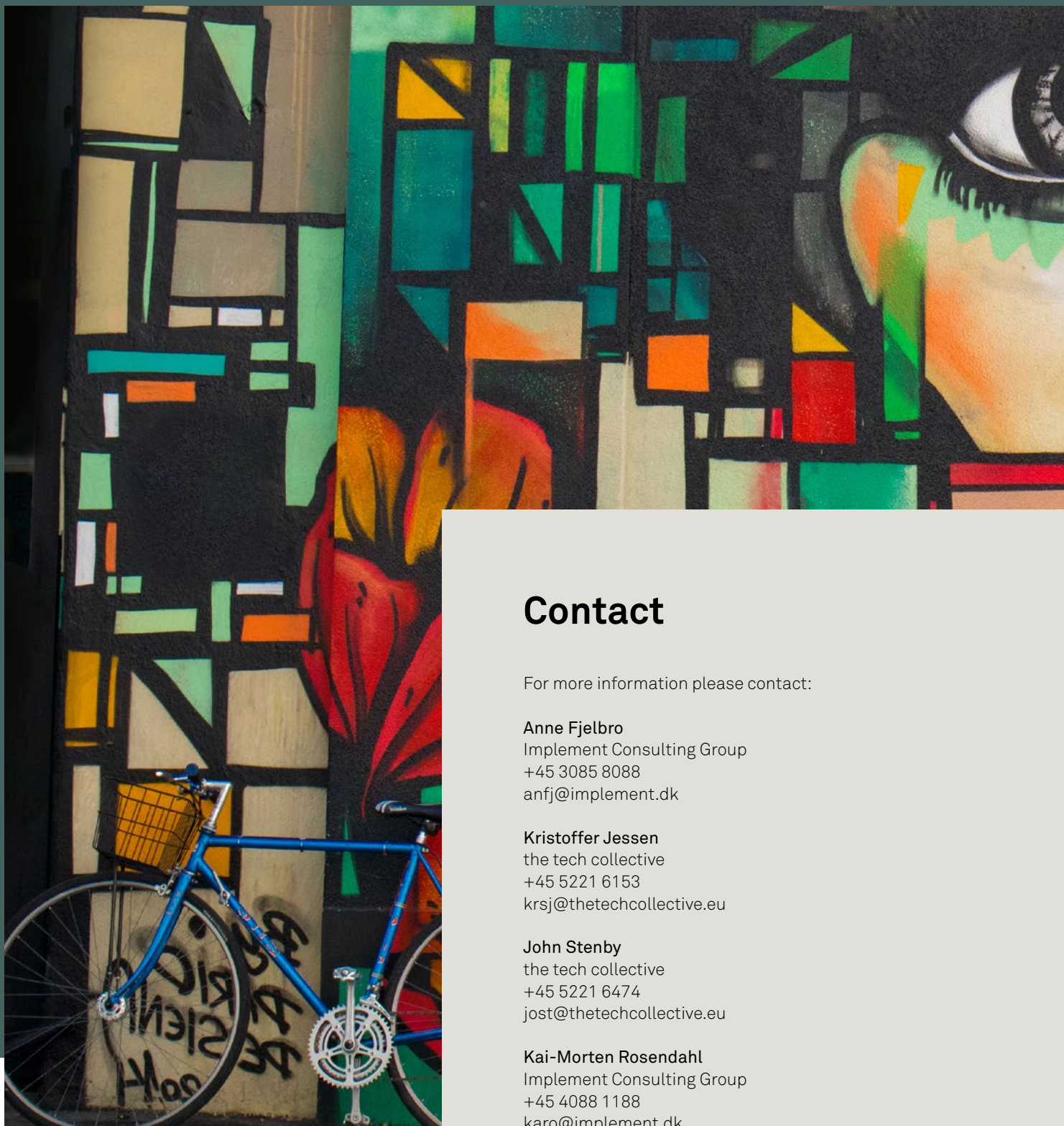
Innovate, improve and sustain

Obtain an understanding of the enterprise from multiple dimensions, e.g. business ecosystem, customer journey, value creation, business processes, products/services, organisational structure, applications, data, capabilities, infrastructure.

Define the meta model and model per dimension. Decide on principles and methods for linking the models together (interconnectedness) as well as governance requirements. Then build a digital twin of the enterprise allowing you to do analysis and simulations.

Identify areas that should be improved, implement changes and sustain the digital twin, always making it relevant and fit for discovering areas for further improvement and innovation.





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