

The Intelligent Enterprise

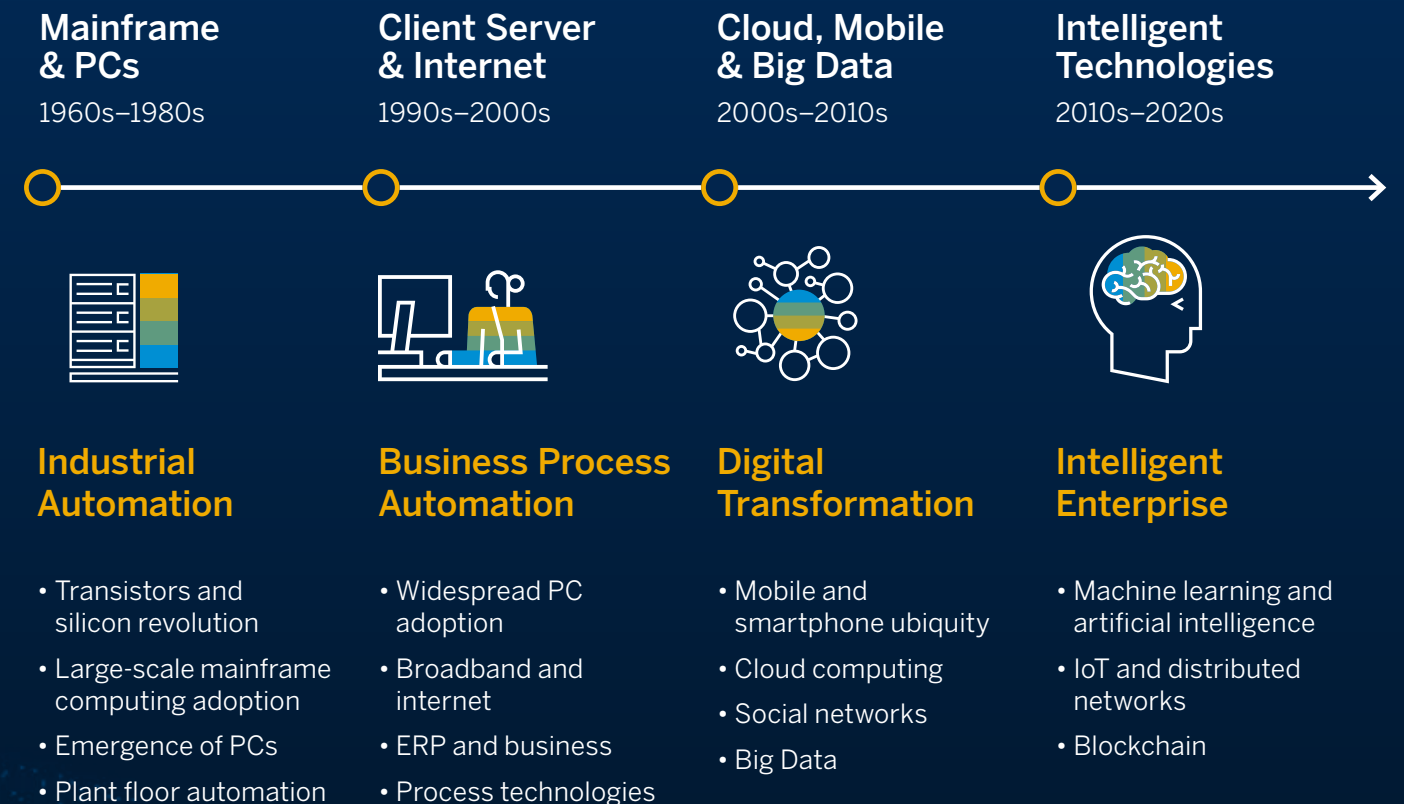
The next era of enterprise computing will be defined by intelligent technologies

For more than 45 years, SAP has been on a journey with our customers, helping them create value for their organizations by applying technology to solve some of their most complex challenges. In each era of enterprise computing, we've evolved our strategy – and product portfolio – so our customers can run better.

In the 1960s and 1970s, as mainframe computing gained popularity, we enabled our first customers to automate their plant floor operations with material-requirements planning software. In the 1990s, as companies expanded their use of the Internet, we helped connect our customers' headquarters with their subsidiaries through SAP® R/3® software for enterprise resource planning.

And, over the past 10 years, as cloud computing and Big Data have become ever more pervasive, our SAP HANA® software, along with our extensive portfolio of cloud applications, has helped our customers begin their own digital transformations.

Now, as technologies such as artificial intelligence, machine learning, the Internet of Things (IoT), advanced analytics and blockchain become mainstream, SAP has a new opportunity – to help turn our customers' businesses into intelligent enterprises, with new capabilities that enable their workforces to focus on higher-value outcomes.



Intelligent technologies will drive a next-generation value economy

Advances in machine learning are enabling algorithms to become highly accurate in natural language understanding and in image and speech recognition. Businesses can use these increasingly sophisticated capabilities to drive the next level of intelligent business-processes automation and eliminate repetitive manual tasks.

Automation can now also be implemented far more cost-effectively, because it is embedded more and more within business processes. All of which means that the workforce will be able to focus on high-value activities like customer success, strategic planning, and innovation.

Advances in ubiquitous connectivity and edge computing are creating a step change in business productivity. This connectivity, coupled with artificial intelligence and machine learning, can be used to analyze petabytes of data to affect real business outcomes.

IoT can connect the entire value chain, from design to production to supply chain, and data-driven insights of customer preferences can inspire better design, lower material costs, and reduce risk. Real-time analysis of machines can predict maintenance needs, identify potential quality problems in manufacturing processes before they occur, and reduce asset downtime by as much as 50%.

The integration of advanced analytics capabilities into applications allows business users to analyze data on the fly and informs better decision-making. Empowered users, benefiting from embedded analytics in business processes, can get real-time visibility into their changing environment, simulate the impact of business decisions, and achieve better customer outcomes.

60%

of human tasks will be automated by 2025

99%

accuracy in voice and video recognition by 2020

97%

image recognition accuracy today
(better than human accuracy: 95%)

\$3.5

Trillion annual value created in the enterprise

Future business challenges will be radically different

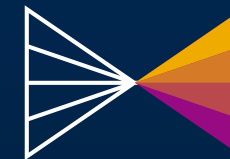
The global economic growth of the last nine years has been powered largely by technology. Record corporate profits and new business models can all be tied to technology-driven innovation. On average, an S&P 500 company is now being replaced once every two weeks. This “tumble rate” is accelerating – with the difference between winners and losers tied to their ability to embrace digital technologies. The next decade will, of course, bring about even greater tectonic shifts.

To address these challenges, businesses need to make sense of a growing volume of data, create a step change in productivity, and innovate with relentless clock-speed.

In other words, they need to accelerate value creation.

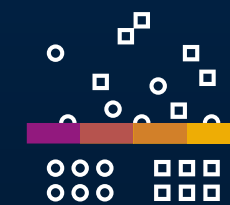
This is the heart of the Intelligent Enterprise.

Across the business landscape, leaders face strategic challenges, and are asking themselves the following questions:



How do you fund – and implement – innovation for tomorrow while still running today’s business?

Disruptors are gaining momentum and reshaping industries through innovative business models.



How can you derive more actionable insights from enterprise data to help your business partners react faster to new opportunities?

Businesses are generating an overwhelming volume of data. However, most of them are unable to use it effectively to improve productivity.



How can you use your data to create an engaging employee experience for Millennials, and for all employees?

The Millennial workforce brings a new set of skills, as well as a desire for more purpose-driven work. They want to work for companies that are committed to making a positive social and environmental impact in the world.



How do you better understand what consumers really want – and how do you deliver the best experience for them?

As switching costs decline, empowered customers expect companies to build intuitive products, provide seamless user experiences, and create outcomes that surprise and delight.

The Intelligent Enterprise

To help businesses become Intelligent Enterprises and achieve breakthrough outcomes, SAP provides three essential components:

Intelligent Suite

Will offer unparalleled, breakthrough business value.

We provide intelligent, integrated applications that enable our customers to automate their day-to-day business processes and better interact with their customers, suppliers, and employees. These applications will be industry specific, global, and applicable to large enterprises and to small and midsize enterprises.

Digital Platform

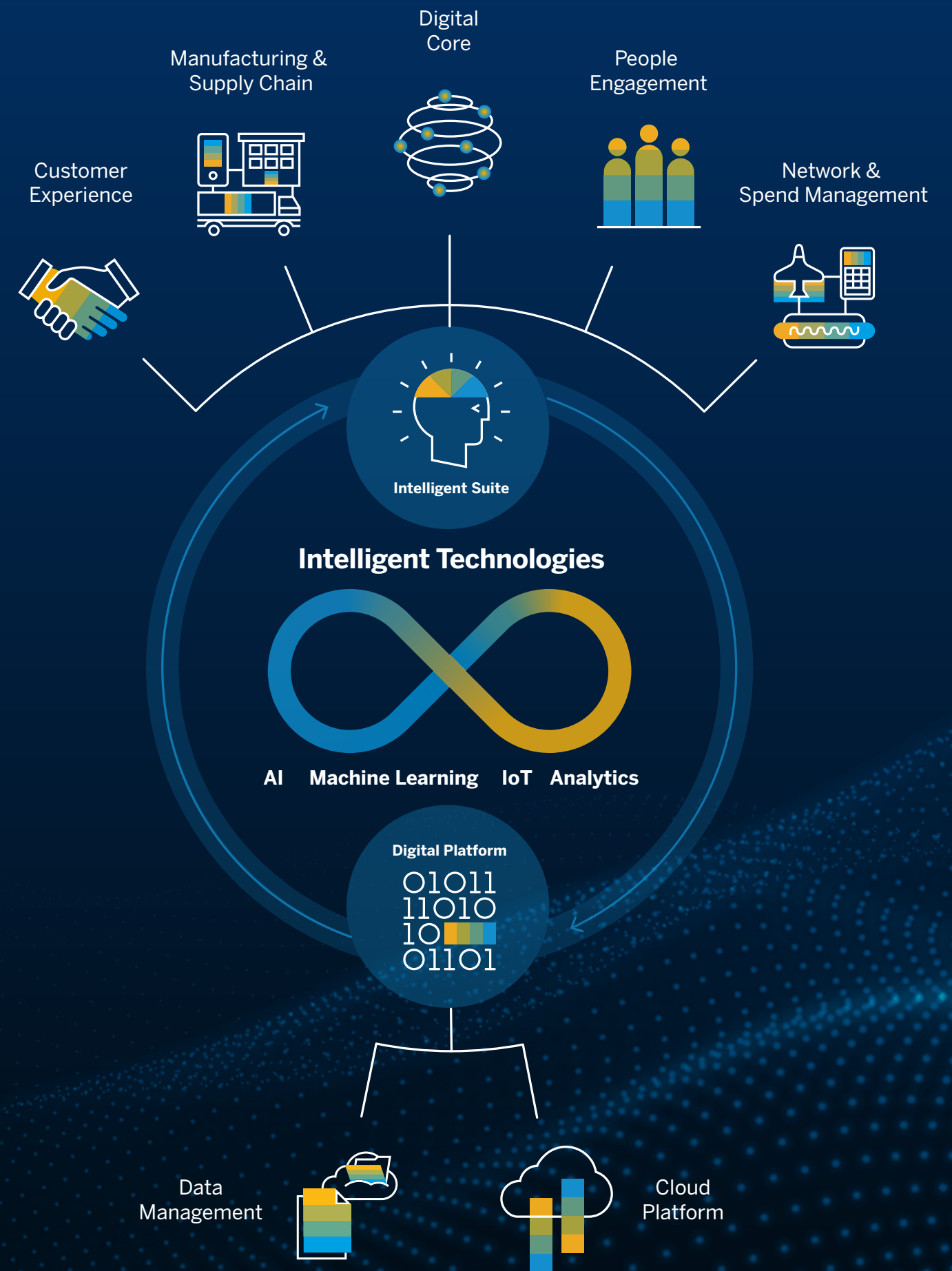
Will enable data-driven intelligence and innovation.

With SAP Cloud Platform and SAP HANA Data Management Suite, we will facilitate the collection, connection and orchestration of data, as well as the integration and extension of processes within the intelligent suite.

Intelligent Technologies

Will embed intelligence in applications and facilitate new co-innovations.

With SAP Leonardo, we will embed intelligent technologies in our customers' core processes, enabling them to use their data to detect patterns, predict outcomes and suggest actions. For customers who want to innovate even faster, we will offer industry innovation kits and open innovation services, which apply design thinking methodologies to new business models by industry.



The Intelligent Enterprise will enable a set of next practices

SAP is evolving its strategy to deliver the Intelligent Enterprise for our customers. We are empowering them with a set of “next practices” that help them innovate faster than the competition, create new markets, and capture mindshare.

These “next practices” are made possible by next-generation intelligent technologies, which accelerate value creation through three core capabilities:



Visibility

Tap into siloed or external data and recognize previously unseen patterns



Focus

Simulate the downstream impacts of critical decisions and allocate scarce resources



Agility

Adapt business processes in response to changing market conditions, in real time

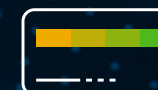
These enhanced capabilities will empower SAP customers to achieve three critical outcomes faster, more effectively, and more completely than ever before:



Do more with less and empower employees



Deliver best-in-class customer experience



Invent new business models and revenue streams

SAP is uniquely positioned to deliver the Intelligent Enterprise to our customers

The Intelligent Enterprise is more than just automated business processes. It's a vision — how we at SAP see the future of business for our customers, the future of work for our customers' employees, and the future of experience for our customers' customers.

Only SAP can deliver on this vision, because:

- 1** **Integration end to end** across the processes that matter most to our customers, built on common master data, domain models, and platforms
- 2** **Industry expertise** to help make sense of customers' data in the specific context of their businesses, using insights about their own performance to optimize algorithms
- 3** **Intelligence embedded** directly into core solutions as part of customers' standard road map, so they don't need to create a separate data lake or purchase additional tools

SAP is already enabling customers to achieve real-world, next-practice outcomes

For over 45 years, our customers have trusted us to be the custodians of their end-to-end business data, which is the key asset for building intelligent algorithms. With an intimate understanding of how our customers run every line of business across 25 different industries, we are better positioned than anyone else in the marketplace to generate intelligent insights for our customers.

SAP customers are able to:



Do more with less, and empower employees

- Automated invoice and payment matching
- Machine learning-enabled résumé matching and employee approvals
- Predictive lead management
- Automated sales discount approvals
- Warehouse automation
- Real-time supplier and demand management
- Predictive maintenance and service



Deliver best-in-class customer experience

- Self-service enabled by chatbots and voice
- Personalized and distinctive customer experience
- Omnichannel customer service (available anytime and available anywhere)



Invent new business models and revenue streams

- Outcome-based business models by digitizing products and services
- Expansion into new industries and markets
- Shared economy and network-based business

Learn More

To learn more about how SAP can help your business become an Intelligent Enterprise, visit sap.com/intelligententerprise