

To keep their customer promises, they focus on five strategic priorities that require new business capabilities.

In the experience economy, intelligent industrial manufacturing enterprises consistently deliver on their promise to provide efficient, reliable, and high-performance equipment.

- They provide the digitally enabled machinery, equipment, solutions, and services to deliver value and help their customers innovate – driving top-line revenue.
- They are spearheading innovative processes themselves by leveraging digital capabilities of the equipment they use – achieving bottom-line cost savings.



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Customer centricity

Serving the "segment of one"

Digital smart products and solutions

Digital supply networks and smart factory

Servitization and outcome-based business models

R&D and engineering	Sales and marketing	Supply chain	Manufacturing	Installation and service	Procurement	Finance	Human resources
<ul style="list-style-type: none"> Enable concept testing with customers Deliver product innovations resulting from actual equipment use and operator experience feedback Collect structured requirements based on interactions with customers and design partners and market analysis 	<ul style="list-style-type: none"> Contextualize customer experience and engagement through every channel Engage omnichannel solution selling Organize and empower sales teams Constantly monitor brand performance Simulate and optimize intelligent pricing 	<ul style="list-style-type: none"> Foster responsive, demand-driven, collaborative supply networks Enable on-time delivery and advanced availability-to-promise capabilities Coordinate logistics and installation smoothly 	<ul style="list-style-type: none"> Adjust production orders with greater flexibility based on customer priorities Enable on-time delivery and responsive manufacturing network Track and trace individual products 	<ul style="list-style-type: none"> Flow customer information across channels (including experience history) Personalize end-to-end service and parts processes Provide a service knowledge database Conduct product and user satisfaction/ experience analysis 	<ul style="list-style-type: none"> Find and contract talent with specific noncore skills Drive new strategies outside the current business scope Derive insights to enhance situational awareness and speed-to-decision capability 	<ul style="list-style-type: none"> Use simulation and analysis to evaluate financial implications of strategic business choices Manage the customer portfolio strategically 	<ul style="list-style-type: none"> Maintain a pipeline of top talent Attract and secure top talent Monitor employee engagement Work with customers through flexible contracting Enable social collaboration among teams
<ul style="list-style-type: none"> Modularize product concepts and well-structured product families Use platform models across product families Select engineer-to-order capabilities during the sales configuration process 	<ul style="list-style-type: none"> Personalize marketing and sales across all channels Segment customers with sophistication Provide intelligently configured products and manage variants including costing 	<ul style="list-style-type: none"> Plan sales and operations with flexibility (at different levels (variant and product)) Support responsive material requirement planning Promote efficient and flexible internal and external logistics and supplier collaboration Simulate multiple what-if scenarios 	<ul style="list-style-type: none"> Produce for a lot size of one with high asset use and optimal setup times Smoothly integrate sales orders with specific parameters with the shop floor Give electronic work instructions Increase flexibility of manufacturing capacity 	<ul style="list-style-type: none"> Offer tailor-made installation and services Deliver an equipment-specific service portfolio Gain full transparency into equipment lifecycle information Provide an easy and individualized buying of services and parts 	<ul style="list-style-type: none"> Enable economies of scale and flexible call orders with strategic and agile global supplier-network management Onboard alternative suppliers with flexibility 	<ul style="list-style-type: none"> Analyze profitability instantly across multiple dimensions such as product groups, customers, projects, profit centers, and plants 	<ul style="list-style-type: none"> Assess, forecast, and address skill gaps Onboard and train employees quickly and more easily
<ul style="list-style-type: none"> Adopt a systems-engineering (mechanical, software, and electronic) approach Embed the technology foundation for equipment networks Manage digital IP effectively Incorporate product and user experience feedback channels 	<ul style="list-style-type: none"> Enable collaborative solution and value selling Generate leads through predictive product replacement and precise segmentation Sell solutions and software 	<ul style="list-style-type: none"> Track digital components Actualize efficient replenishment strategies Enable 3D printing for spare parts Use digital twin throughout entire supply chain including installation 	<ul style="list-style-type: none"> Install and manage in-product software Support advanced testing and connectivity management 	<ul style="list-style-type: none"> Provide services for digital smart products Manage the equipment lifecycle using a digital twin Enable a feedback loop in internal business processes including operator experience Support retrofit of software/sensors in (smart) products 	<ul style="list-style-type: none"> Execute procurement strategies for 3D-printed service parts Bundle third-party service with products Identify and contract suppliers closely connected with product design and engineering 	<ul style="list-style-type: none"> Include payment models for digital services in product calculations and financial reporting Manage and help ensure digital rights compliance 	<ul style="list-style-type: none"> Train and certify workforce on new digital technologies Work with universities and external entities in a flexible manner Engage in knowledge sharing and community building
<ul style="list-style-type: none"> Integrate manufacturing engineering with electronic and manual management of bills of materials Visualize manufacturing processes digitally based on harmonized product data 	<ul style="list-style-type: none"> Forecast sales precisely and reliably Align supply chain and sales planning Route customer orders directly into the factory as production orders 	<ul style="list-style-type: none"> Achieve real-time, end-to-end visibility into supply chain management from design to operation Plan demand and supply flexibly Integrate material management – from shop floor to warehouse 	<ul style="list-style-type: none"> Support machine-to-machine integration Innovate plug-and-produce processes Provide disassembly for installation Deliver benefit from a digital twin of the manufacturing facility Use dynamic routing 	<ul style="list-style-type: none"> Collaborate on equipment data through an asset network Handover as-built, as-installed equipment information seamlessly to services Produce service parts by 3D printing Incorporate installer experience data 	<ul style="list-style-type: none"> Allow contractual enablement of global supply chains with multitier suppliers management Automate and simplify the integration of material suppliers 	<ul style="list-style-type: none"> Optimize working capital Manage increased financial risks associated with highly flexible supply chains and manufacturing operations 	<ul style="list-style-type: none"> Empower employees to make decisions in real time Manage external contractors with greater flexibility Enable agile work teams
<ul style="list-style-type: none"> Calculate actual equipment use Design to offer digital services with data platforms Support equipment information sharing along the value chain Design to retrofit software and sensors to enable services 	<ul style="list-style-type: none"> Support omnichannel solution selling Sell data and digital services Manage contract value and risk Charge based on performance, outcome, and data Enable customer self-service Sell and manage installation services 	<ul style="list-style-type: none"> Collaborate with customers and suppliers Improve demand sensing and automate replenishment Simulate and optimize service parts planning and logistics performance 	<ul style="list-style-type: none"> Make manufacturing parameters available for service processes Distribute product-use information for production planning Manufacture products for good serviceability 	<ul style="list-style-type: none"> Deliver performance-based services and products as a service Monitor asset performance and conditions, and operator experience Measure satisfaction with crowd services Innovate digital value-add services 	<ul style="list-style-type: none"> Augment the workforce by integrating contingent workers efficiently Deliver the highest quality in the shortest time through service-parts collaboration Collaborate with service partners and subcontractors 	<ul style="list-style-type: none"> Finance and manage the risk of assets that are operated for customers through a product-as-a-service contract Allow financial controlling of performance-based service contracts Monitor and control service profitability 	<ul style="list-style-type: none"> Procure and manage contingent labor and services for an optimized service delivery across regions Actively manage service workforce skills and capacities

Typical business benefits*							
<ul style="list-style-type: none"> New products revenue: +10%–20% R&D cost: -20%–30% Revenue targets met by production: +15%–20% 	<ul style="list-style-type: none"> On-time delivery: +10%–20% Inventory levels: -25%–30% Customer satisfaction: +10%–20% 	<ul style="list-style-type: none"> Cost due to stock-outs: -20%–25% Days in inventory: -10%–12% Total logistics cost: -10%–12% 	<ul style="list-style-type: none"> Total manufacturing cost: -10% Manufacturing cycle time: -10% Scrap value: -25% 	<ul style="list-style-type: none"> Revenue leakage: -7%–9% Service delivery cost: -4%–5% Cost of noncompliance: -4%–5% 	<ul style="list-style-type: none"> Procurement function cost: -15%–20% Worker acquisition time: -30%–40% Days payable outstanding: -2–5 days 	<ul style="list-style-type: none"> Days to close annual books: -40–50 Budgeting and forecasting cost: -25%–50% Audit cost: -20%–40% 	<ul style="list-style-type: none"> Lower time and attendance function cost HR full-time equivalents: -44%

Experience **qualtrics** customer experience **3X** product experience **3X** brand experience **3X** employee experience

Intelligence	Augmented BI	Data-driven insights	Collaborative planning	Intelligent robotic process automation	Predictive analytics	Conversational AI	Internet of Things, cloud and edge	Data warehousing
Analytics:	Augmented BI	Data-driven insights	Collaborative planning	Intelligent robotic process automation	Predictive analytics	Conversational AI	Internet of Things, cloud and edge	Data warehousing
Intelligent technologies:	Data-driven insights	Data-driven insights	Intelligent robotic process automation	Intelligent robotic process automation	Conversational AI	Conversational AI	Internet of Things, cloud and edge	Internet of Things, cloud and edge
Database and data management:	Data pipelining	Data virtualization	Data governance	Storage and processing	Connection management	Data orchestration	Metadata management	Metadata management
Application development and integration:	Integration suite	Integration suite	Intelligent business process management	Enterprise extensions	Enterprise extensions	Enterprise extensions	Digital experience	Digital experience

Operations	Business areas	SAP S/4HANA®
<ul style="list-style-type: none"> Product development and project control Product engineering Embedded software management Classic variant configuration 	<ul style="list-style-type: none"> Order and contract management Sales order fulfillment cockpit User experience and interface solutions Settlement management 	<ul style="list-style-type: none"> Basic inventory, warehousing, and transportation Production planning Real-time inventory management Multilevel goods receipt
<ul style="list-style-type: none"> Enterprise portfolio and project management with embedded commercial project management Product lifecycle management Advanced variant configuration 	<ul style="list-style-type: none"> Sales planning and performance management Billing and revenue innovation management 	<ul style="list-style-type: none"> Extended production scheduling and delivery planning Advanced inventory, warehousing, and transportation Advanced order promising (AATP)
<ul style="list-style-type: none"> Engineering control center Visual enterprise Innovation management Cloud for product stewardship Digital operations for R&D (production engineering) 	<ul style="list-style-type: none"> Price and margin management Entitlement management Social collaboration Sales cloud Service cloud Marketing cloud Commerce cloud Configure, price, and quote Revenue 	<ul style="list-style-type: none"> Manufacturing execution for Industry 4.0 Digital manufacturing cloud for execution Digital manufacturing insights (including predictive quality) 3D visual enterprise generator application
<ul style="list-style-type: none"> Service master data and agreement management Service operations and processes Service parts management 	<ul style="list-style-type: none"> Sourcing and contract management Operational and service procurement Invoice and payables management Supplier management Procurement analytics 	<ul style="list-style-type: none"> Service cloud Field service management Commerce cloud Revenue Asset intelligence network Predictive maintenance and service
<ul style="list-style-type: none"> Core accounting Cost management and profitability analysis Basic financial operations 	<ul style="list-style-type: none"> Financial planning and analysis Accounting and financial close Treasury management Commodity management Governance, risk, and compliance 	<ul style="list-style-type: none"> Direct and indirect material sourcing Supply chain collaboration Supplier management and collaboration Guided end-user buying
<ul style="list-style-type: none"> Time recording 	<ul style="list-style-type: none"> Governance, risk, and compliance Financial services network Digital payments add-on 	<ul style="list-style-type: none"> SAP Arriba SAP Fieldglass SAP Concur
<ul style="list-style-type: none"> Core human resources and payroll Talent management Time and attendance management Human capital analytics 	<ul style="list-style-type: none"> SAP SuccessFactors SAP Fieldglass SAP Concur 	<ul style="list-style-type: none"> SAP SuccessFactors SAP Fieldglass SAP Concur

*Benefits are based on early adopters of SAP S/4HANA, or conservative outside-in benefits due to moving from a traditional ERP system to SAP S/4HANA, SAP Leonardo® technologies, and other relevant SAP solutions.

FEEDBACK