

# Two-Tier ERP with SAP S/4HANA Cloud, public edition

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# Market Drivers



## Acquisitions and Divestitures

- Onboard **new acquisitions** quickly
- Standardize **subsidiaries** on a harmonized platform
- Prepare for an **anticipated divestiture**



## Evolve Business Models and Processes

- Adapt to **new Processes** or **entirely new Business Models**
- **Centralize services** like finance or procurement
- **Extend the supply chain control** with business partners



## Business venturing into new markets

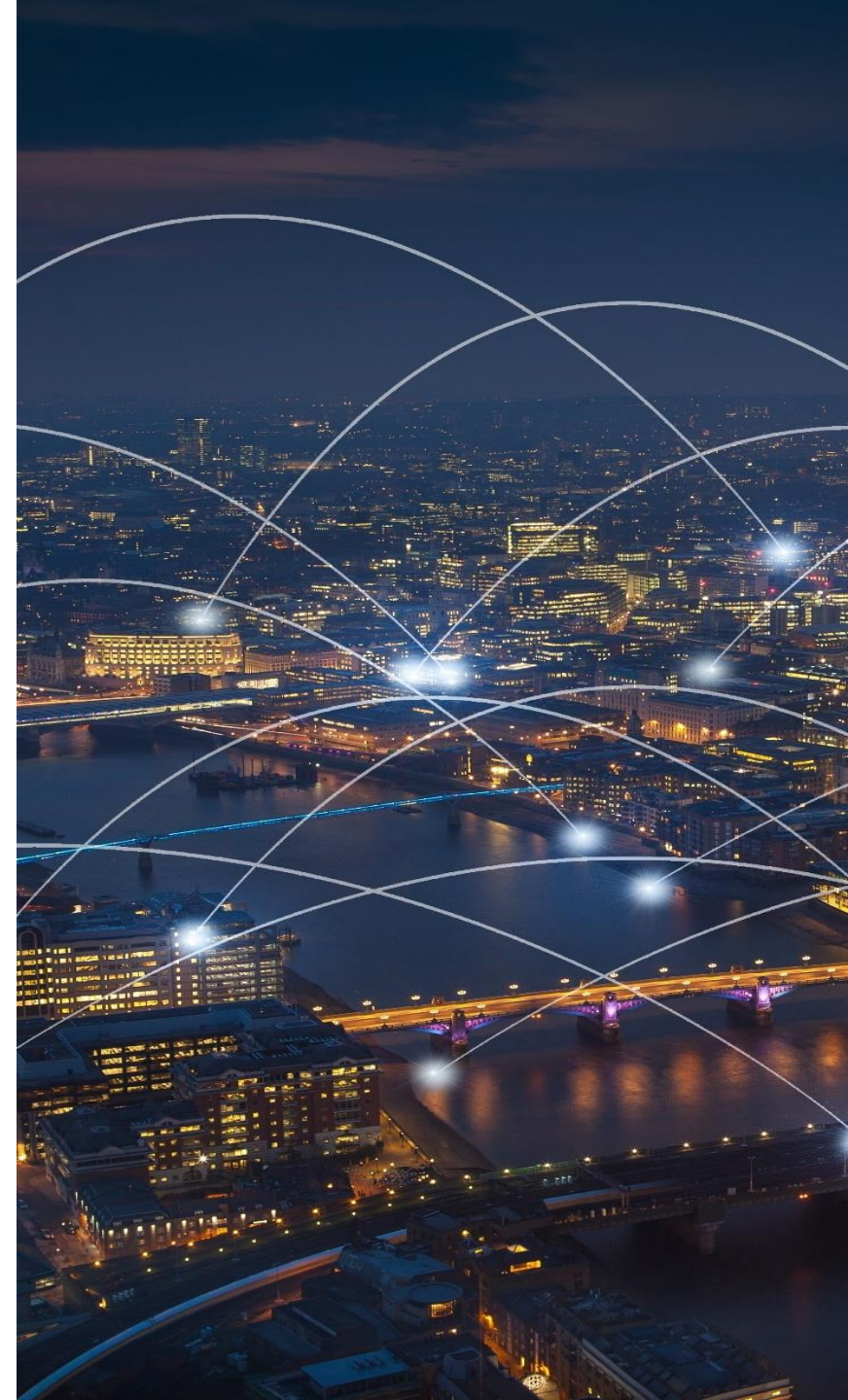
- Expand through **Joint Ventures**
- Adapt to evolving **geo-political** situations
- Prepare for changing **data residency regulations**

# What means Hybrid ERP Two-Tier

ERP Two-Tier refers to a specific approach in ERP systems implementation.

In a traditional ERP implementation, a single ERP system is deployed across the entire organization, serving as the backbone for all business processes and departments. However, as companies expand globally or through M&A, managing a single, **monolithic** ERP system can become complex and challenging.

The approach involves implementing a **corporate-level or global ERP system** at the headquarters or main office, referred to as **Tier One**, and deploying a separate ERP system at the **subsidiary or regional level**, referred to as **Tier Two**.



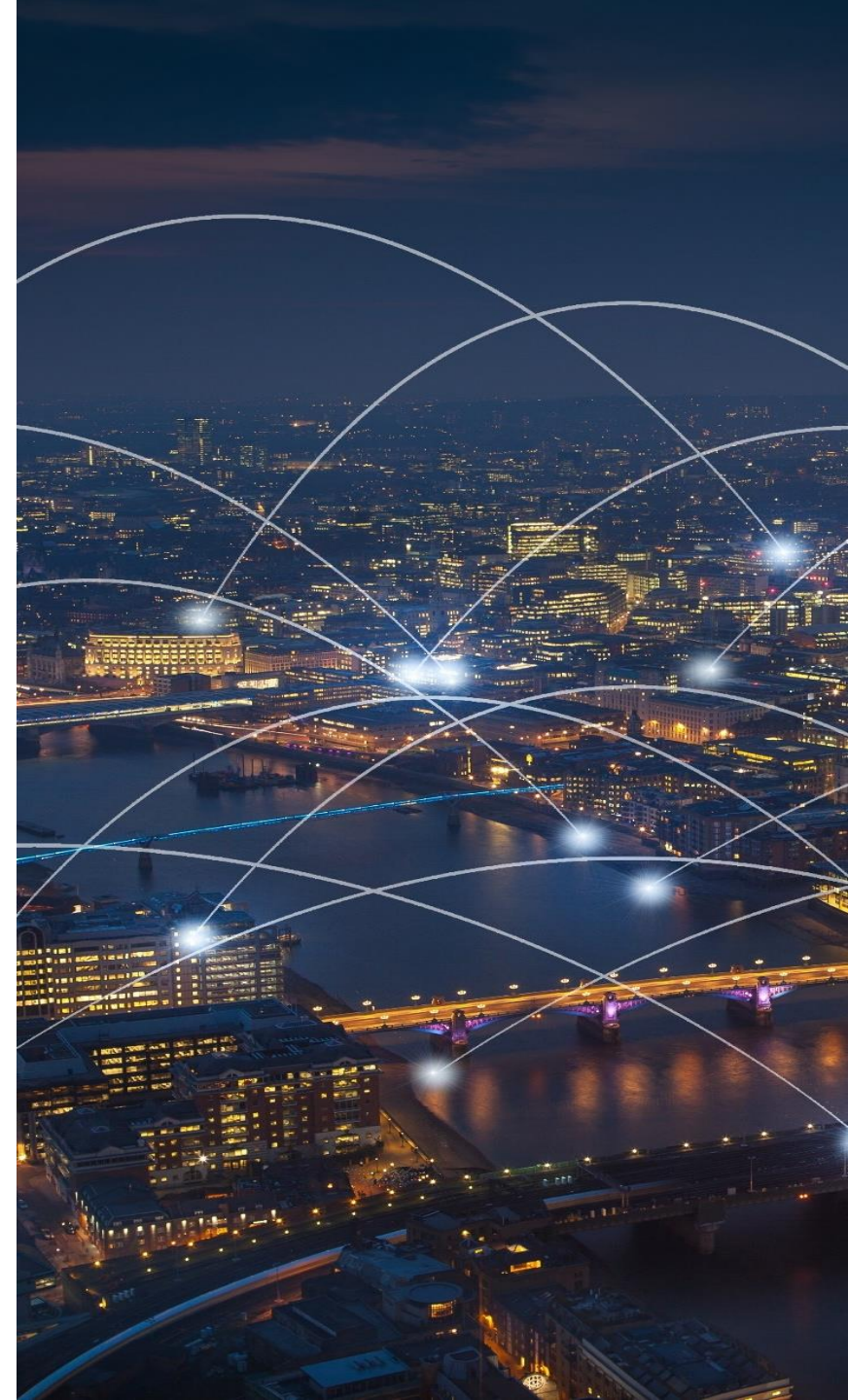


# How Hybrid ERP Two-Tier is Implemented

**The Tier One ERP system**, is typically a robust, comprehensive solution that caters to the organization's overall operations and requirements. It provides **centralized** control, **standardized** processes, and **consolidated reporting** capabilities.

**The Tier Two ERP system**, is often a more **localized** solution, addressing the specific needs and regulations of the particular region or subsidiary. It allows **subsidiaries** to have some autonomy in managing their operations, including localized processes, languages, currencies, and compliance requirements.

The Tier Two ERP system can integrate with the Tier One ERP system to ensure data consistency and provide visibility across the organization.



# WHY Hybrid ERP Two-Tier?



## Agility

- Reduce onboarding time implementing a simpler and standardized solution
- Absorb innovation delivered at a faster rate
- Accelerate the path to the cloud



## Flexibility

- Deploy new business processes/models based on Best Practices (Introduce future-proof solutions utilizing modern technologies)
- Rapidly scale with SaaS service model



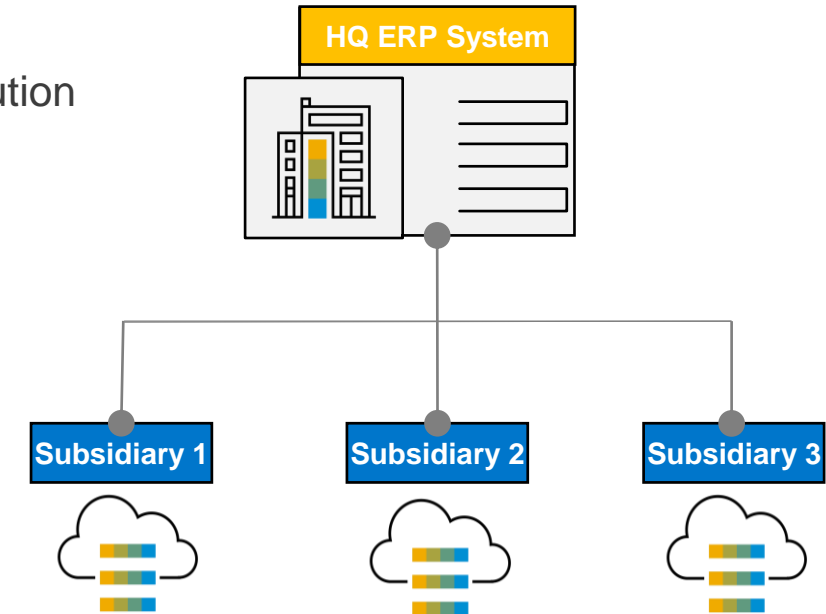
## Simplified governance

- Increase the flexibility for the two-tier entity to evolve, change and experiment
- Lower risks of disrupting or jeopardizing HQ landscape



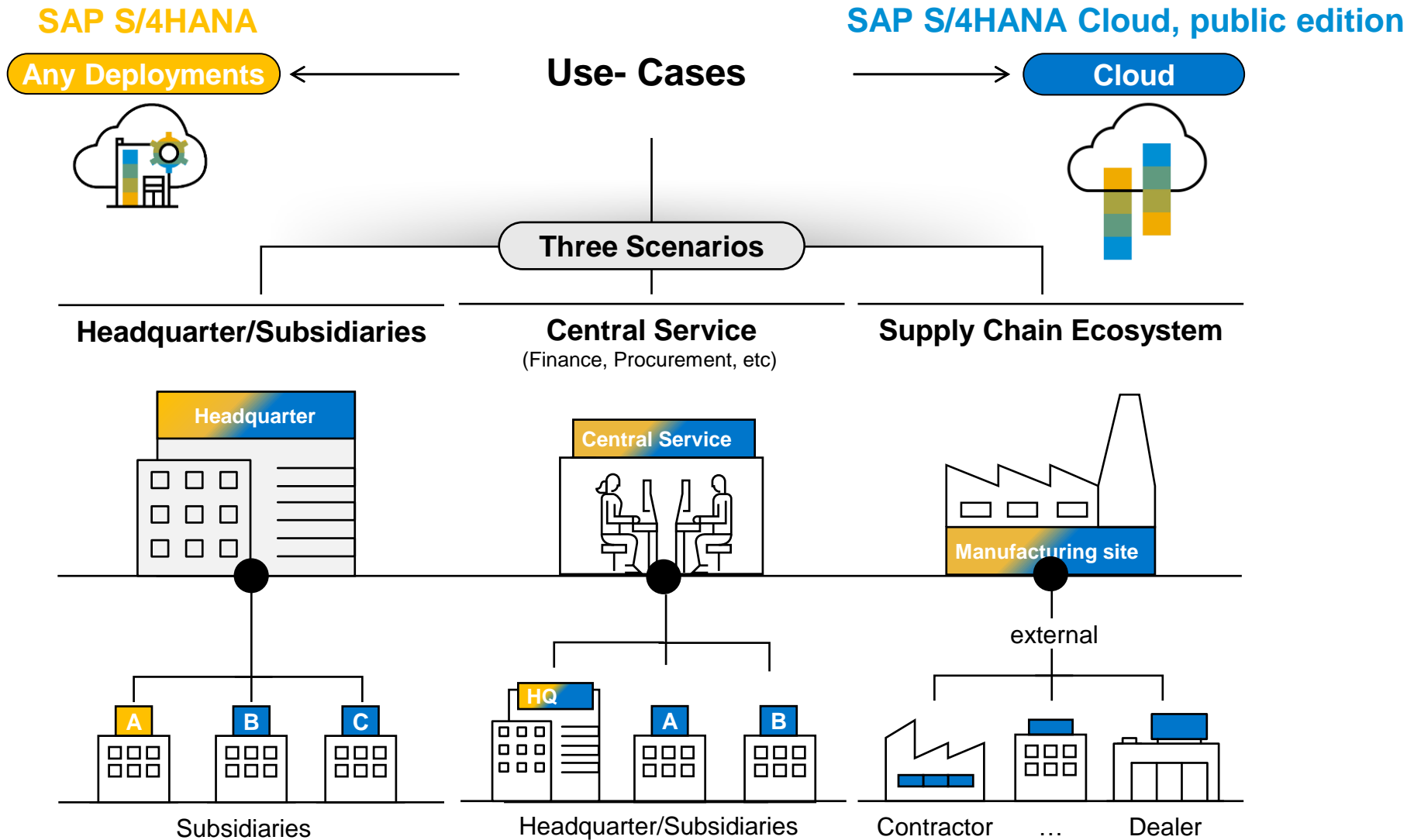
## Compliance/Legal

- Address local legal requirements and changes to run local at global scale
- Independent legal structure supporting JVs
- Carve out independent installations for divestitures



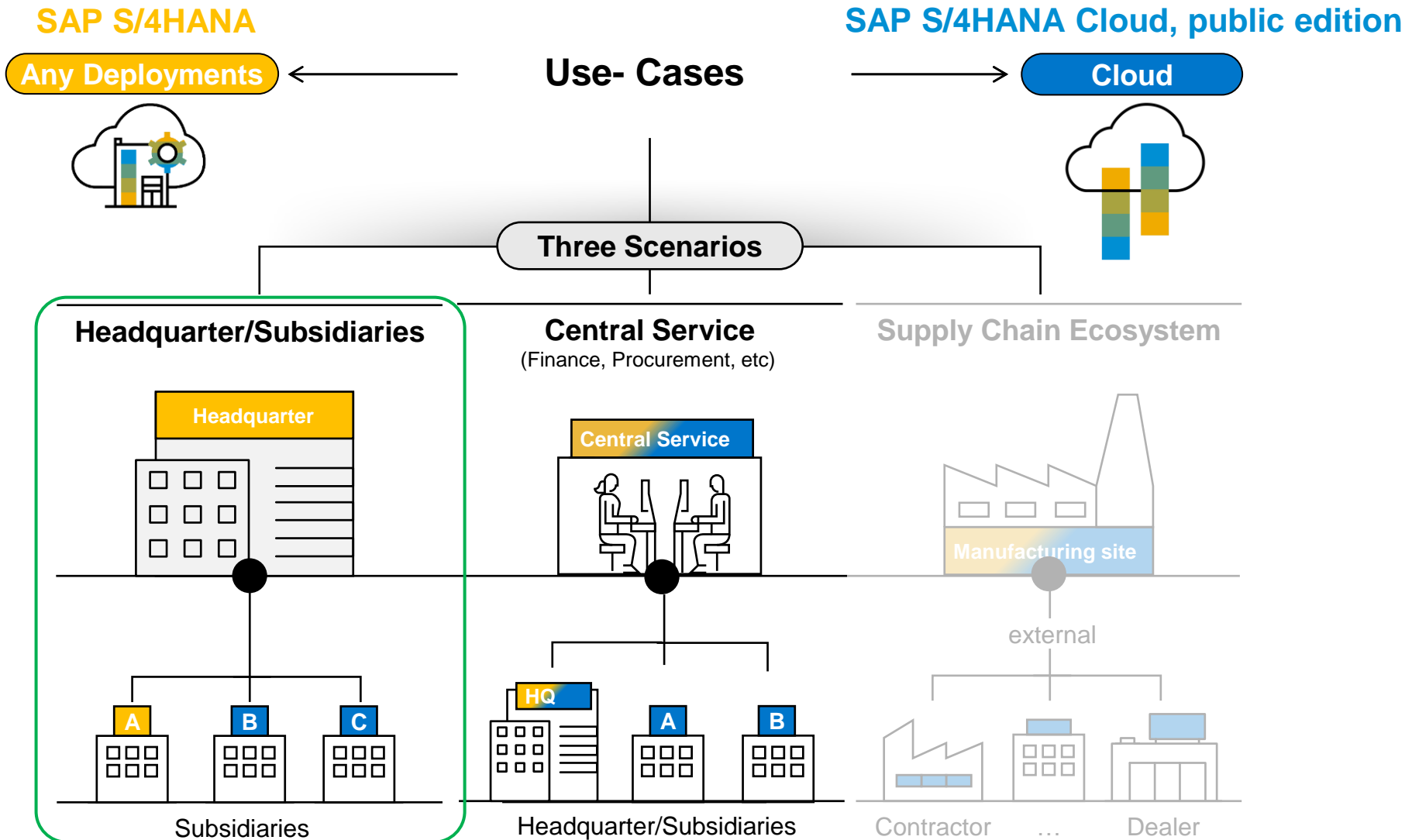
# Hybrid deployment

Single-vendor solution for multiple use-cases



# Hybrid deployment

Single-vendor solution for multiple use-cases



# Benefits of Hybrid Landscape with SAP S/4HANA Cloud



## Achieve Integration

- **Purpose built integrations** for **end-to-end scenarios** supporting intercompany processes
- **One Domain Model** to synchronize master/ transaction data
- **Same/similar interfaces** when integrating to 3<sup>rd</sup> party solutions (APIs etc.)
- No need for Digital Access license between SAP applications



## Standardize Technology

- **Simplified data aggregation** in reporting tools e.g. Financial Consolidation
- **Reuse IP** in Business Technology Platform across deployments
- **Standardize on Reporting tools** and concepts



## Accelerate Implementation

- **Rapid implementation** based on SAP Best Practices and SAP Activate methodology
- **Built-in Localization** to run at global scale and be in local compliance
- **Shared modern cloud extensibility concepts** (In-App, Developer and Side-by-side)
- **Build global template** with shared data and process models
- **Harmonized end-user security** across SAP applications



## Harmonize Support

- **Standard core process, Terminologies** and **Unified User Experience** across solutions
- **True Cloud qualities:** Self-service provisioning, regular maintenance and updates

## Business Benefits

- Reduced overhead costs
- Standardize processes across HQ and subsidiaries
- Rapid implementation based on SAP Best Practices and SAP Activate methodology
- Faster multi-currency, multi-country business consolidation
- Ability to leverage the latest technology to optimize and automate business processes



# What is SAP S/4HANA Cloud, public edition?

The Cloud ERP for every business need driving business innovation through process standardization with agility and scalability



## Agile Modular Cloud

Activate capabilities by convenience



## Continuously updated

2 releases per year



## Enhanced User Experience

SAP Fiori with Horizon theme



## Security, Compliance & Scalability

Full SaaS solution



## Insight, Intelligence & Automation

AI capabilities embedded



## Self-healing

Auto-diagnosis for optimize allocation of performance



## Embedded Best Practices

>800 Best Practices available



## Extensibility Tools

In-APP, Side-by-Side and Developer extensibility



## Localization

51 Countries localization delivered, 8 Planned



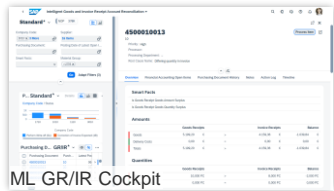
## Open Architecture

>700 API

# SAP S/4HANA Cloud, public edition

Increase margin with built-in best-practices, localizations and industry-specific processes to run at global scale

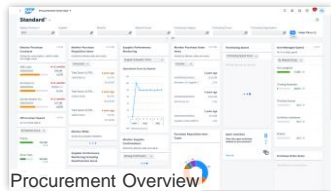
Comprehensive end to end business processes delivered by preconfigured best-practices and industry-specific scenarios



ML GR/IR Cockpit

## Finance

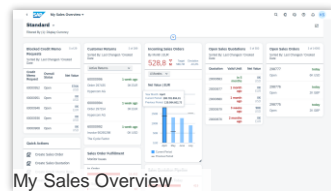
- Accounting and financial close
- Receivables and Payables mgmt.
- Cost mgmt. & profitability analysis
- Treasury & working capital mgmt.
- Governance Risk and Compliance



Procurement Overview

## Procurement

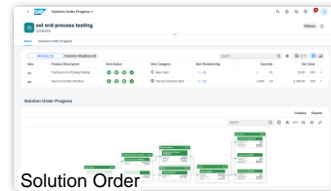
- Procurement of direct materials and services
- Supplier management
- Central procurement



My Sales Overview

## Sales

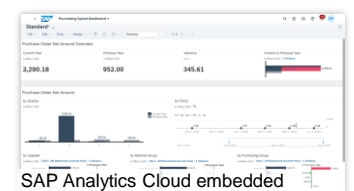
- Sell, deliver, bill, and monitor a combination of physical goods and services as one solution offering
- Sell from Stock & Sell Services
- Convergent & External Billing



Solution Order

## Service

- After-sales services with service contracts, service deliveries, and billing with cost controlling and revenue recognitions
- Combine sales & services as packaged solution offerings

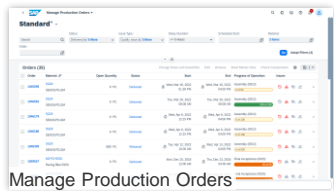


SAP Analytics Cloud embedded

## Industry capabilities

- Professional services
- Public sector
- Higher education
- Media
- Financial services

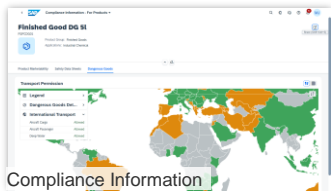
## SAP S/4HANA Cloud, public edition



Manage Production Orders

## Manufacturing

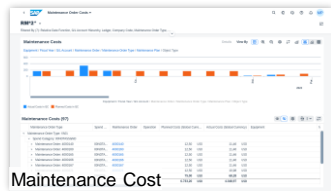
- Material requirements planning with demand driven and/or predictive MRP
- Make to stock and make to order
- Quality management
- Environment, Health and Safety



Compliance Information

## R&D

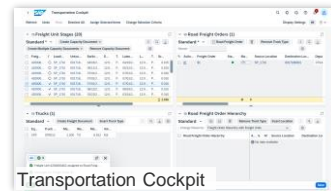
- Product compliance
- Enterprise portfolio and project management
- Advanced Variant configuration



Maintenance Cost

## Asset management

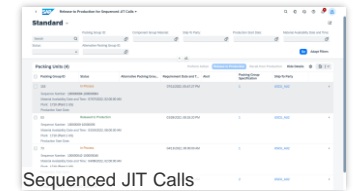
- Reactive and proactive maintenance
- Resource scheduling for maintenance planner
- Enhanced collaboration and review



Transportation Cockpit

## Supply chain

- Warehouse Outbound & Inbound Processing
- Core Inventory Management
- (Advanced) ATP Processing
- Basic Transportation Mgmt.



Sequenced JIT Calls

## Industry capabilities

- Component manufacturing
- Hi-tech
- Automotive
- Mining services



# SAP S/4HANA Cloud, public edition

## Localization coverage



### 51 Local Versions delivered by SAP

#### Currently available

Argentina <sup>4,5</sup>	Egypt <sup>4</sup>	Greece <sup>4,5</sup>	Australia	Austria
Belgium	Brazil	Bulgaria <sup>3,4</sup>	Canada	China
Czechia	Chile <sup>4</sup>	Colombia <sup>4</sup>	Croatia <sup>3,4</sup>	Denmark
Finland	France	Germany	Hong Kong (China)	Hungary
India	Indonesia	Ireland	Italy	Japan
Luxembourg	Malaysia	Mexico	Netherlands	New Zealand
Norway	Philippines	Poland	Portugal	Qatar <sup>4</sup>
Romania	Russia	Saudi Arabia	Singapore	South Africa
South Korea	Slovakia	Spain	Sweden	Switzerland
Taiwan (China)	Thailand	Turkey	United Arab Emirates	United Kingdom
United States				

#### Planned<sup>1, 4</sup>

Israel	Kazakhstan	Kuwait	Oman	Peru
Serbia	Slovenia	Ukraine		



### Supporting 32 languages

#### Currently available

Arabic	Bahasa (Malaysia)	Bulgarian	Chinese (simplified)	Chinese (traditional)
Croatian	Czech	Danish	Dutch	English
Finnish	French	German	Greek	Hebrew
Hungarian	Italian	Japanese	Kazakh	Korean
Norwegian	Polish	Portuguese	Romanian	Russian
Serbian	Slovak	Slovenian	Spanish	Swedish
Thai	Turkish			

#### Planned<sup>1</sup>

Ukrainian
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## Customer Local versions via localization as a self-service for SAP S/4HANA Cloud

Rest of World<sup>2</sup>

#### Currently available

<sup>1</sup> As per current planning. subject to change.

<sup>2</sup> Current S/4HANA Cloud customers using SAP Central Business Configuration (CBC) with 3-system landscape environment can participate in [Customer Local Version early adoption program](#).. Belarus, Venezuela, [embargo countries](#) and SAP delivered/planned Local Versions are excluded.

<sup>3</sup> [Additional consideration](#) needed for go-lives planned before EURO switchover.

<sup>4</sup> Focuses on finance-led ERP and service-centric industries scope. Refer to [solution scope in Best Practice Explorer](#) for available local versions or [scope items list](#) for planned local versions

<sup>5</sup> In early adoption program. Refer to [influence program](#) to participate

# SAP S/4HANA Cloud, public edition

Always being on the latest release

Systems “**continuously upgraded**” and **always on latest and greatest**, eliminating major upgrade projects allowing fast and cost effective adoption of new innovations.



## Fast & Continuous Access to New Innovations

Customers receive new features on a continuous basis via updates. Currently, we ship them on a monthly basis. Those features are toggled and can optionally be turned on by customers if they would like to use them.



## Minimal Disruption, Maximum Business Continuity

Monthly feature updates are optional and nondisruptive.

**Twice a year** all those features and further innovations are delivered via releases.

1

Release  
in February



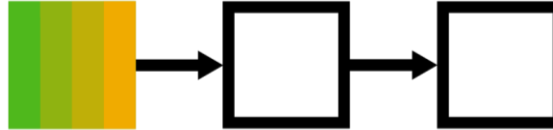
2

Release  
in August



# SAP S/4HANA Cloud, public edition

## System Landscape Innovation



**SAP Central Business Configuration** → **Development System\*** → **Test System** → **Productive System**

*\*(including SAP S/4HANA Cloud ABAP Environment)*

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### Benefits

- ✓ **Implementation without disruption:**  
Continue your implementation projects and go live, even during a software update period
- ✓ **Faster time to value:**  
Support parallel business configuration projects

- ✓ **Improved quality assurance options through the separation of development and test environment:**

- Development system for building and testing configuration and extensions, separating the test system from a quality assurance configuration and extensions in an environment close to production
- Reliable testing as data in a test system can be refreshed in production
- Full control and transparency over the configuration being deployed, refined, and moved to production
- Movement of the implementation to production, made simpler and more flexible with the adaptation transport organizer
- Safe productization of configurations and extensions through enhanced sequences and consistency checks

# SAP S/4HANA Cloud, public edition

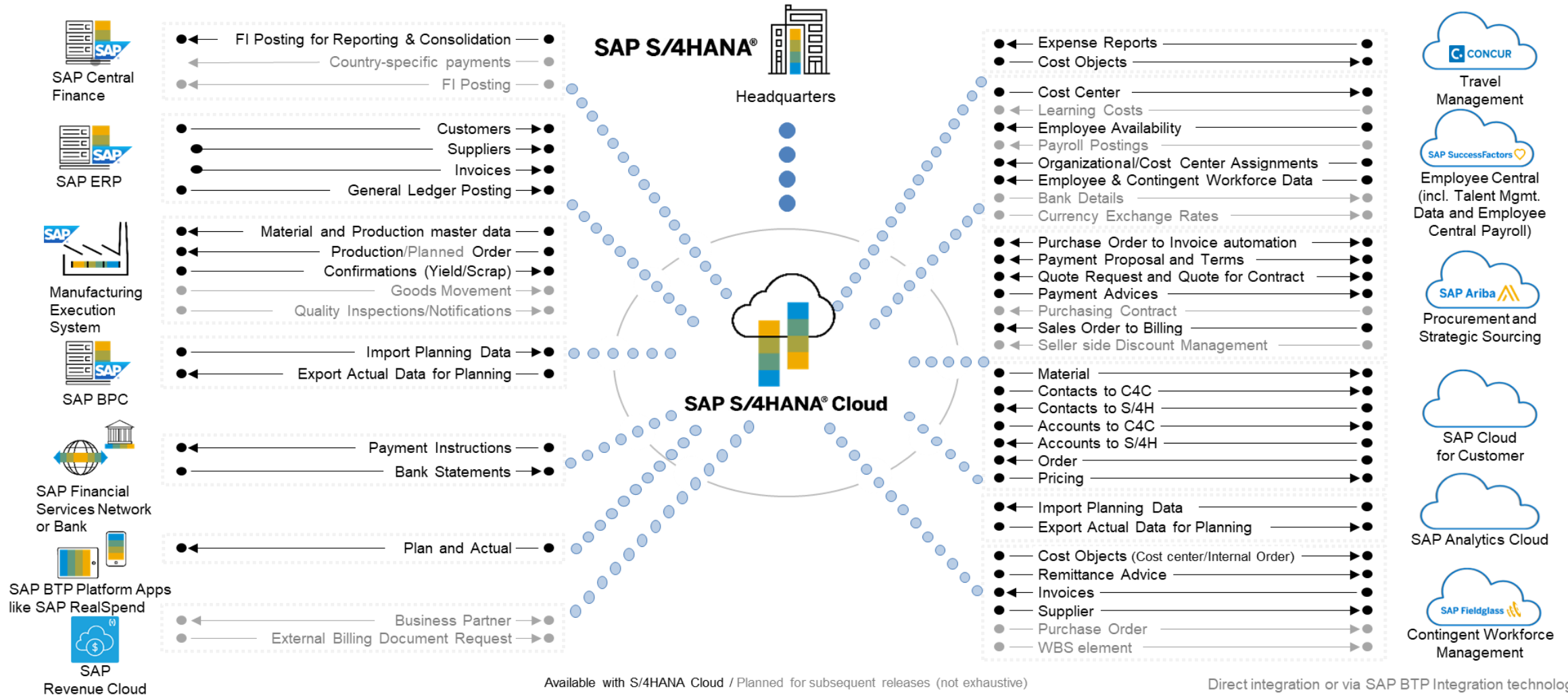
## Security

- ✓ **Infrastructure Security:** SAP S/4HANA Public Cloud is hosted on secure and certified data centers, providing physical security measures like access control, surveillance, and backup power systems.
- ✓ **Data Encryption:** SAP encrypts data both in transit and at rest to safeguard it from unauthorized access. Secure communication protocols, such as HTTPS, are used for data transmission.
- ✓ **Identity and Access Management:** SAP employs robust identity and access management mechanisms, including authentication and authorization controls, to ensure that only authorized individuals can access the system and perform specific actions.
- ✓ **Role-Based Access Control:** SAP S/4HANA Public Cloud utilizes role-based access control (RBAC), which allows organizations to define and assign access rights based on job roles and responsibilities. This helps limit access to sensitive data and functions.
- ✓ **Security Monitoring:** SAP employs advanced monitoring and logging mechanisms to detect and respond to security incidents. This includes the analysis of system logs, security events, and intrusion detection systems.
- ✓ **Regular Updates and Patches:** SAP maintains the software infrastructure and regularly releases updates, bug fixes, and security patches to address any vulnerabilities and ensure the system's security is up to date.



# SAP-to-SAP Integration for SAP S/4HANA Cloud, public edition

Pre-delivered integrations are the key enabler for low TCI





# Thank You!

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