

SAP S/4HANA Solution Deep Dive

Sourcing and Procurement

SAP S/4HANA Sourcing and Procurement: Overview

Modular Cloud LoB Solutions

- additional license
- additional installation

SAP S/4HANA LoB Apps

- additional license

SAP S/4HANA Enterprise Management

- SAP Quotation Mgmt. (QTM) & Contract Price Renegotiation (CPR)
- Augmented Decision-making for Purchasing
- SAP Intelligent Robotic Process Automation integration with SAP S/4HANA
- SAP Ariba
- SAP Fieldglass

Central Procurement

Integrate the SAP S/4HANA hub system with multiple SAP ERP and SAP S/4HANA back-end systems. Optionally you can leverage SAP Ariba solutions: e.g., guided buying capability and catalog.

Sourcing and Contract Management (ext.)

Simplify the *direct* material sourcing process to increase savings on direct material spend and reduce the cost of sourcing operations

Operational Procurement

Streamline the buying process by integrating automated or manual function. **Support** human decision making by analytical visualization embedded within transactional applications.

Sourcing and Contract Management

Determine the actual cost of product-based purchasing rebate agreements with suppliers.

Invoice Management

Ensure delivery of committed quantities and values.

Find, negotiate, and contract the most qualified, reliable sources and suppliers efficiently.

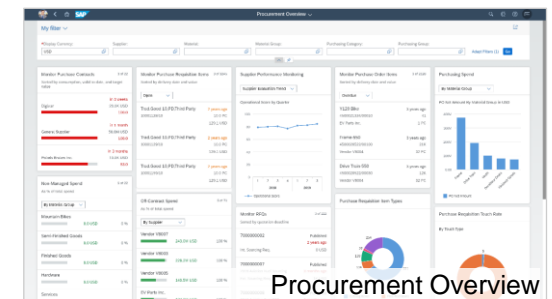
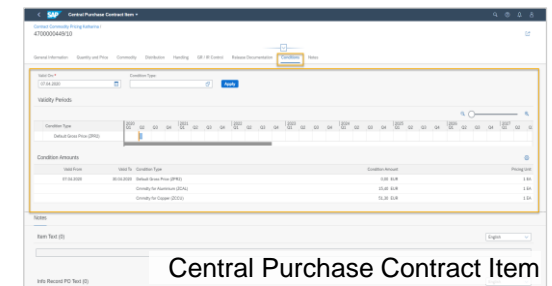
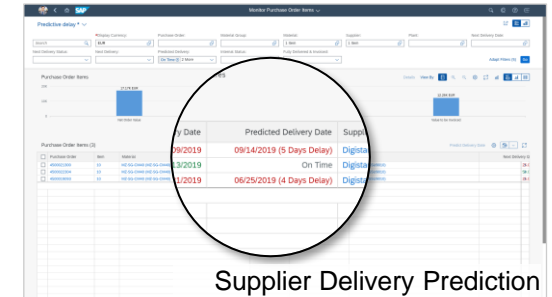
Supplier Mgmt. and Procurement Analytics

Get accurate invoices to accounts payable faster with electronic invoicing and automated verification.

Improve the invoice processing lifecycle with higher transparency and at faster rate/pace.

Gain visibility to determine the right mix of suppliers, best serve to business objectives, and reduce overall supply risk.

Reveal near-real-time insights into organizational spend, suppliers, and market information.



SAP S/4HANA Sourcing and Procurement: Business Area Overview

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SAP S/4HANA Enterprise Management

Central Procurement

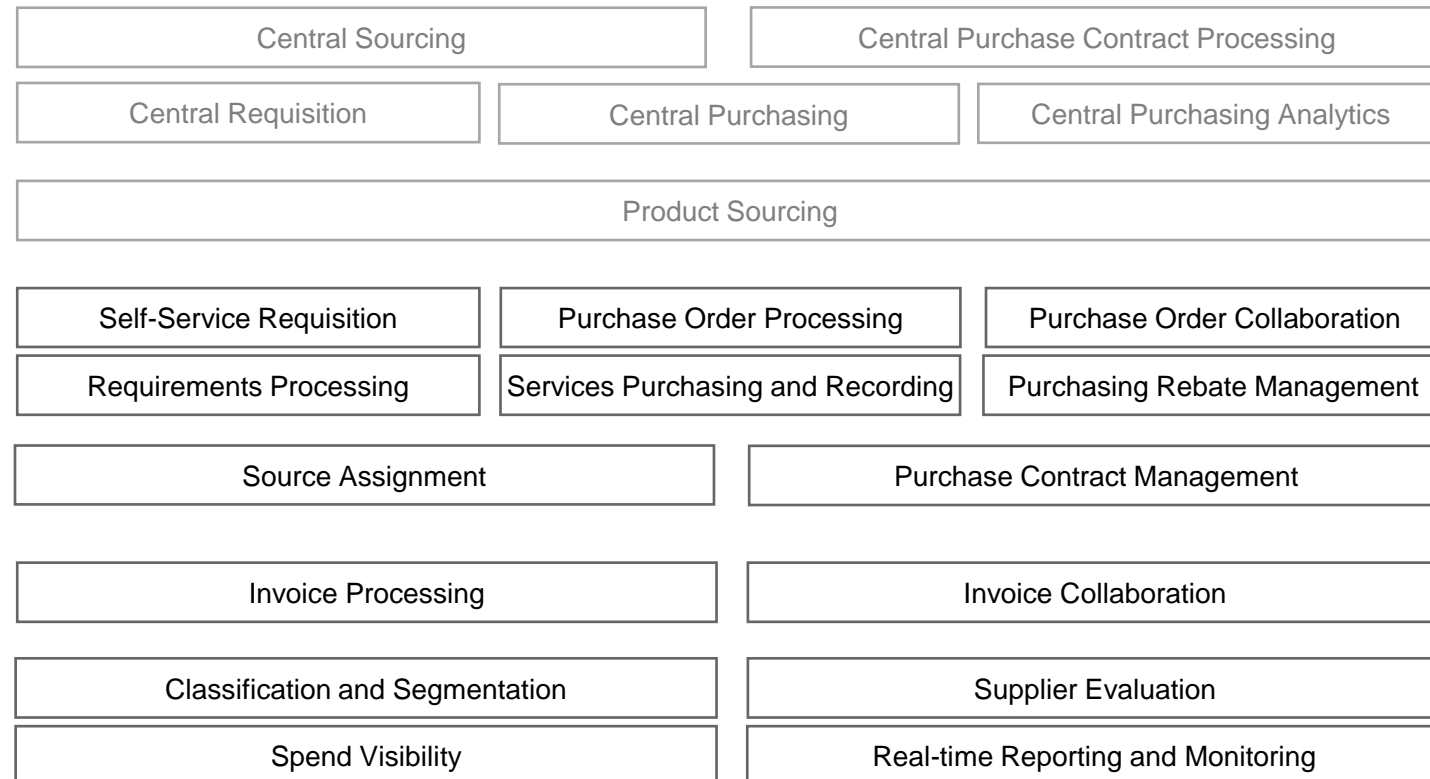
Sourcing and Contract Management (ext.)

Operational Procurement

Sourcing and Contract Management

Invoice Management

Supplier Mgmt. and Procurement Analytics



SAP S/4HANA Sourcing and Procurement: Operational Procurement

Operational Procurement

Self Service Requisitioning

Consumer-grade UX and cross-catalog search enabling employees to adopt procurement processes and policies.
Enhanced workflow to complete purchase requisitions.
Workflow inbox Fiori app and notification center.

Purchasing Rebate Mgmt.

Harmonized UX for both **goods & service purchasing** processes.
Simplified limit (value-only) PO items to control over “unplanned” services and record details via **Fiori service entry sheet application.**

Purchase Order Processing

Indirect and direct procurement leveraging integration with other business areas, automation and harmonized UX.
Analytical apps to monitor the status of POs.
 Comprehensive business process integration with **Business Network.**
Flexible workflow enhancements like maintain deadlines in POs or **add tax dates.** Increased visibility by **including quantity delivery deficit situation** in manage purchase order Fiori app.

Monitor Purchase Order Items

Item	Material	Supplier	Quantity
1000000001	1000000001	1000000001	1000000001
1000000002	1000000002	1000000002	1000000002
1000000003	1000000003	1000000003	1000000003
1000000004	1000000004	1000000004	1000000004
1000000005	1000000005	1000000005	1000000005
1000000006	1000000006	1000000006	1000000006
1000000007	1000000007	1000000007	1000000007
1000000008	1000000008	1000000008	1000000008
1000000009	1000000009	1000000009	1000000009
1000000010	1000000010	1000000010	1000000010

Monitor Purchase Order Items

Requirements Processing

Control over automation and manual intervention where appropriate.
 Human decision making supported by **analytical visualization** embedded within transactional applications.

Services Purchasing and Recording

Harmonized UX for both **goods & service purchasing** processes.
Simplified limit (value-only) PO items to control over “unplanned” services and record details via **Fiori service entry sheet application.**

Add Tax Date

Quantity deficit in supplier's delivery

Quantity Deficit in Supplier's Delivery
 2 min ago
 Based on delivery confirmation from supplier 0010300010, ordered material will not be delivered on 06/29/2020. [Link](#)
 Close Situation Hide Details

Quantity deficit in supplier's delivery

SAP S/4HANA S&P: Sourcing and Contract Mgmt. | Invoice Mgmt.

Sourcing and Contract Mgmt.

Source Assignment

Analytics apps to monitor RFQs and compare supplier quotations. For full online RFQ process support use **simple offline RFQ apps to seamlessly integrate with Sourcing** in Ariba.

Purchase Contract Mgmt.

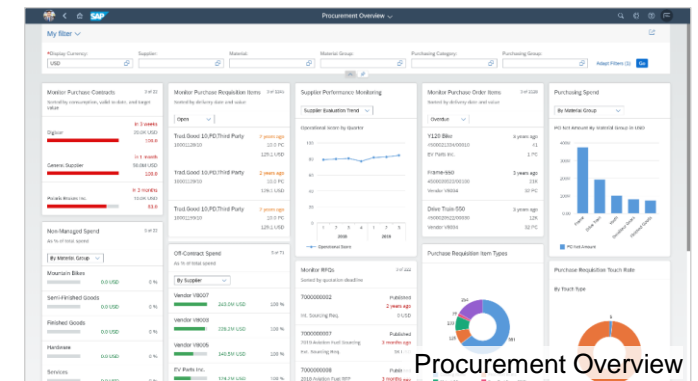
Analytic apps manage the status of contracts and agreements.
Predictive algorithm to monitor contracts to help plan contract negotiations.
Templates and mass changes to increase efficiency in managing a large number of contracts.
Unplanned Services with reference to purchasing contract.

Invoice Mgmt.

Invoice Processing

Upload of supplier invoice attachments can be implemented **fully automated** without user interaction.
Fiori apps to help manage supplier invoices and payment blocks.
Upload scanned invoice copies for manual invoice processing (optional integration with OCR via OpenText®).
Native integration with Business Network

Invoice Collaboration



SAP S/4HANA: Supplier Management and Procurement Analytics

Supplier Mgmt. and Procurement Analytics

Classification and Segmentation

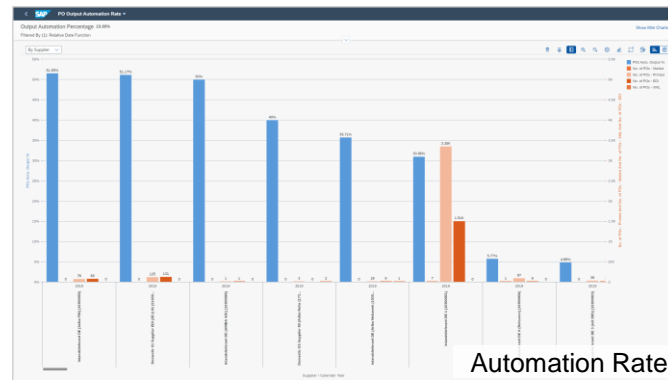
Supplier Evaluation

Spend Visibility

Real-time Reporting and Monitoring

Increased flexibility in supplier evaluation by defining **individual supplier evaluation criteria** like weighting and scoring. Analyze in real-time the **parts per million score** to discuss with the supplier potential activities to improve quality. **Real-time supplier evaluation analytics automatically generated** from transactional data. Manage activities with suppliers, or internal employee survey to additional perspective on supplier evaluations.

Increased transparency about the automation rate: **high touch – low touch**, how many documents were processed manually instead of automatically. **Real-time multi-dimensional spend report** that can be manipulated like “pivot table” with drill-down capability. **KPI tiles and Procurement Overview app** that provide at-a-glance visualization of multiple analytical apps.



SAP S/4HANA Sourcing and Procurement: Central Procurement

Central Procurement

Central procurement enables integration of the SAP S/4HANA hub system with multiple SAP ERP and SAP S/4HANA back-end systems. Contract management, purchasing, and requisitioning processes can be centralized with the hub system. Optionally you can leverage SAP Ariba solutions: e.g. guided buying capability and catalog. **Central Purchase Contract Hierarchy** enables large enterprises to consolidate the requirements across various business groups. **New updated source list** in connected backend system after central purchase contract distribution.

Extended functionality with **Commodity Management** for Procurement and Sales processing to enable advanced commodity pricing on procurement documents and support provisional, differential, and final invoices; to create commodity sales contracts priced on market quotes, automate price calculations, and streamline invoicing. With new **Commodity Pricing** capabilities, key users can apply complex pricing formulas, commodity weights, and price conditions in an easy way in **Central Procurement**.

The screenshot shows the 'Conditions' tab of a SAP Central Purchase Contract Item. The 'Valid On' field is set to 07.04.2020. The 'Validity Periods' section shows a timeline from 2020 Q1 to 2027 Q4. The 'Condition Amounts' table is highlighted with a yellow box and contains the following data:

Valid From	Valid To	Condition Type	Condition Amount	Pricing Unit
07.04.2020	30.04.2020	Default Gross Price (ZPR2)	0.00 EUR	1 EA
		Commodity for Aluminium (ZCAL)	15.40 EUR	1 EA
		Commodity for Copper (ZCCU)	51.30 EUR	1 EA

Labels 'Commodity Pricing' and 'Commodity Management' are overlaid on the screenshot.

The screenshot shows the 'Output Control' tab of a SAP Central Purchase Contract Hierarchy. It displays a table of subordinate central contracts:

Company Code Group	Central Contract	Contract Description	Company Code	Purch. Organization	Contract Type	Last Update Status	Error Information	Last Update Timestamp
BUSINESS GROUP 1 (001)	4700001946	Office Supply (BUSINESS GROUP 1)	Company Code 1010 (1010)	Purch. Org. 1010 (1010)	Value (HSWK)	Success		Thu Jun 11 2020 21:33:29 GMT+0530 (India Standard Time)
BUSINESS GROUP 2 (002)	4700001947	Office Supply (BUSINESS GROUP 2)	Company Code 1010 (1010)	Purch. Org. 1010 (1010)	Value (HSWK)	Success		Thu Jun 11 2020 21:33:29 GMT+0530 (India Standard Time)

Below this table is a 'Distribution Overview' section with another table:

Outline Agreement Category	Outline Agreement Type	Company Code	Purchasing Organization	Purchasing Group	Document Currency	Payment Terms	Connected System
Contract (K)	HSWK	Company Code 1 (0005)	0001 (0001)	Group 001 (001)	EUR	As of End of Month (0004)	EUROPEAN REGION (EUROPE)
Contract (K)	HSWK	Company code 0003 (0003)	P ORG 0001 (0001)	Group 001 (001)	EUR	As of End of Month (0004)	ASIA PACIFIC REGION (APME)

Label 'Central Purchase Contract Hierarchy' is overlaid on the screenshot.