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Instant Insight to Action
How SAP® Business Suite 4 SAP HANA® (SAP S/4HANA)-driven analytics capabilities are helping reshape business processes for the better

Any business process implies a sequence: A leads to B, B opens the door to C and D, D is chosen, the results are observed, and the process is performed again. Processes also imply the unfolding of time—it takes time to move from A to B, to make decisions, to observe the results, and to set the whole process in motion again.

But what if you could run business process steps, decisions and actions in parallel so that they happened at the same time during the execution and posting of a transaction? Your process would instantly become more efficient, allowing you to reduce latency, cut the total amount of time required, and set up the potential for a competitive advantage. Today, the most successful business processes are a mastery of coordination: connecting with physical objects, detecting signals, and acting on them. Not in sequential order, but all at once.

Of course, in today's business it doesn't always work like that. At the moment of impact—when a host of connected business processes culminate in an important event or interaction—the employees who are guiding the business process steps and activities may not have access to all the information they need to make a truly informed decision and to realize the optimum outcome. But the necessity to act often forces decision makers to press ahead with whatever information they have on hand.

These days, however, new solutions like SAP® Business Suite 4 SAP HANA® (SAP S/4HANA) are able to push data-driven insights to people at the right moment, in an intuitive manner that makes it easier to assess the information and make quick decisions while executing business processes. Maybe you've heard this already— in theory, it's hard to argue with the promise of such capabilities. But as a practical matter, it can be difficult to know exactly how these capabilities could be put to work in today's business environment.

In our view, one way to understand how SAP S/4HANA-driven analytics capabilities can change the game is to see them in action. It is in that spirit that we present two representative examples of the type of revolutionary changes that are already being made possible today.

Example 1: Sales Order Entry
Think of all the opportunities that surround one of the simplest and most common processes that takes place in many companies all day, every day: sales order entry process, executed by sales reps. When taking an order, a good sales representative can upsell, cross-sell, bundle, lay the groundwork for the next sale, you name it—if he or she has instant access to the right data. Which products are currently available? Where are they located? How quickly could they get to the customer? How much did the customer buy last time? Based on run rates, when will they exhaust their current supply?

SAP S/4HANA allows sales representatives to use search-engine capabilities in a system to begin looking for products or materials as the customer is speaking. If users type in a part description or part number, options instantly appear in a browser—in the same manner as an online search that is refined in real time with each click of the keyboard.

Figure 1: Real-time search-engine capabilities offer instant insight to action.

Once the product is located, representatives can identify product availability across locations, making smarter decisions based on on-hand inventories and other data points.

This same type of functionality can give the representative access to customer-specific information: What were the last three orders sold to this customer? What margin was earned on those sales? What are the top ten products purchased by the customer—and did they leave anything off? These are all the types of questions sales representatives have asked for years, but now they are able to have instant access to the answers. And that can make a huge difference when it comes to the customer experience, company efficiency—and revenue.

Figure 2: Instant insight can come in the form of the last three orders sold to a customer, the top ten products purchased by a customer, or the margin on the sales order.

Example 2: Purchase Order Entry

The procurement process is fairly consistent across most large organizations that run the SAP ERP application. For example, if a buyer in a procurement group is looking to make a purchase, when the buyer goes into the system, he or she has to start by entering a vendor's name. From there, the buyer is presented with a list of materials from that vendor. The buyer selects materials from the list and a purchase order is generated.

Outside of the corporate procurement environment, this is not how purchasing generally works—and with good reason. Starting with a vendor can unnecessarily limit the choices that one makes as a buyer. It's like putting on blinders. What if other vendors are now offering better materials or substitutes? What if there are less expensive options? If the entry point to a new purchase is a single vendor, the buyer may not be able to maximize savings.

SAP S/4HANA allows us to fundamentally re-engineer this dynamic—reversing the process so the user is able to start with a material. In Deloitte's approach to purchase order entry, once the user begins to enter a material name or type, the search field is immediately populated with vendor options, analyzing historical buying patterns and pricing, and leveraging predictive modeling capabilities in recommending a choice. Then, once the buyer selects a material, he or she is able to see a wide range of metrics relating to that vendor. Vital questions such as the following can now be answered: How much business do we do with this vendor? Are we leveraging the negotiated price? Do we qualify for additional discounts? How does this price compare to those from other vendors? With more information available instantly, buyers are able to make smarter purchasing decisions quickly during the purchase order entry process.

Sales order entry and procurement purchase order entry are just two examples of the ways in which Deloitte, leveraging SAP S/4HANA-enabled capabilities, helps companies compress and streamline their processes by using many forms of data during the transaction entry—creating breakout value for both users and their organizations. These approaches share three attributes: enabling real-time, what-if scenarios; improving the user experience; and supporting smarter, more informed decision making at the point of action.
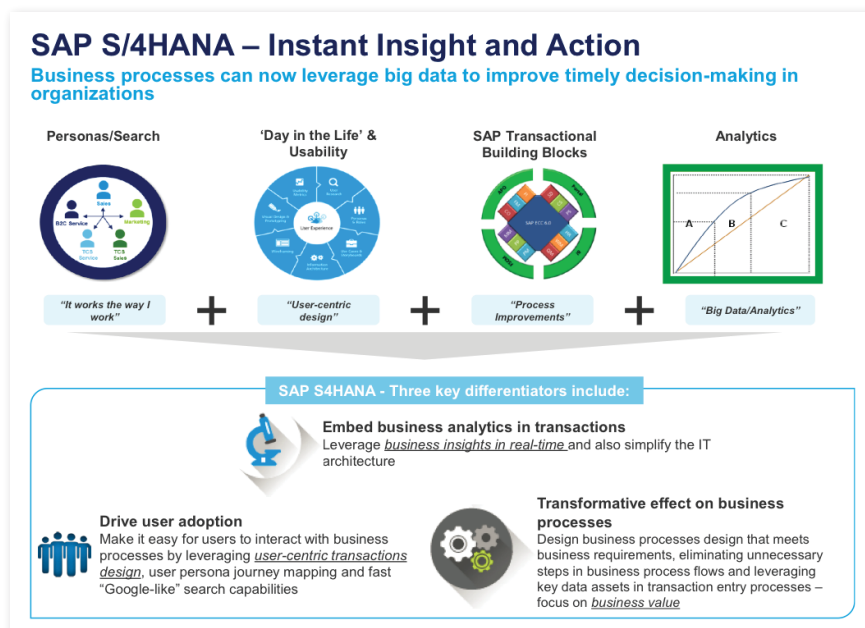

Figure 3: The SAP S/4HANA equation for delivering instant insight and action.

By enabling real-time, what-if scenarios, these approaches to instant insight and action give users the ability to quickly test hypotheses using predictive models and check their gut instincts using real data—while executing transactions.

Second, they significantly improve the user experience, making sophisticated capabilities more accessible to a wider range of users. It's one thing to have a whole new world of data for decision making, but if it's not easy to understand and access, it won't have much of an impact. Business users expect the same type of experience they enjoy as consumers engaging with retailers—and we can finally give it to them.

Each of these capabilities can lead to a third, higher-order benefit: Smarter, more informed decision making at the point of action. Since SAP S/4HANA makes it possible to tap into a variety of data from solutions from SAP and other vendors, companies can be given the opportunity they've been seeking for so long: to provide users across the enterprise with timely information that fuels real-time decision making. It's a benefit that has an impact far beyond business processes—and it's one that's available today.

Sound interesting? To learn more about how Deloitte, using SAP S/4HANA-enabled analytics capabilities, can help significantly improve your organization's business processes, just contact us using the information below. We're ready to help.

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