

Release Highlights

Peter Mravčák

Solution Architect SAP Slovensko s.r.o.



Evolution

- Industry to core
 - Discrete Industries and Mill Products (DIMP) -
- Effective Order Management and Billing
- Efficient Procurement
- Accelerated Material Requirements Planning
- Real-time Inventory Management and Material Valuation

SAP S/4HANA, on-premise edition 1511

- Oil and Gas with SAP S/4HANA
- Industry to core Retail
- Consistent SAP Fiori User Experience
- Optimized Portfolio and Project Management
- Embedded Software in Product Development
- Entire SAP S/4HANA Finance Scope included
- Plan to Produce in ONE System (Production Planning and Detailed Scheduling – PP/DS)
- Embedded SAP Extended Warehouse Management
- Integrated Quality Management
- advanced Available to Promise (aATP)

SAP S/4HANA 1610

- Industries to Core SAP Agricultural Contract Management
- SAP Commercial Project Management with S/4HANA
- Commodity Management
- Sales Electronic and Digital Payments
- GRC Legal Control and Export Classification
- Consumer Products Catch Weight Management
- SAP S/4HANA Central Master Data
- Finance Machine Learning for automation capability
- QM Manage usage decisions and Analytics for Quantitative Results
- EAM Report and Repair Malfunction
- PLM Visual Manufacturing Planner and Recipe Management
- Maximize Fiori Experience with SAP Fiori Overview Pages
- Predictive Analytics as a system of intelligence
 Contract Consumption in Procurement
- Embedded Transportation Management
- Demand Driven Manufacturing
- Manufacturing Extension for Complex Assembly Industries
- Advance Variant Configuration

SAP S/4HANA 1709

© 2017 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC *Key innovations do not reflect licensing

Key Innovations



Embedded Transportation Management

- Basic Shipping and Data Harmonization
- Integration in extended warehouse mgmt.



Consumer Products Industry

- Catch Weight Management for System Conversion



Commodity Management

- Extending pricing with the commodity pricing engine



Industry to Core Retail / Wholesale

- Wholesale Fashion enablement; Order allocation; Segmentation



Service Core (CRM Add-On)*

- Migrate installed base CRM with eliminated middleware, harmonized data models



Manufacturing

- Demand Driven Manufacturing
- Advance Variant Configuration



Finance

- Machine Learning with SAP Cash Application Integration; Financial Planning



Procurement

- Centralized purchase requisitions through hub deployment
- Machine Learning for Contract Consumption



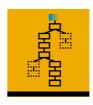
Enterprise Asset Management

- Report and Repair Malfunction
- Breakdown Analysis



Sales

- Electronic and digital payments with Integration with Payment Hub



Manufacturing

- Engineering Cockpit
- Extension for Complex Assembly Industries



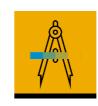
Quality Management

- Manage usage decisions
- Analytics for quantitative results



Extended Warehouse Management

- advanced Labor Management
- Pallet Planning



PLM

- Visual Enterprise Generator Conversion
- Recipe Management and Recipe finder



Maximize **SAP Fiori Experience**

- SAP Fiori Overview Pages

User Experience Enhancements

SAP Fiori 2.0

- UX evolution
- New Fiori apps

Additional SAP Fiori Overview Pages:

- sales management
- project profitability
- inventory management
- treasury management

Value Proposition

- Immediate, domain-specific insights on the tasks that need your attention
- Ability to take quick actions to solve issues.
- Easy forward navigation to related applications.

Capabilities

- Very flexible selection criteria available.
- Drill down on detail KPIs.
- Easy-to-use formats with charts, lists, and tables on a single page.



New release including new technology stack

SAPHANA® 2

Active consumption of new SAP HANA 2 features with SAP S/4HANA 1709

- Active/Active
 - = offload analytical workload to SAP HANA System Replication (secondary)
- SAP S/4HANA scale-out
 - = Run largest S/4HANA systems with application-optimized data distribution

Focus on Innovation

Foster Innovation

Drive Innovation

Power Innovation

Database Management Transformed Data Management Transformed Analytical Intelligence Transformed

Application
Development Transformed



Vybrané inovácie v oblasti plánovania a riadenia výroby SAP S/4HANA 1709 OP

PUBLIC



 SAP S/4HANA for Manufacturing planning and scheduling aka. PP/DS

 Demand-Driven Replenishment aka. DDMRP

SAP S/4HANA for Manufacturing planning and scheduling

Comprehensive Plan to Produce in ONE System

PP/DS planning and scheduling features available in SAP S/4HANA

- Demand mngt.

 MRP Run + Constrained Planning

 Interactive Planning

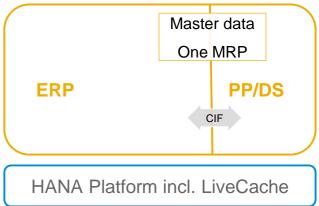
 Release to Production Execution

 Monitor & Control
- Constraint-based capacity planning, scheduling & optimization
- Heuristic framework
- Industry-specific features (RPM, MMP & CBP)
- Simulation versions and transactional simulation

Simplicity and Seamless Integration

- One coherent application, consistent look at feel, intuitive navigation PP/DS is an integral part of S4/HANA (not an add-on, not a side-by-side installation)
- Simplified master data and integration model maintenance
- Utilize HANA (HANA only)
 - Fast MRP [One MRP for infinite planning]
 - liveCache is integral part of HANA, just one database to manage

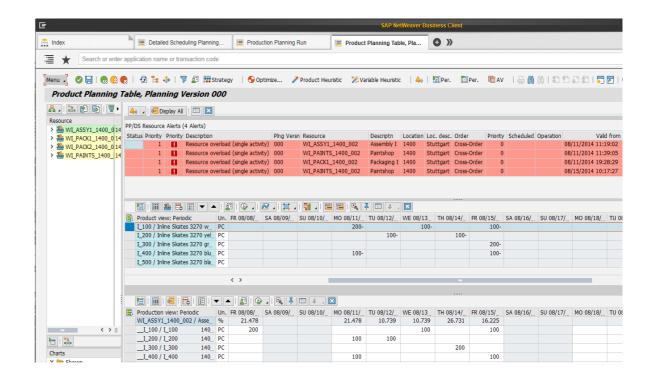
SAP S/4HANA 1610+



Advanced Production Planning

- Multi-level production planning
- Order Pegging
- Heuristics framework:
 - Use delivered advanced planning heuristics (40+)
 - Develop own heuristics
 - Industry specific:
 - Automotive (RPM, MMP)
 - Mill (CDP)
 - Process (Res.networks, tanks, campaigns...)
- Supports various manufacturing models:
 - Make to Stock
 - Make to Order
 - Engineer to Order

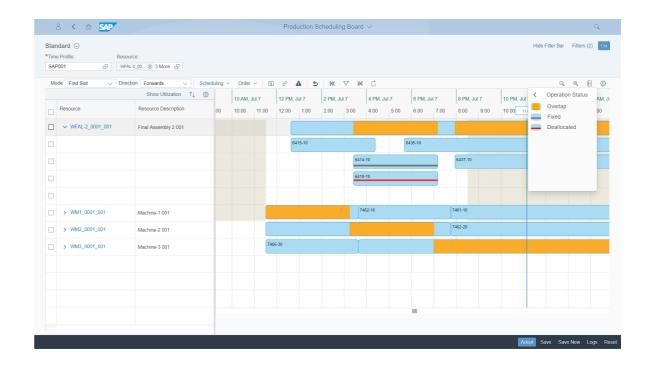
Demand MRP Run + Constrained Planning Production Execution Control



9

Detailed Scheduling & Optimization

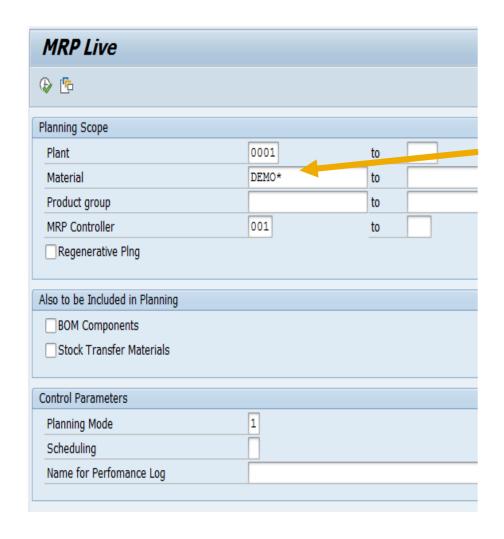
- Forward & Backward (multi-level) Constrained Scheduling
 - Constrained scheduling
 - Scheduling modes
 - Optimal sequencing
- Scheduling Optimizer
- Flexible graphical prod.operations scheduling
- Backlog Resolution
- What-if Analysis & Simulation
- Configurable exception Alert Monitor

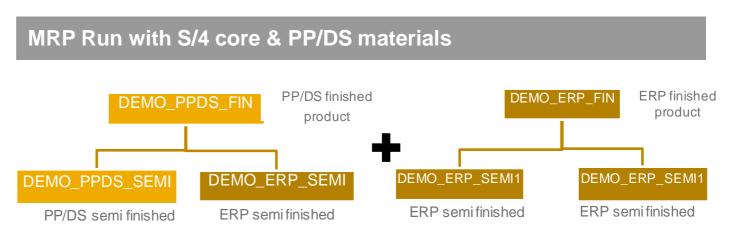


One MRP

One MRP

Part of MRP-Live

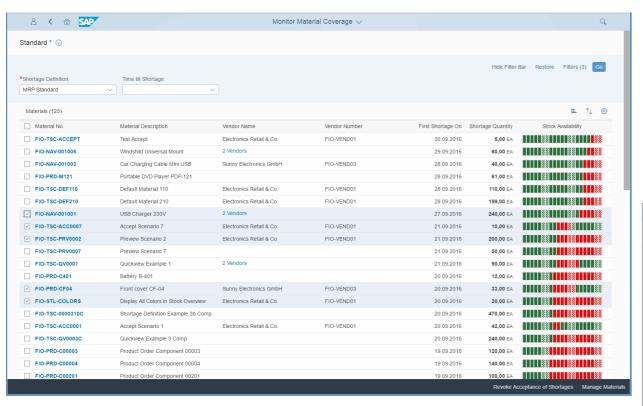




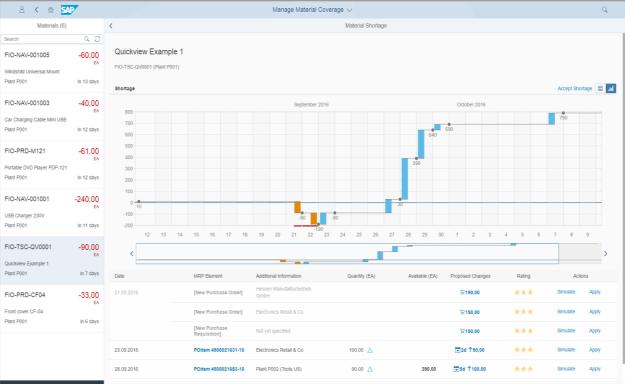
Benefits

- One MRP planning run for
 - classic MRP planning logic and
 - advanced PPDS heuristics
- One low level code calculation

One MRP cockpit



- All materials (S4 and PP/DS)
- Common list of shortages or uncovered demands
- Special detail views for PP/DS-relevant materials
 - simulation capabilities and
 - what-if analysis



Combined Order Support

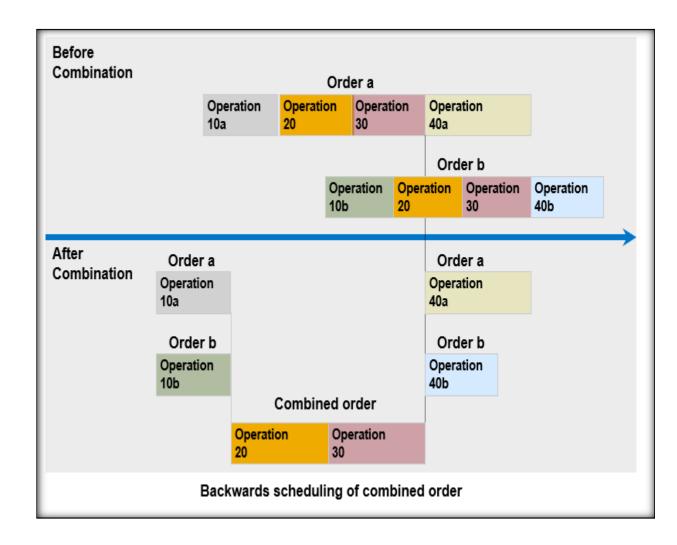
Order Combination Concept

Business Background

 In the mill industry, different products may go through common process steps. It is desirable to group and execute them together. This optimizes resource usage and reduces order handling for the user

Solution

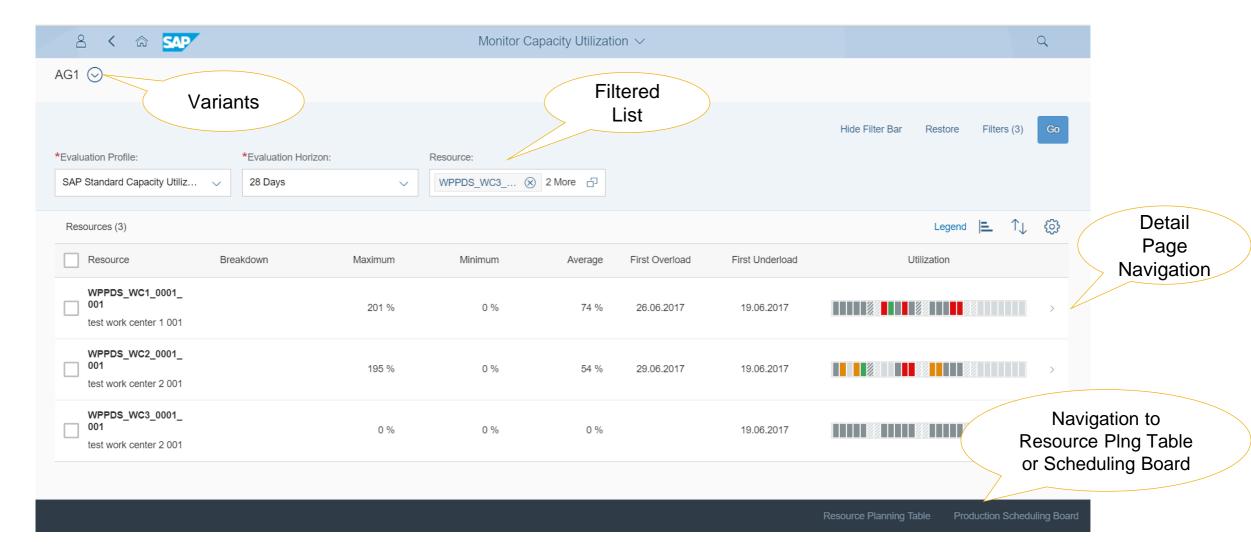
- Common operation sequences in different orders can be combined in one production order
- Combination can be for selected operations (except process orders) or entire orders
- Operations to be combined must have same base unit of measure and no gaps in between
- The combination steps are: selection, combination and scheduling
- With 1709, combined orders can also be planned in embedded PP/DS



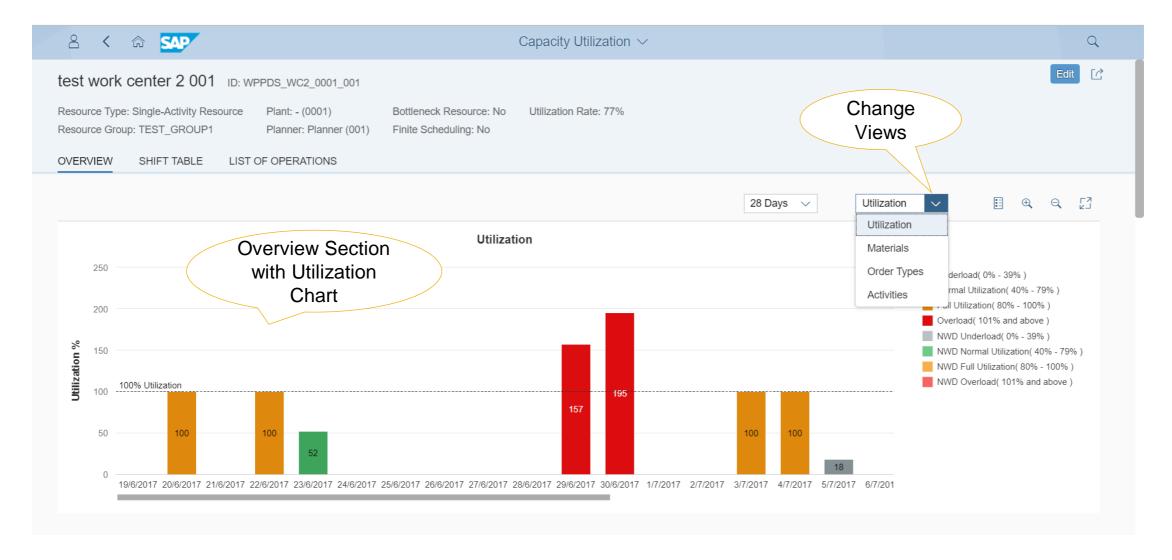
Capacity Utilization Object Page

Monitor Capacity Utilization

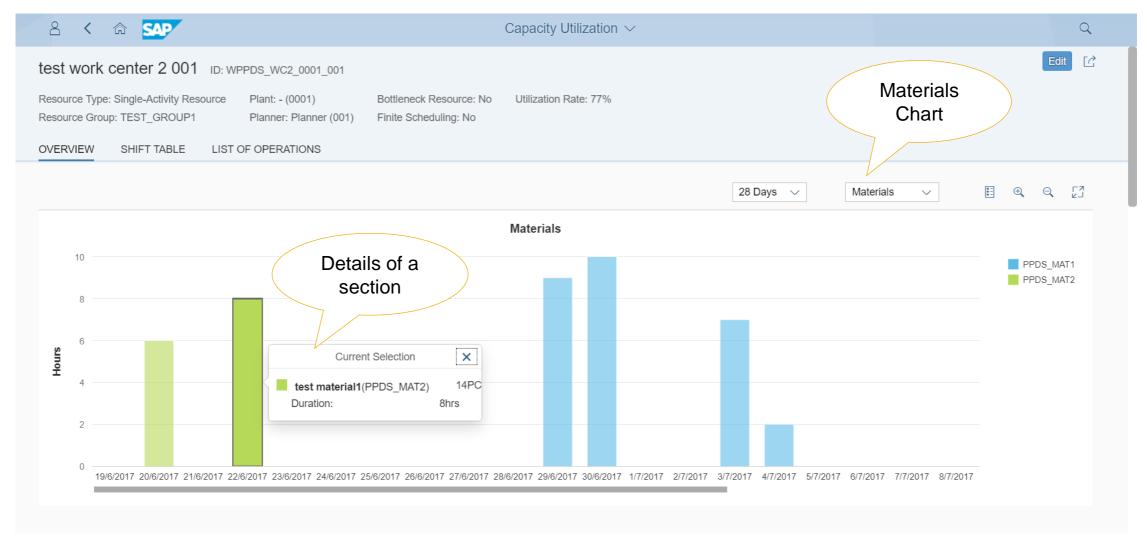
Navigation



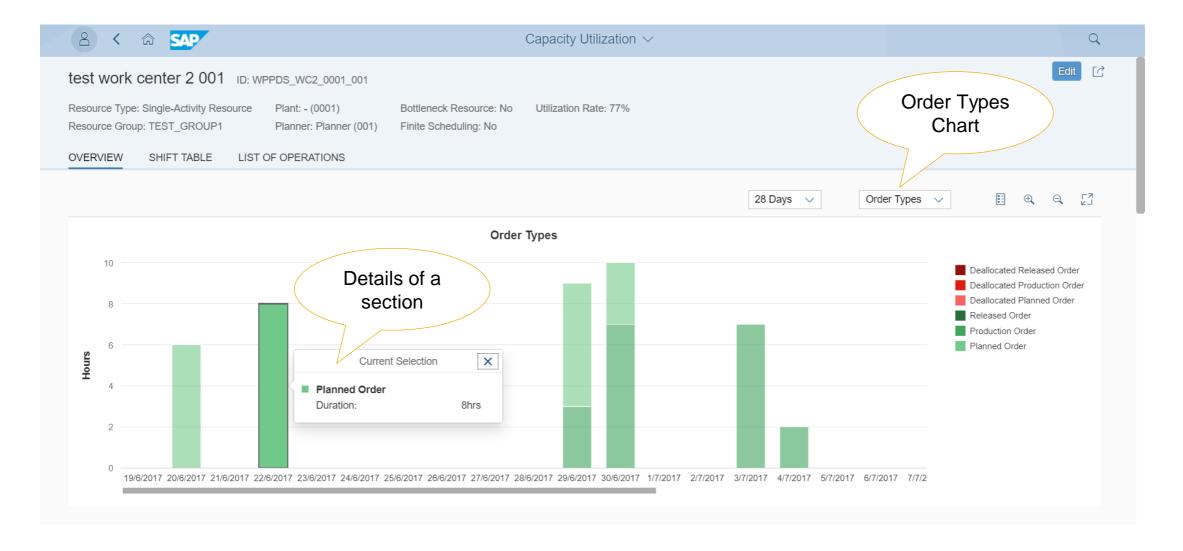
Object Page



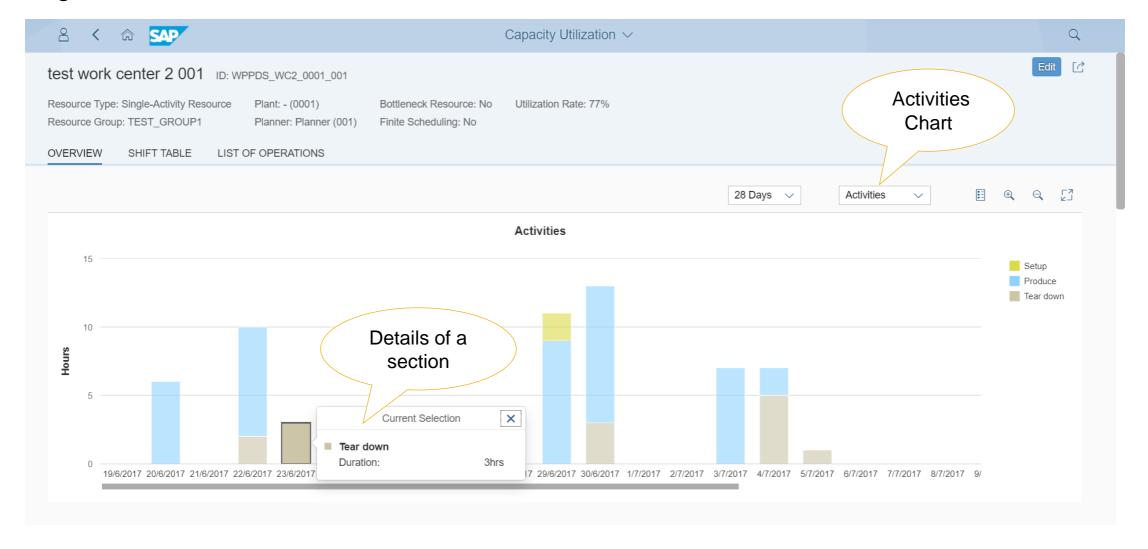
Page Overview



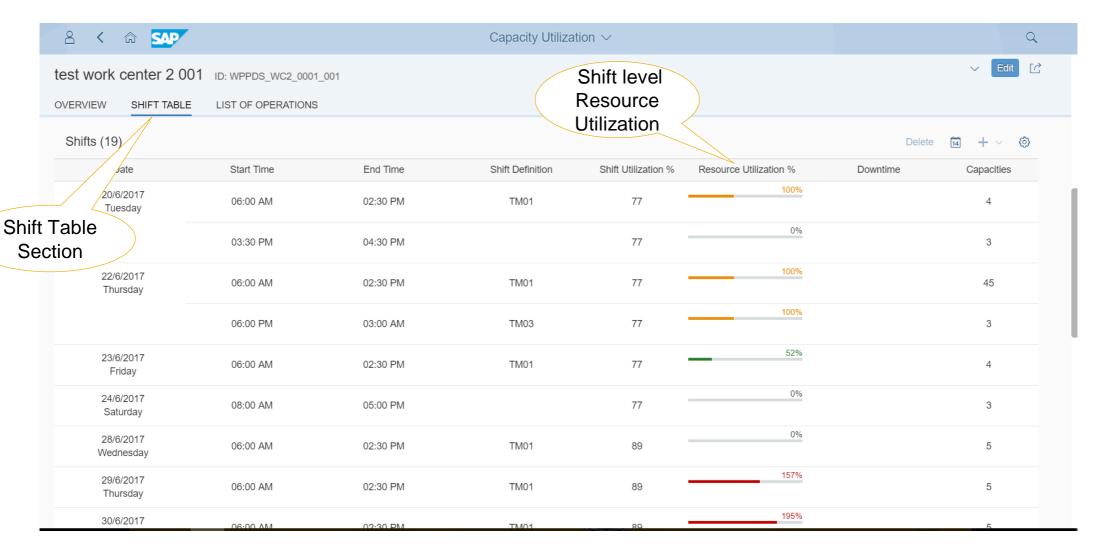
Capacity Utilization – Page Overview



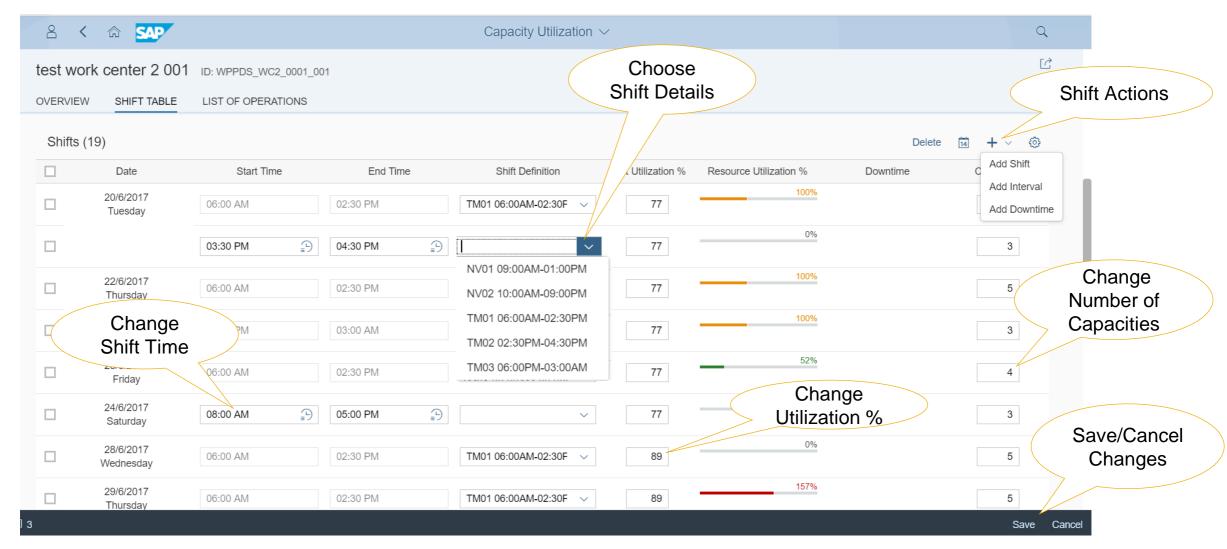
Page Overview



Shift Table

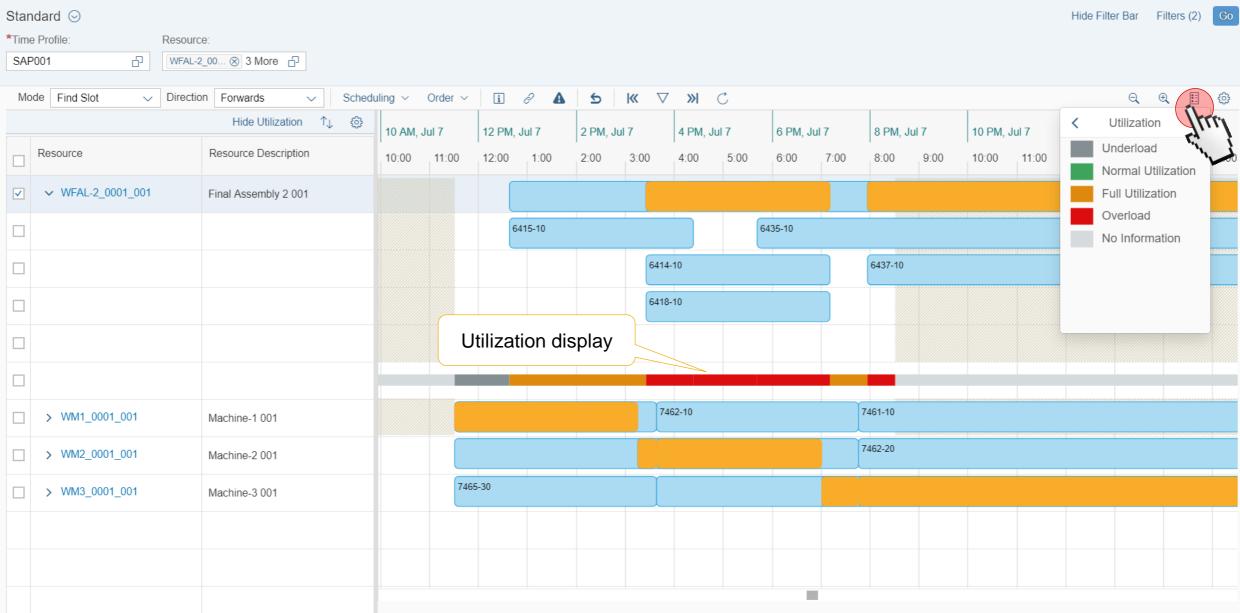


Shift Table (in Edit mode)



Production Scheduling Board

SAP 〈 ☆



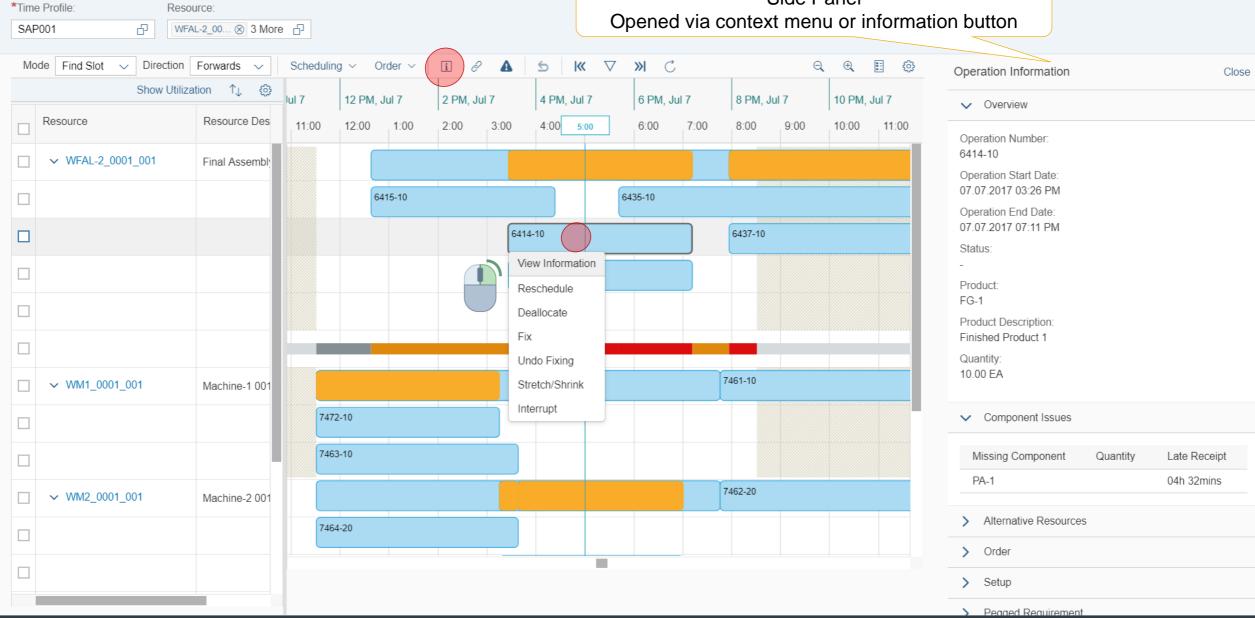
Q

SAP 〈 ☆

Standard

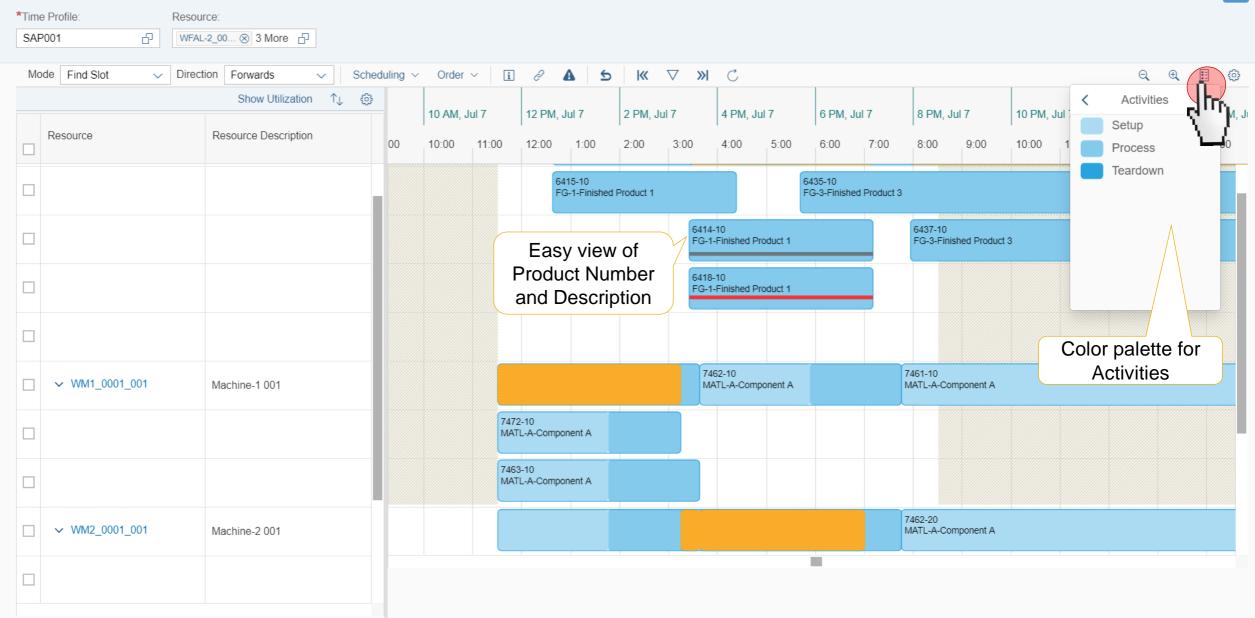
Q Hide Filter Bar Filters (2) Close

Side Panel



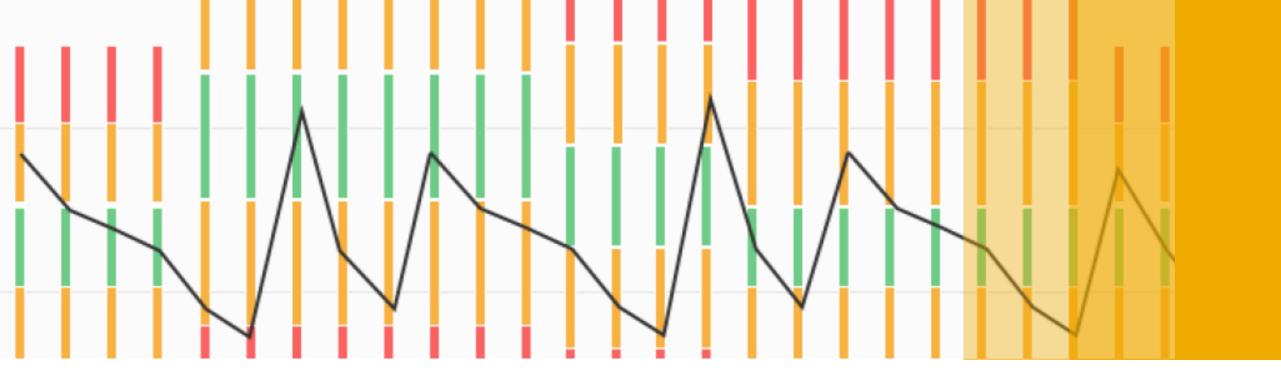
Standard *

Q



 SAP S/4HANA for Manufacturing planning and scheduling aka. PP/DS

 Demand-Driven Replenishment aka. DDMRP



Demand Driven Replenishment in SAP S/4HANA

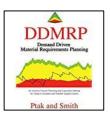
PUBLIC



DMRP Philosophy - A New Planning Paradigm

Enable stable material Flow





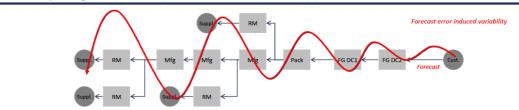
Core principles of FLOW:

- Dampening the effect of variation by decoupling lead-times through buffers & identifying placement and size of buffer(s) to ensure
 - the shortest possible lead-time andoptimal amount of inventory

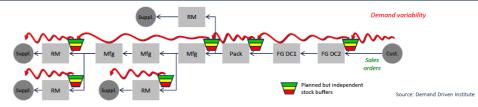
to deal with variation at minimum cost.

- Pull replenishment on actual demand, not forecasts.
 - the best use of our assets is to make what is needed
 - ever increasing volatility in demand makes accurate forecasting challenging
- Achieving visibility and prioritization of activities by exposing downstream inventory and demand status to upstream sources to facilitate demand-driven prioritization of supply.

Traditional planning facilitates the amplification of variability in the supply chain



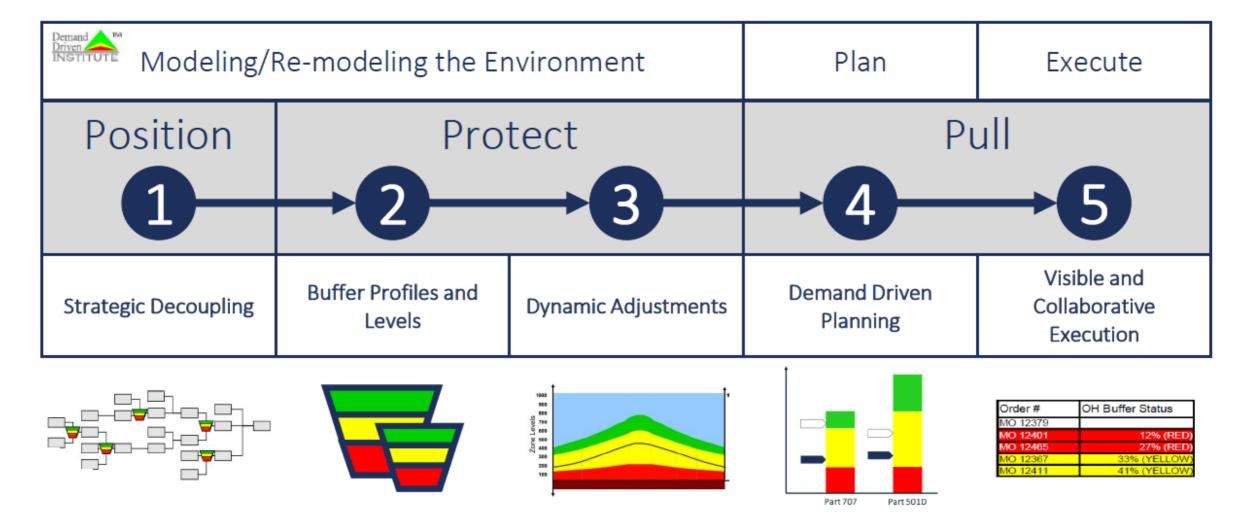
Demand Driven planning uses strategically positioned stock buffers and pull replenishment to achieve stable material flow



DDMRP Methodology

Demand Driven Driven Compliant

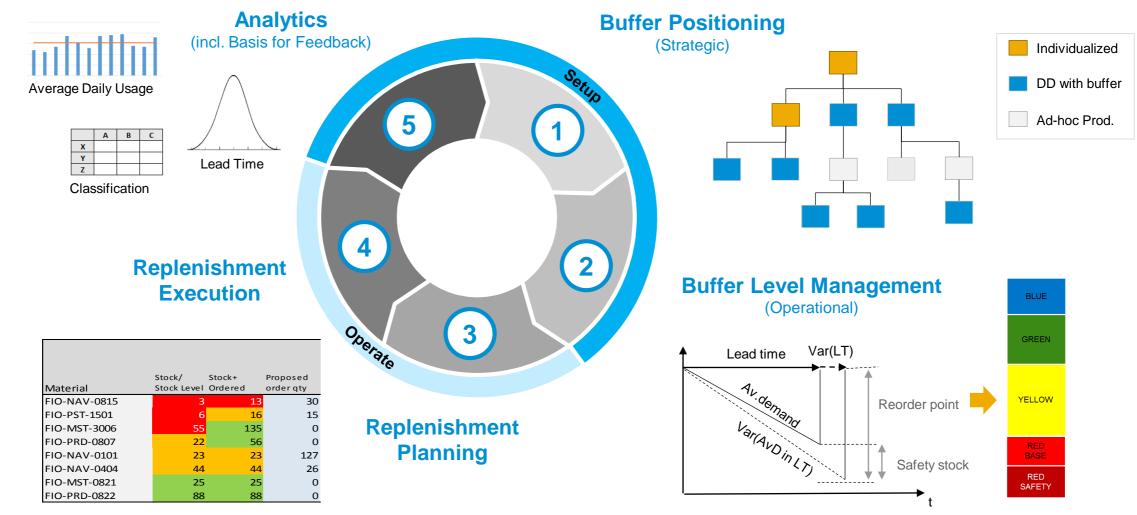
The Steps



Demand-Driven Replenishment in SAP S/4HANA 1709

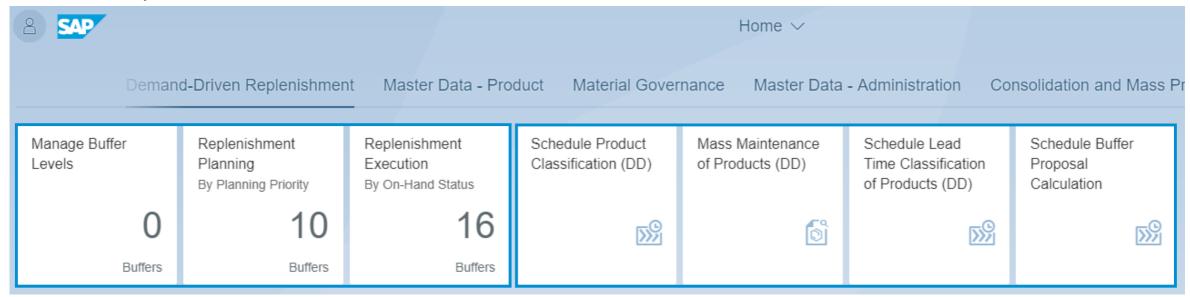
SAP Demand-Driven Replenishment

Planned End-to-End Process Flow in S4HANA



SAP Demand-Driven ReplenishmentSolution Overview

Fiori Launchpad



Business Applications with User Interaction

Configuration & Setup Apps

Mapping to the End-to-End Process



proposals

Review and adopt the

system's buffer level

3

Review the current planning situation based on the net flow position 4

Review the current execution situation based on the on-hand stock status



Classify products to identify possible decoupling points and to prepare buffer profile assignment



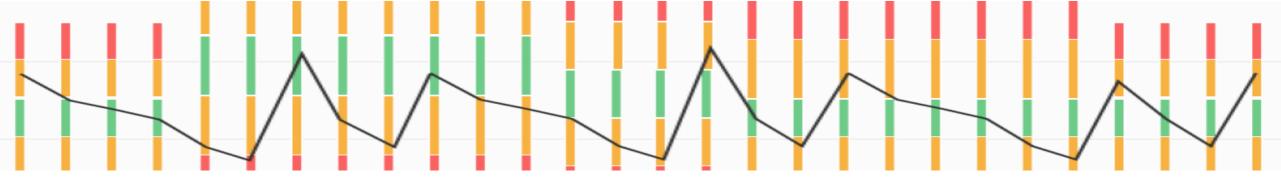
Maintain MRP type D1 to define buffers on product plant combination



Calculate decoupled lead time and LT classification to prepare buffer calculation



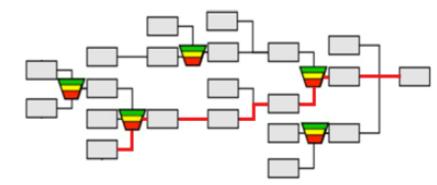
Calculate buffer level proposals for manual (and automated) adoption



1 Strategic Decoupling

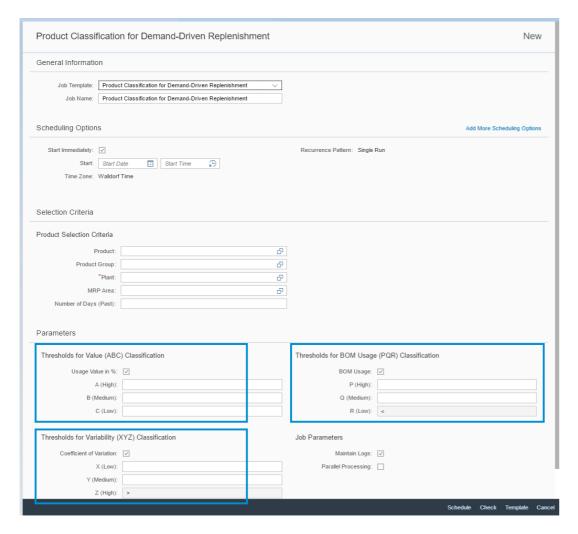
- ▶ Definition of optimal stock buffer decoupling points
- ▶ Determination of decoupled lead times

Strategic Inventory Positioning	Buffer Profiles and Levels	Dynamic Adjustments	Demand Driven Planning	Visible and Collaborative Execution
POSITION	→ 2 PRO	TECT 3 —	→ 4 PU	<u>LL</u>



Prepare Buffer Positioning

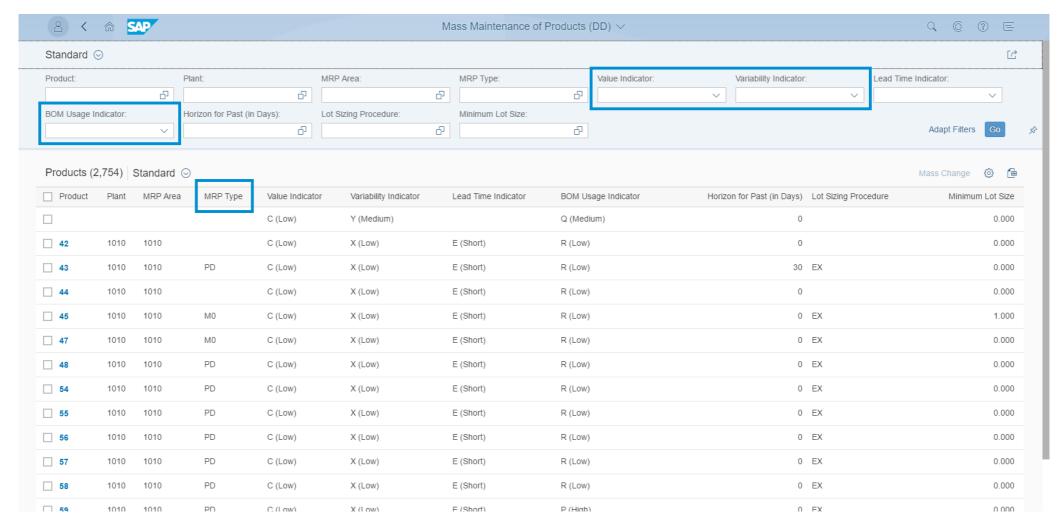
Product Classification for Demand-Driven Replenishment



Thresholds for Value (ABC)	Classification			
Usage Value in %:	▽			
A (High):	70			
B (Medium):	20			
C (Low):	10			
Thresholds for Variability (X	YZ) Classification			
Coefficient of Variation:				
X (Low):	0,25			
Y (Medium):	0,50			
Z (High):	>			
Thresholds for BOM Usage	(PQR) Classification			
BOM Usage: <a>Image				
P (High):	4			
Q (Medium):	2			
R (Low):	<			

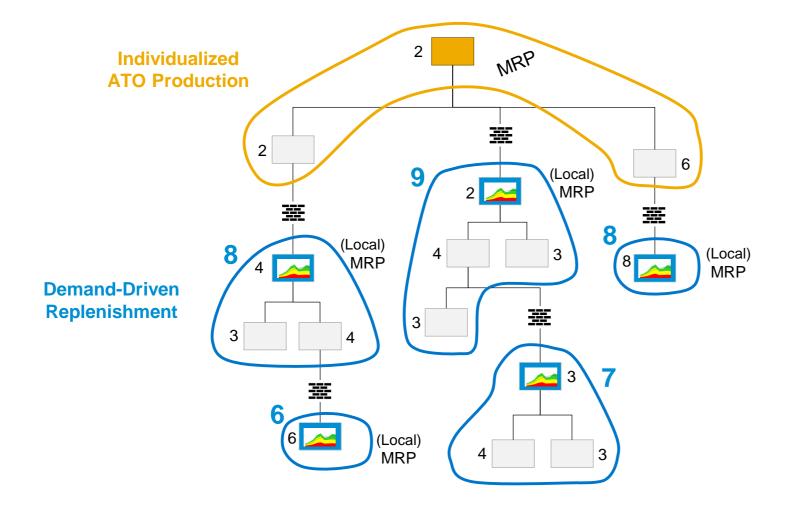
Buffer Positioning by MRP Type Assignment

New MRP Type = D1 (Demand-Driven)



Decoupled Lead Time

Input for buffer sizing

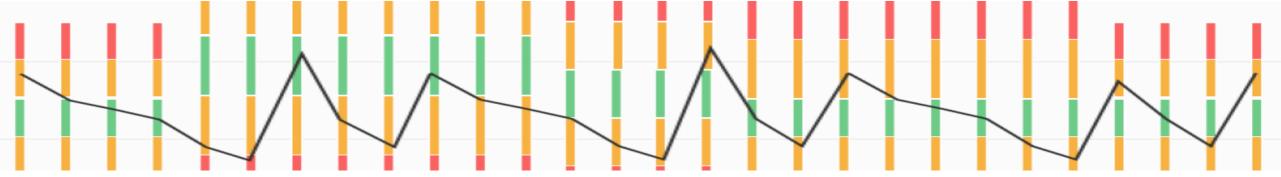


- Individualized

 DDR with (strategic) buffer

 Ad-hoc Prod.

 Decoupling through strategic buffer positioning
- Time-dependent buffer levels for shock absorption
 - 2 Individual Lead Time
 - **8** Decoupled Lead Time



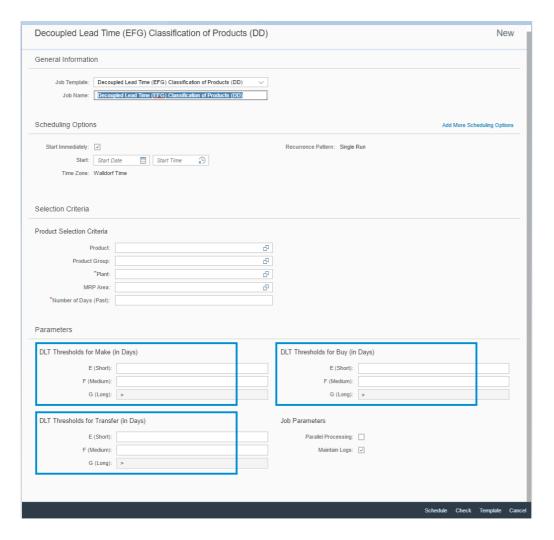
2 Buffer Profiles and Levels

- ▶ Segmentation-based stock sizing approach
- ▶ Definition of safety zone, cycle stock zone and lead-time/re-order zone



Buffer Sizing

Based on Decoupled Lead Time & DLT Classification



DLT Thresholds for Make (i	n Days)
E (Short):	
F (Medium):	
G (Long):	>
DLT Thresholds for Transfe	r (in Days)
E (Short):	
F (Medium):	
G (Long):	>
DLT Thresholds for Buy (in	Days)
E (Short):	
F (Medium):	
G (Long):	>

Buffer Sizing

Calculation Rules

SAP Material Master

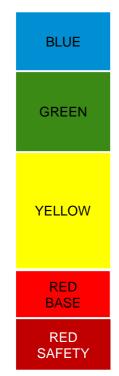
Demand Driven Institute

Maximum Stock
[MARC-MABST]

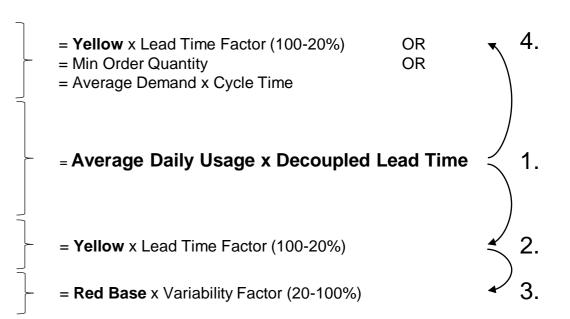
Reorder Point
[MARC-MINBE]

Safety Stock

Min Safety Stock
[MARC-EISLO]



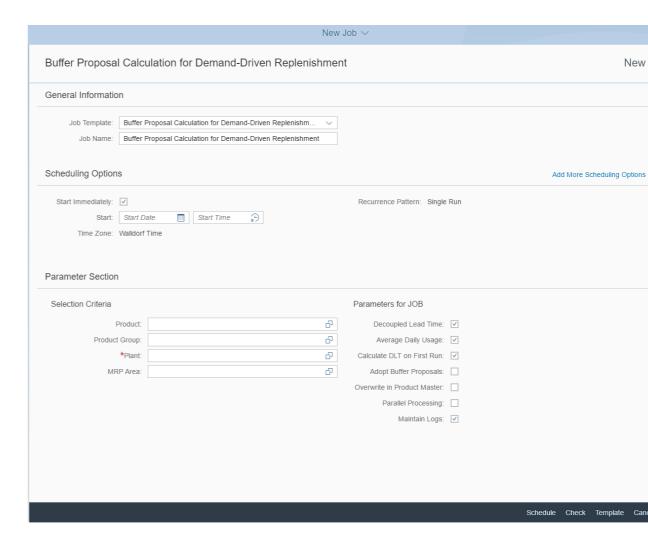
OTOG – Over Top of Green
TOG – Top of Green
TOY – Top of Yellow
TOR – Top of Red

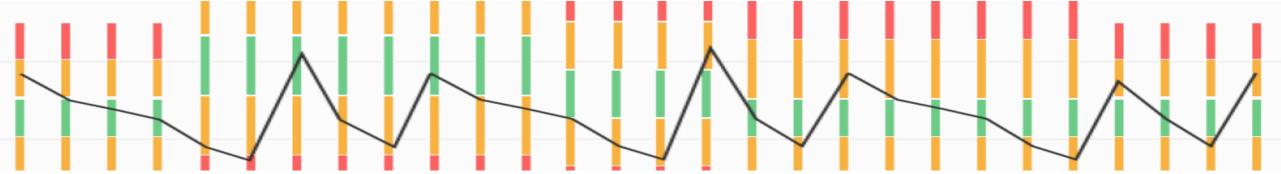


Buffer SizingCreate Buffer Level Proposals

SAP Material Master Demand Driven Institute BLUE OTOG – Over Top of Green Maximum Stock **TOG – Top of Green** [MARC-MABST] **GREEN Reorder Point TOY - Top of Yellow** [MARC-MINBE] YELLOW **Safety Stock** TOR - Top of Red [MARC-EISBE] RED **BASE** Min Safety Stock [MARC-EISLO] RED

SAFETY





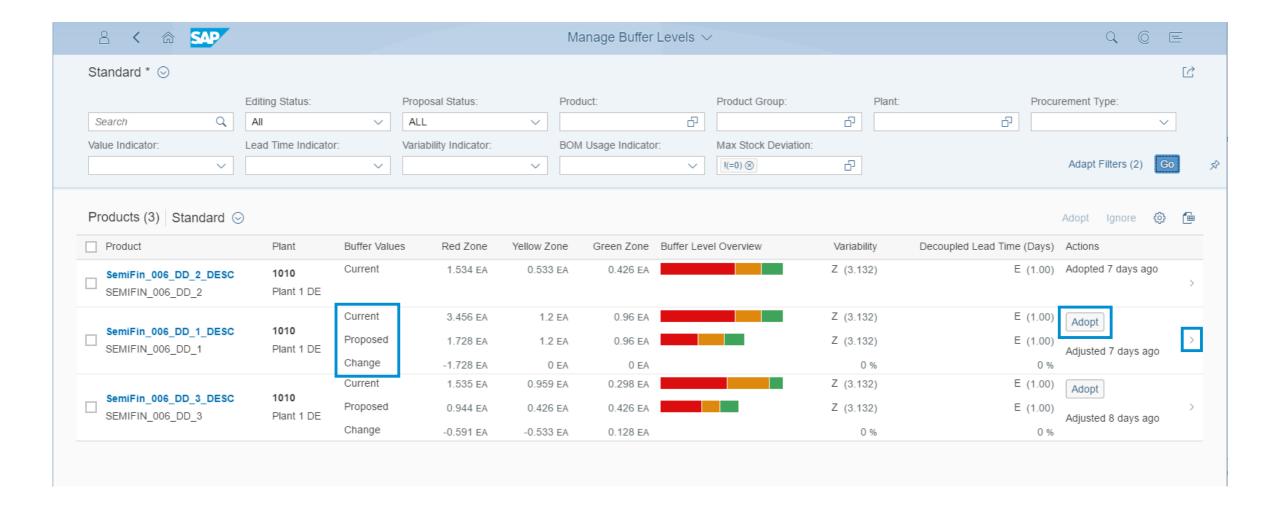
3 Dynamic adjustments

- ▶ Time-phased buffer stock levels
- ▶ Anticipation of seasonality, trends & significant promotions



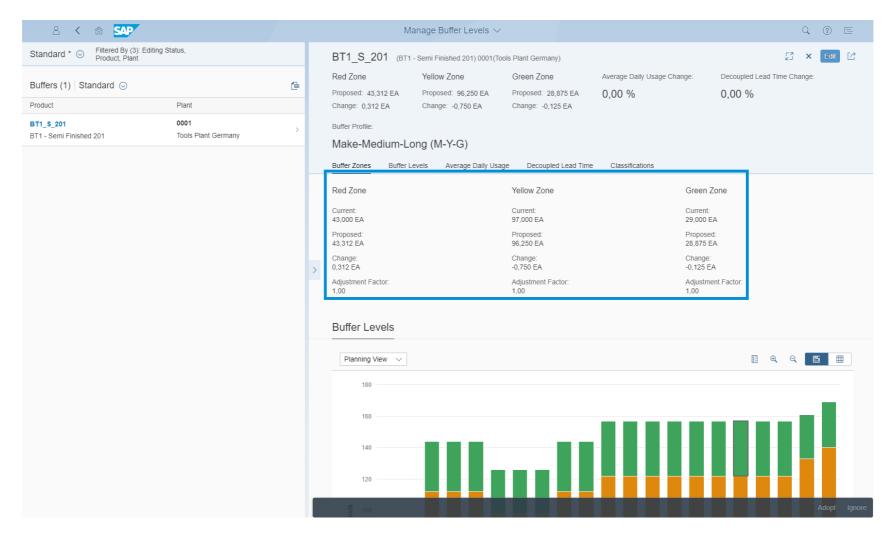
Manage Buffer Level

Worklist - Review and Adopt Buffer Level Proposals



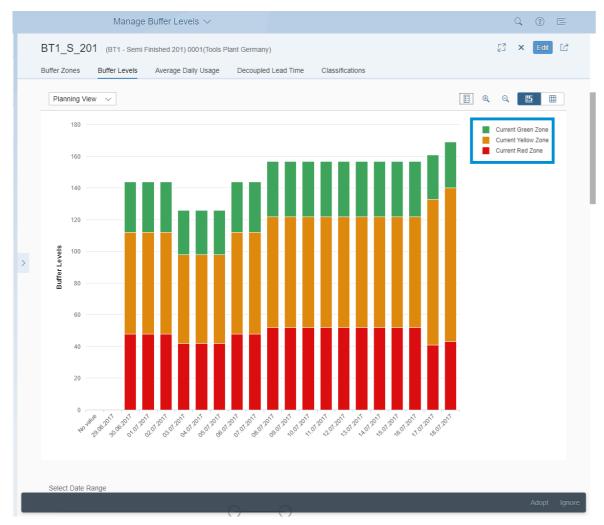
Buffer Proposal Details

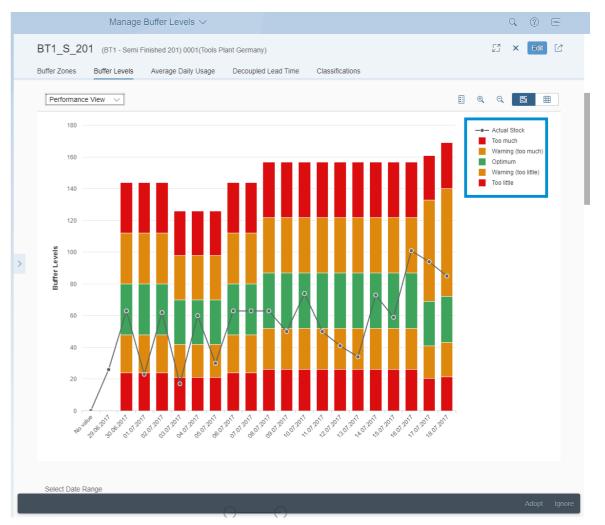
Buffer Zones & Zone Adjustment Factors

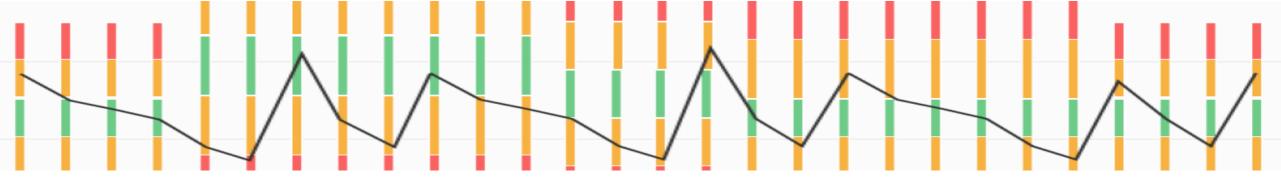


Buffer Proposal Details

Buffer Levels and On-Hand Performance





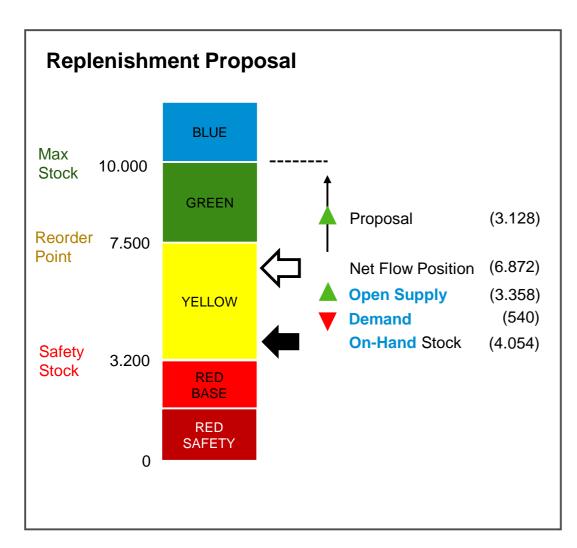


4 Demand Driven Planning

▶ Supply elements are triggered if the available stock drops into the rebuild zone (yellow zone)

Basics

Operational Replenishment: Net Flow Position, Spike Handling



On-hand balance (On-hand stock)

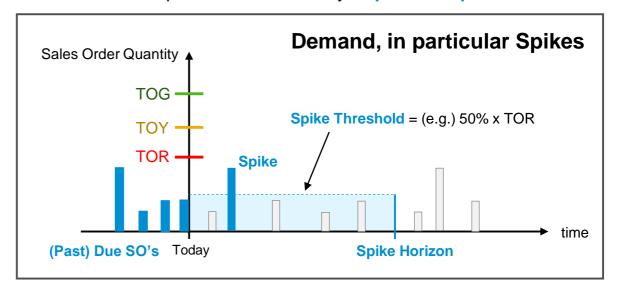
Quantity being physically in stock

On-order stock (Open Supply)

Total of all outstanding replenishment orders

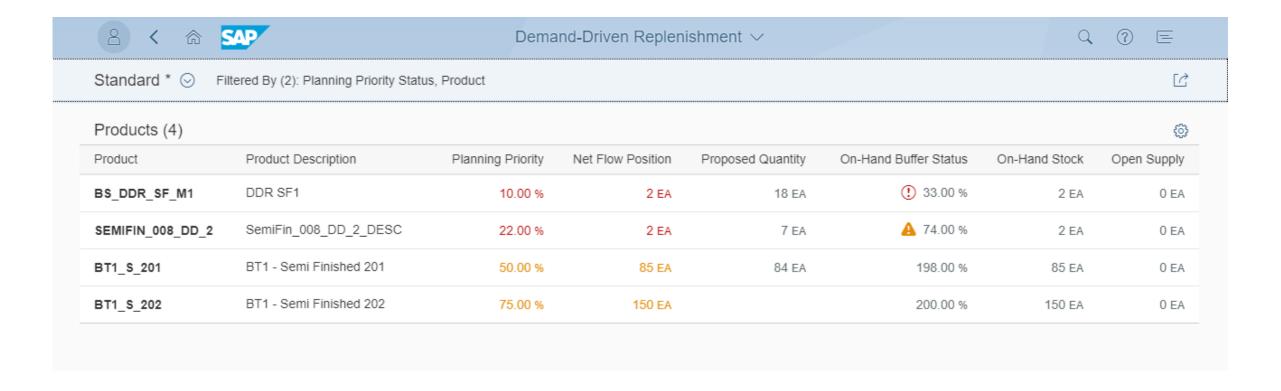
Actual demand (Demand)

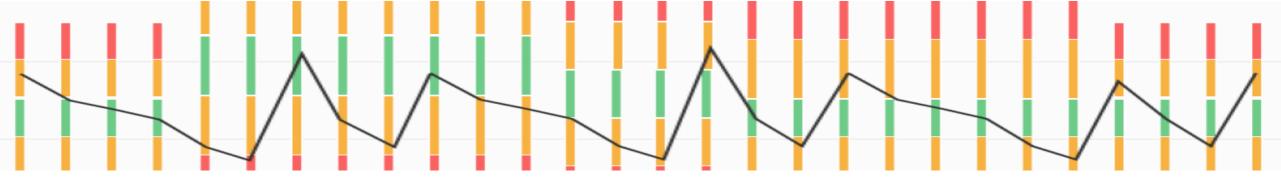
Sales orders past-due or due today + qualified spikes



Monitor the Planning Priority

(Net Flow Position vs. Reorder Point)





SAP S/4HANA Demand-Driven Replenishment

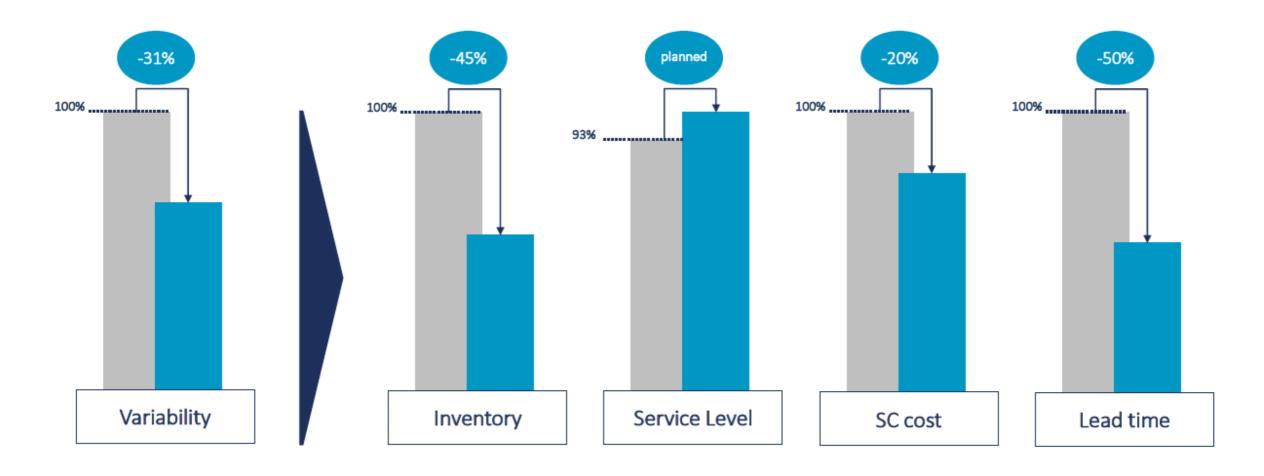
Replenishment Execution

Monitor the On-Hand Buffer Status

8 SAP	Demand-Drive	Demand-Driven Replenishment ∨		
Standard * Filtered By	(2): On-Hand Stock Status, Product			[2
Products (6)				Ę
Product	Product Description	On-Hand Buffer Status	On-Hand Stock	Open Supply
BS_DDR_SF_M1	DDR SF1	① 33.00 %	2 EA	0 EA
SEMIFIN_0012_DD_1	SemiFin_0012_DD_1_DESC	① 35.00 %	7 EA	493 EA
SEMIFIN_009_DD_3	SemiFin_009_DD_3_DESC	① 23.00 %	7 EA	112 EA
SEMIFIN_009_DD_5	SemiFin_009_DD_5_DESC	① 23.00 %	7 EA	63 EA
SEMIFIN_008_DD_2	SemiFin_008_DD_2_DESC	A 74.00 %	2 EA	0 EA
SEMIFIN_005_DD_1	SemiFin_005_DD_1_DESC	A 70.00 %	7 EA	193 EA

Recap Why DDMRP?

DDMRP – Achieving outstanding results



Ďakujem za pozornosť

Kontakt:

Peter Mravčák

Presales Solution Architect

peter.mravcak@sap.com

