

SAP Product Strategy

Strategy

Internal

Strategy & Operations
Q1 2024





SAP Product Strategy Table of Content

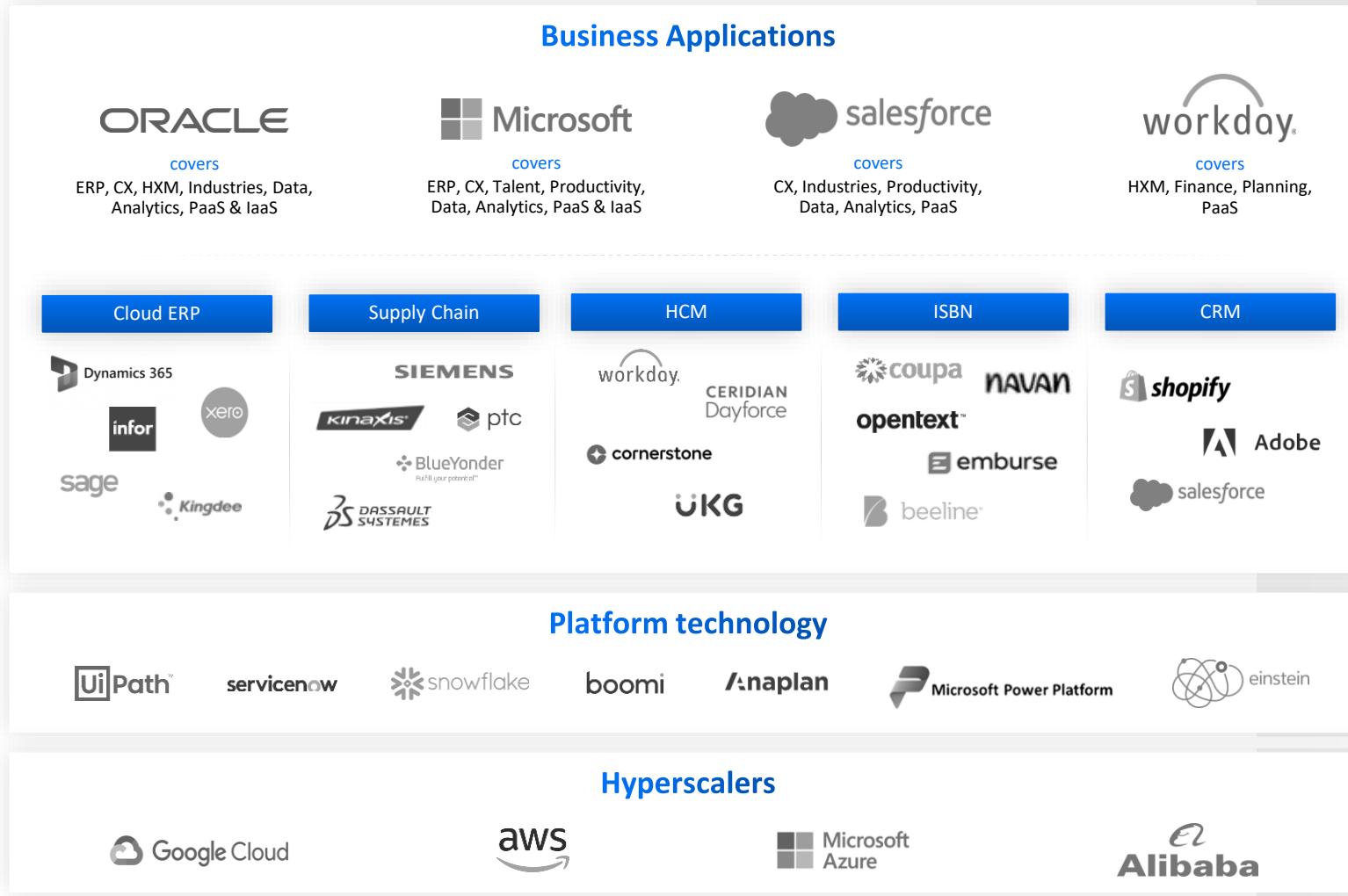
 Our competitive position

 Our Strategic Priorities

 Appendix

Competitive landscape

Competitors are moving up the stack, becoming more app centric



Our strengths

Our key differentiators set us apart from our competitors



Our exceptional E2E portfolio

With the largest TAM¹ in the industry, the breadth of our portfolio is unmatched

12 Lines of Businesses covered²



Our unrivalled data treasures

Customers trust SAP with their most sensitive and mission-critical data

> 25k Customer agreements allowing SAP to use customer data sets to train AI models & build products³



Our inherited business process expertise

With more than 50 years of in-depth process knowledge, our experience is unmatched

26 Industries covered in packaged solutions²



Our strong customer base

Our installed base enables us to scale the impact of our solutions beyond single enterprises

99 Of the 100 largest companies in the world are SAP customers²



Our broad partner ecosystem

Our ecosystem-first strategy drives scale, flexibility and innovations for our customers

> 24k SAP partner companies globally²



Our diverse, inclusive & loyal workforce

Our award-winning culture attracts & keeps the most talented & experienced employees

80% Employee Engagement²



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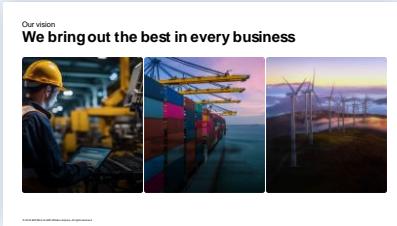
 Appendix

Our corporate strategy

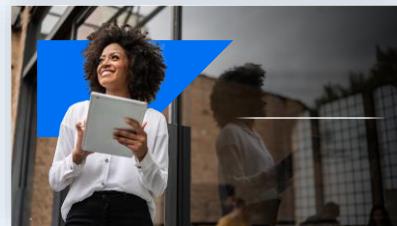
Our product strategy is an integral pillar of our corporate strategy



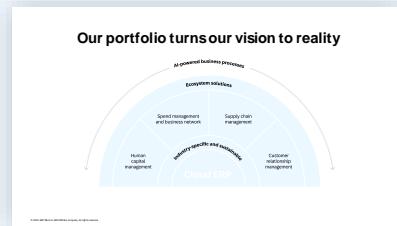
Our purpose
is enduring



Our vision
has evolved



Our goal
is clear



Our portfolio
turns our vision
to reality

Our strategic priorities to achieve our goal

#1 enterprise application and business AI company
powered by our leading platform



Innovate and focus
the portfolio
Product strategy

Infuse Business AI across the
SAP product portfolio

Build and run the leading suite for every
business with Cloud ERP and BTP at the
core complemented by HXM, ISBN & CX

Accelerate business-driven innovation
and scale our new growth areas



Grow jointly with
customers and partners
Go-to-market strategy

Scale through a digital-first connected
customer value journey

Differentiate the customer experience
through targeted engagement

Grow customer lifetime value by driving
adoption and consumption across
portfolio



Transform SAP with
our people at the center
Corporate functions strategy

Drive a winning culture by empowering
our people to thrive in the future of work

Shape SAP's transformation and drive
end-to-end operational excellence

Foster long-term cash flow growth and
create sustainable shareholder value



Our product strategy builds on our strengths and sets clear priorities



Innovate and focus the portfolio



Infuse Business AI across the SAP product portfolio

For more details go [HERE](#)



Build and run the leading suite for every business with Cloud ERP & BTP at the core complemented by HXM, ISBN & CX

For more details go [HERE](#)



Accelerate business-driven innovation and scale our new growth areas

For more details go [HERE](#)

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SAP Business AI core principles

SAP Business AI combines the power of AI with business processes and data

Relevant

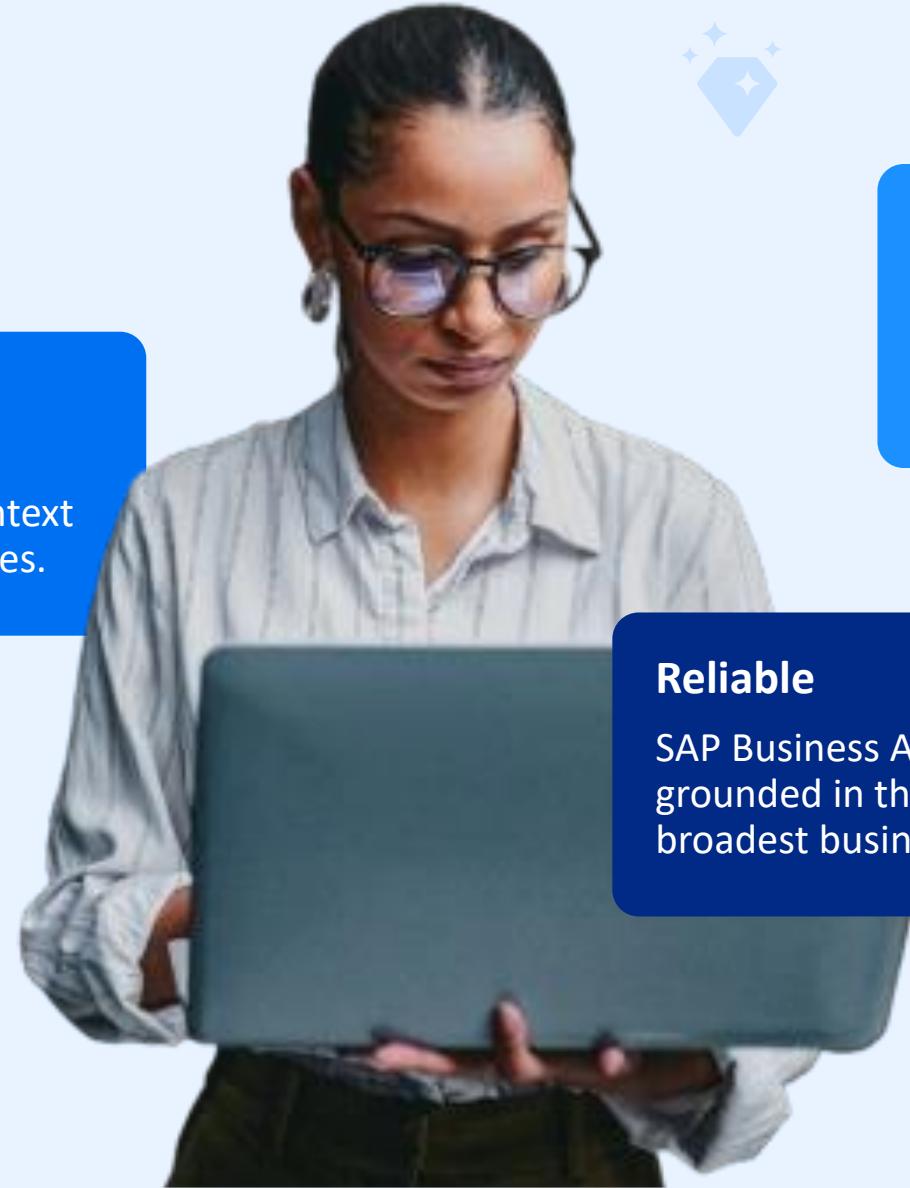
SAP Business AI is delivered in the context of business processes.

Responsible

SAP Business AI is built on leading ethics¹ and data privacy standards

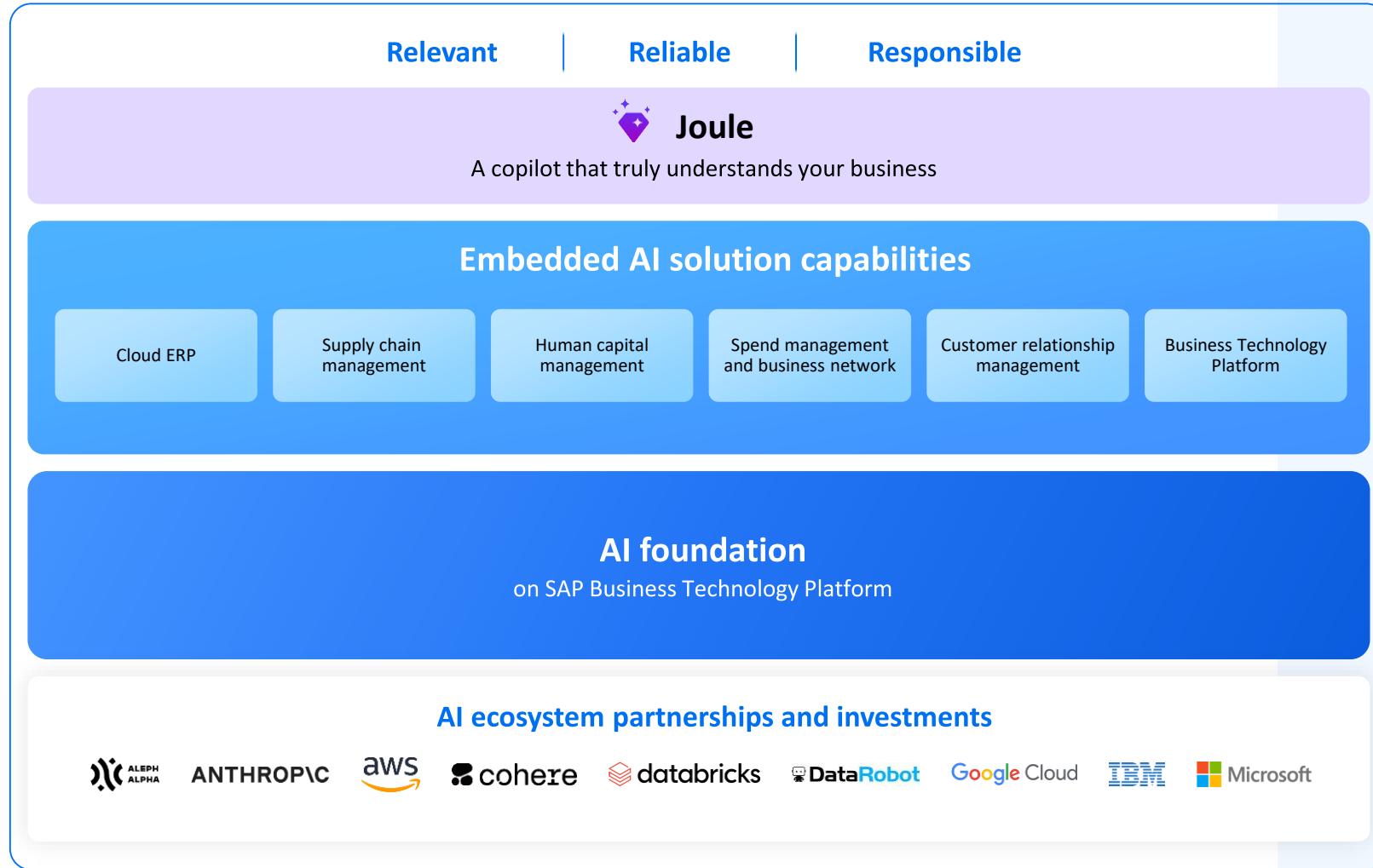
Reliable

SAP Business AI is grounded in the broadest business data



SAP Business AI approach

Several elements come together to create AI-powered business outcomes



Joule – AI Assistant

Joule, SAP's generative AI copilot, allows for natural interaction with SAP business systems and gives transparent role-based access to relevant processes from anywhere

Embedded AI capabilities

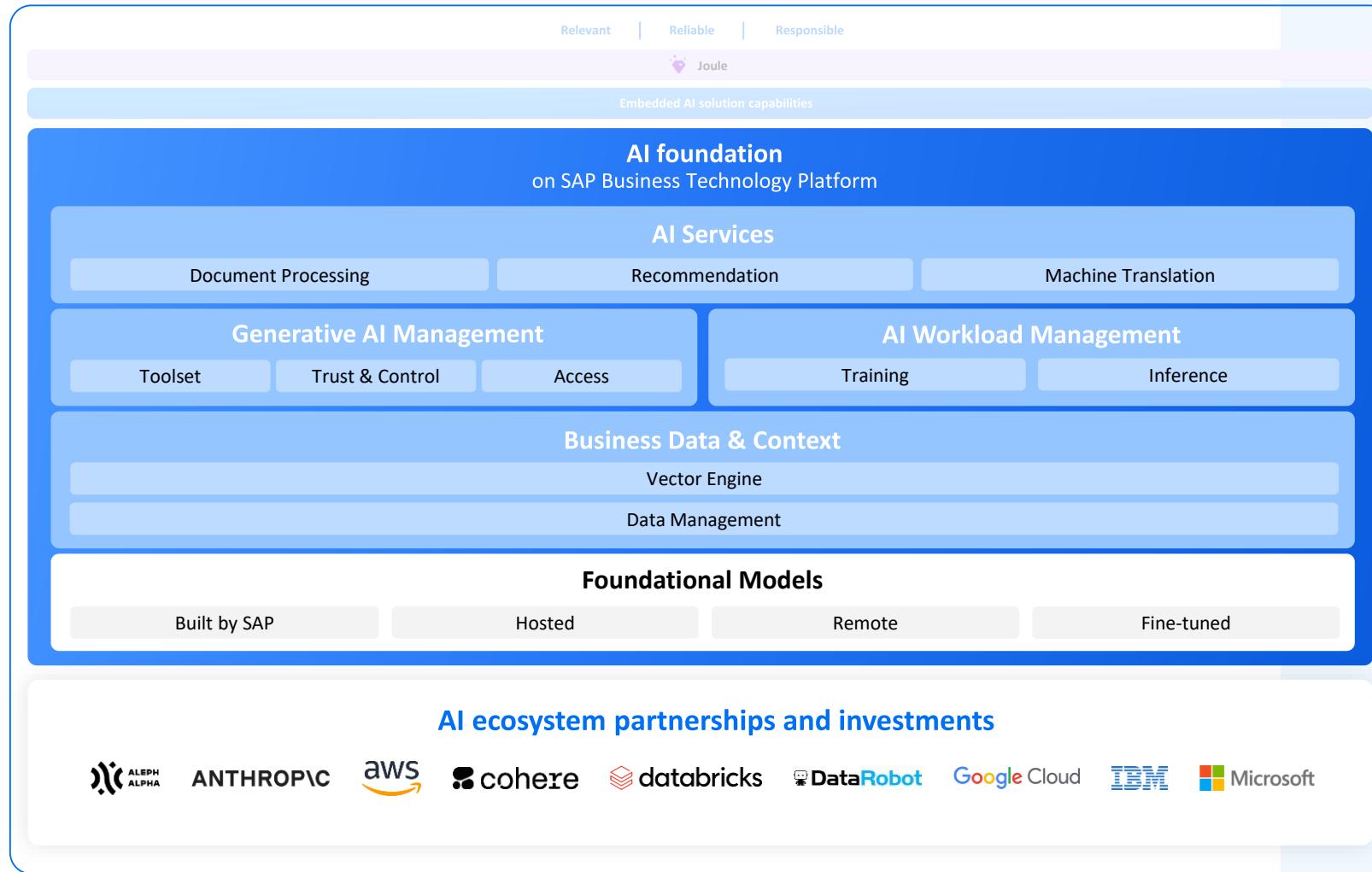
AI features based on business data and process context infused into all business processes, cloud applications, and SAP BTP components

AI Foundation on SAP BTP

SAP BTP enables the development of generative AI-powered business apps, fueled by partnerships with leading AI general-purpose technology providers

AI Foundation

Our foundation is how we infuse AI into our products and enable our ecosystem



AI Services

Pre-built services and models to extract information from documents, make recommendations, and translate text

Generative AI Management

Tools to access and train models, run and monitor models in production, and manage the lifecycle of AI scenarios

Business Data & Context

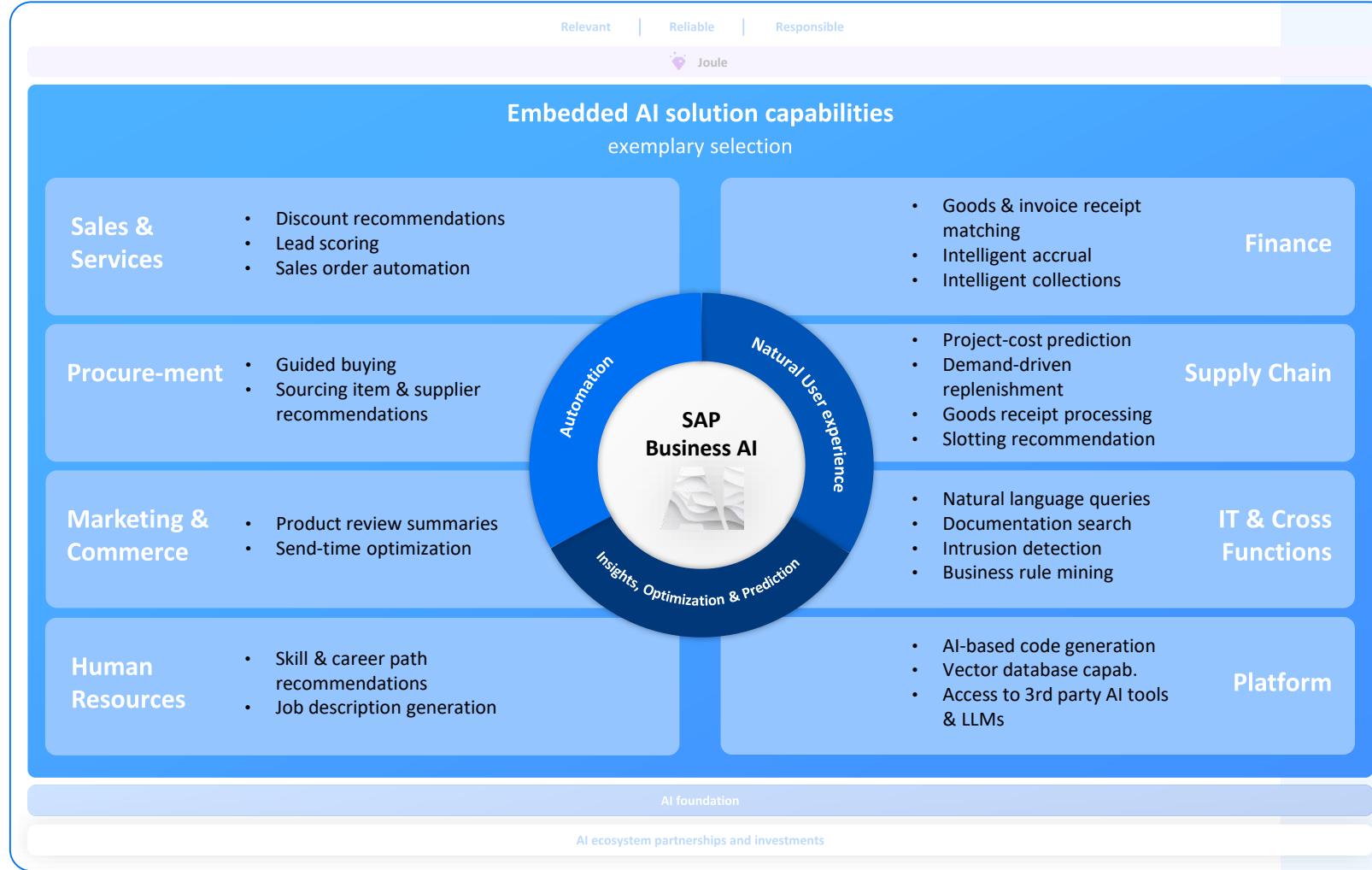
Access to business data via SAP Datasphere and SAP HANA Cloud including vector capabilities to store and query embeddings

Foundation Models & Ecosystem

Access to SAP- and partner-built large language models and general-purpose AI through the trusted and secure SAP BTP environment

Embedded AI solution capabilities

AI capabilities elevate the business value of solutions across all functions



Key value driver

AI enables a natural user experience, drives automation, and unlocks insights, optimization and predictions across SAP's cloud portfolio.

AI powered capabilities

AI transforms our applications and drives tangible business value in our cloud solutions - models are trained and validated on real customer data

Simple consumption

SAP Business AI is exclusively available in our cloud solutions and commercialized via AI SKU credits that are consumable across our entire SAP cloud portfolio

Generative AI Copilot

Joule revolutionizes the way users interact with SAP systems

The Joule interface is a central hub for interacting with various SAP systems. At the top, three categories are listed: Relevant, Reliable, and Responsible. Below this, the Joule logo is displayed with the tagline "A copilot that truly understands your business". The interface is divided into five main sections, each representing a different SAP application:

- HXM Recruiting**: Shows a preview of a position detail for Liam Samuel. It includes a "User Details" section and a "Key Position Details" table.
- CX Sales Management**: Shows a preview of a request for SAP CX NFT Cloud. It includes a "Smart Actions" section with two items: "Establish regular progress reports and effective communication channels with major investor" and "Check Case 7820 - Media API configuration issue".
- Cloud ERP Enterprise Management**: Shows a preview of a Best Run Production case for customer Best Run Production. It includes a "Call Guidance" section with steps like "Green flag investor and introduce yourself as the dispute manager of the company" and "Reassure the purpose of the call, which is to resolve the payment dispute regarding invoice F0087854".
- BTP Code Generation**: Shows a preview of creating a SAP Fiori app. It includes a "Code Snippet" section with Java code for a Customer Inquiry program.
- ISBN Travel & Expense**: Shows a preview of a travel and expense report for a trip from San Francisco, CA to São Paulo, Brazil. It includes a "Summary" section with flight, hotel, and taxi details, and a "Details" section with a breakdown of costs.

At the bottom of the interface, there are three footer sections: "Embedded AI solution capabilities", "AI foundation", and "AI ecosystem partnerships and investments".

Business AI copilot

A generative AI assistant that knows a user's unique role and maintains user context and permissions across SAP applications, all in a safe, compliant environment

AI powered capabilities

Navigate, complete transactions, and retrieve information, all by simply asking in human language

Better outcomes

Users get quicker answers and smart insights on demand, whilst having full control over decision-making and data privacy

Our product strategy builds on our strengths and sets clear priorities



Innovate and focus the portfolio



Infuse Business AI across the SAP product portfolio

For more details go [HERE](#)



Build and run the leading suite for every business with Cloud ERP & BTP at the core complemented by HXM, ISBN & CX

For more details go [HERE](#)



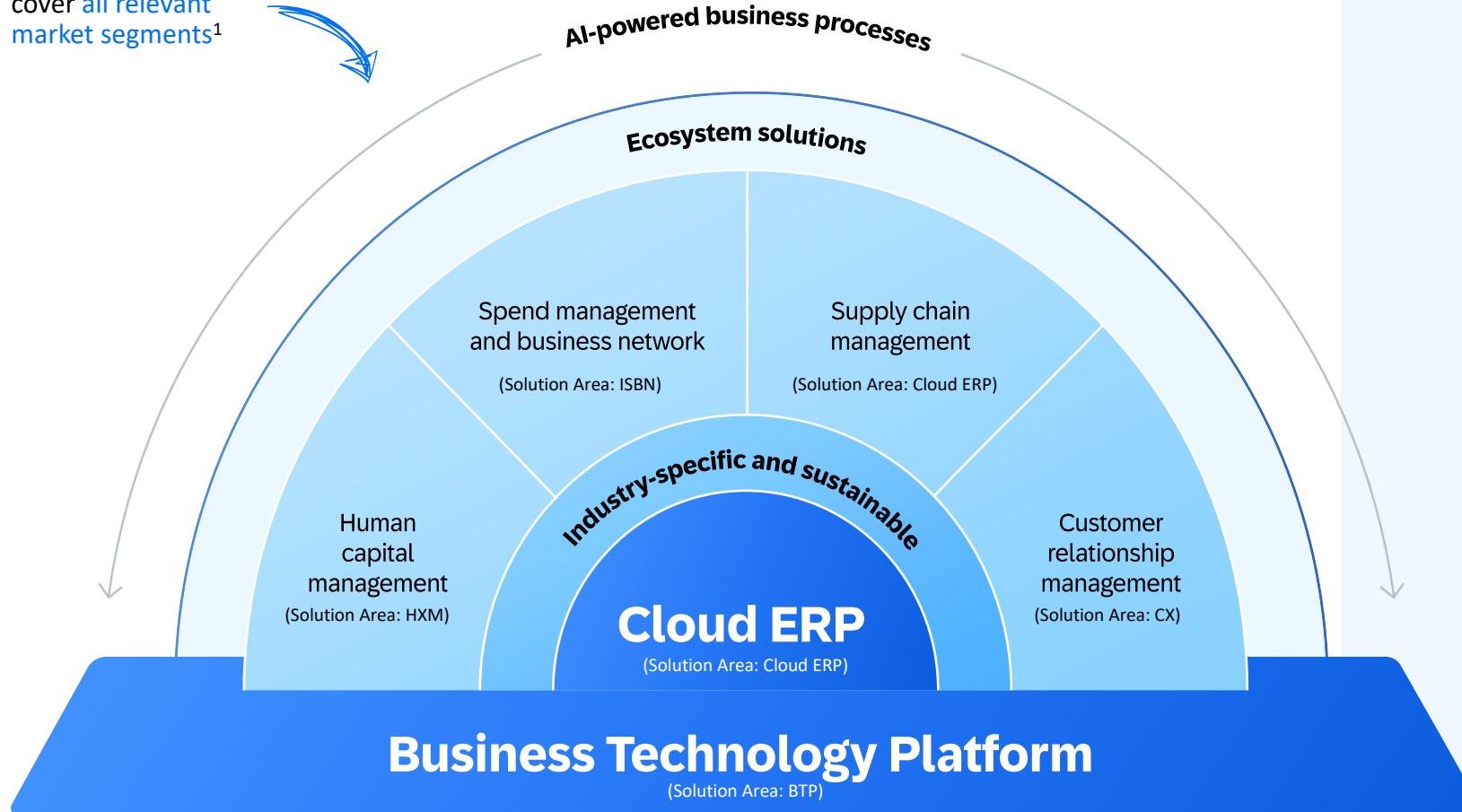
Accelerate business-driven innovation and scale our new growth areas

For more details go [HERE](#)

Our product portfolio

Our suite of cloud applications is central to reaching our company goal

Our Solution Areas cover **all relevant market segments¹**



Cloud ERP and BTP at the core

Landing with the core increases our win-rates and enables tremendous upselling potential for our line-of-business solutions

Broadest portfolio by market segment & industry

We must play to this strength to ensure our success in the hypercompetitive market reality we are facing

Best-of-suite portfolio offer

The true value of our portfolio is unlocked when everything runs smoothly integrated in a suite

Build the leading suite

Prioritizing cross topics is essential to enabling a seamless suite experience



AI

Embed Business AI across all solutions

- Leverage our data assets to build new products & train AI models
- Automate repetitive tasks & improve user experience
- Create a strong AI foundation on SAP BTP
- Empower partners to build AI-powered extensions
- Simple to consume both commercially & technically
- Focus on the cloud



UX & Design

Drive User Experience Excellence

- Consistent, human-centric design system and language
- Telemetry to accurately measure the end-user experience
- End-user usability studies to guide product development
- AI designs, patterns, guidelines & standards for embedding meaningful AI
- Design excellence reviews to improve experience quality



Data & integration

Achieve holistic integration of data, technology and processes

- Following well-defined guard rails - Suite Qualities¹
- Enabling 1 semantical data model, 1 analytics layer, 1 security and automation concept, common application business service,...



Globalization

Provide comprehensive, localized solutions

- Increase depth and breadth of SAP S/4HANA Cloud localization
- Evolve localization extensibility for SAP's solution portfolio (use Joule wherever possible)
- Drive consistent usage of SAP Enable Now
- Already today, SAP offers 600+ versions of SAP products, serving 200m+ users in 120+ countries



Cloud Operational Excellence

Facilitate the adoption of our cloud solutions at scale

- Implementing 9 Cloud Qualities¹ to preserve relevant product standard content
- Improving our SaaS cloud architecture, operational procedures, internal automation, business continuity, total cost of ownership (TCO), security,...



Cross Priorities

Build the leading suite

We create business value by enabling seamless E2E business processes

RECRUIT TO RETIRE



Cloud ERP & BTP
+
Human Capital Management

Attract, retain, train and incentivize
total workforce and optimize
employee experience

ONE VIEW OF THE
WORKFORCE

SOURCE TO PAY



Cloud ERP & BTP
+
Spend Management and
Business Network

Manage **total spend** with access to
millions of suppliers and a highly
automated end-to-end process

ONE VIEW OF THE
SUPPLIER

DESIGN TO OPERATE



Cloud ERP & BTP
+
Supply chain
Management

Manage **end-to-end product
lifecycle** tightly integrated to
GTM channels

ONE VIEW OF THE
PRODUCT

LEAD TO CASH



Cloud ERP & BTP
+
Customer Relationship
Management

**Transform the business
model** with new GTM channels,
offer everything as a service, and
launch new license models with
automated revenue and billing
offerings

ONE VIEW OF THE
CUSTOMER

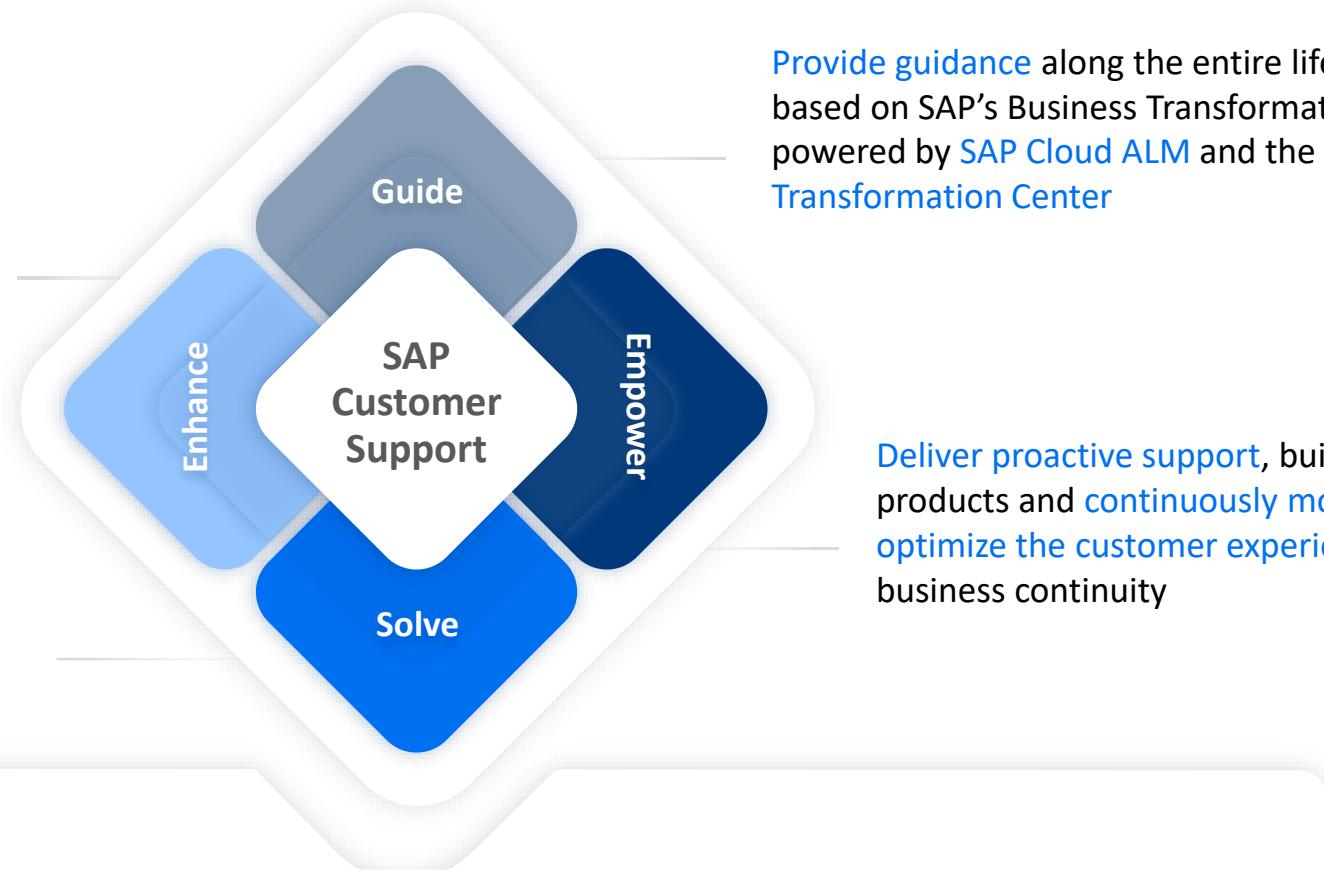
End-to-End Company Steering and Planning

Run the Leading Suite

Customer Support Powered by AI is the guardian of customer business value

Improve product quality and supportability, driving customer success across all products based on customer insight

Prioritize investments in AI and LLM to drive support transformation by automating processes, enhancing efficiency and creating a superior customer support experience



Provide guidance along the entire lifecycle in the cloud based on SAP's Business Transformation solutions powered by [SAP Cloud ALM](#) and the [SAP Business Transformation Center](#)

Deliver proactive support, built-into SAP products and continuously monitor and optimize the customer experience to ensure business continuity

SAP for Me

Personalized central entry point to SAP Customer Support



Cloud-based application lifecycle management solution

Built-In Support

Customer Support built directly into the application

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Innovate and focus the portfolio



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Accelerate business-driven innovation and scale our new growth areas

For more details go [HERE](#)

Our innovation fields

We foster business-driven innovation that creates real-life customer value

Future of Business Processes

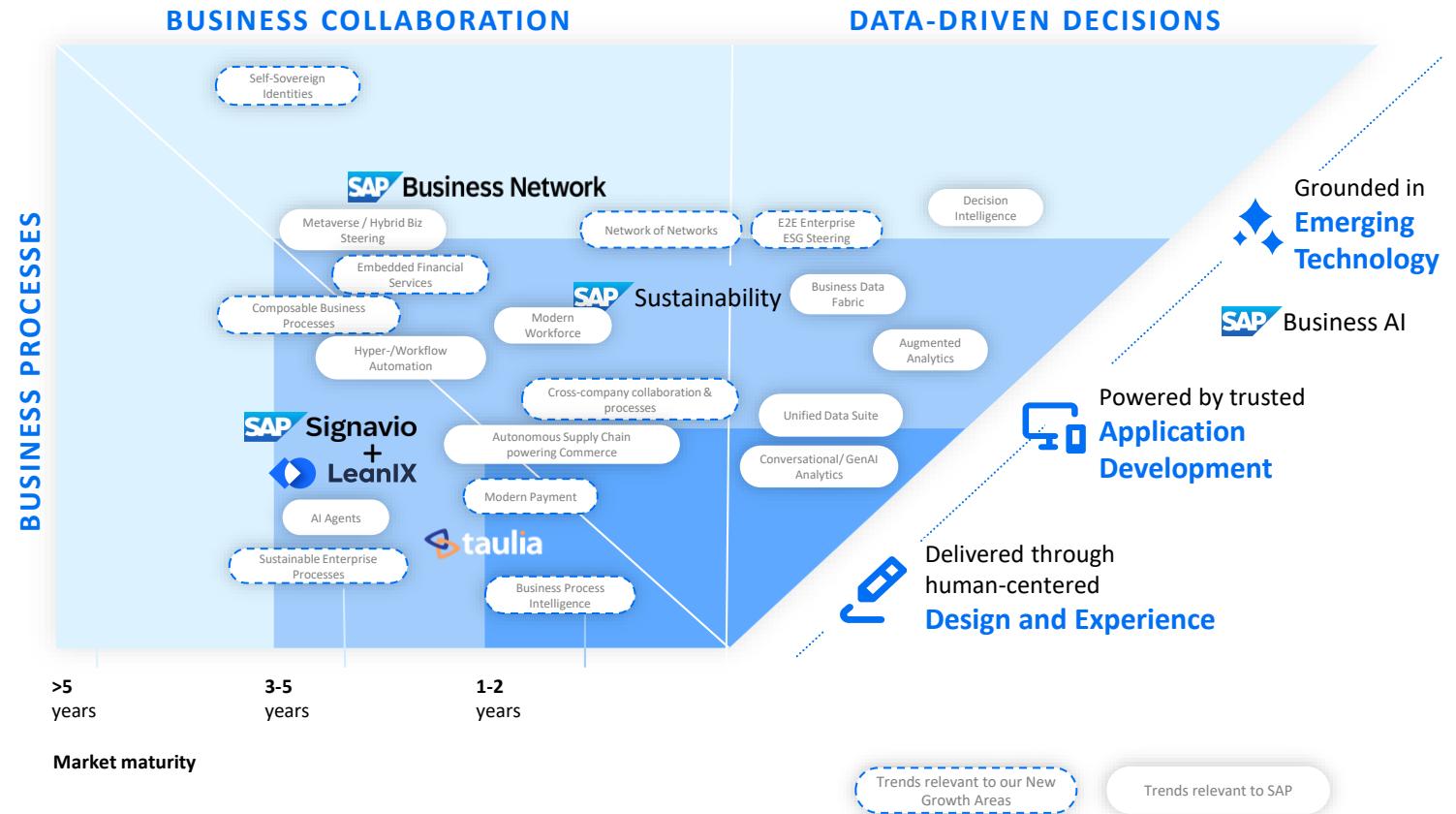
Enabling the next-generation of processes allowing for unprecedented business agility

Future of Business Collaboration

Enabling companies to manage operations within and beyond organizational boundaries

Future of Data-driven Business Decisions

Unlocking the power of business data to enable intelligent enterprises



Scale our New Growth Areas

Our new growth areas set us up for the next level of growth

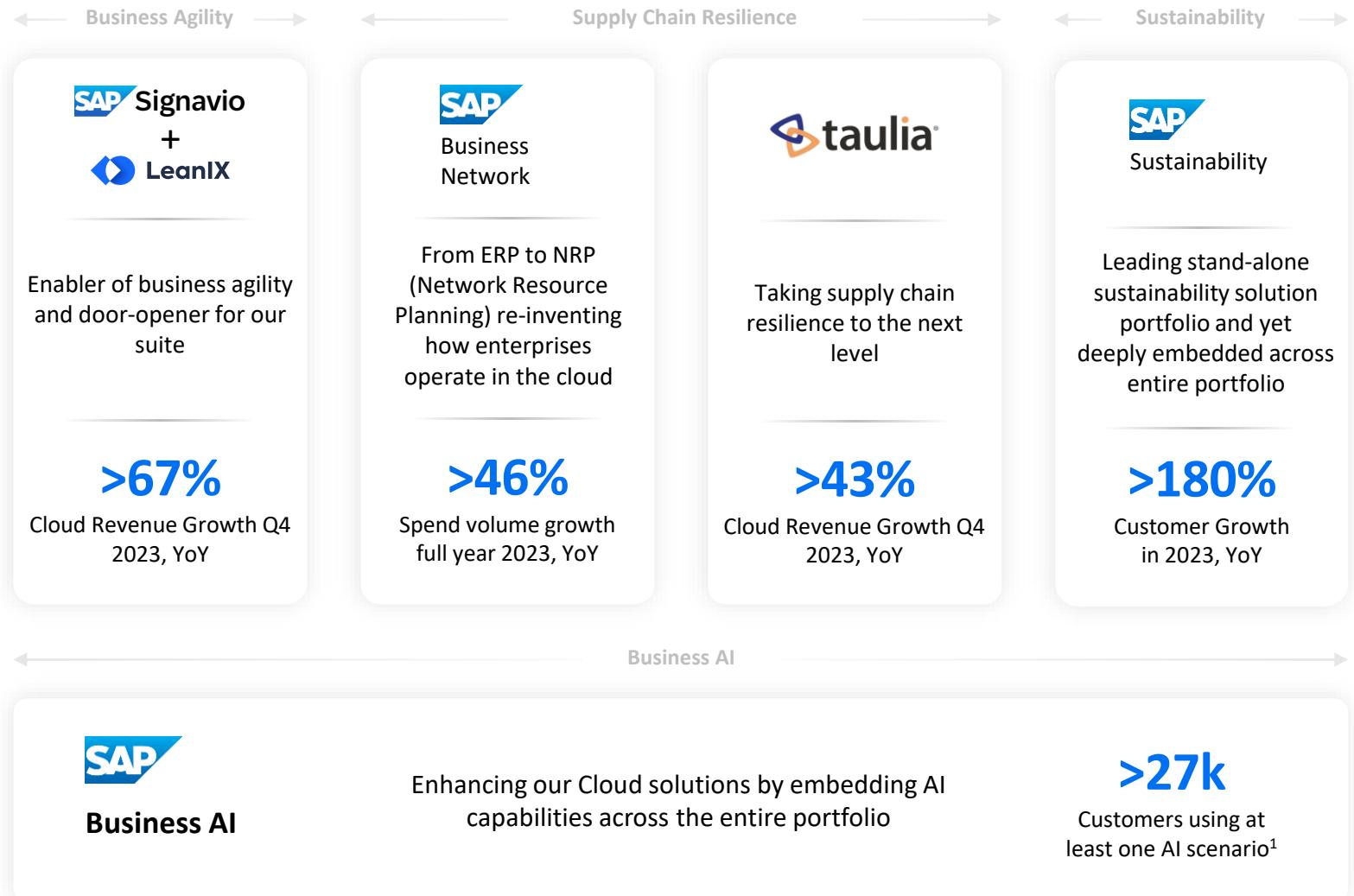


How we drive innovation

- We amplify the next level of growth by scaling market-changing innovations in adjacencies
- Our New Growth Areas are closely aligned to our vision and existing portfolio
- Our New Growth Areas are led by a General Manager with end-to-end roadmap responsibility

>8%

Already today, our New Growth Areas make up for >8% of SAP's Cloud Revenue





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Mapping market segment, Solution Area, and organizational view

	External View					
Market Segment	Cloud ERP incl. Supply Chain Management Enterprise Mgmt. Public Enterprise Mgmt. Private Finance & Q2C Digital supply chain ERP for SME	Business Technology Platform Application development Automation Integration Data & Analytics Artificial Intelligence	Human capital management Core HR and payroll Learning and talent Sales performance management	Spend management & business network Procurement External workforce Travel and expenses Business network	Customer relationship management Customer data solutions Commerce Marketing Sales and services	New Growth Areas Business network Sustainability Business transformation Supply chain finance Business AI
Solution Area & Product ¹	Cloud ERP incl. Digital Supply Chain (DSC) SAP S/4HANA Cloud (Public or Private Edition) SAP S/4HANA for Central Finance SAP IBP for Supply Chain	SAP Business Technology Platform (BTP) SAP Build / SAP Build Code SAP Integration Suite SAP HANA Cloud SAP Datasphere SAP Analytics Cloud SAP BTP, Gen AI Hub	Human Experience Management (HXM) SAP SuccessFactors SAP Sales Performance Management	Intelligent Spend Mgmt. & Business Network (ISBN) SAP Ariba SAP Fieldglass SAP Concur SAP Business Network	Customer Experience Management (CX) SAP Commerce Cloud SAP Customer Data Platform SAP Sales & Service Cloud SAP Emarsys	New Growth Areas SAP Business Network SAP Cloud for Sustainable Enterprises SAP Signavio & LeanIX Taulia SAP Business AI
Organization	SAP Product Engineering (L1: Cloud ERP)	SAP Technology & Innovation SAP Office of the CEO (L1: Business AI)	SAP Product Engineering (L1: HXM)	SAP Product Engineering (L1: Intelligent Spend & Business Network)	SAP Product Engineering (L1: Industries & CX)	SAP Product Engineering Enterprise Mgmt. Public SAP Office of the CEO SAP Technology & Innovation

Enabled by SAP BTP, Suite qualities unify the SAP application experience



Seamless user experience

Access all SAP solutions across the intelligent enterprise from one single entry point and experience a common look.



Consistent security & identity management

Reduce manual administration efforts for user management and identity provisioning and enable a seamless login process to avoid work disruption.



Aligned domain models and integration content

Simplify your integration projects with pre-defined integration content available on SAP Business Accelerator Hub to connect SAP-to-SAP, as well as SAP-to-third party applications.



End-to-end process blueprints

Tap into comprehensive blueprints to reduce planning effort for implementation projects and support architecture decisions.



Coordinated lifecycle management

Accelerate implementation projects with harmonized provisioning, setup and operations, and monitoring solutions.



One inbox & workflow management

Complete business tasks proactively through a unified view across SAP solutions and automate workflow processes without writing code.



Embedded analytics across solutions

Make quick and confident decisions by relying on comprehensive and live analytical insights.

SAP's Certified Quality Management System builds on 9 Cloud Qualities



Define SAP's Quality Management System as a customer-centric and cloud native framework

- Implement 9 Cloud Qualities¹, preserving product standard content
- Make Cloud Qualities the foundational pillar of SAP's ISO 9001 certified quality management system
- Continuously keep existing product standard content up-to-date, involving development teams and product standard owners
- Fill white spaces from customer perspective (e.g., Cloud Operations)



Customer Support Transformation Powered by AI



Guide

Transform Customer Solutions
in the Cloud

Guided solution transformation:
Process-centric scoping, building, testing and deploying of solutions based on SAP and partner content and best practices via SAP Cloud ALM with automated project delivery

Guided data transformation:
Data-driven execution scoping, data modeling, migration & validation via SAP Business Transformation Center



Empower

Help Customers
and Avoid Tickets

Self-service (COVEO):
AI-based knowledge search in customer touchpoints

Bi-directional support:
Built-In Support for consistent experience, selection of best fitting support channel; and AI-enabled self-service via SAP for Me and the 'Get Support' app

Monitoring for issue prevention:
SAP Cloud ALM to support customers with AI-driven operations automation

Improved partner quality:
In collaboration with SAP support



Solve

Fast Track
Resolution of Problems

Intelligent swarming:
AI-supported collaboration approach, avoiding re-routing, accelerating resolution time

AI-based support use cases:
Scale support with Large Language Models to further improve delivery quality

Consistent support delivery:
Drive best-practice adoption and simplify cross-SAP collaboration



Enhance

Enhance Product Quality and Customer Experience

Support for AI scenarios in products
Set up support for AI use cases on large scale

Cloud health and reliability:
Monitor SAP internal cloud health, enabling issue avoidance, early detection and faster resolution via Customer-Centric Observability

**Product quality (LOOP)
and release readiness:**
Drive product improvement based on supportability feedback, and enable customers to adopt release innovations

Improved search

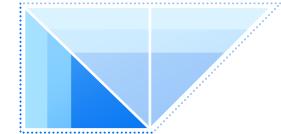
Issue prevention

AI and Learning Models
within the Entire Lifecycle

Outbreak detection

Support efficiency

Innovation field: Future of business processes



Selected examples

SAP Build Process Automation

Enable everyone to design

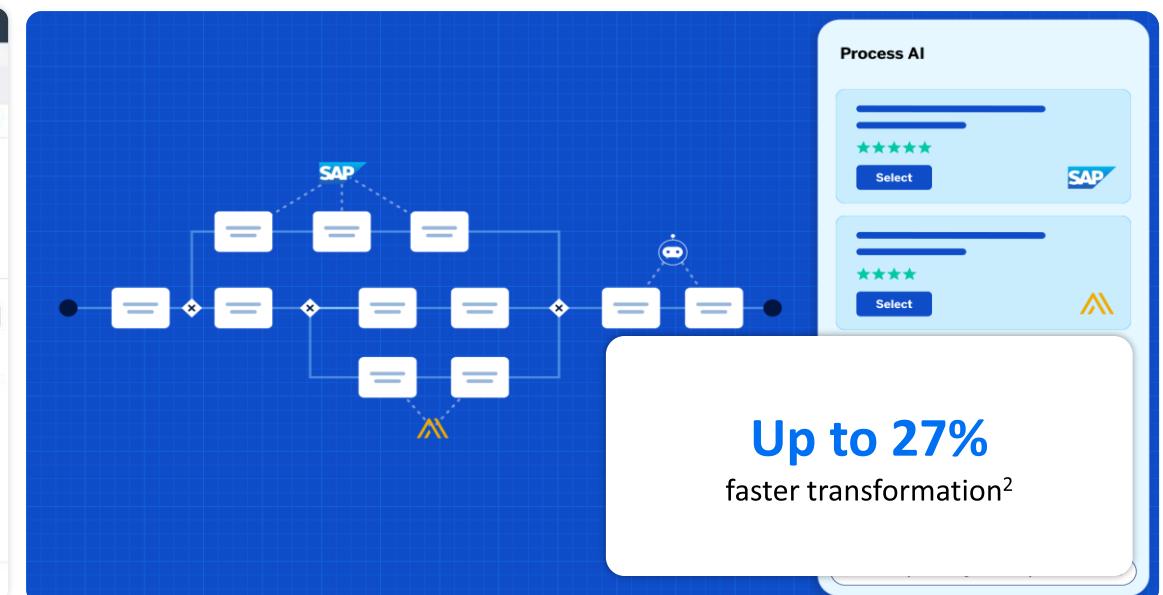
With SAP Build Process Automation, the creation of enterprise apps, designing business sites, and creating automation becomes a drag and drop exercise.

The screenshot shows the SAP Intelligent Robotic Process Automation Cloud Studio interface. On the left, the Project Explorer lists 'Customer Management' and 'Format to full name' under 'Automations BETA'. The main workspace displays a process flow starting with a green circle, followed by a connector, and then a red circle. A tooltip box contains the text: 'Low code is 25% faster on average than traditional code-based development¹'. To the right, a 'Customer' step details reading customers from an Excel file named 'Customers.xlsx' (Sheet1) with range A1:C4 and workbook path C:\Temp\Customers.xlsx. The step description is 'Gets the values of a range of cells from a given worksheet.' Step name is 'Read Customers From Excel'.

SAP Signavio Process AI

AI to map and optimize processes

Use Signavio which is trained to read and interpret your current business processes. Giving you an optimized process complete with models, documentation and KPIs.



Innovation field: Future of business collaboration



Selected examples

SAP Business Network

[Connect to ALL your suppliers in one place](#)

SAP Business Network puts you at the center of your current and future suppliers. Making every day internal and external transactions run centrally.

The screenshot shows the SAP Business Network interface. At the top, it displays a shipment detail for Shipment ID 3123, which is currently delayed. The source location is Suger One Company and the destination is Golden Nuts Company. The planned departure is on July 14, 2022, at 2:00:00 PM, and the planned arrival is on July 18, 2022, at 4:00:00 PM. A pie chart titled 'Planned Events by Status' shows the distribution of events: Delayed (1), Overdue (0), Reopened (3), and Planned (6). Below this is a 'Tracking Timeline' section with a map showing the route from New York Port to Hamburg Port. The timeline lists several events: Arrival at Golden Nuts Company (As Planned), Departure from New York Port (As Planned), Arrival at New York Port (Delayed, Estimated Departure Jul 17, 2022, 2:00:00 PM), and Departure from Hamburg Port (Reported On Time). A callout box in the bottom right corner states: >732 million Transactions handled through SAP Business Network in a 12-month period.

Self-sovereign Identities¹

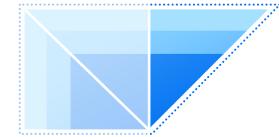
[Lab view](#)

[Control, govern, and use data insights](#)

Opens new possibilities for sharing data across organizations by providing businesses and individuals with control over their data, govern access, and see how it is used

The screenshot displays the SAP Digital Identity and Public Services interface for the Real Estate sector. It shows a 'Start an Offer' screen where a seller (Seller Verified) and a buyer (Buyer Verified) are connected. The buyer has a connection request. Below this is a listing for a house: €1,300,000, 4 beds | 3 Baths | 2,650 sqft, Dijkstraat 56, 9635 TG Noordbroek. To the right, there is a mobile phone screen showing a QR code scanner and a 'Verify Your ID Information' screen. A large callout box at the bottom right states: Viral Business Network Growth Trusted N-tier collaboration.

Innovation field: Future of data-driven business decisions

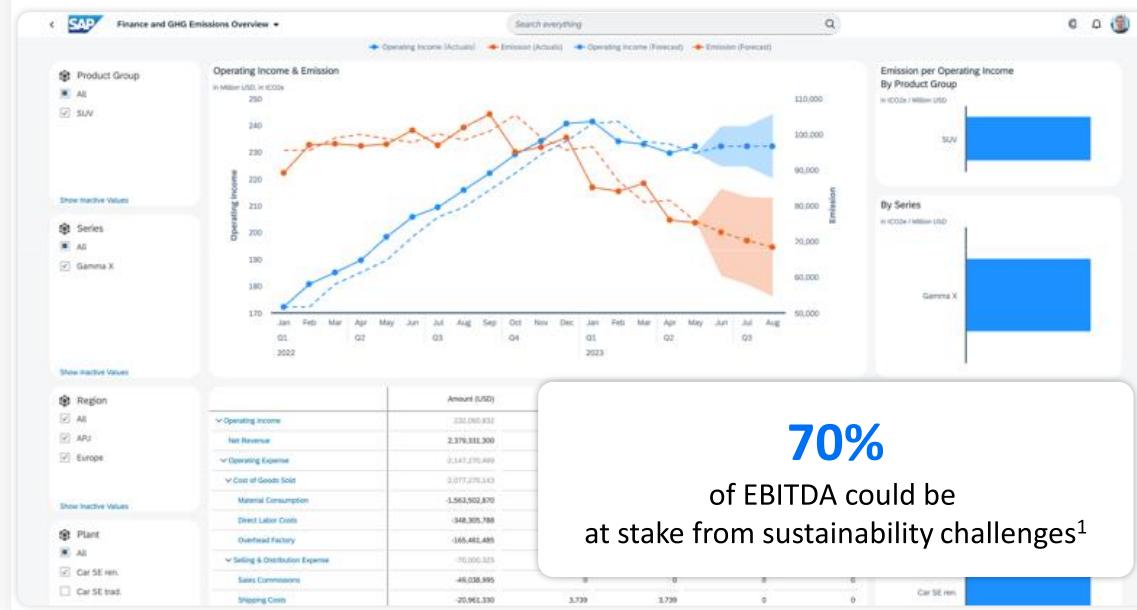


Green Ledger

(as part of Cloud for Sustainable Enterprises)

Track carbon footprint in real-time

Green Ledger will allow you to weigh your carbon footprint with your financial data to understand your carbon impact in real time.



Joule

(SAP Digital Assistant)

GenAI for your business

Just ask Joule (SAP's digital assistant) to pull your report or interpret a large data set for you. Joule is fed with all of YOUR business data making it personally relevant to you.

SAP Home

Search or ask the Digital Assistant

Tue, Jul 4 Hello, Geoff!

To Dos

- Expense Report Approval Stephan Altmus 1 day ago
- Procurement Purchase Requisition Kevin Hudemann 1 day ago
- Travel to Shanghai Replacement Laptop 1,843.37 EUR Approve Send Back
- Time Off Requests Carmen Rannefeld 1 day ago
- Vacation May 22 – 24, 2023 Replacement Laptop 2,450.00 EUR Approve Deny

Insights

- Critical Skills Highly proficient employees
- Project Staffing Alerts Today
- Analytics

SAP Digital Assistant

Hello Geoff, How can I help you?

14%
productivity increase on average by using a generative AI co-pilot²

Innovation vehicles and ecosystem

Systematically encouraging innovation across and beyond SAP

Externally-focused vehicles



SAP's technology-focused VC firm investing in high-growth B2B companies

Invested in 170+ companies globally resulting in 30+ IPOs and 45+ M&A exits

Internally-focused vehicles



Enabling all employees to **amplify their innovative impact** at SAP

Providing **end-to-end innovation services** to foster internal innovation



Celebrate
Innovation.
Entrepreneurialism.
Courage.

Awarded annually by the CEO to individuals/teams whose achievement best **delivers on SAP's vision and strategy**

Every employee can submit **breakthrough innovations**, which are reviewed in a multi-stage selection process

Our innovation ecosystem

We continuously engage our **start-up, partner, university, and customer ecosystem** to identify and act fast on relevant trends and drive co-innovations



Academic relations



Startups and partner



Customer co-innovations