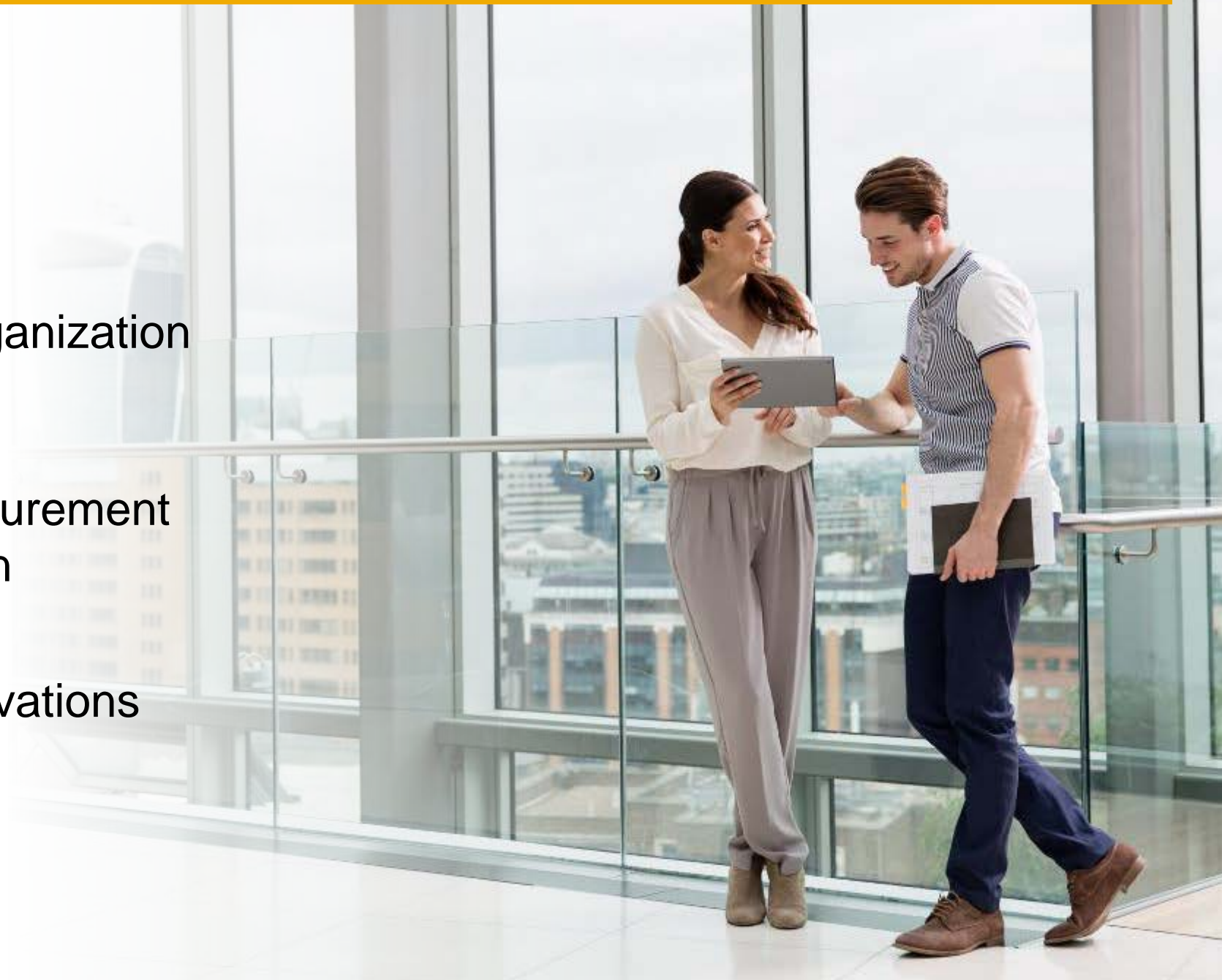


The SAP Procurement Function Between Strategic Procurement and Procurement Shared Services

Martin Vajdl, Procurement Solutions Excellence, SAP SE
October 29, 2015

Agenda

- 1 SAP's Procurement Organization at a Glance
- 2 SAP's Evolution of Procurement from Service to Function
- 3 Future Trends and Innovations in Procurement



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1 **SAP's Procurement Organization at a Glance**

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Source-to-pay at SAP

Key facts and spend distribution by region and category (2014 data)

74,000+
Global SAP employees

475
FTE in P2P

22,000
Global suppliers

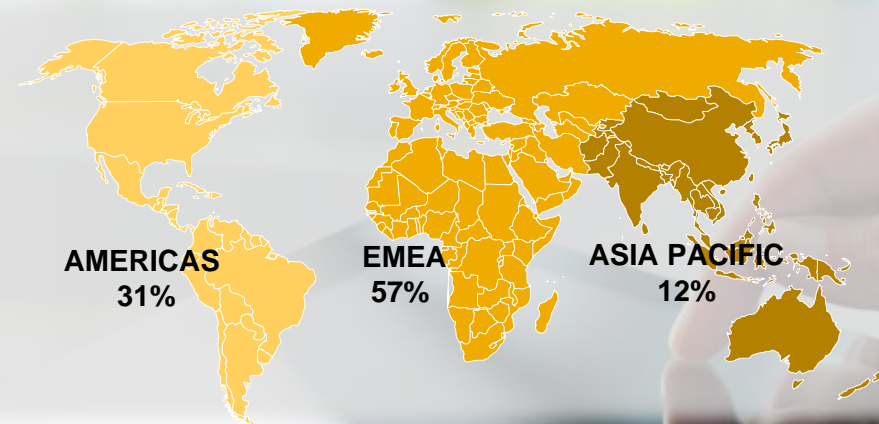
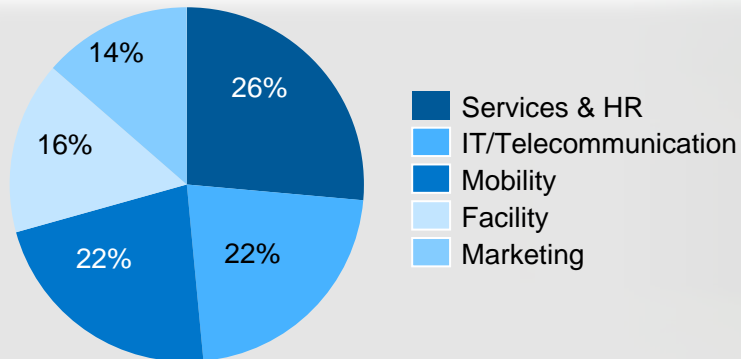
>970,000
Trip entries

€17.6 billion
Revenue

€3.8 billion
Spend

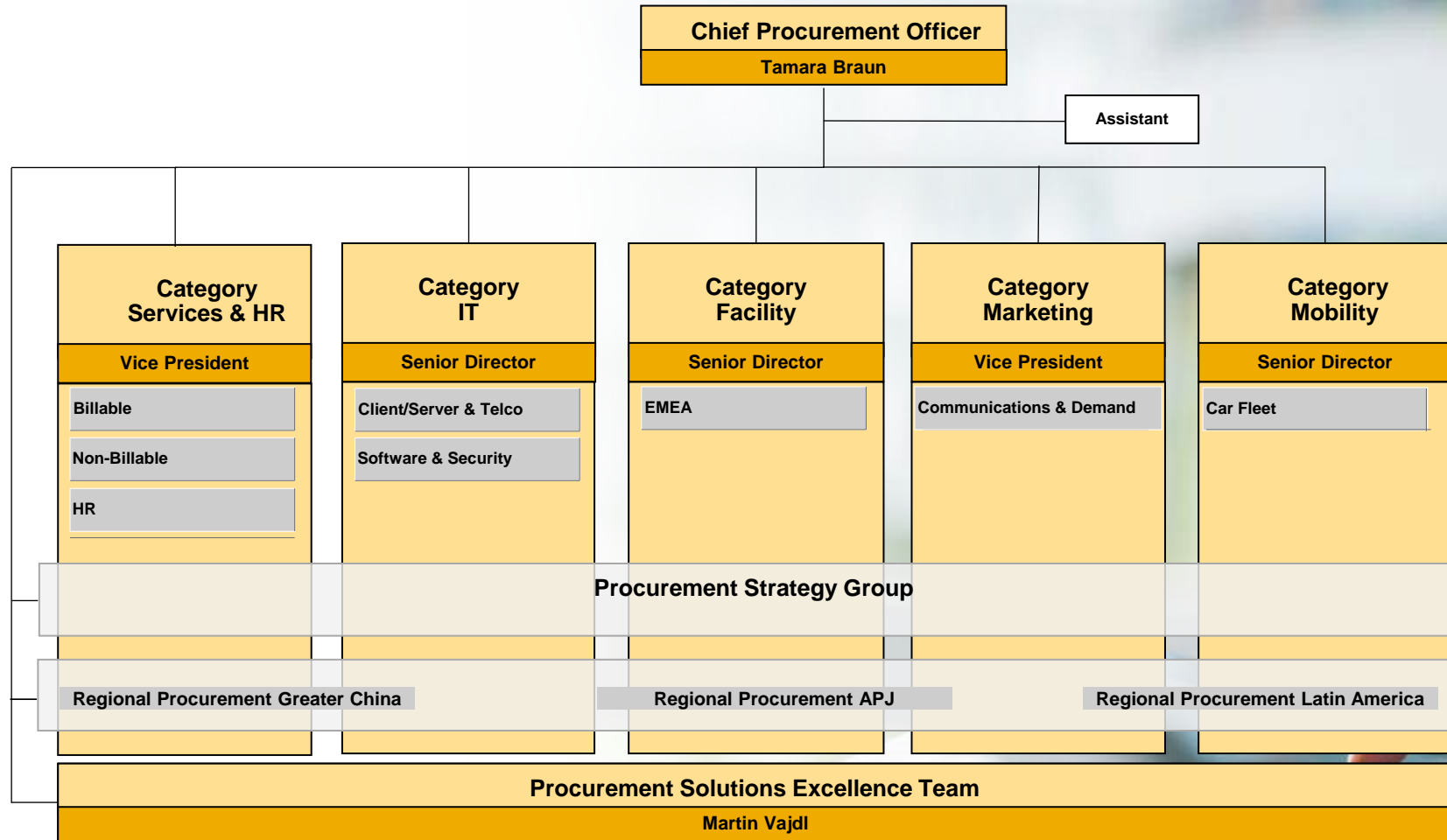
750,000
Annual invoices

>500,000
PO line Items



Global Procurement Organization at SAP

Organizational Structure



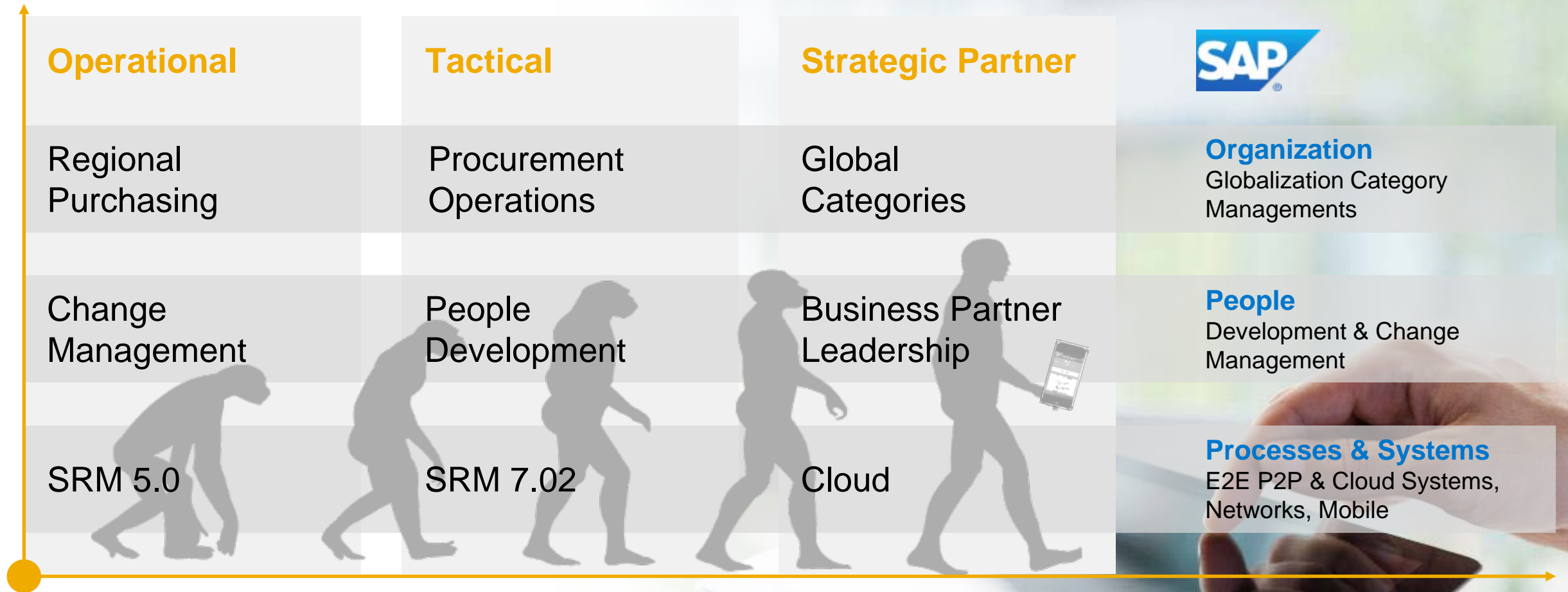
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Evolution of Procurement at SAP towards a Strategic Function

The Transformation Journey towards Run Simple and Business Value Enabler Role



Evolution of SAP's Procurement Function

Organization Source-to-Pay, People Development and Change, Processes & Systems: Cloud only

Organization & People

Globalization Category Managements

Source-to-Purchase

Strategic and Tactical Procurement

Purchase-

Operational Procurement

to-Pay

Accounts Payable and Travel & Expenses

Processes & Systems

E2E P2P & Cloud Systems, Networks, Mobile

Ariba for Goods, Fieldglass for Services and Concur for Travel



Ariba Network – the world's business commerce network

Enabling connectivity, collaboration, and business agility



>1.9 M

Companies



8.8 M

Users



\$874 B

In annual
commerce



102 M

Transactions
(PO + invoices)



349 M

Catalog items



1.38 M

Contracts

Achievements:

Source-to-Pay Automation, Business Networks and Shared Services

Streamline entire Source-to-Pay Process

- Leverage economies of scale and control through shared services
- Cut costs through automated data extraction and process automation
- Create workforce efficiency through streamlined processes including mobile approvals
- Reduce errors at the source
- Improve working capital management through better visibility to cash requirements
- Optimize cash discount utilization including dynamic discounting

Achievements: Facts & Figures

3 Months

Implementation Time

>4,796

Suppliers on ARIBA Network

302,000

Documents transmitted

50%

Increase in Automation

20%

Productivity gain

>1.1bn

Purchase Order value sourced

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Accelerating Technological Change

Business landscape transformation 2020 is increasingly digital and networked

Last 2 years



Next 2 years



End of 2020



By 2020



In 2020



¹ ScienceDaily. ScienceDaily, 22 May 2013

² Technology Adoption Report: Business Networks, Ardent Partners, 2014

³ Internet of Things (IoT) 2013 to 2020 Market Analysis: Billions of Things, Trillions of Dollars, IDC, 2013

⁴ Statista, 2014

2015 Outlook and Path to 2020 – Run Simple, Simple Wins

Fast cloud growth, growing highly predictable revenue and operating profit

Across **25** industries

in **180** countries

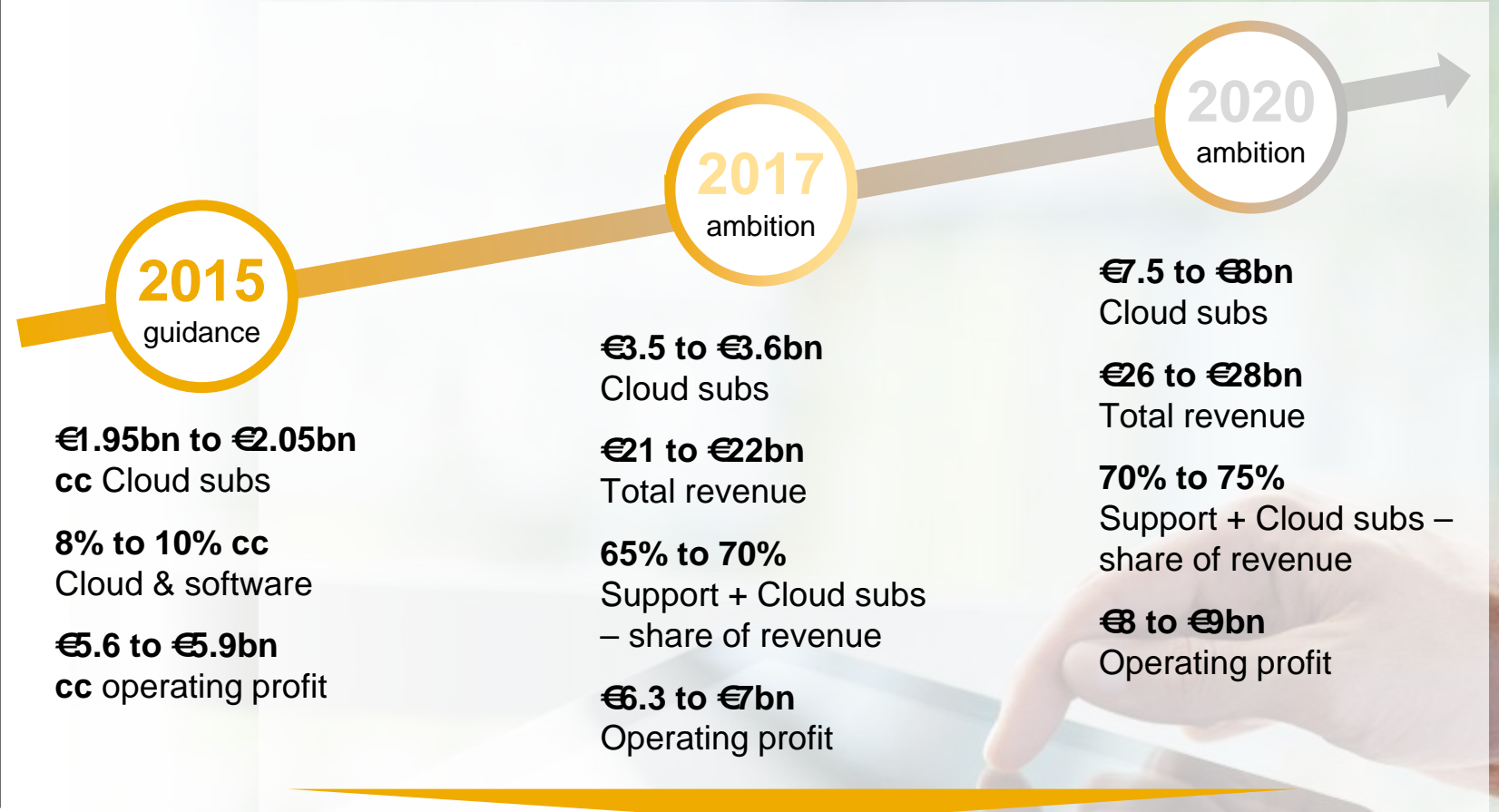
253,000 customers

70+ million Cloud Users

40+ million On-premise users

74,400+ employees

17,6bn € Revenue full year 2014 (IFRS)



Procurement and Shared Services with end-to-end process automation are key for SAP to support operating profit ambition



Thank you

