The CoE of the Future
Secure the Value of your SAP Investment

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Global Customer COE Program Owner, SAP SE
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Where are we now...
and how have we been coming here?
The IT World is Changing Significantly and in Faster Cycles

**IT 1.0**
- Computerization of “analog” business processes
- **DIGITAL**
- ≈ 1972

**IT 2.0**
- Humans in focus: Social Networking
- **GLOBAL**
- ≈ 2004

**IT 3.0**
- Machines in focus: Internet of Things
- **REAL-TIME**
- ≈ 2015
What is the Impact of „Real-time Business“ on IT?

<table>
<thead>
<tr>
<th>FOCUS ON COMPETITIVE ADVANTAGES</th>
<th>SPEED OF SIMPLIFICATION AND INNOVATION</th>
<th>BUSINESS ORIENTATION OF IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Split between core business and innovation</td>
<td>„Pragmatism instead of Perfectionism“</td>
<td>(Virtual) team of business and IT architects</td>
</tr>
<tr>
<td>Decision making driven by business cases</td>
<td>Project GoLives in value waves</td>
<td>IT Operations is moving out of focus</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Value &amp; Control become a matter of course</td>
</tr>
</tbody>
</table>
Value and Governance will be the Drivers of the IT Lines of Business

Business Cases
Scoping & Prototyping
Business Potentials

BUSINESS KPIs

Business & IT Architects
Integrated Quality Management

IT Infrastructure & Operations
(Cloud and on-premise)

Projects

Deployment Quality
Deployment Speed
Integration with Operations

VALUE ROADMAP

Efficiency
TCO

QUALITY KPIs & BENCHMARKS
The IT of the Future

- E2E Business Process Architects
- IT Solution Architects
- E2E Business Process Owners
- IT Solution Owners = Integrated QM

- LOB Management
- User Hierarchy
- Testing Factory
- Training Factory
- ITSM Factory
- Infrastructure Factory
- Basis Factory
- Application Management Factory
- Release Management
- Project Factory

Mandatory Customer roles
Potential Partner roles
The Core IT Roles

Design and adjust business processes

- E2E Business Process Architects
- E2E Business Process Owners

Collect and evaluate change requests / business visions

Governance for Processes

Technical design (evolution and simplification)

- IT Solution Architects
- IT Solution Owners = Integrated QM

Governance of the IT Solution

Manage project/operations execution and quality

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Where will the Customer COE be in the Future?

- E2E Business Process Architects
- IT Solution Architects
- E2E Business Process Owners
- IT Solution Owners = Integrated QM

Mandatory Customer roles
Potential Partner roles
The Customer COE Deliverables

- Business Opportunities
- Value Roadmaps (Simplification & Innovation)
- Business Case creation
- Business KPIs
- Scoping and prototyping of new solutions
- Project control (deployment speed and quality)
- Integration of Projects and Operations
- Quality KPIs
- TCO & Efficiency

BUSINESS AND IT BECOME ONE (VIRTUAL) TEAM (= CUSTOMER COE) WITH COMMON TASKS

COE of the Future

E2E Business Process Architects
IT Solution Architects
E2E Business Process Owners
IT Solution Owners = Integrated QM
Customer COE Interaction

Business

Business & Quality KPIs

Quality KPIs

Project

Business Requirements

Business Blueprints

Quality Control

COE of the Future

Factory Support

Change Requests

Quality Control

Quality KPIs & Benchmarks

Operation

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Customer Survey: How Will Your IT Department Look Like in 10 Years (CG 2016)

<table>
<thead>
<tr>
<th>Option</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT department is organized centrally and is purchasing almost all services externally</td>
<td>12,20%</td>
<td>10,3%</td>
</tr>
<tr>
<td>IT department is organized centrally and is providing almost all services internally</td>
<td>4,80%</td>
<td>5,5%</td>
</tr>
<tr>
<td>IT department is organized de-centralized and is attached to the business departments. Almost all services are purchased externally</td>
<td>2%</td>
<td>2,7%</td>
</tr>
<tr>
<td>IT department is organized de-centralized and is attached to the business departments. Almost all services are delivered internally</td>
<td>2%</td>
<td>2,7%</td>
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The COE Charta

CUSTOMER COES MUST ACT AS SERVICE PROVIDER AND AS ENABLER FOR BUSINESS INNOVATION

Targets:

- Optimum IT Operations
- Integrated Quality Management cross borders
- Business and IT are ONE team
- All decisions are made conciously and with transparency
- Common methodology to identify new business models using real-time technologies
- Clear roadmaps and efficient value realization
The challenges for modern COEs
What does the Business Expect from a **Service Provider**?

**IN A NUTSHELL:**  
**EFFICIENCY, TRANSPARENCY & BUSINESS ACUMEN**

**In Detail:**

- Cost transparency and control
- Sophisticated responsibilities
- End-to-end IT process definitions
- IT process efficiency and quality control
- Cross-process integration
- Business connection and integration
- Value-of-IT reporting
And the Expectations Towards a Business Innovation Enabler?

IN A NUTSHELL: ONGOING RENEWAL OF BUSINESS OFFERINGS

to ensure competitive advantage and increase revenue and profit

In Detail:

- Bring together business visions and technical expertise (partners on eye level)
- Identify new business scenarios
- Scope realizability of business visions
- Fast prototyping and constant evolution
- Keep up-to-date with technological developments
- Business case driven roadmap
The Elements of Change for COEs as Service Providers
How can the COE become an Ideal Service Provider?

- Basic Supportability
- Governance & Organization
- End-to-End IT Process Maturity
- IT Budget Control
- Integrated Quality Management
- Value-of-IT Reporting
Remember
Efficiency, Transparency & Business Acumen

COE as Service Provider

- Integrated Quality Management
- Single Source of Truth
- E2E IT Processes
- Governance
- Total Cost of Operations
- Minimum Supportability

Q U A L I T Y
T R A N S P A R E N C Y
E F F I C I E N C Y
A C C O U N T A B I L I T Y
C O N T R O L
H E L P
What is the **Benefit** of These Elements?

<table>
<thead>
<tr>
<th>MINIMUM SUPPORTABILITY</th>
<th>TOTAL COST OF OPERATIONS</th>
<th>GOVERNANCE</th>
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</thead>
<tbody>
<tr>
<td>Get help if help is needed</td>
<td>Cost transparency and cost control</td>
<td>Organizational flexibility &amp; Accountability for all topics</td>
</tr>
</tbody>
</table>

**Success factors:**
- Expert system access
- Incident Management
- Solution Documentation
- Root-Cause-Analysis

**Success factors:**
- Complexity reduction
- Operational excellence
- Sourcing optimization

**Success factors:**
- Operations Model
- Organization Model
- Role Model
What is the **Benefit** of These Elements?

**E2E IT PROCESSES**

- Efficiency & Stability for operations and projects
  - Success factors:
    - Standardization/Harmonization
    - Automation & Proactivity
    - Quality Orientation
    - End-to-End Stakeholder Integration

**SINGLE SOURCE OF TRUTH**

- Reportability & Reproducability
  - Success factors:
    - Unique KPI/SLA Ownership
    - Tool Integration

**INTEGRATED QUALITY MANAGEMENT**

- Visibility of Value of IT & Continuous Improvement
  - Success factors:
    - Cross-process & cross-organization Quality Managers
    - KPIs & Benchmarks
The elements of change for COEs as Business Enabler
How can the COE become an Ideal Business Enabler?

New Business Enabler Roles

Align Business Visions and Technology

Team up with the Business

Scoping and Prototyping

Roadmap for Business Transformation

Value Realization
Remember: Ongoing **Renewal of Business Offerings**

**Value Realization**

**Transformation Roadmap**

**Business Model Discovery**

**Business Innovation Driver**

**COE as Business Innovation Enabler**

**DEPLOYMENT**

**BUSINESS PLAN**

**OPPORTUNITIES**

**OWNERSHIP**
## What is the Benefit of These Elements?

<table>
<thead>
<tr>
<th>Business Innovation Driver</th>
<th>Business Model Discovery</th>
<th>Transformation Roadmap</th>
</tr>
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<tbody>
<tr>
<td><strong>Ownership / Business &amp; IT Alignement</strong></td>
<td><strong>New business scenario opportunities</strong></td>
<td><strong>Digital Business Use Case Roadmap</strong></td>
</tr>
<tr>
<td>Success factors:</td>
<td>Success factors:</td>
<td>Success factors:</td>
</tr>
<tr>
<td>• On eye level with the business</td>
<td>• Combine business visions and technological expertise</td>
<td>• Fact based decisions</td>
</tr>
<tr>
<td>• Common language of business and IT</td>
<td>• Business case and feasibility study for each opportunity</td>
<td>• Four Panel Approach (Run Better, Use Better, Extend Use, Build New)</td>
</tr>
</tbody>
</table>
What is the **Benefit** of These Elements?

**Value Realization**

**Efficient & Value Oriented Deployment**

Success factors:
- Deployment methodology & tool box
- Value Management
- Business oriented COE Charta
- Skill Management
Summary
Roadmap for IT Transformation

Business Innovation Enabler

- Align Business Visions and Technology
- New Business Enabler Roles
- Value-of-IT Reporting
- Integrated Quality Management
- End-to-End IT Process Maturity
- Governance & Organization
- IT Budget Control
- Basic Supportability

Roadmap for Business Transformation

Scoping and Prototyping

Service Provider

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THANK YOU!

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