

The Intelligent Manufacturing Enterprise Thriving in the Experience Economy

Georg Kube, SAP 2. April, 2019







Create superior customer experiences. Through tailor-made solutions. Delivered at scale. And as a service.

Customer centricity



Serving the "Segment of One"



Digital smart products



Digital supply chain and smart factory



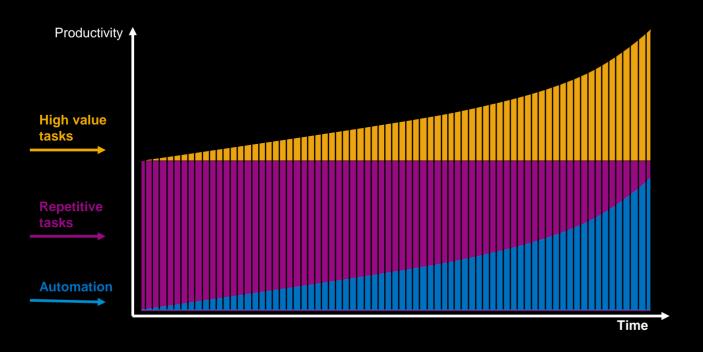
Servitization and new business models



SAP point of view: Intelligent Enterprises will lead the way . . .



"Intelligence is the ability to learn from experience, anticipate problems, and use knowledge to adapt to new situations."





Optimize existing processes for more efficiency or reliability



Extend current business processes beyond efficiency gains to capture new sources of value



Transform the company's value chain or business model

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... as they evolve their Strategic Priorities

Optimize



Move from disparate channels to true omnichannel interactions

Extend



Connect to products in use by customers for insight into performance

Transform



True 360° customer collaboration from demand to value

Create superior customer experiences through tailor-made solutions delivered at scale and as a service

- Customer for life relationships
- Shared risk and reward
- Seamless omnichannel interactions



Serving the "Segment of One"



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Closing the experience gap

- Annual survey showed that customers had small disappointing interactions at various moments.
- By measuring feedback at every touchpoint, Grundfos is able to follow up with unhappy customers and turn detractors into promoters.
- Grundfos sees the ability to create a seamless customer experience as a key differentiator in the crowded B2B space.



... as they evolve their Strategic Priorities

Optimize



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Transform



True 360° customer

collaboration from

demand to value

Connect functional

models to customers via

configure, price, and

auote

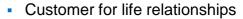
Introduce direct feedback

loop from product

enhancements based on

actual usage

Create superior customer experiences through tailor-made solutions delivered at scale and as a service





- Seamless omnichannel interactions
- Completely customized solutions
- Solutions tailored to individual customer needs
- Platforms and mass-customization
- Products self aware and connected
- Flexible configuration during operation
- Increased value from software

Customer centricity

Serving the

Digital smart

products

"Segment of One"

Move from disparate channels to true omnichannel interactions

Rationalize current

variants to platform and

configuration model

Connect to products in use by customers for insight into performance

Implement formal requirements for engineering and functional models

only services

Incorporate softwarebased features for increased flexibility and connectivity

Extend physical product functionality with digital



Digital supply chain and smart factory



Servitization and new business models

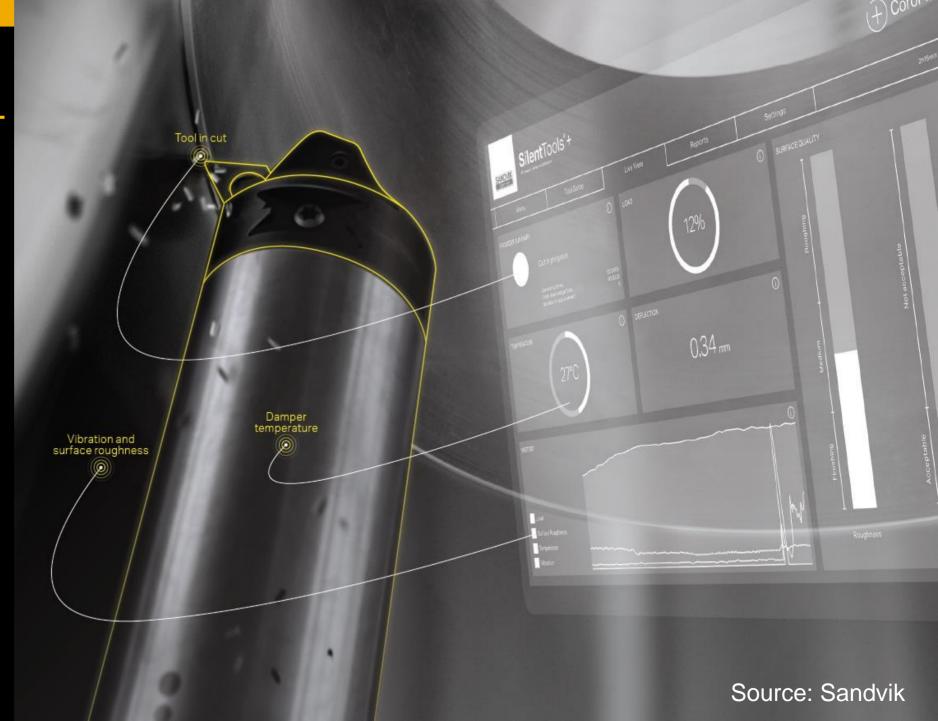
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Digitally enabled cutting tools

CoroPlus

- Platform for connected tools
- Optimize manufacturing through insight into what's happening in real time in the machining environment
- Monetize tools "as an application" through
 Entitlement Management



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Customer for life relationships



- Seamless omnichannel interactions
- Completely customized solutions
- Solutions tailored to individual customer needs
- Platforms and mass-customization
- Products self aware and connected
- Flexible configuration during operation
- Increased value from software
- Modular supply chain and manufacturing
- Direct connection to demand signals
- Automated shop floor cobots, drones
- Services based on value and data
- Multi-brand services
- Products "as a service"

Customer centricity

Move from disparate channels to true omnichannel interactions

Rationalize current

variants to platform and

configuration model

Incorporate software-

based features for

increased flexibility and

connectivity

Optimize supply chain

transparency and

enterprise connectivity

Connect to products in use by customers for insight into performance

Implement formal requirements for engineering and functional models

loop from product actual usage

Enable true modular

production process

Introduce direct feedback enhancements based on

Extend physical product functionality with digital only services

Increase machine-tomachine connectivity and

collaboration

Offer new digital services with the IOT Platform

Monitor condition of assets remotely

Pay for outcome services based on assessed risk and long-term value

Serving the "Segment of One"

Digital smart products



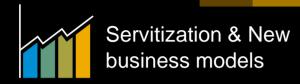
Digital supply chain and smart factory



Servitization and new business models

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Compressed air as a service

- Increased service efficiency
- Higher customer and dealer satisfaction
- Greater transparency across the installed base
- New digital services and business models

SIGMA AIR UTILITY

Just buy the air you need

Imagine that your new compressed air supply system required not a single cent of investment cost. You didn't need to fund it yourself or seek outside capital, yet the system is at the cutting edge of compressed air engineering technology and provides exceptional efficiency. Your compressed air supply is permanently guaranteed and the company's budget requirement for maintenance or repairs is zero. Sounds good? It is good. See and read for yourself!



You would hardly build a power station to meet your electricity needs. Why then would you invest your liquid assets to buy a complete compressed air supply system when you can opt for a SIGMA AIR UTILITY package from KAESER? We take care of everything from planning and installation, to system operation, maintenance and repair. This provides you with significant benefits: a reliable compressed air supply, maximum energy efficiency and complete cost transparency.

Everything from an expert source

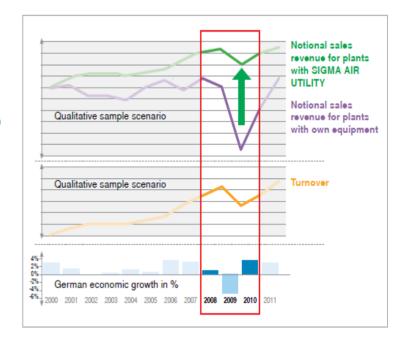
Compressed air is too important to production to risk leaving its supply to anyone other than proven specialists with extensive expertise. KAESER KOMPRESSOREN's hybrid service bundle is tailormade: After-all, KAESER not only provides application-specific system solutions designed by highly experienced compressed air specialists.

As a leading compressor manufacturer and compressed air systems provider, KAESER also offers the associated hardware – compressors, compressed air treatment systems and ultramodern compressed air management systems – and with globally recognised 'Made in Germany' quality. KAESER Teleservice, the logistics centre and our extensive service network improve compressed air uptime even further. Everything fits.

Transparent and reliable

Companies that only buy the compressed air they need instead of a complete compressor station enjoy maximum cost transparency. The price per cubic metre of compressed air is fixed contractually for an extended term, which provides a much more reliable basis for assessing costs than a complex blended calculation. The basic price over the term of the contract covers equipment and operating costs and use of a base volume of compressed air. Moreover, air consumption exceeding this base volume is charged at a contractually fixed price.





Source: Kaeser

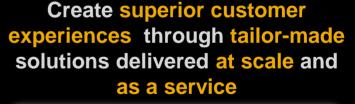
Manufacturing Enterprises evolve to become Intelligent Enterprises

Optimize



Extend





Customer centricity

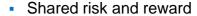
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Connect to products in use by customers for insight into performance

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Customer for life relationships



Seamless omnichannel interactions



Serving the "Segment of One" Rationalize current variants to platform and configuration model

Implement formal requirements for engineering and functional models

Connect functional models to customers via configure, price, and quote

Completely customized solutions

Solutions tailored to individual customer needs

Platforms and mass-customization



Digital smart products

Incorporate softwarebased features for increased flexibility and connectivity

Extend physical product functionality with digital only services

Introduce direct feedback loop from product enhancements based on actual usage

Products self aware and connected

Flexible configuration during operation

Increased value from software



Digital supply chain and smart factory

Optimize supply chain transparency and enterprise connectivity

Increase machine-tomachine connectivity and collaboration

Enable true modular production process

Modular supply chain and manufacturing

Direct connection to demand signals

Automated shop floor – cobots, drones



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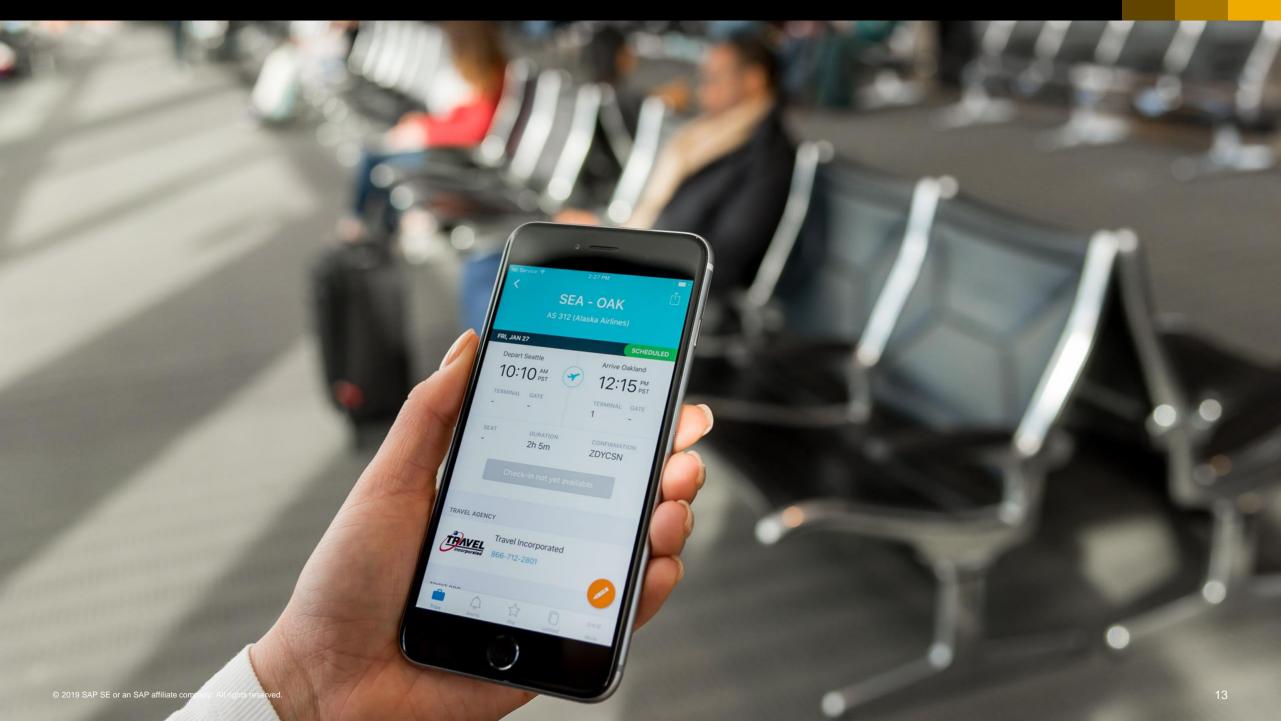
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Thank you.

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