

Drive your business with SAP S/4HANA® Cloud for automotive suppliers



A cloud solution for automotive suppliers

Despite uncertainty, automotive companies need to address how to run a profitable automotive business while continuing to invest in the future of a new, agile, mobility world. In this document, we describe the market realities facing automotive suppliers of all sizes and the solutions that SAP and Capgemini can deliver, including the SAP S/4HANA® Cloud solution for automotive suppliers. Moreover, we show how these solutions support our wider Intelligent Enterprise strategy for automotive and how you can extend automotive processes to the vertical edge to expand the value of your investments using digital technologies and a digital mindset.

Impact of industry disruption for automotive suppliers

Automotive suppliers are particularly vulnerable to market and technological changes. In today's environment, you need to optimize current operations and embed flexibility

and resilience into operations. Thus, you want a technology platform that can continuously adapt to meet the challenges of the future.

Supplier leaders need to ensure that existing operations can run efficiently. With OEM requirements changing and becoming more demanding, the ability to optimize lot size and build flexibility into processes becomes critical. Therefore, your goal is to focus on cost, quality, and delivery performance.

Unexpected business disruptions can place suppliers in danger. These include not only new threats such as pandemics, but also disruptions such as mergers, trade wars, changing customer preferences, and shifting technologies in vehicles. This means that having visibility into your supply chains globally to ensure that your commitments to deliver products can be met anywhere in the world is more important than ever.

Finally, embracing modern and intelligent technologies gives your business competitive advantages. Increased intelligent automation in the office and on the plant floor allows hard-won talent to focus on strategic problems rather than on tedious tasks.

SAP and Capgemini collaborate to support automotive suppliers

The magnitude of change is such that no supplier is immune from the need to innovate. In fact, regardless of the company size, taking advantage of new technology is the most effective way to meet the ever-growing expectations of OEMs and end customers.

How do leaders at automotive supplier companies embark on this digital transformation journey? SAP and Capgemini have united in a long-term partnership that is committed specifically to helping automotive suppliers achieve this vision. Our combined, decades-long experience in the automotive industry gives us a clear understanding of the challenges and opportunities that suppliers face. Together, we are providing a focused approach and solutions that can help suppliers of any size confront today's and tomorrow's challenges.

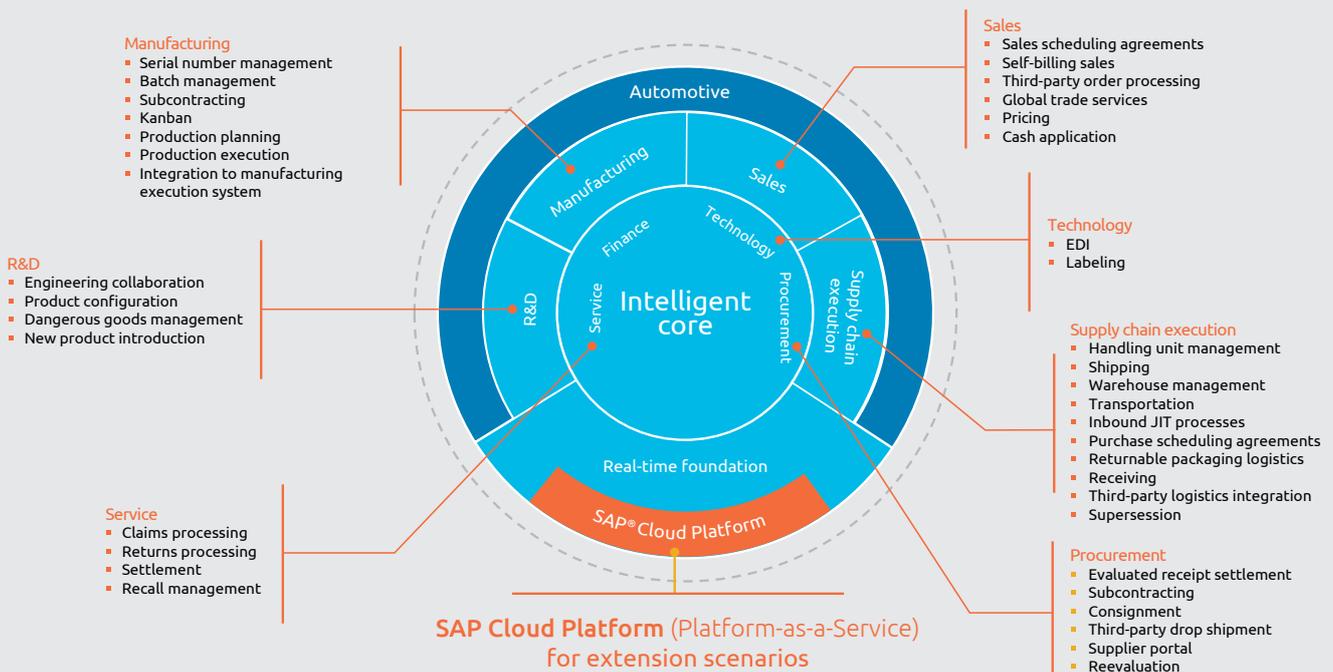
We are joining automotive suppliers of all sizes on a committed journey. Not only can we implement solutions rapidly, but our cloud-based solutions and platform also mean suppliers can adapt and deliver ongoing value as market realities change.

SAP S/4HANA Cloud for automotive suppliers

The SAP S/4HANA Cloud solution for automotive suppliers delivers the next generation in performance designed specifically for the needs of automotive suppliers. Offering end-to-end business process support across the entire value chain – from order to cash, through design to operate, to procure to pay – our solution streamlines processes and provides real-time visibility to manage your business intelligently.

Moreover, SAP and Capgemini are co-innovating to continue to deliver important features such as just-in-time (JIT) and just-in-sequence (JIS) functionalities in a solution that can be implemented rapidly.

Intelligent Enterprise strategy for automotive: SAP S/4HANA® Cloud



SAP's industry cloud: an open platform for innovation

In addition to providing end-to-end business process support on SAP S/4HANA Cloud, SAP has recently announced the extension of our Intelligent Enterprise strategy to industry cloud solutions. SAP's industry cloud offers a cloud platform for SAP and partners, such as Capgemini, to build solutions to extend end-to-end processes and enable innovative business models. SAP's industry cloud makes the data domains and business process enablement of SAP S/4HANA Cloud and other intelligent suite solutions, as well as our business networks, readily accessible through open APIs. They also provide technology libraries and content to accelerate innovation.

This innovation continues to grow with support from an application ecosystem. Customers and partners can readily develop applications to deliver additional value for automotive suppliers. These purpose-built solutions by SAP and our partners can help simplify the provisioning of high-value vertical solutions. Moreover, these solutions are interoperable with our intelligent suite and business network. By helping optimize and extend core business processes, we enable companies to derive enduring value.

Capgemini, in addition to co-innovating with SAP on SAP S/4HANA Cloud, has developed one of the first of these new-generation industry cloud solutions on the SAP Cloud Platform for automotive suppliers. The Capgemini Intelligent Assistant for Automotive, or CIA4AUTO, is based on machine learning specifically for automotive suppliers to discover deviations from normality in their supply chain faster than ever before. It helps them proactively react to unexpected disruptions. Capgemini has also developed libraries for EDI and labels so you can focus on innovation instead of compliance.

Enhanced benefits through the cloud

A cloud architecture allows automotive suppliers to manage the latest processes economically, enabling them to confront any business challenge.

With cloud-based IT, software updates and feature enhancements are introduced in a seamless and methodical fashion. Instead of waiting for months, updates become available as soon as they are rigorously tested. Therefore, software is never outdated or lacking in a critical feature. As a result of regular release cycles, automotive suppliers can be confident that they have the latest IT capabilities to run their companies.

Cloud economics are also more favorable. Instead of massive up-front IT costs, a more economical subscription gives smaller suppliers the chance to use leading-edge technology as a competitive differentiator. With faster implementation and fixed prices, cloud-based solutions are particularly attractive.

Moreover, by starting with preconfigured process support for many automotive-supplier-specific business needs embedded directly in the solution, the cloud offers suppliers a head start in implementation. With a solution that standardizes the basics and supports best practices, you gain much quicker time to value in the cloud world.

Highlights

Order to cash: SAP S/4HANA Cloud for automotive suppliers enables real-time insight into business processes and gives you the ability to adapt and automate order to cash. For example, you can now manage different types of sales scheduling agreements to cope with demand, supporting JIT or JIS processes. In addition, the solution provides an enhanced self-billing capability that not only allows the system to deal with discrepancies in deliveries and receivables but also automatically creates a clearing document. For added business risk management, if the value of such a clearing posting exceeds a specific tolerance limit, the solution can create a new open item for the difference amount. Most of all, these processes are enhanced with SAP® software's core strength in pricing, global trade, and direct integration into the books.

Design to operate: With SAP S/4HANA Cloud for automotive suppliers, your company gains a smooth process from product design to manufacturing and then into operations in the field. You can design parts and components, hand over the bill of materials, and seamlessly collaborate on design. With support for discrete, repetitive, and Kanban processes all in one place, you can produce products and manage costs to optimize profit. Finally, we offer enhanced service management, including predictive analytics, to ensure any issues are quickly if not proactively addressed.

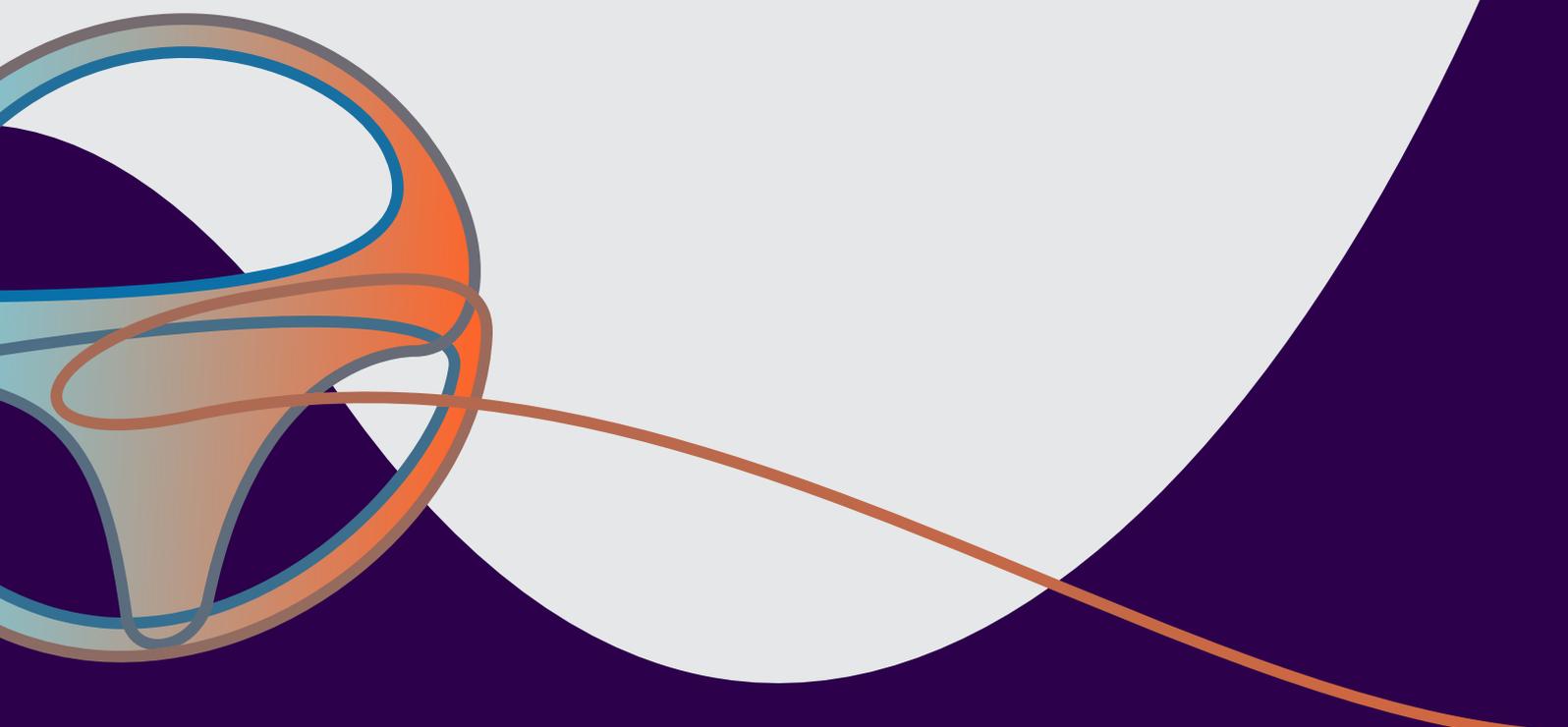
Procure to pay: Automotive suppliers are part of a complex and fast-moving supply chain. Managing those relationships will distinguish the leaders. A cost-effective and efficient procure-to-pay process provides the ability to manage cash flow effectively. With SAP S/4HANA Cloud for automotive suppliers, you have quick access to business operations such as evaluated receipt settlement, subcontracting, consignment, third-party drop shipment, supplier portal, and reevaluation. In addition, by integrating these processes into financials, you can manage your automotive supplier businesses through substantial disruption.

Implementation

SAP and Capgemini have completed a lot of complex SAP S/4HANA Cloud implementations. Now we have used this comprehensive experience to create a rapid implementation approach for automotive suppliers of all sizes and levels of complexity – specifically tailored to cloud solutions using Capgemini’s iCaptive and SAP’s Activate methodologies. The fit-to-standard approach uses a preconfigured solution as the basis for a specific project, reducing the amount of adaptation and configuration necessary and minimizing the time and cost of the implementation. Support for industry best practices helps ensure that companies get the maximum benefit and ROI and are prepared for future advanced capabilities.

After the initial phase, this methodology breaks up the implementation into different flavors for the essentials solution and the extended solution of SAP S/4HANA Cloud, making use of best-practice support from SAP and the Capgemini AutoPath solution.

We offer companies easy entry into the cloud space. To start engaging with us, you need only a very low level of commitment. Over a short time period, during the “Inspire” phase, SAP and Capgemini work with key players in your company to perform an assessment on the current state and requirements. The outcome is a much clearer picture of the next steps and a potential implementation road map.



Committed to the future

SAP and Capgemini have a comprehensive roadmap to create and enhance their solutions for automotive suppliers in the coming years. The functionality in SAP S/4HANA Cloud and on SAP Cloud Platform helps ensure that SAP S/4HANA Cloud for automotive suppliers remains a long-term part of your IT core. It can be a strong foundation for your company, enabling your organization not only to survive any future disruption but even to evolve to the next level: leadership in the automotive industry.



We see Capgemini as a valuable partner in the automotive supplier market due to its proximity to the automotive sector, delivery capability in SAP S/4HANA Cloud, and its ability to create innovation scenarios leveraging SAP's intelligent technologies, which are relevant to support the needs of clients today and equip them with the tools to survive in the disrupted economy of tomorrow."

Hagen Heubach

Global Head of Automotive Industry,
Business Unit, SAP



Facing significant industry disruption, automotive suppliers must continually innovate with their products and services while constantly improving efficiency."

Markus Winkler

Head of Global Automotive Sector,
Capgemini Group



About Capgemini

Capgemini is a global leader in consulting, digital transformation, technology, and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. A responsible and multicultural company of 265,000 people in nearly 50 countries, Capgemini's purpose is to unleash human energy through technology for an inclusive and sustainable future. With Altran, the Group reported 2019 combined global revenues of €17 billion.

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About SAP

As the Experience Company powered by the Intelligent Enterprise, SAP is the market leader in enterprise application software, helping companies of all sizes and in all industries run at their best: 77% of the world's transaction revenue touches an SAP® system. Our machine learning, Internet of Things (IoT), and advanced analytics technologies help turn customers' businesses into intelligent enterprises. SAP helps give people and organizations deep business insight and fosters collaboration that helps them stay ahead of their competition. We simplify technology for companies so they can consume our software the way they want – without disruption. Our end-to-end suite of applications and services enables more than 440,000 business and public customers to operate profitably, adapt continuously, and make a difference. With a global network of customers, partners, employees, and thought leaders, SAP helps the world run better and improve people's lives.

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