How reality TV transformed the industry’s business model

Reality television, which really took off in 2000 when Survivor hit US screens and Big Brother went beyond its Dutch home market to be sold around the world, started a revolution in TV business models.

In the past decade, TV talent shows have evolved into elaborate, multiplatform profit engines, different from anything the industry had previously seen. Chris Hackley, a professor of marketing at University of London, says Simon Cowell’s The X Factor offers “a marketing masterclass in leveraging publicity, branding media content and monetising consumer engagement”.

This year, more than 20 countries will produce versions of Cowell’s format. In the UK, the most recent X Factor final was watched by two-thirds of all British households whose TVs were turned on that night. The show, a co-production between Cowell’s company, Syco, News Corp’s Fox broadcast network and RTL’s Fremantle production arm, is alluring for brands: not only will massive audiences catch your 30-second messages in the ad breaks but, says Keith Hindle, Fremantle Media’s chief executive for the Americas, there is “an entire suite” of marketing opportunities on air and off.

Taking lessons from sports broadcasters, X Factor uses gladiatorial on-air competition and encourages a running commentary on social media sites to build the live audiences advertisers find increasingly hard to reach elsewhere. Pepsi, General Motors and Verizon take centre stage as sponsors on the US X Factor, echoing the prominence of Coca-Cola, Ford and AT&T on the rival American Idol.

Product integration goes way beyond a Coke glass on the judges’ desks but Hindle says audiences have yet to object. On American Idol, “we did a lot of testing, and we had expected a slightly negative reaction. What absolutely shocked us was that not only was it never raised as an issue but, when we specifically asked, there was no negative response and it was regarded as ‘smart business,’” he says.

Beyond advertising, revenues come from iTunes downloads and CD sales. X Factor artists have sold more than 100m records with tours generating more earnings. American Idol also makes money from video games and an American Idol Experience at Disney World.
“80% of our business is technology differentiating processes... if we’re not doing that – we are not in business “ – CIO, Global Retail Bank.

5 Key Mutually Reinforcing Enterprise Capabilities

**Business Responsiveness:**
Local regions should adopt global solutions – formal justification for local regions who don’t comply

**Process Optimization:**
Formalize owners (LOBs, etc), coordinate process teams, establish metrics, optimize your processes internally and externally

**Build Scale:**
Typically CosmoFirms spend 45% of IT budget on shared services compared to less than 25% for competition

**Coordination:**
Effective leadership committees, architectural governance, value tracking, project management, SLA(s) and change management

**Innovation:**
CoE(s) are one way for embracing innovation, as are new technology groups and systematic innovation process

Neptune Orient Line – 5th Largest Container Shipping Company with Revenues of USD 9.4B in 2010
340 Sites, 6 Continents, 10,000 Employees. ROA in 2010 was 9.2% vs Industry 1.4%

Goals

- **Coordination**: Overall responsibility for business value from organization
- **Innovation**: New digital value creation; includes business processes; data/info use, expertise and technologies
- **Responsiveness**: Meeting the needs of local business; includes region, business unit process, product, and customer
- **Optimization**: Business process optimization
- **Scale**: Economies of scale, simplification, reuse and digital platforms

Approaches

- **Government Mechanisms**: 5 committees- Steering, IT Working, Projects, Architecture, IT Management-plus IT Report Card
- **CoEs**: EDI, REMODEL project, SeeChange
- **Business/IT Relationship**: Field IT people in each region
- **Process Focus**: Application suite owners
- **Shares Services**: Single global infrastructure and operations

The Rise of Cosmofirms...

**Tata Motors**
- Established 1945 in India
- Goal: Safe transportation of all Indians
- Today: Revenue of $20.6B, owns JLR
- In the recession introduced ‘NANO’, sold at $2500 to 70,000 people
- 2009 - JLR lost $565M
- 2010 - Sales up 47%, $5.6B rev with $144M Profit

**Procter & Gamble**
- 170 Year old USA Company
- CPG with 2010 revenue of $79B with a net margin of 16%
- Compared to industry average of 6%
- 170 shared services for 6 hubs for 300 global brands
- Reducing cost by 33% via Shared Services and halving TTM over 12 yrs of operating
Challenges to becoming a Cosmofirm…

**Business View**
- Take advantage of new opportunities, with speed & differentiation
- Inefficient investments, low margins, competitive pressures. Do more with less attitude
- Inability to Grow, Lack of Innovation, No Business Agility

**IT View**
- Stuck in Day to Day operations mode. Fire fighting.
- IT inability to deliver on Business Demands. Constraints
Architecture SHOULD Evolve to Meet Changing Business Needs …

<table>
<thead>
<tr>
<th>Mainframe</th>
<th>Client-Server</th>
<th>Internet</th>
<th>SaaS</th>
<th>Cloud Mobility Big Data</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IT Architecture

Database-centric

EAI-centric

Service-centric

Operational Excellence

Business Agility

Integration of Core Processes

Global Rollouts & Integration of Business Partners

Disruptive Innovations

Cloud, Mobility, In-Memory

Ongoing Transformation of Processes and Business Networks with New Models

Operational Excellence

Heterogeneous Landscape (SAP, non SAP)

Orchestrated & API Oriented

Semantic Integration

On Premise

OnDemand

OnDevice
Mainframe
Monolithic apps
Centralized lifecycle
Dumb client
...
Central Application Artifact

Client-Server & N-Tier
Distributed App:
- Client
- Server/business logic
- Data
- ...
Distributed Artifacts

Composite Enterprise
Composite App:
- Multi-channel clients
- Orchestration
- Application logic
- Integration
- Services, data

Many Distributed Artifacts
SAP Overall Architecture (Goal)… What Is Yours?

Our Integrated Solutions Ensure Innovative Results

Our unique approach ensures consistency across all tiers – supported via orchestration making them fit together as “networked” solutions.

Our product strategy leverages in-memory, cloud & mobility which leverages our existing application platform, helping to minimize disruption to our customers.

How we deliver Innovation

We build
Industry lead in R&D investment

We integrate
Acquire companies that deliver innovation not legacy technology

We partner
Co-innovating new solutions and technologies

On Premise

On Demand

On Device

Technology Foundation
How An Enterprise Reference Architecture Supports The Business Ambitions / Goals

- Business Network Transformation
- Increased Agility
- Ease Outsourcing and M&A
- Increased Insight
- Process Innovation
- Business Process Productivity
- Business Process Quality
- Management of IT Complexity
- Development Efficiency
- Operations Efficiency
- Landscape Consolidation
- Reduction of Migration Risk
Benefits derived by Utilising a Reference Architecture

- Governance, Conformance & Compliance
- Standardisation & Localisation
- Simplification & Rationalisation
- Empowerment & Justification
- Visibility, Abstraction, Consistency & Reuse
Enterprise Reference Architecture Influencers…

- Stakeholders & Strategy
- Partners, Customers, Employees
- Competition
- Geography
- Government & Legal
- Process
- Costs
- Technologies
- Standards
- IT Infrastructure
- Software
- Vendors
- Trends
## Has Your Architecture Evolved to Meet Your Companies Needs?

<table>
<thead>
<tr>
<th>Yesterday</th>
<th>Today</th>
<th>New focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Model</td>
<td>One Business Model</td>
<td>Focus on differentiation and competitive competencies</td>
</tr>
<tr>
<td>Process Evolution</td>
<td>BPE/BPR Lean/SigSigma</td>
<td>&quot;need for value creation and realization&quot;</td>
</tr>
<tr>
<td>Process Focus</td>
<td>Commodity Processes</td>
<td>Process Differentiation/ High Value Processes</td>
</tr>
<tr>
<td>Link between Business Model and operational Business Processes</td>
<td>&quot;Missing Link&quot;</td>
<td>&quot;need to establish the link&quot;</td>
</tr>
<tr>
<td>Technology Evolution</td>
<td>Standardized Technology /Optimized Core</td>
<td>Business Modularity and Business Agility</td>
</tr>
<tr>
<td>Enterprise Architecture</td>
<td>Integrate, Standardize, Simply, Optimized</td>
<td>Value Creation</td>
</tr>
<tr>
<td>Business Competencies</td>
<td>Focus on capabilities</td>
<td>Focus on capability and resources</td>
</tr>
</tbody>
</table>

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Stages of Business Network Transformation Maturity
Architecture supporting the business strategy

- Siloed Enterprise
  - Disparate Applications
  - Email
  - Departmental Analytics

- Integrated Enterprise
  - Enterprise Resource Planning
  - Corporate Portal
  - Operational Analytics

- Extended Enterprise
  - Business Suite
  - User-centric Collaboration
  - Performance Management

- Business Network
  - Business Process Platform
  - Community Networks
  - Business Network Performance and Risk Management

Competitive Advantage
Enterprise Reference Architecture Concepts…
Transformation of Solution Architecture

**As-Is Architecture**

- **Process is fragmented across multiple disparate systems**
- **Point to point connections are rigid and costly**

**To-Be Architecture**

- **Process is captured in a coherent, easy-to-change reusable set of composites**

---

**Traditional Architecture**

- Partners
- Production Planners
- Accountants
- Customers

**Service-based ERA**

- Partners
- Production Planners
- Accountants
- Customers

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### ERA Core Principles

<table>
<thead>
<tr>
<th><strong>Edge Applications</strong></th>
<th>Composite Applications which are unique to your business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumption Enablement / Multi-channel / UI / Presentation Layer</strong></td>
<td>Access capabilities anywhere on any client / device technology</td>
</tr>
<tr>
<td><strong>Business Activity Monitoring</strong></td>
<td>Real-time insight into activities associated with end to end business processes</td>
</tr>
<tr>
<td><strong>Events / CEP / EDA</strong></td>
<td>Occurs at a specific time, duration and can detect patterns, correlates and generate actions based on inputs</td>
</tr>
<tr>
<td><strong>Process Orchestration</strong></td>
<td>Integration &amp; orchestration of heterogeneous systems into end-to-end business processes</td>
</tr>
<tr>
<td><strong>Composition</strong></td>
<td>Supporting &amp; coordinating the composing of multiple services within one or more applications</td>
</tr>
<tr>
<td><strong>Reusability</strong></td>
<td>Logic split into services that can act independently, also work collectively and promote reusability in architecture</td>
</tr>
<tr>
<td><strong>Autonomous</strong></td>
<td>Loosely coupled services have control over the logic they actually encapsulate</td>
</tr>
<tr>
<td><strong>Loose Coupling</strong></td>
<td>Minimizes dependencies and impact on change, while maintaining a relationship of awareness of what it represents</td>
</tr>
<tr>
<td><strong>Abstraction / Facades</strong></td>
<td>Hides complexity from the outside world through a more simplified way of exposing capabilities</td>
</tr>
</tbody>
</table>
Reference Architecture “Domains”

Conceptual:
• Highest level maps organization strategy onto IT

Capabilities:
• Defines the qualities/capabilities of the components of the architecture, i.e. QoS etc.

Logical/Functional:
• Defines the logical and/or functional components of the RA, perhaps the 1st “concrete” model for use by architects & developers

Implementation:
• Defines the actual implementation of the various functional components, may introduce architectural patterns and address concerns such as scalability, CAP etc.
• Architecture = Components + Interfaces(*)
• Service > Platform > Application > Data

Deployment:
• Defines the concrete deployment topologies of components in operation

(*) http://hub.opensolaris.org/bin/view/Community+Group+arc/bp-arch-components-interfaces
Reference Architectures, Application & Frameworks
There Are Several ERA & Methodologies Out There...

NIST

TOGAF

ZACHMAN

CORA

What | How | Where | Who | When | Why
---|---|---|---|---|---

Strategies & Themes

Executive Leaders & Owners

Architects & Designers

Engineers & Builders

Technicians & Particpants

Inventory Sites | Process Transformations | Network Nodes | Organization Groups | Testing Periods | Motivations Reasons

Channel Access

Presentation

Composition

Integration

Application

Security & Compliance

IT Governance
A Proven & Pragmatic Methodology Coupled with A Reference Architecture To Ensure Alignment, Visibility, etc

SAP’s approach to RA based upon SAP ASAP Methodology

- Enables the right approach in the right sequence aligned to customers typical ways of delivering
- Defines the key capabilities required at each Gate
- Iterative Approach embracing traditional values with modern principals

**PLAN**
Comprises capabilities, tools and methodologies to document, analyze, plan and optimize the enterprises business process evolution, including manual and automated processes and governance over time.

**BUILD**
Provides the environment to model, develop and test the automated process support based on the planning in iterative steps.

**RUN**
Enumerates the capabilities that are required to run the planned and built automated process support by IT infrastructure.

**MANAGE**
Comprises all tools and procedures to manage the running automated business processes.
ERA Provides Capability Mapping to Methodology

**PLAN**
Comprises capabilities, tools and methodologies to document, analyze, plan and optimize the enterprises business process evolution, including manual and automated processes and governance over time.

**BUILD**
Provides the environment to model, develop and test the automated process support based on the planning in iterative steps.

**RUN**
Enumerates the capabilities that are required to run the planned and built automated process support by IT infrastructure.

**MANAGE**
Comprises all tools and procedures to manage the running automated business processes.
Capability Overview

Enterprise Modelling

• **Enterprise Architecture:** All activities from define, analyze, optimize the system landscape and the protocols between systems

• **Organizational Governance:** *Structures* (tasks, roles, CoE, etc), *Process* (BPM as a methodology, service exposure, etc), *People* (Skills, knowledge mgmt, gaps, upskilling, etc)

• **Broader Governance:** All topics in a sustainable way.

Methodologies

• Agile & Iterative vs traditional, Frameworks like EAF, TOGAF, Zachman, etc

Portfolio Management

• Transparent investment decision

• Ensure right balance between strategic priorities, market conditions, opportunities, architectural innovations and available resources.

Comprises capabilities, tools and methodologies to document, analyze, plan and optimize the enterprises business process evolution, including manual and automated processes and governance over time.
Capability Overview

**Integrated Development Environments**
- Frameworks for productivity (hibernate, spring, etc)
- Version control, Traceability, Auditing, Multi-platform Support
- Development Languages & Interoperability at the Semantic Level
- Mixed Environments (OnPremise vs OnDemand)

**Repositories & Registries**
- Service Definition, Discovery & Architectural Approach
- Service Contract Management (SLA) & Lifecycle

**Testing Platforms, Approaches & Harnesses**

**Build Governance & Cycles / Approaches**
- Transport protocols for landscapes (dev, test, prod, hot stby)
- Support methodologies being applied and changed

Provides the environment to model, develop and test the automated process support based on the planning in iterative steps.
Capability Overview

Service Consumers
- Device interaction
- System interaction
- Application interaction
- Human interaction
- OnDemand services

Service Infrastructure
- Composition capabilities
- Orchestration capabilities
- Information capabilities
- OnDemand capabilities

Service Providers
- Service & events
- Service enabled
- Non-Service enabled
- OnDemand services

Capabilities that are required to run the planned and built automated process support by IT infrastructure
Capability Overview

**Operations, Administration & Management**
- Operational Support Systems
- Business Support Systems

**GRC**
- Enterprise GRC activities, Access risk management, Global trade services
- Environment, health, and safety management, Sustainability performance management

**Virtualization & Cloud Mgmt**
- ‘Bursting’, Scale Out / Down
- Business Support Systems

**Security**
- Across all tiers (OP,OD,Devices)
- Federated SSO & IDM
- Integration across landscapes

Comprises of all tools, governance and procedures to manage the running automated business processes.
Applying the Enterprise Reference Architecture in specific Scenarios (Value Based Architectural Patterns)
## Value-based Architecture Approach

### Architectural Patterns

<table>
<thead>
<tr>
<th>Orchestration</th>
<th>Process Orchestration</th>
<th>Extend and integrate their business processes on top of SAP Business Suite investments to improve operational efficiency, gain end-to-end process insights, without impacting core business processes running in SAP. Provides visibility and ability to automate and improve end-to-end processes such as corporate banking reconciliation, HR on-boarding and provisioning, and supply-chain collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orchestration</td>
<td>Lifecycle Management</td>
<td>Lifecycle Management focuses on Application Lifecycle Management (ALM) which refers to all processes employed by a solution operator to design, build, test, operate, and optimize SAP solutions (similar to the ITIL process standard).</td>
</tr>
<tr>
<td>Orchestration</td>
<td>Customization &amp; Implementation</td>
<td>Customization and Implementation is the mechanism to quickly adapt business processes implemented in the Standard Software to the individual needs of a customer. Intends to lower the TCI by offering out-of-the-box best fit implementations</td>
</tr>
<tr>
<td>Orchestration</td>
<td>Data Management</td>
<td>Federated data management ensures the availability of high quality data (complete, consistent, up-to-date, correct) during the execution of an end-to-end business process. Covers Master Data, Organizational Data, Configuration Data and Transactional Data</td>
</tr>
<tr>
<td>Consumption</td>
<td>Collaboration</td>
<td>Collaboration supports people in working together by connecting and interacting, by sharing information, by defining joint goals, and by pursuing them together</td>
</tr>
<tr>
<td>Consumption</td>
<td>Analytics – Insight 2 Action</td>
<td>Insight-to-Action gives business users instant access to analytical information, thus enabling them to take action within the context of business processes</td>
</tr>
<tr>
<td>Consumption</td>
<td>Consumer - grade UX</td>
<td>Consumer Grade UX means highly competitive, beautiful and delighting User Interfaces and overall positive perception of SAP software for end-users and administrators with easy configuration and personalization across all channels</td>
</tr>
<tr>
<td>Consumption</td>
<td>Mobile</td>
<td>Mobile Access enables users to access business processes and information from everywhere</td>
</tr>
<tr>
<td>Cross</td>
<td>Cloud &amp; Virtualization</td>
<td>Extend the reach of systems and applications through cloud based access, ultimately reaching everybody everywhere in entirely new ways</td>
</tr>
<tr>
<td>Cross</td>
<td>Security</td>
<td>Security ensures the easy and secure access to business processes and information: distributed personalization</td>
</tr>
</tbody>
</table>
Value-based Architecture Design

What all enterprises strive to deliver...

...Value!
## Value-based Architecture Design – Introduction

| Megatrends | Why do megatrends matter? Megatrends are the forces in societal development that will very likely affect the future in all areas the next 10-15 years. Megatrends with CIO and CTO relevancy: **Globalization**, **Technological Development**, **Acceleration** and **Network Organizing**. Information Technology-oriented, Megatrends; **TCO**, **M&A**, **Shared Services**. Read more in the Megatrend Appendix. |
| Supporting Business Strategies | Articulates the direction the business will pursue and the steps it will take to achieve its goals. The business strategy results from goals established to support the stated mission of the business. A typical business strategy is developed in three steps: analysis, integration and implementation. |
| IT Strategies | Traditionally explains how technology should be used as part of an organization's overall corporate strategy and each business strategy. For IT, the strategy is usually formulated by a group of representatives from business and IT. Often the Information Technology Strategy is led by an organization's Chief Technology Officer (CTO). |
| Value Determination | explaining SAP’s solutions and solution strategy by features & functions only has become tough, if not almost impossible. Thus, customers need additional arguments to increase their motivation to engage with SAP, i.e. the value created by a solution and solution architecture. IT investment decisions are increasingly viewed like other financial decisions: they need to create new benefits. Selling software without a proved and validated business case will become the exception rather than normality |
| Architectural Uses Cases | SAP has defined selected architectural use cases which can be isolated from each other, and designed, measured and optimized to support customer’s IT Strategy. |
## Value-based Architecture Design – Megatrends

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TCO – Get Down on It</strong></td>
<td>When cost-cutting or reinvention is vital for survival, reducing RUN RATE is a critical success factor. SAP can help lower your operations costs with SAP Technology Platform and share your experiences. In this area you can learn how SAP could help you understand and recommend which solutions and best practices can support reducing ongoing costs and identify the “potential” financial impact and savings for your organization.</td>
</tr>
<tr>
<td><strong>Globalization – The World in Your Hands</strong></td>
<td>The effects of a global market affect each of us, in business, socially and economically. Learn what SAP is doing around globalization and how we can support your Strategic Business goals, and align with compelling IT strategy.</td>
</tr>
<tr>
<td><strong>Mergers &amp; Acquisitions</strong></td>
<td>Whether you are acquiring or being acquired, it is critical that you organization achieves one corporate strategy and executes accordingly. Engage SAP to get insights on M&amp;A and learn which IT Solutions supports the full M&amp;A process.</td>
</tr>
<tr>
<td><strong>Shared Services – The Art of Sharing</strong></td>
<td>Shared services has gained momentum as a way to reduce costs and improve effectiveness within an organization. SAP can help support and drive your success while in a shared services business model. See what SAP is doing on this strategic topic.</td>
</tr>
</tbody>
</table>
Value-based Architecture Design – Business Strategies

Supporting Business Strategies – Although enterprise specific, there are groups of business strategies which can be seen as universal. They support enterprise’s vision and mission, and are often in line with known megatrends:

<table>
<thead>
<tr>
<th>Business Strategy (in cases = megatrends)</th>
<th>Description</th>
<th>Painpoints/Issues (AS-IS)</th>
<th>Expected Outcome (TO-BE)</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidate our enterprise</td>
<td>An enterprise that grew rapidly in a short period of time without unified business processes, IT, governance</td>
<td>Complex and heterogenous landscapes, diversified business processes, high TCO</td>
<td>Standardize processes, increase governance, simplification of IT landscape, lower TCO</td>
<td>P&amp;G, Swiss Railway</td>
</tr>
<tr>
<td>Grow our enterprise via Merger &amp; Acquisition</td>
<td>Enterprise which wants to grow topline by acquisition of products, people, market</td>
<td>Distributed IT systems, heterogenous business processes, different compliance rules sets, different data formats and quality</td>
<td>Fast and smooth integration company without business disruption</td>
<td>Solar, SAP</td>
</tr>
<tr>
<td>Retire non-strategic business units and increase the bottomline via Specialization</td>
<td>Enterprises which are global leaders in their industry with near-zero competition</td>
<td>Too expensive operation for non-core activities. Ex amplehuman-centric resources spend in high cost countries</td>
<td>Externalize and abstract non-core process from core business allowing easy ABC-costing /outsourcing</td>
<td>Adidas</td>
</tr>
</tbody>
</table>
# Value-based Architecture Design – IT Strategies

**IT Strategies** – Traditionally explains how technology should be used as part of an organization's overall corporate strategy and each business strategy. For IT the strategy is usually formulated by a group of representatives from both business and from IT. Often the Information Technology Strategy is led by an organization's Chief Technology Officer (CTO).

<table>
<thead>
<tr>
<th>IT Strategy (megatreds)</th>
<th>Description</th>
<th>Painpoints/Issues (AS-IS)</th>
<th>Expected Outcome (TO-BE)</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidate our enterprise</strong></td>
<td>An enterprise that grew rapidly in a short period of time without unified business processes, IT, governance</td>
<td>High TCO in operations, no process visibility, high cost and huge level of customization</td>
<td>Standardize processes, increase governance, simplification of IT Landscape, lower TCO</td>
<td>P&amp;G, Swiss Railway</td>
</tr>
<tr>
<td><strong>Grow our enterprise via Merger &amp; Aquisition</strong></td>
<td>Enterprise which wants grow top line by acquisition of products, people, market</td>
<td>Lack of unique capabilities to manage and control user-management, embedded and improve processes and poor master data management</td>
<td>Fast and smooth integration of acquired company without business disruption</td>
<td>Solar, SAP, P&amp;G</td>
</tr>
<tr>
<td><strong>Increase our top-line via organic growth, driven by R&amp;D / NPI (New Product Introduction)</strong></td>
<td>Grow through innovation, with short innovation cycles, huge proportion of revenue re-invested in R&amp;D</td>
<td>No collaboration framework to support virtual teams. Non-flexible process platform to support new BPM</td>
<td>Fast NPI. Scalability and TTM (Time-to-Market)</td>
<td>Apple, Eastmann Chemicals</td>
</tr>
<tr>
<td><strong>Retire non-strategic business units and increase the bottomline via Specialization</strong></td>
<td>Enterprises which are global leaders in their industry with near-zero competition</td>
<td>Expensive to develop differentiating applications and processes that can support niche business</td>
<td>Lean methodology to build custom apps on top of application layer - with low price-code and governance</td>
<td>Adidas</td>
</tr>
</tbody>
</table>
Value-based Architecture Design – Value Determination

SAP Enterprise Reference Architecture (ERA) v2.0

Architectural Use Cases

Value Drivers

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Value-based Architecture Design – Value Determination
Orchestration – Process Orchestration

<table>
<thead>
<tr>
<th>Standards</th>
<th>Customer (self) assessment</th>
<th>Effort in increase maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is your current solution Based on market standard</td>
<td>1</td>
<td>Low/No</td>
</tr>
<tr>
<td>Are the standards supported in all the areas of your solution</td>
<td>2</td>
<td>Yes/High</td>
</tr>
<tr>
<td>Does the standard support IT and Business processes</td>
<td>3</td>
<td>Low</td>
</tr>
<tr>
<td>Does your solution consume application content from your ERP</td>
<td>4</td>
<td>High</td>
</tr>
<tr>
<td>Solution(s) Coverage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does your current solution cover all requirements by business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does your current solution cover all requirements by IT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is your solution able to consume all IT hosted artifacts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Speed of your enterprise onboarding of new B2B business partner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost (feasibility) of onboarding of new business partner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you support full/end2end visibility of technical monitoring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can you visualize Business owned processes to all LoB’s</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does your solution interacts with your User Management system</td>
<td></td>
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<tr>
<td>Is your solution able to handle exceptions</td>
<td></td>
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<tr>
<td>Strategy</td>
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<tr>
<td>Does your enterprise articulated a Middleware/ESB Strategy</td>
<td></td>
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<tr>
<td>Does your enterprise have an enterprise wide BPM Strategy</td>
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Value-based Architecture Design – Value Determination
Orchestration – Process Orchestration

**Process Orchestration**

**Value Drivers**

**Strategic Benefits**
- Best Process Orchestration Solution for SAP customers due to native integration and intuitive composition of business processes
- Strategic building block of SAP’s SOA infrastructure
- Open and standards based solution ensures end-to-end scenarios even in heterogeneous environments

**Operational Benefits**
- Bridge the gap between business and IT though a direct path from business view to process execution
- Innovate processes rapidly through model-driven orchestration and flexible extensions
- Enable closed-loop insight to action through end-to-end process orchestration and visibility
- Best practices and predefined content delivered by SAP Business Suite reduce implementation costs
- One integrated platform serving multiple use cases ranging from classical EAI via flexible SOA to dynamic business network orchestration
Next Steps...
Bridge Strategy and Tactics to Find Your Way to Success

Strategy Targets
...Align the business strategic needs to IT solutions and plans

Organizational Targets
...Safeguard the build, implementation, rollout and deployment of the best solution scenario

Process Targets
...Translate goals into processes which deliver optimal value

Architectural Targets
...Establish a flexible and efficient enterprise architecture

Cost/Revenue Targets
...Enable a cost-conscious, value-driven IT operation
The Need to Align Business and IT

The complex system of an enterprise needs a constant adjustment to business objectives because of changing factors, internally and externally.
How BTS Builds on SAP ERA
Providing guidance for customers
BTS EA Customer Example
“EA excellence in aerospace” – roadmap design

Achieved Benefits
- Standardized solution sets that meets the autonomous divisional needs thus enabled speed of execution
- SAP Business Objects solution for faster decision making
- Flexible and Scalable Architecture that meets profitability goals

Addressed Challenges
- Increase agility, respond to changing market place
- Improve decision making
- Continue profitable growth and increase profitability

BTS Enterprise Architecture Approach
- Structured analysis of business goals and IT Strategy to yield clear business results
- Developed flexible, scalable future state architecture with a business plan to support it and a migration approach utilizing SLO toolset
- Combined Enterprise Architecture, Value Realization and System Landscape Optimization Services to identify substantial ROI

<table>
<thead>
<tr>
<th>Duration</th>
<th>FTE</th>
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<tbody>
<tr>
<td>10 weeks</td>
<td>6 Consultants</td>
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</table>
BTS EA Customer Example
“EA to enable adoptive manufacturing” – roadmap design

Achieved Benefits
- Target state SAP and BI architecture that supports business goals
- SAP Landscape design to meet increased business volume
- Risk mitigation through MaxAttention Program
- Recommendation on Legacy Systems migration to SAP solutions to eliminate systems limitations

Addressed Challenges
- Distributed SAP landscape with lack of target state architecture strategy
- Scalability of solution due to business growth
- Outdated Lifecycle Management results in slower project execution
- Legacy systems limitations

BTS Enterprise Architecture Approach
- Structured evaluation to come with a target state architecture that eliminates scalability issues and enable faster project execution
- Aligned Industry Best Practices with Customer Business Operating model to support scalable SAP ERP and Business Intelligence Systems

<table>
<thead>
<tr>
<th>Duration</th>
<th>FTE</th>
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<tr>
<td>8 weeks</td>
<td>3 Consultants</td>
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</table>
BTS ISS Customer Example
Enterprise Data Management Strategy fills the void

**Achieved Benefits**
- Developed EDM strategy to support diverse and complex IT environment
- Achieved agreement amongst senior management and high-level representatives to create EDM Organization
- Ability to support data integration and data quality initiatives across the company

**Addressed Challenges**
- Multiple instances of SAP and non SAP solutions supported by numerous system integrators with support contracts
- Difficult and costly to make changes
- No Enterprise-wide organization or decision-making structure
- Lots of legacy systems with lots of inconsistent and poor quality data

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**The BTS Information Strategy Services Approach**
- Established Trusted Advisor status with client through introduction of industry Best Practices for EDM
- Identification of a significant software and services SBO Data Services opportunity

<table>
<thead>
<tr>
<th>Duration</th>
<th>FTE</th>
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<tbody>
<tr>
<td>8 months</td>
<td>1 Consultants</td>
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</table>

BTS’s focus on a Best Practices approach has enabled the client to begin to develop their first enterprise wide Data Management strategy which will provide efficient and effective data governance and stewardship within the organization.

*SAP Client Partner, SAP Strategic Services*
BTS BSA Customer Example
Business Process Assessment and Design to improve ATP

**Achieved Benefits**
- Laying the foundation for long term business transformation
- Identification of measures to attain and maintain Order Fulfillment Metrics
- Adoption and consideration of best practices to eliminate process/system inefficiencies related to ATP capabilities

**Addressed Challenges**
- Conducted a short assessment of the issues surrounding “Available to Promise”
- Analyzed current processes, design and organizational elements
- Developed recommendations to address ATP issues and offered insight into best practices

**BTS Business Solution Architecture Approach**
- Leverage several aspects of SAP productized service offerings
- Evaluate customer’s ATP processes in detail, review the pain points and current configuration
- Develop actionable recommendations to address their issues/pain points around ATP

**Duration** | **FTE**
---|---
2-4 month | 1 consultant
The Engagement Plan with ERA – Your Road to Success!

Assessment of Business Needs

Analysis of Existing Landscape & Capabilities

Assessment of Business Needs

Develop Pragmatic Roadmap

Current ERA Baseline Analysis

ERA Strategy & Execution Baseline

Gap Analysis

ERA Strategy Foundation

Iterative

Understand Maturity

Define Governance Program, Setup CoE

Reuse / Throw Away

Focus on Leveraging Best Practises

Deliver Long-term Benefits
Thank You!