SAP Commercial Project Management
Make every project business a best-run business
Agenda

Motivation
Processes and Scenarios

Functional Overview
ü Project Workspace
ü Project Cost and Revenue Planning
ü Project Issue and Change Management

Summary
Q&A
## Business leaders need to digitally transform across five key pillars

### Assets and Internet of Things
- Analyze sensor data from products, and deliver outcome-based experiences
- Monitor assets on the factory floor to predict failure and decrease downtime
- Gain instant visibility into whereabouts of in-transit materials to drive new scheduling efficiencies

**How can I better utilize my products and assets?**

### Customer Experience Omnichannel
- Engage customers more personally with one-to-one marketing
- Personalize products and offerings by slicing and dicing customer data on the fly
- Predict customer behavior, and make context-relevant product recommendations

**How can I deliver an omnichannel experience?**

### Core Business Processes
- Move away from lengthy and time-consuming batch processes
- React quickly to market signals happening in real-time across the value chain
- Connect my enterprise to people, devices, business and social networks

**How can I digitize my core?**

### Workforce Engagement
- Attract and retain talent by clearly communicating business impact
- Enhance decision making with a cross-device, personalized user experience
- Gain full visibility into critical human resource gaps to prevent business disruption

**How can I better engage my workforce?**

### Supplier Collaboration and Business Networks
- Extend business processes, and deliver new value to customers
- Gain the flexibility to customize to changing customer demands in shorter planning cycles
- Orchestrate profitability with real-time sensing of demand-and-supply data

**How can I increase supplier collaboration?**
Today’s challenges in managing customer projects or capital investment projects

Project related data and processes are often distributed over multiple tools and applications

- Many processes (e.g. Project estimation, Forecasting, Issue Management, Change Management, Risk Management) are often done in Excel or in specialized 3rd party solutions
- The different tools and applications are often not or only poorly integrated with the Enterprise Management (ERP) backbone system

This leads to the following challenges

- Lack of “single version of the truth” with different tools capturing redundant information
- Delays in reporting due to periodic synchronizations & manual reconciliation
- Missing transparency in the organization about the true status of the projects
- Missing ability to learn from previous projects for future projects
- Missing consistent change management with negative impact on the project margins
- Project Managers spend too much time with internally focused activities
SAP Commercial Project Management: Our solution

Initiate / Sell → Plan → Execute → Monitor & Control

Project Cost and Revenue Planning

Project Issue and Change Management

Project Workspace

SAP Business Suite / S/4HANA
Opportunity Management, Contract Management, Billing, Project Structuring, Procurement, etc.

ERP PS, ERP SD, ERP MM, etc.

SAP EPC

3rd party scheduling
Primavera, MS Project

optional
Digitize project management processes
with SAP Commercial Project Management

**Integrated Project Cost Planning**

- One single source of truth between financial system and project management system eliminating the need for reconciliation between the two systems
- Near real-time forecasting to achieve transparency on expected project outcome
- Financial planning and forecasting based on flexible planning model (cost, revenue, cash flow, productivity etc.)

**Single access to all project relevant data**

- Integrated view on all aspects of a project (billing, procurement, cost planning, risks, issues, changes, documents, status reports etc.)
- Embedded Analytics including alert functionality for early identification of issues

**Transparent Issue and Change Management**

- Change Management fully integrated with financial planning
SAP Commercial Project Management: Business Priorities

General Manager
- Increase profitability
- Ensure consistent processes
- Scale the business

Project Director
- Detect project risks early
- Transparent and accurate status on projects

Project Manager
- Up-to-date and real-time information on project financials and project progress
- Reduce effort to manually consolidate data
Typical customer pain points in project management

Missing repeatability and transparency

- Due to their unique nature projects have a tendency to fail or to result in cost overruns. To avoid such failures one needs
  - Better possibilities to learn from previous projects
  - Increased transparency on the true status of the projects

Financial Planning with Excel

- Financial Planning is often done out side the ERP system using Excel solutions for bid estimation, base line planning and forecasting. This results in
  - Cumbersome information exchange between controlling and project management
  - Missing process control
  - Poor data quality

Internal focus of Project Managers

- Project Managers spend too much time with internally focused activities (often due to not adequate system support with multiple fragmented solutions)

No proper change management

- Insufficient handling of change requests leads to reduced project profitability
SAP Commercial Project Management: Our Solution

Initiate / Sell  Plan  Execute  Monitor & Control

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Project Workspace

SAP Business Suite

Opportunity Management, Contract Management, Billing, Project Structuring, Procurement, etc.
SAP Commercial Project Management: Our Solution

- Connect the end-to-end front-office reality to a central and fully integrated ERP solution
- Improve consistency of processes, transparency, accuracy, and control
- Highly usable and flexible User Interfaces
## Enterprise Portfolio and Project Management by SAP

### Building Blocks

#### SAP Portfolio and Project Management

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<th>Analytics</th>
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#### SAP Commercial Project Management

- Financial Planning Workspace
- Issue and Change Management

#### SAP Project System

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- Project Planning and Execution Monitoring
- Progress Tracking

#### Sales & Logistics

- SD/CRM
- PP/SCM
- MM/SRM

#### R&D

- PLM
- EHS

#### Resources

- HR
- MRS
- Time (CATS)

#### Financial Data

- Project System
- FI/CO

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### Core enterprise processes & Activities

- "Managing and monitoring the portfolio & programs"
  - Strategic Level
- "Project Management and Execution"
  - Tactical Level
- "Core enterprise processes & Activities"
  - Operations - Level
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End-to-end process with SAP Commercial Project Management
Available CPM releases

Feature Package 01 = Support Package 04

- **FP01**

- **CPM 2.0**
  Minimum req: EhP7

- **CPM 1.0**
  Minimum req: EhP6

- **CPM 1.0 for S/4H**
  Functionally nearly identical to CPM 2.0, SP02

- **SAP ERP**
- **SAP S/4HANA**
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System demonstration

Project Workspace
- Cross-project reporting
- Integrated view on all aspects of the project (role based)
- Embedded analytics (actual vs. plan comparison, earned value management)
- Project management functions (risk management, status reporting, roles & responsibilities, alerts etc.)

Project Cost and Revenue Planning
- Planning of quantities, costs and revenues using an Excel UI
- Seamless planning from bid to execution
- Highly flexible and configurable planning model

Project Issue and Change Management
- Management and tracking of issues and changes
- Powerful activity management
- Integrated with cost and revenue planning
Project Workspace – Key Features

Provide an integrated view of the project
• Bundling of existing business objects (e.g. C4C or CRM opportunity, SD order, PS project, cProject) via new master project object

Fiori applications for cross-project reporting
• Real-time insight into the business performance

Embedded analytics
• E.g. Cost Status Report, WIP Report, Progress Report

Configurable views dependent on user role
• Pre-defined views for Project Commercials, Procurement etc.

Enhanced Project Management
• Project Risk Management
• Status Reporting & Trends
• Milestones & Checklists
• Rule based Alerts
• Roles & Responsibilities
• Reporting Attributes

Contract Management Enhancements
• Rate Card Application
• Billing Plan Manager
• Billing Cockpit
Cross-project reporting
Reporting on profitability
Project Risk Management
Project Cost and Revenue Planning – Key Features

Planning and forecasting of quantities, costs and revenues through the complete project lifecycle
- High-level estimates in bid stage based on bid structure
- Detailed baseline cost and revenue plans
- Forecasting and ETC processes during project execution

Support for planning resources, materials, expenses and 3rd party

Tight bi-directional integration with ERP PS

Support for cash flow planning

Flexible and user-friendly user interfaces (support for planning with Excel)
Architecture Financial Planning

SAP ERP

Hierarchical Structure

Project Financial Planning

BW Cube

<table>
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<th>Characteristics</th>
<th>Key Figures (by period)</th>
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<td>Resource Type</td>
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WBS elements and network activities including date constraints

BW-IP
Planning Engine

MRS
Resource Request

Depending on assigned object

cProjects
ERP SD
ERP PS
ERP CO

- WBS
- Cost / Revenue
- Network
- Activity
- Cost

SAP BusinessObjects Analysis for Excel

SAP ERP

SAP BusinessObjects Analysis for Excel

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Project Cost and Revenue Planning: Project Management and Controlling

CPM

- Operative planning by project managers, project planners etc.
- Excel UI
- Flexible characteristics and key figures
- User controlled versioning
  - What-If Analysis, Simulations
- Forecasting
- Plan vs. Actual Comparison

ERP CO

- Result Analysis (Revenue Recognition)
- Reporting and Monitoring by cost elements

Bid Versions
Forecast Snapshots
Simulations
Baseline
Current
Transfer
Version 1
Version 0
...
Project Issue and Change Management – Key Features

Project Issues
- Attachments
- Link to reference objects (e.g. SD orders, WBS elements)
- Assignment of partner roles

Change Requests
- Creation with reference to one or multiple issues possible
- Change Document History
- Collective Change Requests

Activity Management
- Activity Management for Issues and Change Requests
- Activities can be based on templates or can be freely defined
- Flexible rule definition to create new activities

Approval processes
- Internal and external approvals

Integration with Financial Planning
- Multiple Cost Estimation Alternatives per Change Request supported
Project Issue and Change Management
Overview Business Process Flow

Issue Processing
- Issue Identified/Documentation
- Clarification/RFI Evaluation
  - No change in cost or time
  - Change in cost or time
- Issue not relevant
  - Archived for analytical purpose

Change Processing
- Change Request Identified/Documentation
- Detailed Cost Estimation of Change Request
  - Internal/could not be settle external
- Project/Budget Update
  - Approved Change Order (items)
  - Revised Change Order
- Settled of Change Order
- Dispute Resolution Process
  - Impact on Time and additional cost need to be approved externally
- External Approval
  - Rejected Change Order (items)
  - Execution of work
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SAP Commercial Project Management extends S4/HANA resp. the SAP Business Suite and improves the end-to-end process coverage of customer projects

- User friendly and flexible user interface with focus on project / engagement
- Easy integration into existing solution architectures
- Complete view on all project relevant aspects (resources, financial planning, billing, procurement, status, issues, change management etc.)

Benefits

- Reduce cost-overruns of projects through increased insight and control
- Reduce project risks
- Enhance employee productivity

Language availability*

- English, Arabic, Chinese, Dutch, French, German, Japanese, Korean, Portugese, Russian, Spanish, Turkish

*as of December 2016
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Q&A
Thank you

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Architecture of SAP Commercial Project Management

Component Architecture

- CPD* - Workspace and Financial Planning
  - Based on SAP ERP
- PICM - Project Issue and Change Management
  - Based on SAP Netweaver and IAM (Issue and Activity Management)
- Can be deployed on same system or separately

*CPD = Commercial Project Delivery

Open architecture that supports different SAP ERP solution architectures at the customer, e.g.
- Usage of SD & PS (for full functionality)
- Usage of SD only
- Usage of PPM Project Management (cProjects)
- Usage of C4C, SAP CRM or 3rd party CRM
- Usage of 3rd party scheduling solutions
Mobile Project Inspection by Mindtree
Based on SAP Commercial Project Management 1.0

**Business Value**
- Eliminate paperwork related to project inspections
- Capture progress information accurately with Digital media (Photos/Video)
- Manages supervisor schedule and calendar.

**Use Cases**
- Carry out project inspections, audit and checklists on mobile
- Access project inspections, audit & checklists offline
- Report deviations from inspections digitally
- View, search & organize assigned inspections
- Report any new issues found during inspections
Mobile Project Workspace by Mindtree
Based on SAP Commercial Project Management 1.0

**Business Value**
- Provides Project managers and Execs real time data of key project parameters
- Draws manager attention to any critical project related event providing alerts and trends and take actions on them.
- Access pre-built analytics for costs & revenue, Work in Progress, Earned Value etc

**Use Cases**
- Browse all management related information of multiple projects
- Get KPI values, alerts & trends of your projects
- Act on alerts & trends
- Deep dive into project analytics

**Availability**
- iTunes (mWorkspace)
- SAP Store