

Level 2 Presentation

Release 2302

This presentation will update frequently following the cloud release cycles every quarter. Be sure to always use the latest version for your customer presentations.



Disclaimer

The information in this presentation is confidential and proprietary to SAP and may not be disclosed without the permission of SAP. Except for your obligation to protect confidential information, this presentation is not subject to your license agreement or any other service or subscription agreement with SAP. SAP has no obligation to pursue any course of business outlined in this presentation or any related document, or to develop or release any functionality mentioned therein.

This presentation, or any related document and SAP's strategy and possible future developments, products and or platforms directions and functionality are all subject to change and may be changed by SAP at any time for any reason without notice. The information in this presentation is not a commitment, promise or legal obligation to deliver any material, code or functionality. This presentation is provided without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. This presentation is for informational purposes and may not be incorporated into a contract. SAP assumes no responsibility for errors or omissions in this presentation, except if such damages were caused by SAP's intentional or gross negligence.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.

Agenda

- SAP DM Solution Overview
- SAP DM Execution
- GxP Management
- Modular Production
- SAP DM Insights
- SAP DM Resource Orchestration
- SAP DM Automation
- SAP DM Edge Computing
- Additional Information

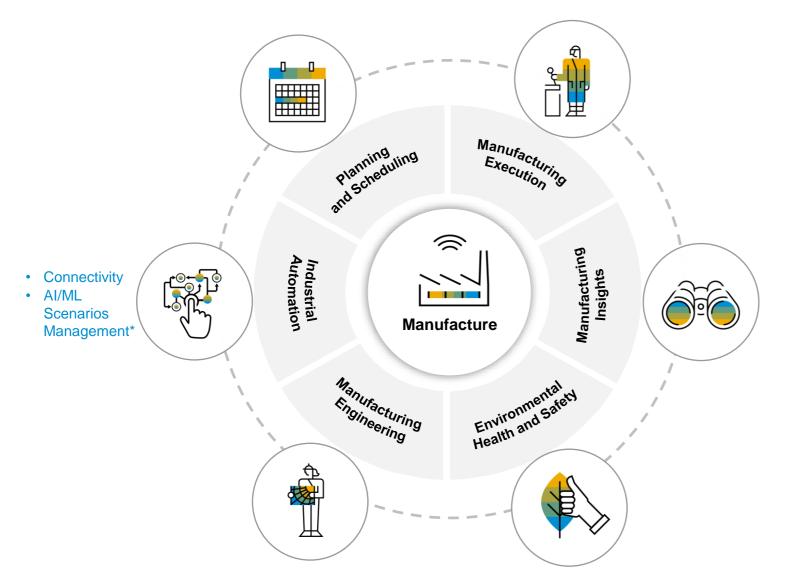


Solution Overview



SAP Digital Manufacturing Solutions

A complete portfolio of manufacturing solutions to support digitalization and Industry 4.0





SAP Digital Manufacturing

- Manufacturing Execution
- Manufacturing Insights
- SAP Plant Connectivity



SAP S/4HANA Manufacturing

- for Production Engineering and Operations
- for Planning and Scheduling
- Environmental, Health & Safety



SAP Manufacturing Suite

- SAP Manufacturing Integration and Intelligence
- SAP Manufacturing Execution

Automate processes and resources to improve manufacturing efficiency, quality and productivity



Paperless production with intuitive user interfaces for production operators, automatic data collections and set machine parameters, thereby lowering cost, increasing productivity and quality.



Design, distribute and dynamically control manufacturing shop floor activities enabling a smart factory.



Shift and Labor planning to ensure business operations with right qualifications. Production Order scheduling and dispatching considering labor, resource and maintenance constraints to plan operations and adopt to short term changes.

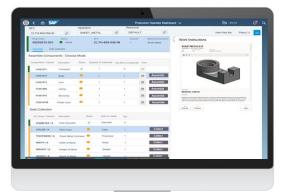


Cross plant real-time analytics for manufacturing performance e.g. perfect order fulfillment, Overall Equipment Effectiveness, loss analysis along with machine data to identify improvement opportunities.











Execution

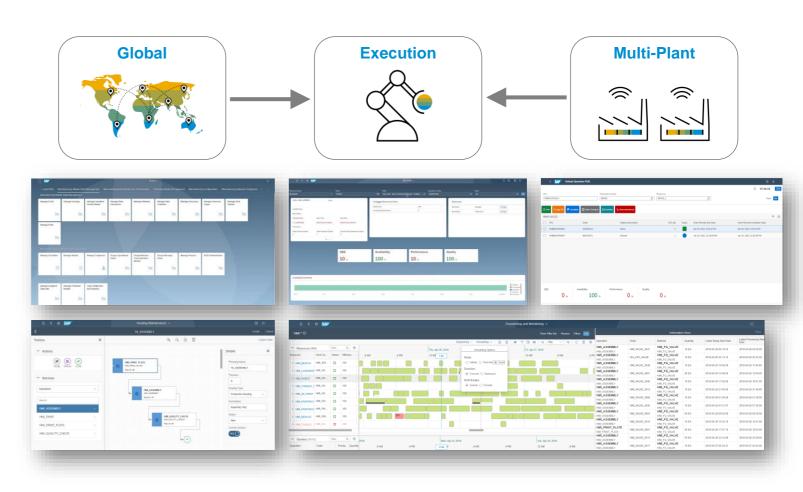


Orchestrate and control the shop floor



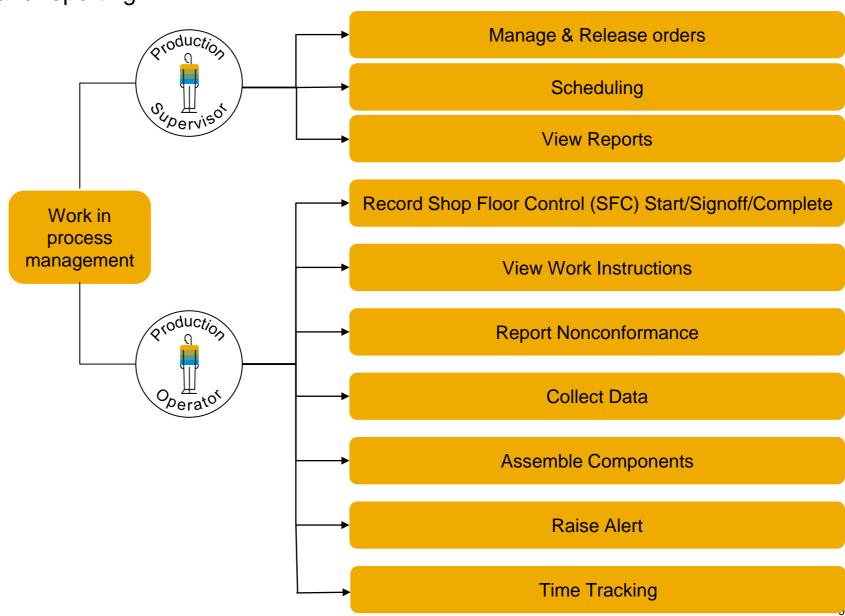
Key capabilities

- Monitor the entire manufacturing process to optimize resources and execution
- Role-specific Fiori and operator dashboards
- Fully configurable Production Operator Dashboard (POD) that supports drag & drop and preview
- Monitor OEE and manage downtime events
- Resource Orchestration to manage shop floor workflow and labor assignments
- Automation interfaces to provide for shop-floordriven manufacturing events and data collection



Work in process management and reporting

- Manage and release orders for execution on the shop floor
- Production operators use the configurable PODs (Production Operator Dashboards) that were created in the POD Designer to capture and report execution data
- An SFC is a unique WIP identifier representing a specific instance of the material being built during the manufacturing process and allows for full traceability of the product.
- The SFC represents a quantity of the product to be produced, depending on the lot size of its material. An SFC can be a serialized or non-serialized (lot).



Capabilities for Discrete Industries

- Extend Master Data integrated from S/4HANA with Work Instructions, Data Collections and Process Parameters.
 Locally created Master Data is supported.
- Execute and Split Production Orders in the Production Order Dashboard (POD)
- Full WIP tracking at the SFC level for non-serialized and serialized materials.
 - An SFC is a unique WIP identifier representing a specific instance of the material being built during the manufacturing process and allows for full traceability of the product
- Confirm production order operations with Yield, Scrap and Activities integrated with S/4HANA
- View work instructions including 3-D Visual Enterprise models
- Perform component assembly and post goods movements for goods issues seamlessly integrated with S/4HANA
- Record and track nonconformances including rework and repair processes
- Inventory management with integration to EWM/S4
- Record inspection results with Inspection Points integrated with S/4HANA QM
- Integrate with the Shop Floor in a bi-directional way using Equipment Connectivity (Production Process Designer*)
 and Plant Connectivity (PCo)
- Customize operator user interface with the POD Designer
- Print customized Labels and other shop floor documents
- Record and Manage Time logged against SFCs
- View product history report and product (component) genealogy report for produced SFCs

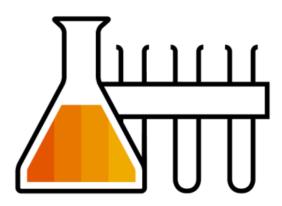


10

INTERNAL | SAP AND PARTNER USE ONLY

Capabilities for Consumer and Process Industries

- Extend Master Recipes integrated from S/4HANA with Work Instructions, Data Collections and Process Parameters.
- Execute and Split Batch related Process Orders in the Production Order Dashboard (POD)
- Create and Valuate Batches for Main-Products as well as for Co-Products and By-Products during Production and search and Consume batches based on characteristics
- Confirm process order phases with Yield, Scrap and Activities integrated with S/4HANA
- Post goods movements for goods issues and receipts seamlessly integrated with S/4HANA
- Record inspection results with Inspection Points integrated with S/4HANA QM
- Integrate with the Shop Floor in a bi-directional way using Equipment Connectivity (Production Process Designer*) and Plant Connectivity (PCo)
- Enable Post Production Reporting
- Customize your application with the POD Designer
- Print customized Labels
- View product history report for produced batches



SAP Digital Manufacturing GxP Management



SAP DM Regulatory Compliance

Functional Working Model

Regulatory Compliance

Operational Scope

Development Operations and Quality
Assurance

"How do SAP BTP and SAP DM develop new features, document and test them and how do they ensure quality?

- Implement an over-arching content and quality management system (processes, documents, training of our teams)
- Regular enforcing of process compliance.
- Being ready for Customer audits for Data Integrity and compliance.
- Conducting GxP audits (Self Inspections)
- Implement required control and practices to harmonise the documantation, training, software development, software testing etc.

INTERNAL | SAP AND PARTNER USE ONLY

Technical Scope

Products Qualification

"How are SAP BTP as a platform and DM as a product on it operated in the cloud"

- SAP DM Product Qualification
- SAP BTP Platform Qualification
- SAP BTP supplied sevices Qualification
- SAP DM Supplier Qualification
- Release process harmonisation
- Maintenance practice enforcement of Qualification status of the product.

Functional Scope

Functional Requirements in DM

What is needed in DM as a MES system in order to enable a GMP compliant manufacturing process?

- Define functional requirements for DM and BTP services
- Handover of requirements to BTP units for tshirt sizing and to get commitment
- Master Data Change & Approval Management
- Electronic Records + Printing
- Audit Trail
- Worker Guidance
- Digital Signature
- Electronic Batch Record + Deviation Analysis

13

SAP Digital Manufacturing Modular Production



Modular Production

Innovation Highlights

Dynamic Routing

- Enable modelling of flexible routings
- Take Dynamic Production Dispatching on an optimal routing path

WIP Transport

- Integrate WIP logistics to warehousing logistics
- Enable tracking of WIP between production operations

Supply to Cell

- Enable dynamic staging of components
- Reduce stock-based restrictions

Visualization

- Provide real-time insights on production, logistics, quality and maintenance

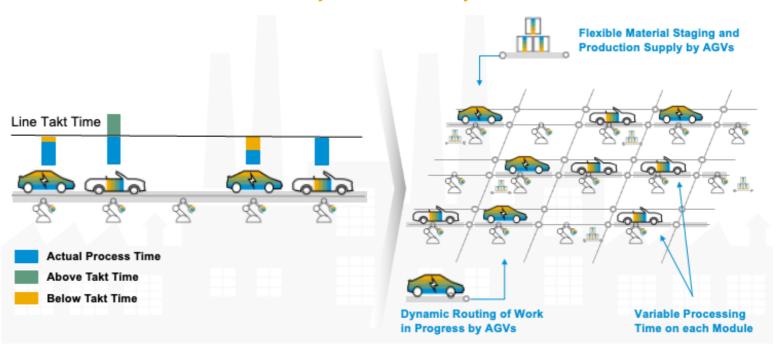
Analytics

- Identify resource bottlenecks
- Analyze and improve past decisions

∞ Value Proposition

- Produce heterogeneous model mixes efficiently at scale
- Handle variant-dependent takt times efficiently
- Provide a quick and flexible reaction to changing customer demand
- Permanently optimize in accelerating cycles
- Reduce investment costs and the risk of bottleneck situations

From Assembly Lines to Assembly Cells



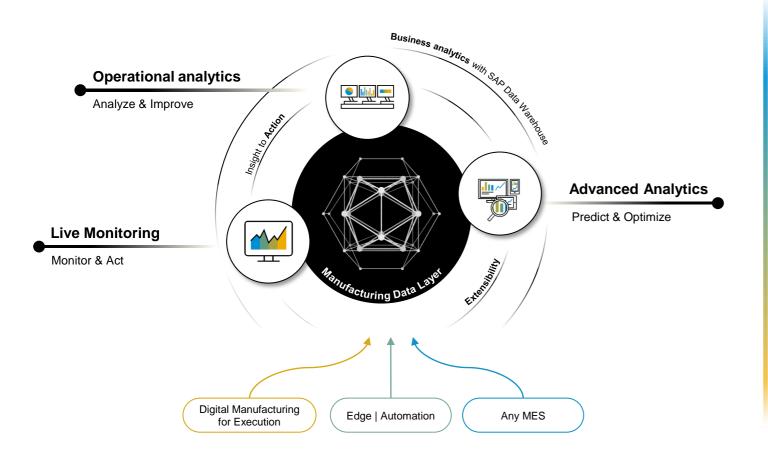
INTERNAL | SAP AND PARTNER USE ONLY

SAP Digital Manufacturing Insights



Future Partially available only in changes

Analyze & Optimize your digital operations



Self-service manufacturing analytics with **harmonized** access for better visibility and extensibility

Live production monitoring along the plant hierarchy and across multiple dimensions in real-time

Operational analytics using KPIs & dashboards to drive data-driven decisions

Pre-delivered advanced analytics to increase productivity, quality and sustainability

Closed-loop analytics to trigger actions **fueling a continuous improvement process**

business data

Benefit from data-driven operational excellence

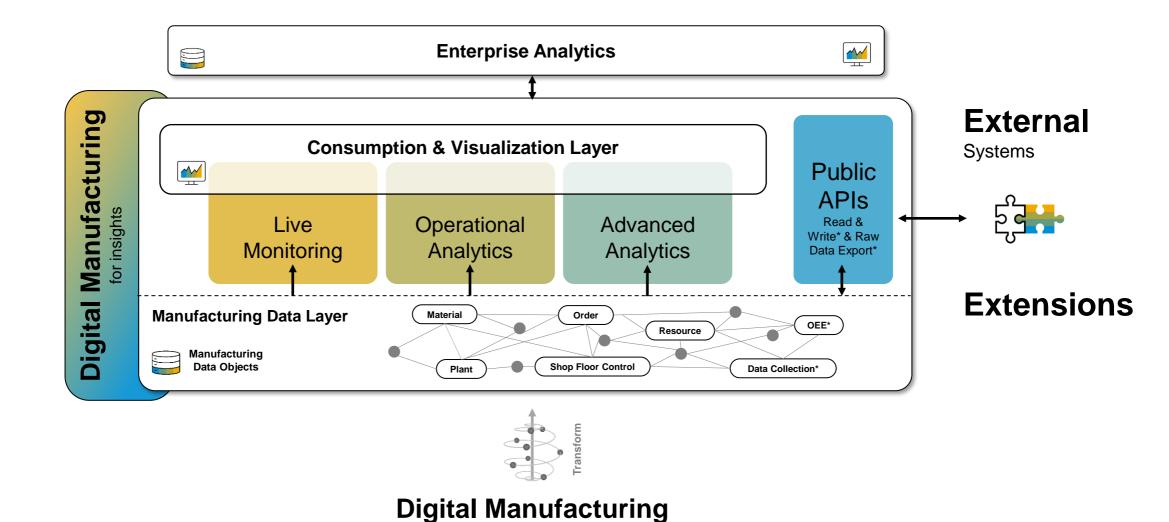
CAPABILITIES — **BENEFITS** -**INSIGHT TO ACTION Fuel continuous improvement processes** Closed-loop analytics to trigger actions along the entire process Provide process improvement recommendations **MANUFACTURING ANALYTICS** Increase productivity, quality & sustainability Real-time insight and monitoring on shop floor operations **Derive data-driven decisions** Operational analytics along the hierarchy with pre-delivered KPIs & dashboards Business user driven faster time-to-insights Pre-delivered advanced analytics for productivity and quality Gain full transparency on the shop floor MANUFACTURING DATA LAYER Open & self-service manufacturing analytics platform Get one common & harmonized view on shop floor data Transformation & contextualization of process, historians, and

INTERNAL | SAP AND PARTNER USE ONLY

Integrate custom / 3rd party solutions & extensions seamlessly

Foundation

Future-proof Manufacturing Analytics

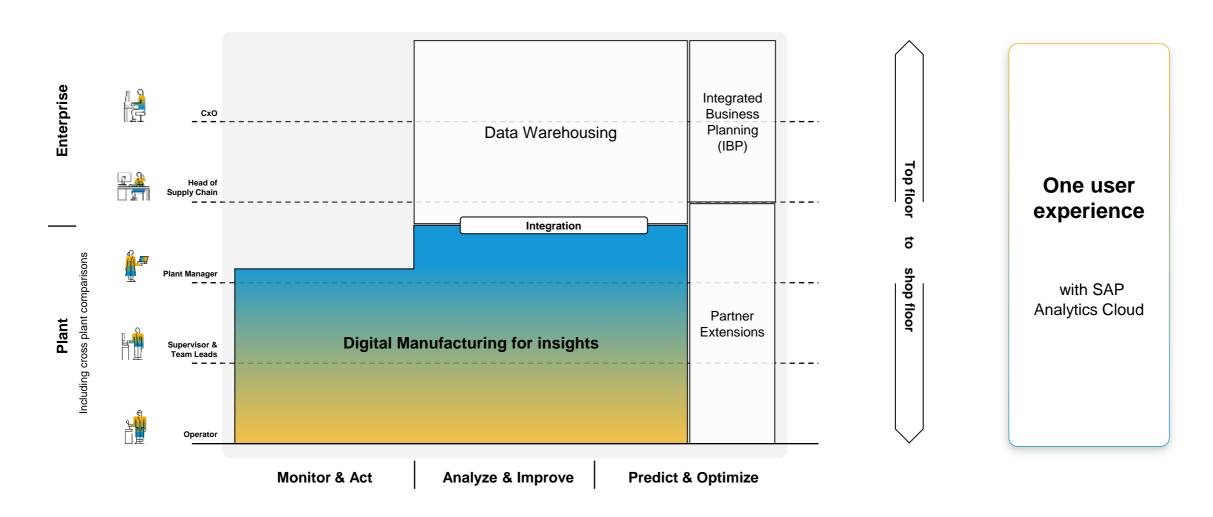


for execution

* Planned for future release

19

Holistic analytics from Shop Floor to Top Floor



INTERNAL | SAP AND PARTNER USE ONLY

Resource Orchestration



Resource Orchestration

Dispatching and Monitoring

- Orchestrate labor and resources on the shop floor to achieve maximum availability
- Dispatch and sequence operations to reflect the "real world" on the shop floor
- Monitor the entire manufacturing process to optimize resources and execution
- Reflect the reality on the shop floor by visualizing high priority orders, machine breakdowns, missing labor and production progress
- React quickly to unexpected events utilizing built-in intelligence

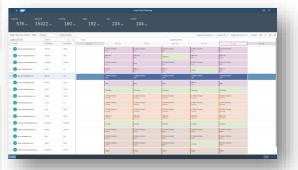
Labor Scheduling

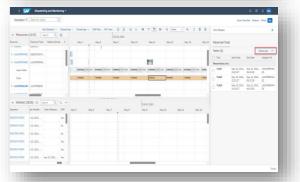
- Assign labor to work centers and if required to time intervals
- Manage shifts and labor considering labor qualification and certification
- KPIs visualize the status for selected week (Supply and demand of labor capacity)
- Share the shift plan with the corresponding labor using email function in the Schedule Labor app

Tool Scheduling

- Based on availability a tool or set of tools can be reserved
- Tools can be allocated or deallocated to operations







Resource Orchestration

Optimally execute your digital operations



Adaption to short term or ad hoc changes in shop floor. Heuristics to support active, backlog orders and automatically propose scheduled plans based on shop floor situation



Manage Labor, Tools planning in shop floor



Visualize planned downtimes of machines and quickly respond to unplanned downtimes via rescheduling options



Monitor production progress and adapt to any changes in the execution of shop floor activities



Create labor shift plans and publish to operators



INTERNAL | SAP AND PARTNER USE ONLY

SAP Digital Manufacturing Manufacturing Automation



Manufacturing Automation: IT/OT Convergency – Connecting the World

Model the **network of all production-relevant systems** in your landscape

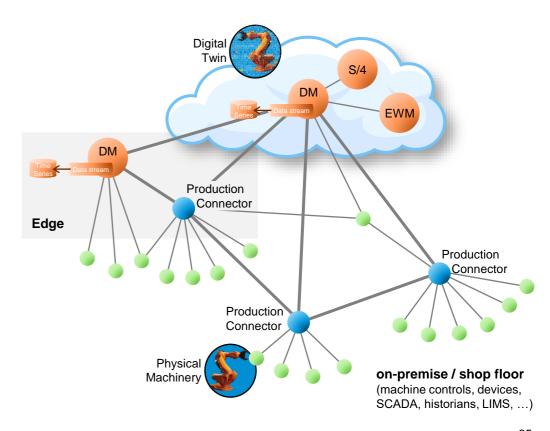
- From IT systems to OT systems
- From top floor to shop floor
- From cloud to edge and on-premise

Model "**Digital Twins**" in the cloud (IT) for a vertical connection with local on-premise systems and the physical machinery on shop floor (OT).

Let "**Production Connectivity**" do all data exchange between IT and OT to

- Read data from shop floor systems for any kind of data collection or decision making (DM Execution).
- Push data actively up to Cloud or Edge to analyse and give insights (DM Insights, leveraged by IIoT).
- Write data (set points) to shop floor systems for production control.

Observe measurements on shop floor to take action if a condition on them is fulfilled (e.g. if a measurement raises a threshold).



Manufacturing Automation: IT/OT Convergency – Run Production End-2-End

Designing production processes means orchestrating service calls from the own system and from connected systems. These processes can be executed on different runtimes in SAP DM cloud, SAP DM edge or next to the machines on the SAP Production Connector.

Integrate vertically by converging IT services from top floor systems with OT services from shop floor systems.

Integrate horizontally realizing the entire production process from the raw material to its finished good. Processes can call each other on the same or on connected runtimes (→).

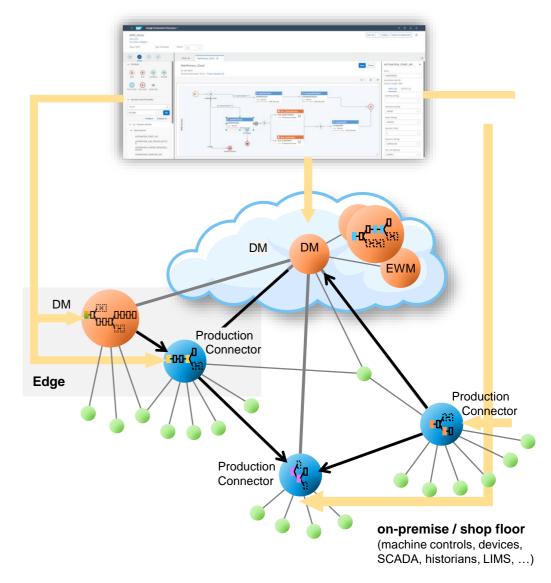
Deploy processes (→) from the DM design time in the cloud (Production Process Designer, PPD) to their related runtimes for which they are designed (SAP DM cloud, SAP DM edge or SAP Production Connector).

Start deployed processes

- either automatically, by a scheduler, with events on top floor (e.g. "shop order created") or when conditions on shop floor system tags become true (e.g. "temperature>500"),
- or manually, that is by the operator pressing a button on the production operator dashboard (POD) or the supervisor handling an alert in the alert inbox (alert management).

Monitor the process execution and **debug** it to find errors.

Optimize production by feeding back any findings from operation into the process designs.



SAP Digital Manufacturing Edge Computing



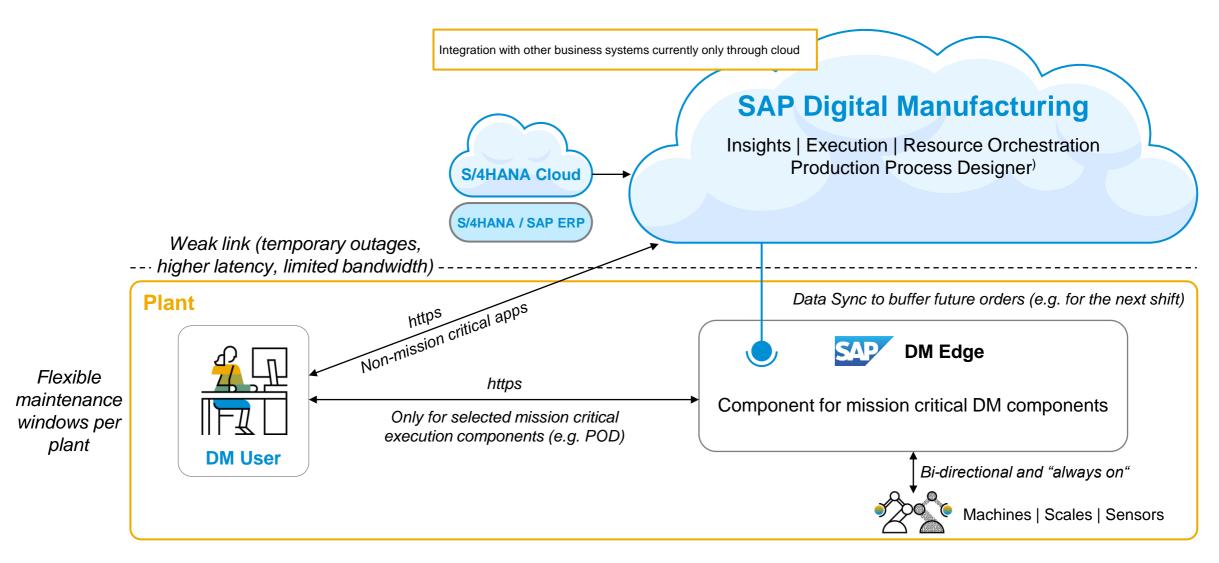
What is Manufacturing Edge Computing?

Manufacturing Edge Computing describes the capability of connecting, processing, storing and analyzing machine data, and thereby supporting production processes (incl. user interaction), closer to the source of data and in the shop floor, to enable faster decision-making and to operate with intermittent connectivity to the cloud.



SAP Digital Manufacturing for edge computing

Provides maximum business continuity for mission critical applications in manufacturing



Additional Information



Secure Practices



DM adheres to the Secure Software Development and Operations Lifecycle processes of SAP wherein security is built into the product from design phase (Risk assessment of the Architecture) and actively managed in development (security code scans, open source vulnerability management, tests, etc.) and later in the operational phases (by security patches and secure operations).



DM has secure operation processes in place Ex: Change management process, Separate environment for Development, Testing and Production with developer access management in place.



In SAP, all customer data is classified as "confidential". DM maintains Data Isolation between customers and is available on AWS (Frankfurt in EU and Virginia in USA), Azure (Netherlands in EU and Quincy in USA) and Alibaba Cloud (Shanghai in China) Data Centers. Data security is maintained at various levels (Ex: Datacenters, in transit and at rest

31



Master data changes and relevant security events on DM are Audit logged



DM provides features and functions to support Data Protection and Privacy requirements

INTERNAL | SAP AND PARTNER USE ONLY

ISO 27001 / 27017/ 27018	ISO 27001: Specifies a management system that is intended to bring information security under management control ISO 27017: Provides guidelines for information security controls applicable to the provision and use of cloud services ISO 27018: Establishes controls and guidelines for implementing measures to protect Personally Identifiable Information (PII) in accordance with the privacy principles in ISO/IEC 29100 for the public cloud computing environment.
ISO 22301	Standard for business continuity management. It's designed to protect business operations from potential disruption. This includes extreme weather, fire, flood, natural disaster, theft, IT outage, staff illness, and terror attacks.
SOC1 Type 2	SOC 1 is focused on financial reporting controls.
SOC2 Type 2	SOC 2 focuses on security, availability, processing integrity, confidentiality, and privacy of a system.
CSA STAR registry / CSA STAR Certificate	Is a rigorous third party independent assessment of the security of a cloud service provider.
C5 Type 2	C5 (Cloud Computing Compliance Controls Catalogue) intended primarily for professional cloud service providers, their auditors and customers of the cloud service providers. It defines requirements/controls the cloud providers have to comply with or which minimum requirements the cloud providers should be obliged to meet.
EU Cloud CoC	Defines a set of requirements that enable CSPs to demonstrate their capability to comply with GDPR
ISO9001	This certificate is for development following Innovation Cycle, also all LABs are listed via Appendix

Digital Manufacturing – Language Support & Available Data Centers

The SAP Digital Manufacturing user interfaces support the following languages:

- Simplified & Traditional Chinese
- Czech
- English
- French
- German
- Hungarian
- Japanese
- Korean
- Polish
- Portuguese (Brazilian)
- Russian
- Slovak
- Spanish (Other variations of Spanish are not supported)
- Turkish
 - SAP Asset Intelligence Network (SAP AIN) doesn't support Turkish. SAP AIN apps use English as display language

The application help on SAP Help Portal supports the following languages:

- English
- German
- Japanese

Digital Manufacturing is currently available with:

- Amazon Web Services (AWS) at the below data centers
 - Europe Frankfurt, Germany
 - United States East Coast (Virginia)
- Microsoft Azure at the below data center
 - Europe Amsterdam, Netherlands
 - US West
- Alibaba at the below data center
- China- Shanghai

33

Further Information

Key Links:



SAP Road Maps



SAP Manufacturing
Community



SAP Support



SAP Partner Portal



SAP Innovation
Discovery



SAP Help Portal

Where to go to Provide Product Feedback and Ideas:







Glossary

Term	Definition
DM	SAP Digital Manufacturing
IT/OT Data	Information Technology (IT) and Operation Technology (OT) data
SFC	Shop Floor Control (SFC): a unique WIP identifier representing a specific instance of the material being built during the manufacturing process. SFCs enable the full traceability of the product.
POD	Production Operator Dashboard
NC	Nonconformance
OEE	Overall Equipment Effectiveness
REO	Resource Orchestration
PCo	SAP Plant Connectivity
PPAP	Production Part Approval Process

For more definitions, please check the SAP Terminology Database **SAPterm**.

INTERNAL | SAP AND PARTNER USE ONLY

Thank you.

Contact information:

