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Podcast Inside SAP S/4HANA - Transcription

Inside SAP S/4HANA Episode 98: The Power of Localization as a Self-Service in SAP S/4HANA Cloud Public Edition



Katrin: Hello and welcome to our podcast Inside SAP S/4HANA. There is no customer success without product success and project success. You might remember that a while back we already did a podcast on localization in SAP S/4HANA Cloud, where we talked about the importance of localization and its different building blocks. And what we also touched upon briefly back then was how to handle unique localization requirements using localization extensibility. And this is actually the topic of today's podcast called The Power of Localization as a self-service in SAP S/4HANA Public Cloud. As localization extensibility is such a hot topic for our customers and partners, we thought, well, we definitely need to dedicate a whole podcast series to it. So this podcast is actually the introductory episode out of a three part podcast series focusing on localization as a self-service. So if you want to know more about this fantastic solution, which enables our customers not only to extend SAP delivered local versions, but also to build own local versions, then I guess I can rightfully say it's really a must to listen to this episode. Now, before we begin, let's start off with a brief round of introduction. My name is Katrin Deissner, and I have the pleasure to be the host of this episode today. I started at SAP in 2003, and I'm a product manager for SAP S/4HANA Cloud Public Edition. And today I have the honor to be once again joined by a real localization enthusiast, Sadaf Shakil. She is the Chief Product Owner and head of SAP S/4HANA localization from SAP Globalization Services. Welcome back, Sadaf, it's really great to have you on board again.

Sadaf: Hi Katrin, thanks and good to be back to.

Katrin: Sadaf, in the podcast episode on localization that we did a while back. You already told us about your role in SAP Globalization services, but just in case that there is someone listening in today who doesn't know you yet would be good if we could quickly know what your role in SAP globalization services involves.

Sadaf: I am the chief product owner, heading the globalization of SAP S/4HANA across its various deployment options on premise, private edition and public edition. It's my responsibility to define the vision for SAP S/4HANA localization, which means for the short term what we want to immediately achieve, as well as mid and long term. What I do is that I define and drive the portfolio stand and localization as well as localization extensibility, which I think we'll be talking a lot about today. And I'm quite lucky that I don't have to do it alone. As I had said last time as well, I have a great team of localization experts, um, located across the world to drive this together. And we of course, bank on the extensibility capabilities which are provided in S/4HANA Cloud to deliver the relevant localization extensibility features that we'll be talking about today.



Katrin: Great. Thanks, Sadaf. And last time we also spoke about having to localize the surroundings when there is a small child in the house. And we were joking about the necessity to have a kid specific localization of one's home. So how is your daughter doing these days?

Sadaf: Thanks, Katrin, for remembering. She's doing good now growing up. And, uh, what we realized is that that the kid specific localization that we spoke about last day also needs to continuously adapt with her growing know needs, just like the localization of S/4HANA cloud that needs to be adapted with the ever changing laws. So it's all going good. Thank you.

Katrin: I can imagine. And I still know what it's like. Yeah, thanks for sharing. Now let's come to the main topic of today's podcast episode, which is localization as a self-service. Um, for our listeners who are completely new to the topic, can you explain what it means and also what it comprises?

Sadaf: Sure, in an increasingly interconnected world, businesses are expanding across borders. With this global reach comes the challenge of adhering to diverse regional regulations applicable for ERP businesses. Here, S/4HANA Cloud is a game changer for businesses striving to thrive on a global scale because it provides powerful, SAP delivered localization, complemented with the equally powerful localization as a self-service. So today we want to talk about localization as self service and what it is. It is a collection of tools and capabilities that we provide, and the intention is to enable enterprises to run businesses as per their local needs everywhere in the world. Using localization as self service, the SAP delivered local versions can be localized further on new local versions called customer local versions can be created and localized for countries or regions where SAP delivered local version is not available or planned.

Katrin: Right. You just mentioned that with localization as a self-service, it's possible to extend SAP delivered local versions. Let's dig a bit deeper here. Can you provide some insights for us on what this is about, and also illustrate with a practical example what customers can use it for?

Sadaf: Yeah, absolutely. Um, and before we go to that, I think I would like to say that I'm really proud that today SAP S/4HANA Cloud Public Edition has 55 SAP delivered local versions provided out of the box. These provide local business configuration, country or

region specific features functions to help enterprises meet the local needs and the legal requirements, which quite often varied from country to country. Examples could be tax codes, tax calculations, tax reporting, legal entity determination, country specific document numbering, e-invoicing, local payment methods, and many more. You know, these country specific regulations and what we do is that that we aim that these localizations help the vast majority of our customers that use SAP S/4HANA Cloud to run their businesses compliant with the common laws and best practices. In addition, what we also understand is that that there could be a possibility that a customer needs additional specific localization examples certain, say, specialized industry specific legal requirements which are applicable only for a certain set of customers. Or there could be regional variations. So we see that even within a single country, there could be legal variations or regional variations, provincial variations that can exist in terms of tax rates or even the reporting requirements or other compliance factors. What we also see, what we hear from some of our customers these days is an example. Are tax exemptions and incentives, like many countries, offer tax exemptions or incentives for certain business activities, such as research or development or export oriented activities, etc.. So there could be many such reasons why a customer needs to extend the localization that we provide in standard. What is important is that the these reasons are genuine, and we understand how important it is for our customers to meet these additional legal requirements to stay compliant. And that's why such on top localization requirements can be met. They can be met, customers can localize SAP S/4HANA Cloud. They can extend the standard localization that we deliver using localization as self service capabilities that enables seamless localization extensions for the SAP delivered local versions.

Katrin: Sounds great, Sadaf. And are there any prerequisites that a customer should keep in mind when they want to extend their SAP delivered local versions?

Sadaf: Um, no. There are no prerequisites as such for using localization as self service to extend the SAP delivered local versions. Like I said, there should be a genuine need to do it, and the customers or the implementation partners should definitely know the additional legal requirements that they, uh, need to adhere to and plan the localization extensions according to the available localization extensibility capabilities. And that's the most important thing that needs to be kept in mind. Some capabilities that require SAP S/4HANA cloud developer extensibility. They are available with three system landscape.

Katrin: Perfect. Now, after discussing how customers can extend SAP delivered local versions, let's come to the second way of using localization as a self service, and this is the

option to create customer local versions. You just mentioned that SAP S/4HANA Cloud provides 55 local versions out of the box, as of the 2308 release. This is a lot already, but what happens if a partner or a customer requires a local version for a country where there is no local version available?

Sadaf: That's a good question. So it depends on the country that is required. What I would suggest is to first wait for the planned local versions that are on the roadmap, in case one of these planned local versions is the version that the customer is looking for. So with 2402, we have local versions for Kazakhstan, Kuwait, Oman and Slovenia that are planned. So if it's one of these, the customers can just get them with 2402. For countries beyond those that are planned in our roadmap, customers or their implementation partners can build and localize their own local versions using localization as self-service. So currently there are 159 countries or regions that are enabled to be built as customer local versions. That's a big, big number, practically enabling the entire rest of the world that can be localized by the customer or the implementation partners themselves.

Katrin: I'm sure this is excellent news for our customers and partners. Can you elaborate a bit more on what the customer local version is and what the benefits are, and why is the solution called localization as a self service?

Sadaf: Yes, you're absolutely right. This is excellent news for our customers and partners. Taking a step back our vision with SAP S/4HANA Cloud Public Edition. So our vision is that it can be used by businesses, by enterprises in every corner of the world. We aim to empower and enable our customers and their implementation partners with the similar tools and solutions that we have within SAP so that we can scale together. And that is what localization as self service is all about. As the name suggests, it promotes the principle of do it yourself. So if there is a local version that's needed to run operations in a country which is not on SAP's roadmap, it does not mean that S/4HANA Cloud cannot be used for that country. It just means that customers or partners can localize it themselves. That's why we named it localization as self service. Why? It's great because firstly, it allows you to use S/4HANA Cloud in almost the entire world. And second, and very, very important is that that we don't leave partners and customers to start from scratch. The first step in building a customer local version is the SAP Configuration Localization tool. In short, we call it CLT. Uh, we all understand how important Pre-delivered business content is to get started with cloud ERP, right? We're talking about cloud here. We're talking about a SaaS offering and CLT within localization as self service for S/4HANA Cloud enables scoping of the desired customer local version, get best practice content from a source country and set up

organizational structure, currency, etc. Imagine the huge simplification that it provides as compared to the classic way of setting up a country. So that's what we mean. Don't start from scratch. We are enabling you. And this business content can be further adjusted as for the local needs of the country, after that comes functional localization. So the create a local version also has to be localized by the customer or their implementation partner to meet the laws and regulations that are applicable for that country to stay compliant, such as, again, tax calculations, tax reporting, legal entity determination, document numbering, invoicing and so on. So it's basically the same approach that we also follow when we in SAP localize a standard country. These regulations have to be met and they can be met using the available localization extensibility capabilities and kept it up to date with respect to the law changes in the country or region.

Katrin: Wow, sounds really great. What is the current status of the configuration Localization tool and are there any prerequisites or restrictions customers or partners should keep in mind currently?

Sadaf: So configuration localization tools, CLT, is in early adopter phase. We're working very closely with the early adopter customers and partners, and getting feedback on how they are using the tool to create customer local versions. There are 416 scope items that are already supported in CLT today, and it is planned to enable additional scope. With 2402 we plan to add more than 130 scope items to configuration localization tool. It also requires three system landscape and this is important to keep it in mind.

Katrin: That's good to know. Thanks, Sadaf. Next thing that I would like to know, is there a specific customer case which you are especially proud of with regard to localization as a self service?

Sadaf: It's definitely. We feel proud of each and every customer case when we see them going live, when the customer local versions that they localize themselves using localization as self-service. We've got customers now already live in Bangladesh, in British Virgin Islands, in Cyprus, in Dominican Republic, Ecuador, Estonia, Ethiopia, Latvia, Lithuania, Malta, Morocco, many other countries. So we see customers going live with them. There are several implementations which are going on today, and each of them just help us and help the customers learn how easy it is to adopt localization and self-service. It's a great testimonial of the ease of use that it provides.

Katrin: Wow. So it's heavily used already. Great. Now, you shared already a lot of information with us, but if someone is interested in further details, where would you point them to?

Sadaf: First of all, I would ask them to refer to the documentation of localization and self-service, which is available on the SAP help portal. In addition, we can refer to the roadmap of SAP S/4HANA Cloud and filter for localization specific roadmap entries. And what is also very good idea is to raise questions about localization as self-service in the SAP community. Me and my team, we would all be very happy to answer and discuss your questions in the community.

Katrin: One last question. We just talked about where to find roadmap information for localization as a self service. Can you give us a quick glimpse into the future? What is planned for the solution?

Sadaf: Yes, for sure, localization as a self service is an important strategic topic for SAP, and we have an optimistic plan to grow it. Firstly, as I had said, we plan to add additional scope to CRT, especially around product centric areas. Secondly, we plan to enhance and add further localization extensibility capabilities. For example, in the area of assets revaluation, official document numbering, taxes with growing requirements, business places, payment formats to name a new. We are continuously listening to the needs raised by our partners and customers for this. We are working closely with the SAP partners who are building customer local versions for their clients, and we do understand that it would be efficient and faster for them to reuse the common localization. So yes, we also have plans on how to enable such localization extensibility, reuse. And last but not the least, we're definitely thinking about the future. The future, you know, with artificial intelligence that provides massive opportunities. I would say in an era of globalization and cost effectiveness are paramount, localization and self-service in SAP S/4HANA Cloud powered by artificial intelligence is surely an area to watch out for. I feel positive and I look forward to the future.

Katrin: I am also looking forward to the future. It sounds really great what you are planning there. Having said this, we have already reached the end of the podcast. Dear podcast listeners, we hope you enjoyed this introductory podcast on localization as a self service. As mentioned in the beginning, we will have two additional podcasts also focusing on localization as a self service, but then from a partner perspective and these partners will share their experiences with localization as a self service. Sadaf, thanks a ton for your great insights. It was a pleasure to have you again.

Sadaf: Thanks, Katrin. It was a pleasure to talk to you, too.

Katrin: So good bye everyone. Thanks for tuning in. Stay safe and don't miss out on the next episode of Inside SAP S/4HANA.

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