

PUBLIC

Podcast: Inside SAP S/4HANA Cloud

Episode 132: SAP Business Suite vision with Manoj Swaminathan | 6-year podcast anniversary



Fig. 1 – Cover art of Inside SAP S/4HANA Cloud podcast

Figure description – An image with a silhouette of a hand holding up a loupe over a blue circuit board. A solid blue block featuring the title “Inside SAP S/4HANA Cloud From Product Experts to Product Experts” and SAP logo is under the image.

Transcript

Yannick Peterschmitt: Welcome to the podcast *Inside SAP S/4HANA Cloud*. There is no customer success without product success and project success. I'm your host Yannick Peterschmitt, and today we're celebrating a special milestone, our sixth anniversary.

So... Happy Anniversary to us, to the team, to the entire podcast organization. Over the past six years, we've published more than 160 episodes, have been downloaded over 350 times, and welcome 60 customers and partners to share the insight. So for this anniversary, we will change perspective.

For the first time, we're recording in video format. And of course, you can also enjoy this content in the traditional audio format, whether you tune via sap.com/podcasts, Spotify, or Apple Podcasts, doesn't matter. We're thrilled to have you on this journey with us since six years. So, we'll change perspective from product focus too. We want to zoom out and have a look at the SAP Business Suite, the SAP vision for the Business Suite, the execution plan, and the opportunity for each and every Cloud ERP customers.

For a special episode like this and the change of perspective, we have, of course, a very special guest today – someone who sits at the heart of SAP's journey in business transformative solution: Manoj Swaminathan, the general manager and chief product officer for Business Suite Finance and Spend, and a member of the extended board of SAP SE.

Thanks a lot, Manoj, for your time. It's a pleasure to have you today on the special anniversary podcast.

Manoj Swaminathan: Thank you so much, Yannick, for having me. And congratulations on six years. That's a long time.

Yannick Peterschmitt: It is, it is. And with you, Manoj, we'll delve into two facets: your own journey at SAP, because I think this is quite inspiring for many of us; and what is the relation or correlation between your journey and a journey that you would eventually recommend to our Cloud ERP customers who started with one LOB solution, but of course with the SAP Business Suite.

Well, we have a much longer vision and an execution plan that you want to share with us. So let's kick it off.

Manoj Swaminathan: Thank you so much, Yannick. So this is, you know, from my perspective and in terms of my own personal journey, I would say this as somewhat of progressing forward. So what do I mean by that? Right.

So I started out at SAP as running the technology foundations and the architecture aspects of things. The compliance, the operations perspective from a spend management. That's how I started at SAP. Then I took over the breadth of product and engineering scope for



Spend Management, and in terms of really as how do we look at transforming our customers truly realizing the value of procurement and the larger aspects of spend collectively from SAP, if Then I switched on to running our Cloud ERP, from a financials perspective, as well as now with the Business Suite collectively. but the teams are consistent.

So what do I mean by that? Right? It's always about having people first, being able to actually leverage the people to their best, deliver some of the best, most compelling product, drive the best usage and satisfaction and then that feeds into it in terms of customers staying with us and coming back for more if you were to. So that's the same philosophy and in terms of this is where we started small from a spend perspective. Now, we are approaching this with the Cloud ERP as well as collectively for your business suite.

So if you are a Cloud ERP customer, that's one journey. But if you're not collectively using the breadth of SAP today and if you're starting small, what I always recommend is have clarity towards us is what value you want to realize; so how could we actually help you in terms of you realizing that value, so that you are gradually being able to support and get the needed set of solutions from SAP so that you can actually realize the value from an end-to-end perspective and gradually expand that footprint as well.

Yannick Peterschmitt: Yeah okay. I like let's have this simple analogy with building the puzzle, right? You add pieces and you can go in any directions, all right. It doesn't matter if you start on the upper left corner or lower right corners at the end of a nice puzzle. I like to think this nice puzzle at the end is the realization of the SAP Business Suite.

Assuming I started in let's say, four pieces of a big puzzle that is called, you know, finance and spend. Where would you recommend to go next? is it like, as you said, okay, what is the value or is it a mix of value and product availability because you have responsibility for the product too? What would be the recommendation?

Manoj Swaminathan: I think it's important to internalize what suite is when we talk about Suite, right? I think Business Suite for us it's a culmination of many things coming together. At the heart, or the foundation of it, is what we call as applications. This starts with our Cloud ERP, but it also includes all the lines of businesses. So that means you have the Spend, you have Human Capital Management, you have Customer Experience and Supply Chain Management aspects from an end-to-end perspective. So as a customer, you can start anywhere, but you can actually realize the applications from an end-to-end perspective that's integrated with harmonized experience right out of the box. What that feeds into is an ability for us to be able to get consistent data. And we've also with Business Data Cloud, we have now created a harmonized structure for that, all of these applications data and a consistent representation of that realized in one place, so that's Business Data Cloud, which feeds as a foundation for our AI.

With the AI foundation, that's SAP Business AI now, with this harmonized data without losing the business context and the semantics of all the applications, we can now give you not just end-to-end analytics from a visibility perspective, we can give you intelligence, insights with meaningful recommendations that you can act in the respective applications



end-to-end, right? And that feeds much better data to the transaction systems and the cycle continues. So that is what we are referring to as this App Data AI Flywheel in terms of how we are bringing this collective experience to our customers. To do what? To have customers realize value. The value could be in terms of them saying, I want to grow, I want to see certain percentage of the growth, or I want to actually increase my revenue stream in a certain way, right?

These translate to a set of activities. So, you first gain the insights as where you are, have the right recommendations with our intelligence to say where you need to head to, and the system's helping you to be able to realize that value in the shortest possible time. That's our goal in terms of this is what it is. So you could start with Cloud ERP, or financials if you were to, and a set of spend management. But for you to be able to actually look at how do you actually enable your people to be more successful: you could actually have Success Factors integrated, so you can actually do the whole hire to retire, as well as how do you actually have your workforce planning done. Whether this is for your supply chain operations or for your retail operations, you can actually go bring all of these things together to life. That's the way that's how these things come to life together.

Yannick Peterschmitt: Okay, okay. Sounds great in theory. And you're spending a lot of time with customers and we know that they're operating in a, very disruptive world, disruption in the supply chain, global wars, pressure, to meet sustainability goals, and, and, and, right?

So the reality of a customer is quite complex, And we're talking about, you know, getting more intelligent and we talk about AI, etc. But how does that really connect to a customer's reality, that are really operating in a complex and challenging environment today?

Manoj Swaminathan: Very rightfully said, Yannick, and really good question as well. So I think if you think about it, every one of what you said is real. And it's real in terms of what our customers are facing. You know, I like to bucket them as uncertainties, right? So that is what our customers are going through, could be geopolitical set of things. If you look at that set of things that's introduced from a North America perspective around tariffs, that certainly top of mind for every customer. But it translates to us as what customers are looking for from us, is what I call as agility. The need for us to be able to actually have them get instant set of solutions for them to be able to adapt to some of these things in the fastest possible way. So how do we enable them? And that's the true set of things in terms of how the expectations with our solutions is how we could actually go meet the customer.

Let's take one example, very simplistically said, right? Tariff's top of mind for every customer. So as you're thinking about how do you actually go manage cost savings? In the spirit of everything that you're seeing from a tariff's perspective, as you think about sourcing for a supplier, can we give you recommendations to say, Hey, if you source this supplier for these sets of things that you would like to procure, you probably will have downstream a much more costlier experience with regards to because of tariffs. And hence, we recommend you for you to be able to award from your sourcing a different supplier because this would be the most cost effective for what you're trying to go to. For that value realization as cost savings, how could we actually take you through that jam? That's what

we're trying to connect and that is exactly how we are trying to connect so that customers can really bring these things.

So it's, real. The problem is real. The uncertainties are real in terms of is what it is...

Yannick Peterschmitt: Exactly.

Manoj Swaminathan: ...what we're enabling is how can we enable the customer to be. Truly agile to be able to get them to get the support from SAP.

Yannick Peterschmitt: Mm-hmm. Mm-hmm. Mm-hmm. And for that let's talk a little bit about AI, artificial intelligence. And a lot of customers would tell you, Manoj, I like the vision and the agentic AIs, I get it. But first, please get the bread and butter application done. I think there's a misunderstanding and maybe sometimes they think there's a contradiction. Okay, let's first run apps and then we bring agentic AI. I think this is probably something that needs to be explained.

Do you want to tell us a bit more about, maybe it's, AI because of apps in the end, AI instead of apps to help the customers, you know, maybe focused on key things versus running transactions and focusing on operational stuff, versus really focusing on what matters in the end for them, that is really critical for the business and not running operations. What's your take on that?

Manoj Swaminathan: Very nice. Yannick, I think this is certainly top of mind and I think. Depending on who you are as a player in the industry the narrative is different.

Yannick Peterschmitt: Hmm.

Manoj Swaminathan: what do I mean by that? if you are an AI provider, like OpenAI and in this mix, I think, you know, the narrative is very different as is how they see the world. But we've been in this business for more than five decades. We've been actually helping customers realize value, transform their business, with SAP. And how we see this is very, very different in the age of AI.

Going back to what I talked about in Suite, the whole app data AI flywheel effect, apps are the foundation. If you don't have the applications, the underlying set of things about the need for business logic, the need for you to be able to actually run through what helps you to be able to run the business as a foundation would be lost. Right? So the apps are fundamental for us to be able to actually start looking at which generates the data, and you're able to put that data to use with the level of intelligence tools that give you a set of intelligence, insights, and recommendations that you're able to act with these applications to realize a differentiated value than what you could.

You can't actually have this AI out of nowhere without the applications generating the data that feeds into this intelligence, if you will. I strongly believe there is no AI in the age of AI



without applications and the data, and hence the applications or the foundations. So it's AI with applications and there is no AI without in that context.

And applications is to stay. The experiences the way as how these applications interact might be very different as we think about, but it is the foundation for everything that what we're trying to do .

Yannick Peterschmitt: Okay. Manoj, with the podcast, we're addressing 3 to 4k of followers and the product guys like you and me.

So would you mind drilling down from the concept and the methods to your top three, agentic AIs or area where you think AI really makes the business smarter, automates, etc.?

Manoj Swaminathan: Really good question. I think it's important that we explain the philosophy of our agents in terms of how we are approaching. So from SAP standpoint, we don't want to actually provide a proliferation of agents to any organization. We want to make sure that we actually provide agents that are really augmenting every persona within the organization.

Say if you look at from a finance perspective, so you could be a financials planner or you could be a finance controller or you could be a treasury manager or an accounts receivable manager. And if you look at it in the lens of this, right, we want to actually provide AI assistance to every persona. And these assistants are nothing but a set of agents really augmenting every individual in the organizations for them to be able to do more with less, be more effective, be much better informed for them to be able to be more successful in their role. So that's our philosophy, right?

So in that spirit, let's take one example, right? If you look at from a finance controller standpoint, their role is for them to be able to make sure that everything happens from an operational finance perspective that they write, and they are able to actually get all the information on time for them to be able to close. Provide the meaningful set of reports that are compliant on time. If you look at these sets of things, right, as is what every finance controller goes through towards the end of the period, they actually have to look at coordinating the collective set of organizations across multitude of these legal entities brought together. They have to make sure that all the accruals are recorded before they can actually start the close process. And they have to orchestrate the clause for every legal entity and every organization so that they can actually complete them on time to do the reporting in the correct way and in a compliant way.

So that's where our accruals agent and the whole finance clause agent really comes into play as an AI assistance to finance controller. So they may more have to spend manual efforts to actually make sure that the accruals are generated. The agents will do that for you and it can actually orchestrate the whole cross process completely automated with every step of the way providing the controller with the visibility, with the explainability as how the agent has done the actions if you were to same holds good for a finance planner, same holds good for a sourcing manager if you were to, that's how we're approaching this in differentiating



Yannick Peterschmitt: Okay. Thanks, very tangible example, I think it really tells the different roles we address with our solution that we allow them really to focus on the critical things that really matters, exception handling and not really doing the daily job that you can automate. And I like this quote from Johnny Ive when he was the chief design officer from Apple when he said, technology is at its best when it disappears. And I think that's a little bit a journey. It feels a bit like that.

And, back to the journey. So you said you're from Seattle, now you're in Waldorf. Let's go back to Las Vegas. A couple days back, key announcements. Would you mind summarizing the key announcements from your organization targeting the Cloud ERP customers, the SAP S/4HANA Cloud Public Edition customers that we are addressing with the podcast?

Manoj Swaminathan: It's actually beautiful and, we actually did some of the best of bringing our applications together for the first time in terms of, and this is the very much an application-focused event.

Yannick Peterschmitt: Yeah.

Manoj Swaminathan: So that's SAP connect for us. We started out with really explaining how we are transforming with Suite, with the end of best of breed, and really a role that what Suite really has to be in play, and how Business Suite becomes a foundation for all of the intelligence that what we are trying to offer and how we see the intelligence, you know, really realizing it in every aspect as is what it is.

That's how we started with our keynote, starting with embedded AI, the agents. The AI assistance that I talked about all the way towards the Apple experiences that what we're intending to go book. But if you distill down this to finance and spend, From a finance perspective, we clearly talked about integration and orchestration as a limelight of how we were thinking among the finance.

So as I talked about in, in terms of all these agents work, that what we're doing, we really showcased and launched. The finance automation from a close perspective and in terms of is how agents will really help controllers to be able to have a level of automation that they just simply didn't have up until now as an example.

It was really, really received very well from the customer's perspective. We also when we talk about the spend, we launched the next generation of Ariba, and this is not one of those things that where we've actually sprinkled a set of AI capabilities here and there. this is us completely re-imagining the next generation of procurement on an AI native platform. That's Business Technology Platform.

Yannick Peterschmitt: Mm-hmm.

Manoj Swaminathan: And providing an end-to-end intelligent procurement with the source to pay set of capabilities that what we had offered, this was the first in the series in



terms of is what we have actually launched. As innovation in the procurement space in the industry.

That's no parallel to anyone else. and that's, really another sort of highlight from the event if you were to, we also talked about supply chain orchestration. We also landed interesting capabilities with loyalty management, engagement cloud with customer experience. We launched some of the best from how we are augmenting AI capabilities to enable people.

Our agents in the HCM space as well. So there's some really breadth of announcements at what we made that are, very best in the industry as what SAP could offer. Extremely well received by our analysts and customers last week.

Yannick Peterschmitt: Congratulations on, all that. And this sounds to me definitely like a very attractive offer.

Now I'd like to look at those announcements from a perspective of the customers who are not on S/4HANA yet, like the SAP ECC customers. I'd like to argue that moving from ECC to the Business Suite without a business transformation is just an expensive migration in the end, right? So what would be your call to actions to those customers that I may be forced to do a business transformation, but second, let's first migrate and think after about how do we transform? How would you recommend our customer to move on with that?

Manoj Swaminathan: This is really important and I think it's certainly top of mind for every customer who is running our ECC systems. and I think, you know, that's one of the fundamental set of things. we are trying to go to when we talk about Business Suite.

We're actually talking about Business Suite to actually go meet the customers as wherever they are. Right. So that means. We actually have the pathway for the customers. And I think, if a solution that makes sense from the private cloud as is what we currently have, and that's a great means so we could actually have them onboard with the RISE set of capabilities that we could actually support an existing customer, or if you are a net new customer and in terms of re-imagining ERP as this is how you would want to actually go do that, we have the whole grow path But what suite also enables them to be is, you know, we can actually have a multitude of combinations of this private cloud and the public cloud together in terms of as them can. Running two to capabilities is a model that we support out of the box as well. What they should expect is at a foundation level, they'll get unified means is how they could activate an automated provisioning and a configuration capability with a much better orchestrated lifecycle management no matter where they are.

That's one of the fundamentals of the things. We will have these applications integrated right out of the box. So it takes away the burden of them having to integrate as part of their last mile. So it gives you a much better time to value experience to start with even if you didn't think about anything from a value transformation perspective you have a much better means for you to be able to realize value with all of these fundamentals in a way as a survey of transformed so you now have one consistent experience so no matter as who you are as an end user doing any process like hire to retire record to report source to pay you have a consistent experience with the suite that you didn't have to actually manage.



One consistent way is how you could extend as well. And that's what you are really getting as a foundation for everything with this. Then comes the whole value that I talked about with these agents and with the intelligence at what we are providing something that you couldn't get otherwise. And that is something that you can look forward to and work with us, and we'll actually happy to take you through no matter wherever you are in your journey.

Yannick Peterschmitt: Okay. I'd like to be back to the example of, I think you said hire to retire as part of the deliveries of, the business suite. Let's say I'm an end user. Alright. I'm manager, I have a team and I have to manage project. budget. What is my experience working with because I think it's 2602, so it's soon to come.

Yeah. Right. It for you maybe feels like it's tomorrow. what is then my experience as an end user or project lead if I used in the new, SAP Business Suite, or recruit to retire, end-to-end processes, because this is the interplay of at least two solutions, right? S/4, Success Factors, maybe another one.

How does that feel?

Manoj Swaminathan: It's really good. And, um, thank you for prompting me, Yannick, on this one. Because this really excites me and in terms of what we're doing, so I think you're absolutely right. So this is cloud ERP with Success Factors brought together at the heart of it, at the foundation, if you were to.

Well, let's start with, you know, the basics. The basic is, these systems are now integrated out of the box. So that means customers don't have to actually go through last mile implementation to bring these products together. So that means information can start with one system as is where they are mastered and can be consumed and can flow seamlessly between ERP and the line of business applications.

In this case, it's the Human Capital Management resolution. Right, so it could be starting with the employee information and the journey of employee going through how they actually participate. You can actually experience that end to end without you having to actually change. So activation, provisioning, integration, all in one. You can actually experience that end-to-end without you having to actually change so activation, provisioning integration, all in one.

You now have one consistent experience, whether you are in ERP or in Success Factors, you don't see the seams of the products anymore. You have one experience so that users as end users will get one experience end to end.

Yannick Peterschmitt: Wow.

Manoj Swaminathan: Right? From a user experience perspective. Third, I talked about how we are bringing data together as well. So that means you now have people intelligence that can understand just not about as this is where you are, but can actually



see the whole end to end in terms of as how that individual interacts with the rest of the business. So you can actually get that collective set of experience as well so that you are able to see. And as I talked about, you know, these agents supporting in terms of this is what you are, can actually use this breadth of this data without losing the business context, can help answer any set of things around, be it payroll, be it any set of things from a HR operations perspective, you can actually get that experience in a more consistent way if you were to. That's the true power that what we are enabling as a startup.

A side effect of this is we're also enabling the ecosystem. So that means, our partners who are very very important in this mix will get this consistent experience and can extend the applications in only one way with BTP as opposed to them having to learn extending ERP in one way HCM in another way and then bringing all of these things together as part of their work now that is all changing as well so even we are addressing the ecosystem challenge so that they get the same experience.

Yannick Peterschmitt: Wow, groundbreaking. Cannot wait to see it and touch it myself to be honest. Okay. So that's tomorrow. If you had a crystal ball on the table, what would you see? What would you predict in terms of evolution of Business Suite for our customers? I'd say after we delivered all, you mentioned the suites North Star. What's next? What's in your head?

Manoj Swaminathan: You know, I think the notion of how we see applications as these modules will change.

Yannick Peterschmitt: Mm-hmm.

Manoj Swaminathan: I think this is very, very important. Right. So I think customers would start gravitating towards value as opposed to these individual components so they'll even start looking at, buying value.

Yannick Peterschmitt: Mm-hmm.

Manoj Swaminathan: And we would be able to actually provide them that because now we have some of the breadth and depth from an application's perspective that are all harmonized, the data are all consistent and our intelligence tools are probably the best in the industry with us bringing all of these things without silos of every one of these AI solutions is what it is that exists in the market. We have a very unique position for us to be able to offer value as a thing that what we can actually go position and work with our customers. So customers can actually ask for that and get that through SAP. And that's what is something that we would be able to unlock with the way as to how we would land the suite and that's my crystal ball .

Yannick Peterschmitt: Okay. Okay. Very cool. Thanks for that. you said the people, when we launched this podcast six years ago, we've been speaking many, many times about the cloud mindset because the people you address, they come from non-premise mindset. Yes. Thousands of them come from non-premise mindset.



And I would say even today, this is one of the main challenges in the projects. When a project fail, it's quite often because of the mindset that, no, I know the table. Gimme access to the table. I can fix it. I can change it. I know customizing, no, we need to live up to the best practice. Right.

But this is still a challenge today. So bringing this cloud mindset in the larger SP business suite perspective, what would be your recommendations to. Let's say existing users, project leaders, looking ahead with, yeah, the mindset change that is mandatory, I think to really absolutely embrace the entire vision and get the value out of it.

Manoj Swaminathan: It is really right. And I think, that's one of the reasons why we started out with the clean code context, right? So we started out with this thing, but as you think about in terms of as how we are evolving this true public cloud SaaS application experience, what is more important? What's more important is as a customer, I'm always on the latest and greatest from SAP.

Yannick Peterschmitt: Mm-hmm.

Manoj Swaminathan: And I don't have to go through very long, costly upgrade cycles. And I'm able to realize the value of some of these new innovations coming right out of the box from SAP without me losing business context, without me experiencing any downtime if you were. That's the foundation.

Yannick Peterschmitt: Mm-hmm.

Manoj Swaminathan: That's what we're enabling, so you still can and if you want to, you still have those legacy experiences where you could actually go work on this table level with the comfort that you've had but what we are really enabling you with this extensibility is it's closed for customizations but open for extensions so that means you will absolutely be able to go do everything that what you could have done in the prior world without sacrificing those in the boundaries or the guardrails that we have established as how you can extend.

That is update, upgrade, safe. Wouldn't you want that? Right? So that's what we're really enabling. And we're enabling it in such a way so that if you are a customer, if you are a partner, you can actually go ahead and build this. That's the way we are imagining, and that's what you should expect as well.

Yannick Peterschmitt: That is very good. I really like the sentence. It's closed for customization, but open for extensions.

This feels we could go for hours, but I know you have a meeting after this one, so it's time for the fast five. I hope you're up for this game. Absolutely. I'll try to ask you very quick questions, and of course, I'm expecting from you very short answers. Okay, let's do it.

One word to describe your experience with SAP.



Manoj Swaminathan: Transformative.

Yannick Peterschmitt: The key trait for a successful digital transformation?

Manoj Swaminathan: You have to have the courage to be able to actually go do this, and you need to know exactly this is what you want. And that's what I would say.

Yannick Peterschmitt: Love that. If you were to invest \$1 on one SAP product, what product would that be?

Manoj Swaminathan: None. It's for the reason as what I just was talking about with the Business Suite. It's a collective thing as is what we are providing. And, we no more are looking at things from the perspective of one module, one product aspects of things. It's the collective suite. And in terms of that's a whole thing from an SAP that customers should be expecting.

Yannick Peterschmitt: Okay, good. Based on your career and history and learnings as a leader, what habit every leader should have, according to you?

Manoj Swaminathan: Be consistent. Be consistent in terms of how you approach anything.

Yannick Peterschmitt: And now the most disruptive question: your favorite sport?

Manoj Swaminathan: Running.

Yannick Peterschmitt: Running, love it. Love it too.

Manoj, thanks again. It was a pleasure to have you today. Thanks for taking the time to celebrate our 6th anniversary.

Manoj Swaminathan: Thank you so much for the opportunity and congrats again.

Yannick Peterschmitt: Thank you, dear audience. I hope you enjoyed this episode as much as we did. Hope you can celebrate a little bit, watching maybe an episode of the 160 that you didn't have time to watch yet.

Stay curious, as Manoj said. Give us your questions, the area, the topic you would like us to cover in one of the next podcasts. And stay tuned. If you like this episode, please give us a like, share with your ecosystem and always stay inside SAP S/4HANA. Bye-bye. Talk to you soon.

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