SAP Solution Brief
SAP Services

PERFORMANCE AND INSIGHT OPTIMIZATION SERVICES

BRINGING CLARITY TO EXECUTIVES FACED WITH KEY DECISIONS

Executives must leverage vast amounts of data to make timely and impactful strategic decisions. Performance and insight optimization services combine industry insight, scientific modeling and optimization, and business intelligence to help you make clearer decisions and realize tangible business results.

Upper-level managers need strategic insight to deal with unexpected market changes, heightened competition, partnership challenges and opportunities, and increasing globalization. Yet despite an abundance of data to support strategic decisions, the reality is that executives are often overwhelmed by unwieldy amounts of information, or worse, out-of-date or misleading data that can yield suboptimal conclusions.

Performance and insight optimization services from SAP offer a solution. Rather than base strategies and business goals on rules of thumb and gut feel, the services provide quantitative decision support and visualization to assess alternative scenarios. Instead of sensing and responding using generalized business rules and ad hoc calculations, your organization can predict and act, resulting in optimized business performance.

Industry-Specific Advanced Analytic Solutions

Performance and insight optimization services extend SAP's strength and emphasis in IT transaction-based efficiencies. Our experts apply industry-specific expertise in retail, consumer goods, financial services, utilities, and the public sector to provide business and strategic insight that optimizes results based on leading-edge modeling, forecasting, and performance and predictive analytics. The services exceed the offerings of traditional management consultants by leveraging the following key differentiators.

People

Our experts leverage advanced scientific and analytics skills, plus an in-depth understanding of line-of-business key performance indicators, analytic applications, engines, and accelerators. We help you identify, develop, and drive high-value, innovative business ideas and provide trusted advice throughout the execution of these ideas.

Finding highly trained resources with industry experience and advanced analytics training is tough and expensive. Our performance and insight optimization services bring this dedicated experience gained by working in numerous client environments and situations to you, so you don't have to find it on your own.

Scientific Algorithms and Intellectual Property

With our performance and insight optimization services, you gain access to patented, leading-edge approaches that bring clarity to business decisions. Data cleansing and processing algorithms allow the efficient handling of large volumes of data. Accurate and robust supply-and-demand models enable reliable forecasting, simulation, clear interpretations, insight, and decision support. Optimization algorithms help you achieve the most valuable outcomes.

Performance Analytics

Performance and insight optimization services combine predictive and performance analytics using SAP® BusinessObjects™ solutions to merge business intuition with science. The software leverages dashboards, reports,

Differentiating Science That Makes a Difference

Challenge	General Analytic Tools	Performance and Insight Optimization Services
Efficient Processing of Massive Data Volumes	Data Cleansing	
	Unknown impact of outliers, leading to bad strategies that damage the business	Sophisticated cleansing algorithms, together with highly trained consultants
	Data Structuring	
	Nonexistent data structuring, resulting in lost information or significant manual updating and rework	Efficient updating and scientific approach to fully leverage all available information
	Data Aggregation	
	Huge amount of time and dedication of technical staff required	Aggregation algorithms, enabling advanced parallel processing and in-memory modeling
	Algorithm Structure	
	Unacceptably long processing time due to the application of generic algorithms to process billions of combinations	Engineered to process massive data challenges timely and efficiently
Model Accuracy, Reliability, and Interpretation	Model Efficacy	
	Models lack: ▪ Robustness and reliability over time ▪ Accuracy over time ▪ Clear business interpretation	Models have: ▪ One standard form and approach for a class of industry-specific problems ▪ Ability to adapt with new data over time ▪ Parameters related to your actual business for clear interpretation

and decision-support tools to help you gain business insight, set strategy, and manage and monitor your business effectively.

Technology

Access to the software that supports our performance and insight optimization services is provided via a hosted model. This model lowers the typical barriers to the adoption of new technology so you can more readily visualize and assess future trends and opportunities, set strategy, and manage the impact to your business.

Innovation

Performance and insight optimization services leverage SAP's ongoing commitment to innovation and technology-enabled decision support to provide the greatest return on your investment. The services are adaptable to your changing needs and performance goals.

Services That Provide the Answers

Performance and insight optimization services enable a deep understanding of historical and future demand, so you can determine the best way to optimize strategies and manage business performance. The services help you answer the following types of industry-specific questions:

- Retail
  - How do you balance profitability with long-term customer loyalty?
  - Does matching or beating the competition on price for select products translate into improved price image with shoppers?
  - How do you efficiently cater to local product preferences and pricing sensitivities?
- Fashion retail (which has the added challenge of setting strategies for short lifecycle products)
  - How do you optimize the depth and timing of markdowns to boost sales?
  - Are you providing the right sizes to address local shopper demands?
  - Which promotions are most impactful to your business, and are these the same in all locations?
- Utilities
  - How will you manage the information from advanced metering infrastructure (AMI) and smart grid technologies?
  - How do you get the information necessary to forecast, predict, and optimize your funding decisions around new technology initiatives like AMI?
  - Do you have the right information to confidently optimize power generation plant efficiency?

- How do you deal with an aging infrastructure's rising costs, decreased reliability, and high risk of failure? Can you accurately forecast failures and plan accordingly?
- How do you analyze and optimize renewable energy sources within your portfolio?

- Banking and financial services (which have a complex relationship among key drivers, such as customer demands, product portfolio, and pricing strategies)
  - How do you predict and balance profits with sales volumes across an entire portfolio of products?
  - Are you aware of the hidden potential your customers can bring to your business through improved segmentation?
  - Do you know and effectively utilize all influential drivers behind portfolio performance?
  - How do you efficiently plan and manage risk, profit, and operations based on all available data?

Differentiating Science

Numerous general analytic tools are available in the market today that do not adequately address the very significant challenges of efficient data processing and cleansing, model accuracy and robustness, and clear business interpretation of results. Performance and insight optimization services apply advanced models that help you consider alternative future outcomes through better planning and decision support, key customer and product insights, and optimized results such as product pricing (see table, "Differentiating Science That Makes a Difference").

Performance and insight optimization services leverage proprietary, leading-edge mathematical models as the basis for obtaining business insights from large volumes of data. This approach gives business executives and their companies significant advantages over competitors by optimizing business transformations and improvements. These models capture key aspects specific to the line of business and provide accurate, quantitative insights into customer behavior, while taking into account all major factors that influence demand and supply. The solutions are engineered to maximize the value found in the data and transform it into tangible benefits (see figure).

Bringing Clarity to Your Business

Executives today are looking for new and better ways to improve business performance. Our performance and insight optimization services provide a means to achieve this objective and realize the following business benefits:

- **Fast time to value and ROI:** Performance and insight optimization services are designed to provide immediate results and value via short deployment cycles by focusing specifically on your most pressing business issues.
- **Tangible results:** The services address real business issues, so the results are business oriented and enable benefits such as increased revenue, greater profitability, and improved ability to link strategy to execution.
- **Proactive business management:** The services provide critical insights for business leaders and decision makers. Advanced analytics deliver insight into key performance indicators while science-based services help you predict business trends and optimize decisions.
- **Improved decision support and performance optimization:** Performance and insight optimization services assist your decision-making process with industry-specific focus and line-of-business guidance. The services shed deep insights into the key decisions or opportunities that drive differentiating value for your organization.

For More Information

Call your SAP representative or visit us online at www.sap.com/services/PIO.

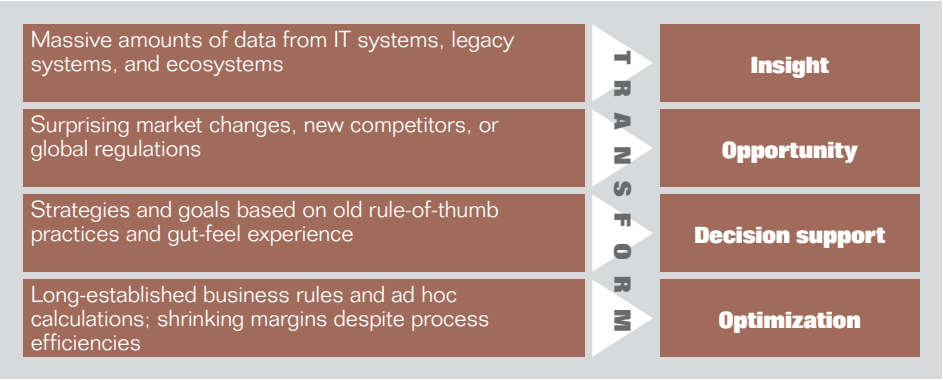

Figure: Transforming Challenges into Opportunities

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Summary

Performance and insight optimization services from SAP move decision making from sensing and responding to predicting and acting. The services merge deep industry knowledge with mathematical modeling, forecasting, and optimization strategies to drive business performance. Leveraging SAP® BusinessObjects™ solutions, these services move you to the forefront of business analytics to proactively plan and manage the state of your business.

Business Challenges

- Use transactional data to inform strategic business decisions
- Access predictive business insights to help identify strategic options
- Identify better ways to model and adapt to improve performance

Key Features

- **Industry expertise** – Gain deep insights and a competitive edge by leveraging principals skilled in industry analytics
- **Scientific algorithms** – Handle large volumes of data efficiently; utilize accurate and robust supply-and-demand models for reliable forecasting, simulation, clear interpretations, insights, and decision support; and leverage optimization algorithms to achieve the most valuable outcomes
- **Performance analytics** – Combine predictive and performance analytics to gain insights, set strategy, and manage and monitor the business effectively
- **Innovation** – Leverage scientific and technology-enabled decision support to provide maximum value and flexibility to impact ROI

Business Benefits

- **Faster time to value** through short deployment cycles focused specifically on your most pressing business issues
- **Increased revenue and greater profitability** by providing bottom-line-oriented insight
- **Better alignment of the strategic areas of your business** through deeper understanding of the options best suited to meet business objectives
- **More proactive business management** through advanced analytics and science-based insight to help you predict business trends and optimize decisions
- **Improved decision support and performance optimization** through industry-specific focus and line-of-business guidance

For More Information

Call your SAP representative for more performance and insight optimization services information or visit www.sap.com/services/PIO.

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