

# Driving value for mid-size businesses with AI and SAP Cloud ERP



# strategy&

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This publication has been developed in collaboration between PwC industry and function experts alongside Strategy&, PwC's global strategy consulting business. Our purpose is to build trust in society and solve important problems.

Strategy& is a global strategy consulting business uniquely positioned to help deliver your best future: one that is built on differentiation from the inside out and tailored exactly to you. As part of PwC, every day we're building the winning systems that are at the heart of growth. We combine our powerful foresight with this tangible know-how, technology, and scale to help you create a better, more transformative strategy from day one.

As the only at-scale strategy business that's part of a global professional services network, we embed our strategy capabilities with frontline teams across PwC to show you where you need to go, the choices you'll need to make to get there, and how to get it right.

The result is an authentic strategy process powerful enough to capture possibility, while pragmatic enough to ensure effective delivery. It's the strategy that gets an organisation through the changes of today and drives results that redefine tomorrow. It's the strategy that turns vision into reality. It's strategy, made real.

## Transforming business processes to boost efficiency and productivity

If you're a mid-size organisation looking to drive value by streamlining business processes and deploying AI at scale, the best option is likely to be introducing an ERP. This offers a unique opportunity to increase efficiency, boost productivity and improve decision support.

SAP Cloud ERP—formerly SAP S/4HANA Cloud Public Edition—is an ERP that provides built-in automation, real-time reporting, robust business processes and embedded AI across finance, supply chain, procurement and more. Delivered through a software-as-a-service (SaaS) model, it's an ideal fit for most mid-size organisations.

This paper outlines how you can use SAP Cloud ERP to transform business processes—including through AI—to make them faster, smarter, and more efficient. It guides you through some of the key challenges, such as prioritising the AI use cases that will deliver the greatest business value, choosing the most suitable implementation route for each use case, and driving continuous improvement. It also showcases real-life success stories demonstrating how integrating AI with SAP Cloud ERP generates tangible business value.



## The power of process transformation

Many mid-size businesses rely on disparate systems and manual processes held together by emails and spreadsheets. If you're in this boat, you have a huge opportunity to hike productivity and efficiency and improve decision support by embracing robust business processes powered by ERP applications infused with AI. This can help you to maintain high agility and low costs as your business grows. Deploying an ERP also standardises processes and improves data quality —both essential steps to driving value from AI at scale.

There are ample opportunities for AI to unlock improvements throughout mid-size companies. For example, in procurement, predictive models can anticipate supplier risks, forecast pricing trends, and trigger replenishment orders based on expected demand. At the same time, supplier quality reports can be automatically summarised, anomalies flagged, and draft communications prepared—all before the buyer lifts a finger. Another example: in finance, AI can improve forecast accuracy, enabling better management of cash flow and working capital. All of these capabilities are already within reach and are rapidly becoming baseline expectations. To transform this vision into reality, mid-size companies should embrace industry-standard processes and embed AI systematically, so it becomes part of the operational backbone. SAP Cloud ERP is an ideal fit, because it includes streamlined, pre-configured business processes that are ready to go. The solution also comes with a growing number of powerful embedded AI capabilities that's designed to meet organisations' business needs as they start their AI journey.



The appetite for transformation must come from the head of the company, but our PwC consultants can support the rest of the process for you. In particular, we can help you establish your AI strategy, decide which AI use cases are worth pursuing and implement strong AI governance to maintain consistency across the organisation and manage the technology's lifecycle.



## Prioritising AI use cases

As you work to infuse AI throughout your business processes, you need to decide which use cases to prioritise. Process heatmaps are a useful way to identify areas where AI can deliver tangible business impact with low implementation effort. Heatmaps evaluate potential use cases on two dimensions:

**1: Business value** (the expected impact on efficiency, accuracy, or decision quality)

**2: Feasibility** (what can realistically be implemented within the constraints of the current technology, data availability, integration effort, and compliance).

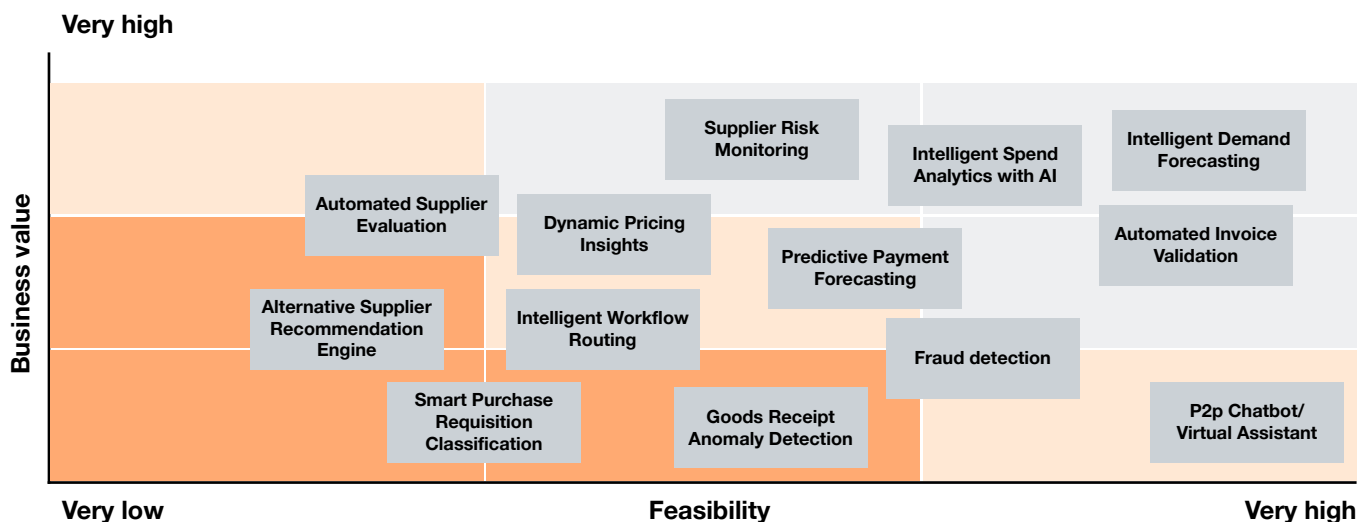
The objective is to establish a clear overview of all relevant AI use cases and their potential. You can target high-value, low-complexity use cases as quick wins, while earmarking more complex opportunities for later stages once technical and organisational readiness is higher. This approach helps provide significant business value early on, while gradually transforming efficiency across the organisation, and helping to establish that only high-value and feasible opportunities enter the roadmap. PwC can also help guide you towards the biggest and most lucrative opportunities, leaning on our deep experience in SAP and AI.



### A real-life example

In the procure-to-pay process, manual checks and fragmented reporting are often flagged as pain points. On the heatmap, automated invoice validation typically scores high on both business value and feasibility, making it a good candidate for early implementation. In addition, some business processes see increased regulations and compliance requirements, which make them good targets for AI-based automation. For example, due to increase electronic invoicing requirements in Europe, a greater number of organisations will receive invoices electronically. Mapping to the correct general ledger accounts, cost object and tax code assignments, can be included into the AI-powered inbound process. Supplier evaluation, on the other hand, may be less feasible due to data or compliance constraints, so it's often deferred to a later stage.

### Client example: Heatmap for procure-to-pay AI use cases

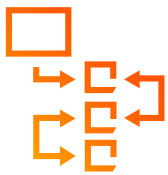


## Choosing the right implementation route for each AI use case

For each AI use case that you decide to take forward, you need to choose the right implementation route. As far as possible, it's best to utilise the ever-growing embedded AI included in SAP Cloud ERP, such as SAP's copilot Joule. This reduces your maintenance overhead, allowing you to benefit from the new functionality that SAP regularly releases to augment SAP Cloud ERP. As a result, you'll be well-placed to keep your company at the forefront of innovation, while being prepared to address any challenges you encounter.

If the embedded AI capabilities or SAP's AI roadmap don't meet your business needs or timelines and you require further functionality, PwC can help you develop custom AI using SAP Business Technology Platform (SAP BTP). In scenarios where you need an AI solution from another provider, be it for integration with SAP Cloud ERP or where the embedded AI falls short of your needs, we can assist in conducting a cost-benefit analysis to enable the advantages to outweigh the costs, including customizations on SAP BTP.

Further information on the various advantages and drawbacks of each deployment option is outlined in the table below.



Option	Advantages	Drawbacks	Solution example
<b>Embedded AI</b> (native functionality of SAP Cloud ERP)	<ul style="list-style-type: none"> <li>Already integrated</li> <li>Secure and compliant</li> <li>Fast adoption</li> </ul>	<ul style="list-style-type: none"> <li>Limited flexibility</li> <li>Tied to SAP's roadmap</li> <li>Commercial considerations</li> </ul>	Joule—SAP's AI copilot, which embeds intelligence directly into employee tasks and processes, by enabling people to type in questions in natural language and receive instant responses
<b>Customised AI</b> (SAP BTP)	<ul style="list-style-type: none"> <li>Highly flexible</li> <li>Meets specific business needs</li> </ul>	<ul style="list-style-type: none"> <li>Requires extra governance and integration</li> </ul>	AI-supported VAT code determination in accounts payable (as described in the healthcare client example later in this paper)
<b>AI solution from another provider</b>	<ul style="list-style-type: none"> <li>Robust specialised functionality</li> <li>Faster time-to-value in niche areas</li> </ul>	<ul style="list-style-type: none"> <li>Vendor dependencies</li> <li>Added compliance effort</li> <li>Limited extensibility</li> <li>Commercial considerations</li> </ul>	Revenue growth improvement based on price, promotion, assortment, and media for consumer products





## Continuous improvement

SAP releases new functionality—including AI innovations—for SAP Cloud ERP twice per year. This means that after the initial SAP Cloud ERP implementation, it's worth regularly reassessing to see if your business can benefit from the new solution enhancements.

For instance, if some AI use cases were previously postponed due to potential implementation difficulties but are now supported by new functionality native to SAP Cloud ERP, they may become viable, attractive options. There's also strong potential to embrace innovation as SAP augments its impressive portfolio of autonomous AI agents, which empower employees to work more productively.

Companies that choose PwC as their implementation partner benefit from ongoing support after the initial SAP Cloud ERP deployment. Our application evolution services help you adapt the ERP to meet your ever-changing business needs, while our business evolution services help you manage change and adoption as SAP releases new functionality. We have set up sustainable release update processes with clients that enable them to adopt new functionalities based on SAP's regular release cycles and the client's business requirements.

## Real-life success stories

Practical examples show how integrating AI with SAP Cloud ERP generates tangible business value. The following case studies highlight two distinct approaches—one using embedded AI capabilities in SAP Cloud ERP, the other a custom-developed solution on SAP BTP.



# Success story 1 – PwC: Leveraging embedded AI

## Challenge

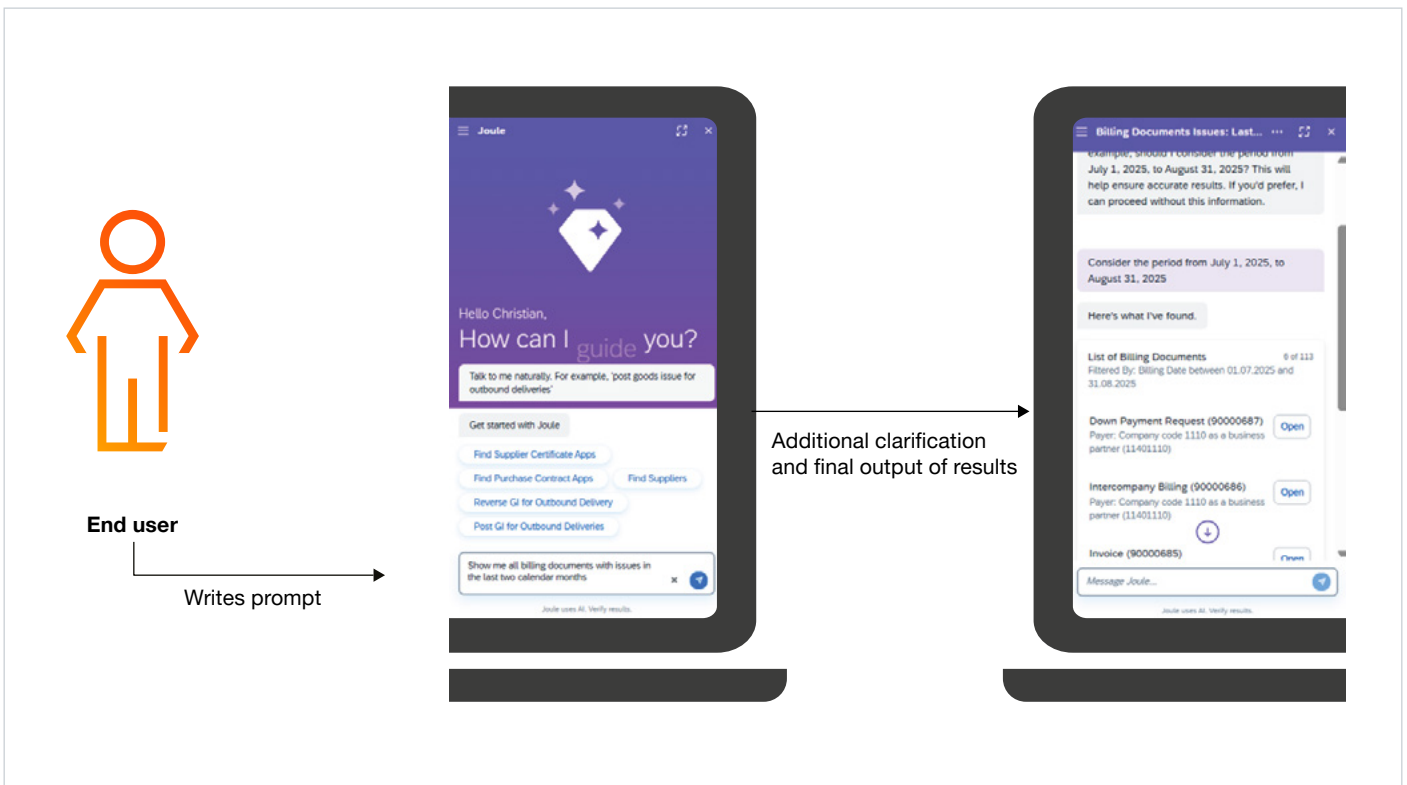
PwC, which is itself the world’s largest SAP Cloud ERP customer, faced the challenge of maintaining efficiency in financial operations, particularly in its accounts payable and receivable departments. A recurring pain point was the ability to quickly access and reconcile the right data—for example, identifying vendors posted to a specific profit and loss (P&L) account, or matching invoices with their corresponding cancellation documents.

## Approach and solution

PwC used Joule to enable natural-language interaction with SAP Cloud ERP data. Users can now perform complex queries intuitively, turning tasks such as vendor lookups or invoice matching into quick conversational interactions.

## Business value

Embedded AI capabilities enabled PwC to streamline financial operations, delivering efficiency gains of up to 30%.



## Success Story 2— (Healthcare): Customised AI in accounts payable

### Challenge

Like many organisations with international supply chains, this pharmaceutical company struggled with facilitating efficiency and accuracy in VAT code determination within accounts payable. Each year, the company processed around a million invoices, and assigning the correct VAT code was both time-consuming and error-prone. Traditional rule-based approaches couldn't capture the complexity of varying transaction patterns, country-specific tax rules, and frequent regulatory changes. Compounding these issues, any errors in VAT coding generated manual rework and increased compliance risks. Since no embedded SAP solution was available to address this need, the company required a different approach.

### Approach and solution

Combining its deep expertise in tax, AI and SAP technology, PwC helped the client implement a custom AI solution on SAP BTP. The system applies AI-driven classification alongside the existing rule-based VAT determination. Where both approaches produce the same result, the outcome is accepted automatically; where they diverge, the case is flagged for expert review. By integrating seamlessly into the procure-to-pay process, the solution enables accuracy at scale and strengthens compliance across regions.

### Business value

The AI-powered solution delivered efficiency improvements of around 60%—equivalent to saving three years of manual effort within a single year. At the same time, it enhanced accuracy and strengthened compliance.



## Conclusion

These real-world examples show how companies can generate significant time and cost savings by streamlining business processes with SAP Cloud ERP and AI. The keys to success are embedding AI systematically within business processes, carefully prioritising AI use cases, and choosing the right deployment method for each use case. Mid-size companies that follow this approach stand to unlock significant value that will help their businesses thrive long into the future.

### Why trust PwC with your SAP Cloud ERP implementation?

PwC is in a great position to help you understand and achieve the benefits of SAP Cloud ERP:



#### Largest user of SAP public cloud

PwC is the world’s largest user of SAP Cloud ERP, using it in various territories worldwide.

#### Experience in business transformation

We are highly experienced in business and technical transformation. We can help you redesign end-to-end processes and address your complex, unique business needs.

#### Platinum partner to SAP

We’re a platinum partner to SAP.

#### Deep knowledge of SAP

We have around 24,000 SAP consultants, including approximately 150 certified on SAP Cloud ERP.

#### Strong track record

We’ve helped many clients move to SAP Cloud ERP. We have a long history of successful SAP transformation projects spanning 20+ years.

#### Innovation is our strong suit

We collaborate with SAP on multiple co-innovation projects, including for SAP Cloud ERP.

### Interested?

To find out more about how PwC can help support your SAP Cloud ERP implementation, please contact a member of the team below or visit [pwc.com/sap](http://pwc.com/sap)

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# Thank you