



MOBILIZE CONSULTING
TRANSFORMATION STARTS WITH YOU

ABS Electronics – Digital Transformation

October 2016

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1 Executive Summary

This proposal provides an analysis and evaluation of the current and prospective business requirements to enable a digital transformation of the ABS Electronics. The proposal draws attention to the fact that ABS Electronics is in a tremendously competitive industry going through uncertainty and change, where mature markets are saturated and global capacity exceeds demand and manufacturers need to be continuously adapting to changing customer requirements. In such an environment, Mobilize Consulting acts as key business partner to help ABS Electronics capitalize on new opportunities to not only increase efficiency, but also explore new ways to grow market share, revenues, and profits.

The proposal finds the prospects of the company in its current position are not positive. The major areas of weakness are related to a high number of non-value-added processes in its operations, inefficiencies in utilize human capital assets and maintain regulatory compliance. Remedial action is critical to ensure the company remains competitive.

Being able to manage adequately the company's information is a key requirement to reduce duplication and increase visibility into revenue and costs, understanding how to quickly adapt the business model, business operations, product and services provided, and markets served in volatile market environments while increasing efficiency, reducing operations costs and improving stakeholder satisfaction. Recommendations discussed include:

- Viable and costs-effective solution for an integrated information system to improve operations
- Business applications solutions that ensure regulatory compliance for the whole company and also to allow run the business in real-time
- Optimized solutions that enables sales deep customer insight, develop talent and maximize potential of human capital and better position the company for the future, which eventually leads to unprecedented business value
- Innovative solution to better position ABS to constantly evolving industry requirements

The analysis also takes into account the fact that the business requirements have budgetary limitations. Some of the limitations include:

- 50% reduction in hardware costs that includes leasing, licenses and support
- 30% reduction in the ongoing management costs for the SAP environment

2 Business Requirements

2.1 Project Summary

ABS Electronics is a mid-sized manufacturing company producing electronic components for the automobile industry. Their products ranges from a simple switches and connectors to the latest in-car navigation systems. Mobilize Consulting is requested to help ABS Electronics to identify business requirements, analyze and evaluate business solutions to do a digital transformation in the group that will help them, with the right solution to consolidate, migrate and upgrade their systems into one common platform shared across the group powered up with real data insights to leverage their existent business.



ABS Electronics needs to be able to make better decisions and collaborate closely with customers, suppliers and small subsidiaries. ABS Electronics has a long term relation with years of collaboration in SAP related areas, such as Finance (FI), Logistics (MM) and Business Warehouse (BW). SAP team that proposes the solution has extensive knowledge and experience working with SAP related projects worldwide. SAP intends to use the extensive knowledge acquired from previous engagements with ABS Electronics to ensure that this business transformation project is a joint success guided by SAP best practices.

2.2 Background

Unfortunately, over the last few years, ABS Electronics' margins on most of their products have been decreasing. Globally, the automobile industry is restructuring, and is dominated by just a handful of major players. Business needs to continuously adapt to changing customer requirements. At the same time, must invest with an eye towards growth and expansion into new markets.

That said, increasing efficiency and streamlining processes remains critical. Customers are mandating a 30% cost reduction in the next two years. Being up and running when demand is available is a key requirement for

operational efficiency. The coordination of assets utilization with planning and maintenance activities is another key requirement to ensure that available capacity is being used to maximize returns.

ABS Electronics needs to reduce the number of non-value-added processes in their operations, and apply lean manufacturing and Six-sigma principles to reduce waste. They must also collaborate more closely with suppliers to ensure cost-effective, on-time deliveries, and develop an integrated views that enables real-time decision-making and increased responsiveness.

Integrated information is a key requirement to reduce duplication and increase visibility into revenue and cost across the enterprise. Finance efficiency and business insight enables the manufacturing companies to quickly adapt the business model, operations, product and services provided to changing customer needs and evolving market dynamics.

2.3 Business Drivers

These are the main business drivers that make the digital transformation a key requirement for ABS to remain competitive in its market segment.

- According to leaders, the company has been missing opportunities, losing deals and ultimately, losing customers because of its slower pace to address client's needs. Competitors see opportunities and address clients' needs much faster than ABS do.
- Sales teams are underperforming because they don't have all the information they need readily available. It's leading to bad consumer sales experiences.
- Customers demand consistent services across a growing number of channels including phone, email, mobile device, social networks, online communities, etc. With so many channels and so much consumer data, sales teams are unable to manage customer relationships and anticipate customer' needs. So customer satisfaction plummets and sales can't solve client's problems.
- Finance and operations data are spread across many different systems which makes leaders and managers unable to run the business with no view on the global business. There is also risk of infringement of regulatory clauses.
- ABS company doesn't have a unified system for automating core human resources processes, such as employee administration, payroll and legal reporting. They don't have real insight into global workforce. They don't have a workforce scheduling and planning system. To do all of that is very time consuming, leading to high operational costs and last of operational efficiency.

Currently	Objective	Priority
The company has been missing opportunities, losing deals and ultimately, losing customers because of its slower pace to address client's needs. Competitors see opportunities and address clients' needs much faster than ABS do.	Customer Relationship Management System	High
Internally they have slow and fragmented processes across multiple functional areas and a complex and inadequate IT landscape, due to old data technology and architecture.	Integrated Information Management System	High
ABS company doesn't have a unified system for automating core human resources processes, such as employee administration, payroll and legal reporting. They don't have real insight into global workforce.	Human Capital Management System	Medium
Sales teams are underperforming because they don't have all the information they need readily available. It's leading to bad consumer sales experiences.	Sales Real-time and Mobile System	Medium

2.4 SWOT Analysis

This section addresses key business strengths, weaknesses, opportunities, and threats of ABS Electronics, with regards to the digital transformation. The exploration of each of these fundamental elements provides broader understanding of how ABS functions as a business in today's market. They are:



2.5 Solutions Requirements

The objectives referred in this section aims at helping to capitalize on new business opportunities, increase efficiency in the use of resources, improve marketing and sales effectiveness, increase consumer's satisfaction, and provide the customer with a pleasant shopping experience.

Mobilize Consulting aims at helping ABS Electronics to find solutions to:

- Integrate existing systems into one common platform across the entire organization
- Harmonize and integrate data from all systems
- Enable real-time data insight
- Create a customer portal and a mobile app to improve communication with customers, suppliers and small subsidiaries
- Leverage analytics replacing excel spreadsheets by a new user-friendly reporting tool
- Re-invent sales process as-is through the creation of a mobile app and a customer portal based on real-time data
- Implement a new unified HCM solution to centralize employee performance information and automate core human resources processes

3 Proposal

The content of this proposal was carefully and specifically elaborated by Mobilize Consulting to its key partner ABS Electronics. This proposal contains proprietary and confidential information of ABS Electronics, inc. and shall not be used, disclosed or reproduced, in whole or in part, for any purpose other than to evaluate this proposal, without the prior written consent of Cathy Brown, CFO and to this document and all information contained herein remains at all times in ABS Electronics.

3.1 Scope

The proposal is structured was designed by our senior consultants to address current business needs that aims to transform the way ABS Electronics operates and better position ABS Electronics for the future of the rapidly evolving Automotive Electronic and Technological devices industry.

The **Core solutions** will present solutions to:

- (1) reduce company IT costs with cloud-based infrastructure,
- (2) boost operational efficiency and digitization,
- (3) develop talent and maximize human capital return,
- (4) create a value chain ecosystem with customers and suppliers,
- (5) business growth with more effective sales force actions.

The **Innovative solutions** will present solution to better prepare ABS Electronic for future demands such as:

- (1) Smart Cars – Connected Devices & IoT ,
- (2) Energy Efficiency, Fuel Shifting and Low Carbon Emissions, and
- (3) Autonomous Vehicles.

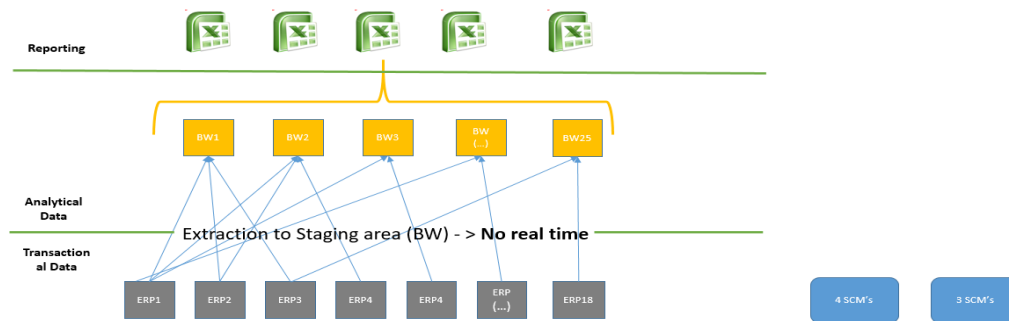
3.2 Solutions

3.2.1 Core Solutions

ABS electronics current systems cannot cope with the demands of the increasing digital world. The solution was to add more and more complexity to the existing IT landscape to keep up with business requirements. That resulted in a complex and hard to manage IT landscape.

This growth in the IT landscape resulted on incompatible hardware from multiple vendors, different operation systems and database. This complicated ABS platform capability to meet the business needs, whether that is timely access to analytics, the ability to absorb new business models, or to create new, streamlined business processes.

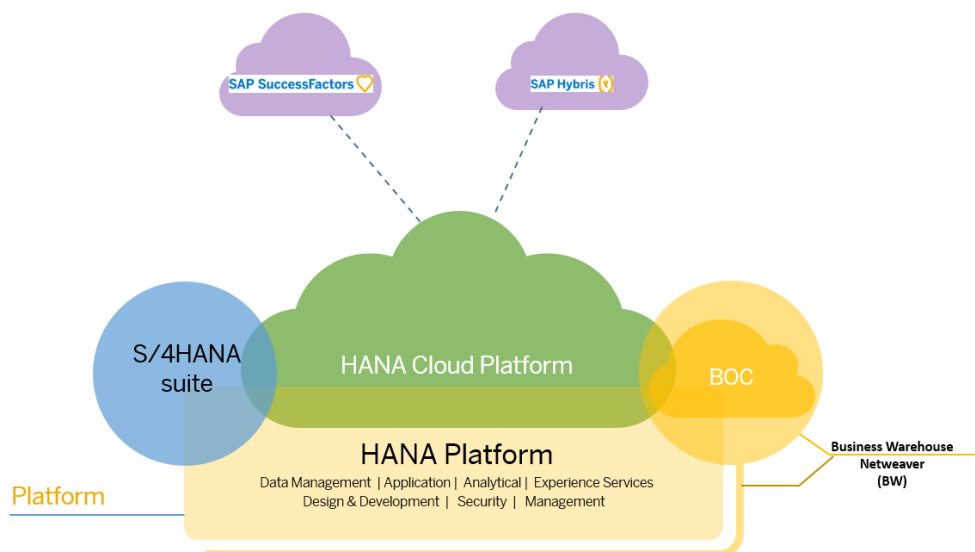
Just in the main manufacturing plants ABS have a total of 18 ERP systems, associated with 25 NetWeaver systems (BW) and 3 SRM plus 4 SCM solutions separated. Below there is an illustration of the as-is architecture in ABS electronics.



This causes fragmented views over data and business decisions are made with 'old' data. Furthermore, the system fragmentation converges into a high number of non-value-added processes in its operations, inefficiencies in utilize human capital assets and maintain regulatory compliance. Remedial action is critical to ensure the company remains competitive.

ABS Electronics needs to be able to make better decisions and collaborate closely with customers, suppliers and small subsidiaries. Main solution to ABS problems is to do a digital transformation in the group that will help ABS electronics, with the right solution to consolidate, migrate and upgrade their systems into one common platform shared across the group powered up with real data insights to leverage their existing business.

Mobilizing Consulting together with Theresa Zheng (Capgemini consultant) proposes set of technology robust solutions to address ABS core needs and meet clients' demands and needs:



This architecture is based on the implementation of the following SAP products to re-invent the core solutions:

Business Need	Objective	Description	Solution	Phase Item	Priority
Integrated Information Management System	Unique SAP [®] ERP system	ERP: SAP S/4HANA		1	High
	Unique SAP [®] BW system	BW1: BW on HANA		2	High
	Integration of systems	BW2: Integration of SAP S/4HANA with BW on HANA			High
	Integration with SAP [®] BOC	BW3: Integration of BW on HANA with SAP Business Object Cloud and Digital Boardroom		3	Medium
	Integration with SAP [®] Roambi	BW4: integration of SAP BOC with SAP Roambi		4	Medium
Human Capital Management SYste	New HCM Platform with SAP [®] SuccessFactors	HCM: Integrate core HR processes in one integrated solution available in all screens		5	Medium
Customer Relationship Management System	Re-invent CRM process with SAP Hybris Sales	CRM: Re-invent Sales Quotation and access reports on mobile with real time data		6	High
Sales Real-time and Mobile System					

Hereafter, Mobilize Consulting specifies the project phases that ABS Electronics needs to go through to make a lasting transformation impact in its business.

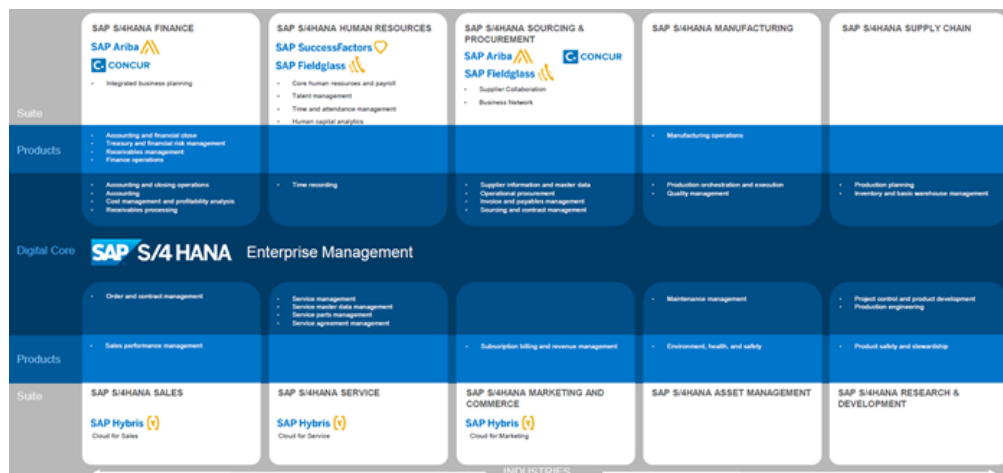
- **PHASE 1: SAP S/4HANA**

SAP® S/4HANA stands for SAP Suite 4 HANA. It is a next-generation integrated enterprise resource planning (ERP) software that is designed for businesses of all sizes, in all industries, that require deep and broad functionality combined with a high degree of flexibility. **SAP® S/4HANA** is intended to provide a digital core for an organization. It is fully architected for the most advanced in-memory platform, SAP® HANA, and is designed on the most modern design principles with the SAP® Fiori user experience to create a personalized and simple feel on users' device of choice (tablet, laptop, mobile).

SAP® S/4HANA is designed to drive business innovation by connecting people, devices, and business networks in real time to support the development of new business models. It will also help accelerate the adoption of, and connection to, the Internet of Things and Big Data.



SAP® S/4HANA has different LoB (line of business) to be able to answer business requirements for several areas. In ABS Electronics main business areas include:



From Mobilize Consulting understanding, existent ERP systems of ABS Electronics have OLTP information for finance and logistics business area. The SAP® S/4HANA Modules displayed above fully cover all business processes from the logistics and finance cores.

- PHASE 2: UNIQUE BW SYSTEM WITH SAP ® BW ON HANA AND INTEGRATION WITH SAP S/4HANA

After migrating all existing ERP systems to one common solution SAP S/4HANA the next step is to consolidate all the existent BW systems on one unified BW data warehouse solution. This BW will be a BW side car with SAP S/4HANA allowing to report over data that exists in the SAP S/4HANA database, HANA database, in real time, providing a common view over business to the entire company of ABS Electronics.

- PHASE 3: INTEGRATION OF BW ON HANA WITH SAP BUSINESS OBJECT CLOUD AND DIGITAL BOARDROOM

SAP ® BOC is a people-centric cloud solution for simplifying financial planning and analysis, featuring easy-to-use yet powerful modeling, analytics, and data integration. Built-in collaboration, mobile capabilities, and calendar-based event management keep you and your colleagues working together anytime, anywhere.

SAP ® BOC will consume the data from the BW on HANA to allow ABS electronics to re-invent the existent excel non-dynamic reports into so called stories in BOC.

ABS Electronics can then consume this stories using SAP ® Digital Boardroom. It replaces the old static excel reports with interactive discussions based on real time - allowing ABS electronics to make fact-based decisions to better drive their business.

With SAP ®BOC and SAP ® Digital Boardroom ABS Electronics can:

- Create a fluid presentation that allows ABS Electronics to easily jump on and off script at any point
- Find answers to business questions by exploring directly on live data to discover relationships and drill down into details
- Collaborate with suppliers, subsidiaries and main plants in remote locations on other devices in an interactive room.



PHASE 4: INTEGRATION OF SAP® BOC WITH SAP® ROAMBI

SAP BusinessObjects Roambi is a data analytics and visualization designed for mobile data consumers including on-the-go executives, field sales and store operations, Roambi allows customers in data-rich markets such as retail, financial services and the pharmaceutical industry to publish reports, dashboards, and analytics anytime, anywhere.

SAP Roambi will consume the SAP BOC stories in a mobile format, allowing ABS Electronics to access information anywhere on any screen.

PHASE 5: IMPLEMENTATION OF SAP® SUCCESSFACTORS

SAP® Success Factors is a SAP SaaS solution to integrate core HCM processes. SuccessFactors is 'content agnostic'. ABS Electronics can provide the content off-the-shelf or might as well internally develop content using typical office desktop tools. SAP® SuccessFactors support content in almost any consumable way.

PHASE 6: IMPLEMENTATION OF SAP® HYBRIS SALES

To re-invent the sales process, ABS Electronics suggests the implementation of the SaaS solution SAP® Hybris. Traditional CRM tools are becoming obsolete. They often don't have the necessary breadth to satisfy growing demand for Omnichannel customer engagement. What ABS electronics really needs is a comprehensive approach to engage with customers and suppliers consistently, across all touchpoints and functional activities, not just via stovepipe solutions for e-commerce, point-of-sale, marketing, social media, sales force automation or customer service in isolation.

SAP Hybris is re-shaping Customer Engagement and Commerce as a new software category beyond traditional CRM.

Specifically, to re-invent the sales process, ABS Electronics should focus on the Sales process and specifically in 'SAP Hybris for Sales – Quotation Management'. These includes the following:

- Quotation capabilities such as create, view, update, delete, validity period
- Opportunity management integration
- Product Lists per Account Proposal
- Pricing and Price Check (native C4C Pricing)
- Basic pricing including list prices, discounts, surcharges (fixed and percentage based)
- Customer specific product lists
- Pricing integration with ERP/CRM (live call via order simulation)
- Campaign integration
- Support of configurable products (through integration)
- Involved party determination
- Rule-based multi-step quote approval workflow
- Flexible notifications (internal and external)
- Output management, format templates, language selection in quote
- Mobile iPad support including digital signature capture
- Follow-on documents such as quotes, activities
- Order creation in SAP ERP, PDF order capability
- SAP Jam integration
- Change history
- API support for importing quote documents
- Standard analytical content

3.2.2 Innovative Solutions

ABS Electronics must be focused on the future of the Automobile Industry which is the only way to become a leader in its sector. Understanding customer's behaviors and being able to predict and anticipate their current and future needs and expectations must be the main driver for the digital transformation.

The automotive industry is constantly evolving. New technologies are forging the way cars and its electronics components will be produced going forwards. The following three main trends of the industry may create opportunities to better position ABS Electronics in the future.

1. Smart Cars – Connected devices using Internet of Things
2. Energy Efficiency, Fuel Switching, and Environmental Emissions
3. Autonomous Vehicles

Among of these three the one that would require immediate attention by ABS Electronics is the concept of Smart Cars fully connected by smart sensors and electronics devices. We are on the verge of a new era in automotive technologies with great potential to save lives, reduce the greenhouse effect and transform people's mobility. It should be ABS's focus to be prepared for this new reality. Therefore, the goal is to direct the company to this new reality, through products and services. That is, components that fit this new reality and services that strengthen the relationship with the client.

According to the Financial Times publication issued on January 15th, 2016, the United States government will invest approximately 4 billion USD in the industry to accelerate smart car testing. In addition, the big manufactures like GM, Ford, Tesla, BMW have announced investments in this area. Soon this will become a new niche, with great potential of opportunities. It is essential for ABS to fit in as it is a changing market. It is also strategic to invest in products and services from the beginning, consolidate the brand in this new niche and achieve a significant market share.

Two areas that must be considered as priorities: **Big Data** and **Mobile**.

The first will create a vast number of new possibilities for revenue and also customer profile information, supporting the decision making for sales growth. ABS Electronics will no longer wait for the customers to knock at his door or to the cars manufacturers, insurance companies and even the cities government for traffic management, crime and lifesaving. Using the data and transforming it into customer's information to extend the relationships or simply provide the data to them.

The second, mobile, and we are not talking about the platforms that help as communication tool, for search or navigation, we are talking about using the ABS devices as connected sensors that report the car position, speed, mechanic/electrical problems and using it to scan the environment to gather as much information as possible about surrounding devices and networks.

All the devices that are manufactured by ABS must have the capacity to gather not only the client's patterns while driving and interactions with the car but also monitoring the car's wear and performance. Collecting irregularities of the roads and traffic lights synchronization time and all that surrounds the car. This is what will make the automobile manufacturers, insurance companies and the cities to buy the products. Is the data/information captured by the devices that will make them to be sell. These devices need to be produced using the most cutting edge technology to save energy and contribute with low carbon emissions.

There are some organizational actions that need to be taken to focus on sales and marketing department prepared to deal with these new demands. This is where new opportunities need to be found and created. This vision/strategy should be divided into two phases, the first one is to process the data collected from the devices and use it to internally or simply sell it to future partners. We also advise that a new department should be created for research purposes and it should be extremely aligned with the marketing team and of course with the manufacturing and related departments (second phase). The research department should study the market future tendencies and work together with the marketing and through the tools and knowledge in data analysis to support their findings to ensure that ABS is always in and up front of the market trends and also responsible for its innovations. The data scientists that make part of this department should also look at the internal processes of the organization to try to understand what changes need to be addressed.

With the analytical power and data management provided by HANA Platform ABS Electronics will work on the collection of data from the devices in a smooth way. In fact, the capacity of access to the data will be truly fast due to SAP HANA in-memory. The platform also brings a good user experience which will positively affect the marketing and research team when working on data analysis. All the information generated could be shared to the board and partners by the SAP BOC and Digital Boardroom.

This will ensure ABS Electronics stays competitive in the market and not get stagnated, reducing the risk of getting to a point where its products become obsolete.

A new study from Juniper Research (Consumer Connected Cars: Telematics, Insurance & In-Vehicle Applications 2015-2020) has estimated that the adoption of connected in-vehicle infotainment systems will produce revenues exceeding \$600 million in 2020. Therefore, directing the investments already made to develop the products, it is possible to insert the ABS in this new niche. With the second phase it is possible to become competitive to achieve leadership in this segment.

3.3 Investment Required

To re-invent the existing core solutions covering the proposals of innovative solutions is 191.784 M€. ABS Electronics investment is made in separate and invoiced in different dates according to solution implementation. The table below shows the amount for each phase of implementation and the implementation schedule. For more information, please refer to Appendix 1.

Phase	Task	Amount (M€)	Dates (From / To)
1	1	15.276	01.01.2017 to 30.06.2017
	2	27.552	01.07.2017 to 31.12.2017
2	1	134.160	01.01.2018 to 31.12.2018
	2	10.608	01.01.2019 to 30.06.2019
	3	1.848	01.07.2019 to 31.12.2019
3		0.960	01.01.2019 to 30.06.2019
4		0.960	01.07.2019 to 31.12.2019
5		0.210	01.01.2016 to 14.04.2016
6		0.210	15.04.2016 to 21.07.2017
Total (M€)		191,784	

This estimate is for Customer's budgetary and Mobilize Consulting resource scheduling purposes. This estimate is based on the information provided by Customer to Mobilize Consulting and Mobilize Consulting's understanding of the Project scope, based on Customer information. Should the information provided by Customer be inaccurate or should Mobilize Consulting gain additional information during the Project, the estimated fees, timeline and scope may be subject to change.

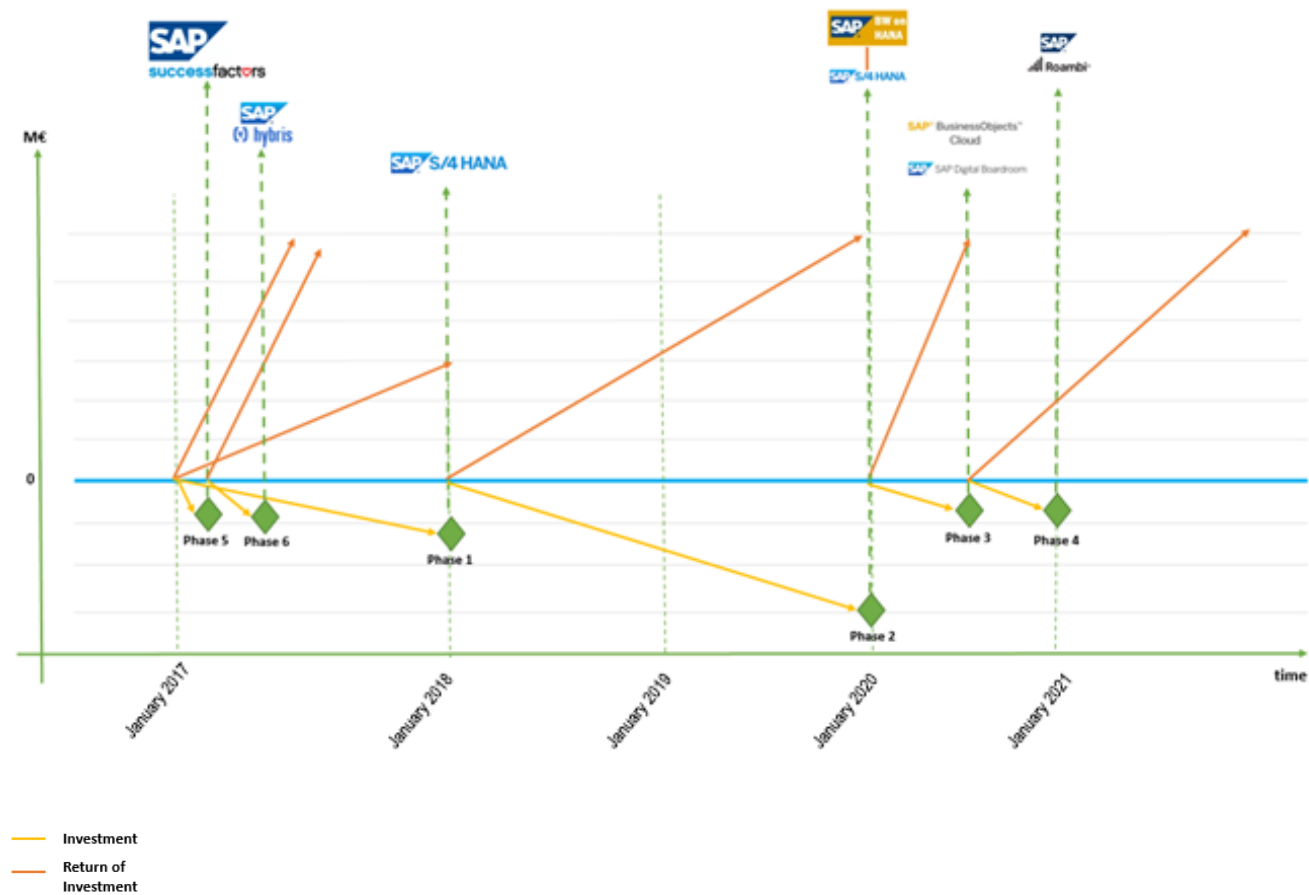
Mobilize Consulting reserves the right to change the rates upon thirty (30) days' notice. Any increased rate(s) shall not exceed the prior rate(s) plus an adjustment made for increases in the consumer price index plus 3%. CPI

as used herein means U.S. Consumer Price Index for all Urban Consumers, U.S. City Average - All Items 1982-1984 = 100 Base for the applicable twelve (12) month period as published by the Bureau of Labor Statistics.

The rate is based on eight hours of work daily. Overtime is compensated on a proportional basis. In general, SAP calculates time-and-a-half for deployments on weekends and holidays (public holidays in the state of PA, or at the project location where works and services are being provided), as well as for night shifts (8:00 p.m. to 8:00 a.m.). Mobilize Consulting also calculates a minimum of four working hours per day for deployments

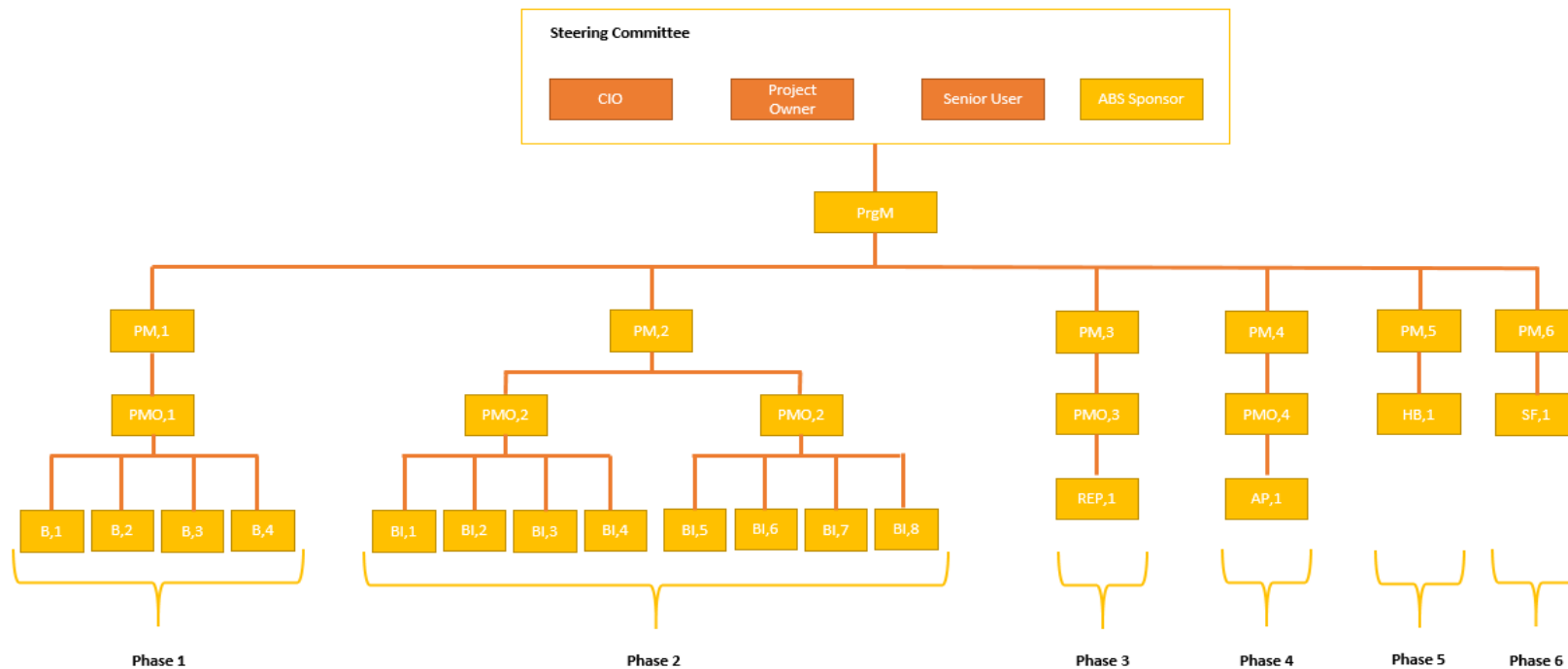
3.4 Timelines and ROI

The graph below shows how the investment of ABS electronics is going to be invoiced and the time for implementation of each solution. In yellow is the investment from ABS electronics and in orange is the estimate of the Return of Investment (ROI.) It is possible to see that in a short term ABS Electronics will have the ROI as well as profit.



3.5 Project Governance

Please notice that all roles referred in this Organization Breakdown Structure (OBS) are all referred in the estimation on Appendix 1.



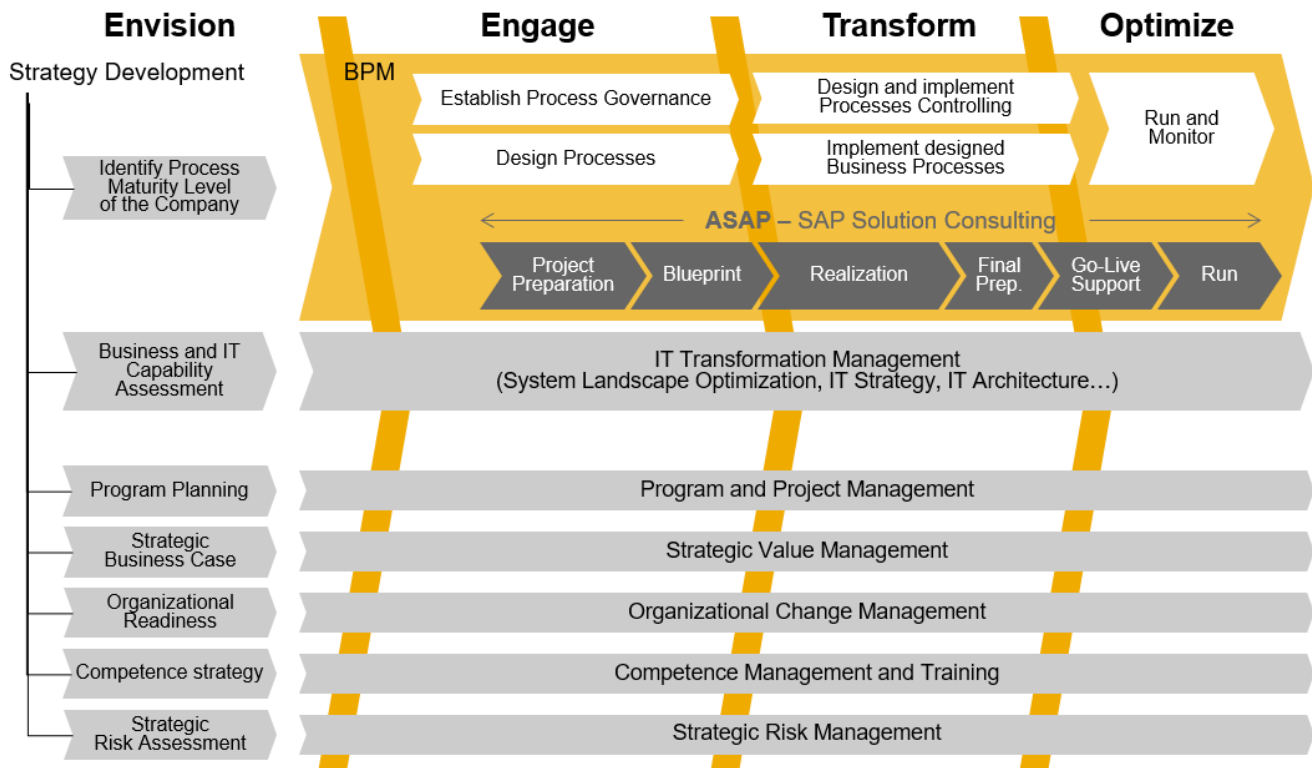
3.6 Responsibilities

Role	Accountabilities
Steering Committee	Ricardo Vinhas – Mobilize Consulting, SVP Strategic Affairs Cathy Brown – CFO Lee Narita – CIO Tom Gates – VP Sales & Marketing Teresa Zheng – Capgemini Consultant Jorge Carrola – Academic Digital Transformation Consultant
Program Champion	Core Transformation Solutions – Maria Catarina Silva (Mobilize Consulting - VP Technology Solutions) Innovative Solutions Diogo Presunto (Mobilize Consulting - VP Sales Solutions) André Andrade (Mobilize Consulting - VP Marketing Solutions) HR Transformation Viviana Bonilla (Mobilize Consulting – SVP Human Capital Management)
Project Managers PM,1; PM,2; PM,3; PM,4; PM,5; PM,6	TBD
Project Managers Officer PMO,1; PMO,2; PMO,3; PMO,4; PMO,5; PMO,6	TBD
Teams of Phase 1 B,1; B,2; B,3; B,4	These teams are responsible for the ERP and data migration to an unique SAP S/4HANA
Teams of Phase 2 BI,1; BI,2; BI,3; BI,4; BI,5; BI,6; BI,7; BI,8	These teams are responsible to the re-modeling of the BW Netweavers into one unique BW on HANA Netweaver side-car with HANA DB of SAP S/4HANA
Teams of Phase 3 REP,1	This team is responsible to re-create the existent reports from the old fashioned tool Excel like to the new SAP Reporting tool SAP BOC (with the creation of stories) and SAP Digital Boardroom
Teams of Phase 4	This team is responsible to set up the consumption of the stories of SAP BOC in

AP,1	SAP mobile solution SAP Roambi
Teams of Phase 5 HB,1	This team is responsible for the implementation of a new SAP Hybris solution to re-invent the sales quotation process in ABS allowing users to consume information in real-time in all screens
Teams of Phase 5 SF,1	This team is responsible of creating a new solution to centralize all HCM core processes and make them available across all ABS organization, from main plants to subsidiaries.

3.7 Methodology of Transformation

The methodology that will be used to help in ABS electronics in this project will be the **Business Transformation Management Methodology**. This was the methodology chosen since the ABS electronics project includes merges and acquisitions, introduction of new shared service centers, enterprise software and so on. This methodology comprises four phases: **ENVISION, ENGAGE, TRANSFORM and OPTIMIZE**. The BTM2 provides a real-world guidance and support to transform projects by bringing together the disciplines of **Strategy, Value, Risk, IT Transformation Program, Project, Change, Process and Competency management**. While Strategy, Value and Risk Management set the course for the business transformation, other disciplines enable the transformation process. The discipline of Meta Management incorporates topics such as culture, values, and standards, as well as formal and informal structures.



4 Business Impacts and Expected Benefits

In increasing markets and economy, Automotive Electronic Equipment and Technological Devices industry have evolved as a result of intense competition, rapid growth and change, colliding cultures, technology waves and more, that occurs at unprecedented speeds. Mobilize Consulting allies its many years of experience in the area to bring to our important corporate partner, ABS Electronics, a proposal of solutions carefully designed not only to **transform** in a profound and lasting way the operations, marketing and sells activities, but also to better position ABS Electronics to a future of many new opportunities.

The following are the main business impacts and expected benefits of the proposed **Core Solutions**.



1. **The World is Moving to Cloud.** This is not about meteorology, astrology or science fiction. Technology has discovered a new way of safely house and more effectively process our most precious assets – information. By adopting cloud-based solutions ABS do not need to worry about applications databases, servers, maintenance, etc. Instead of spending tons of money with IT, ABS will shift to a more flexible and affordable cost model, which will adapt to the company needs.



2. **Boosting Operation Excellence and Business Digitization.** Nowadays the information needs to flow throughout the whole organization. The global and fully integrated Information Management System will increase productivity, reduce the stock of material production, eliminating activities that do not have the benefit (value added), improve service and customer satisfaction, coordinating every part in the enterprise and improve the quality of management policies.



3. **Accelerating Talent Development and Maximize Human Capital.** Building a powerful human capital strategy requires solid facts, measures, and processes for discerning where the company will get the most leverage from its people and build real talents. The proposed Human Capital Management solution will help ABS Electronics analyze how key outcomes such as productivity are affected over time by human capital attributes and practices and how to predict the return on any human capital investments.

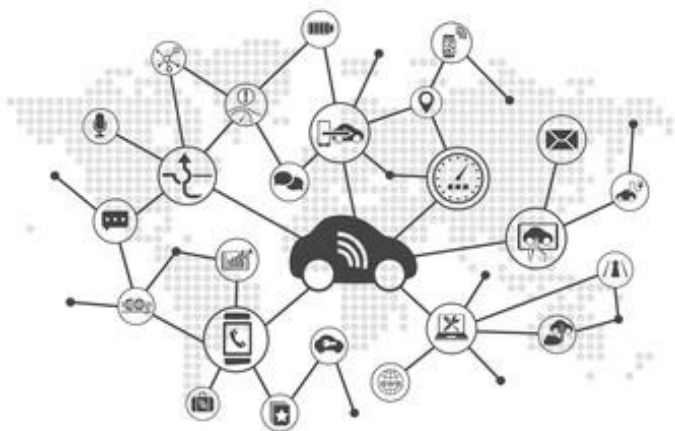


4. **Building a Value Ecosystem.** One plus one is now a number far beyond. ABS Electronics needs an in-depth, readily available and integrated customer knowledge in order to build close cooperative and partnering relationships with its customers. The increasing number of new channels and technologies is significantly changing how companies interface with their customers. The Customer Relationships Management solution will develop a full-knowledge about customer behavior and preferences and help to developing programs and strategies that encourages customers to enhance their relationships with the company.



5. **Going Mobile and Expanding Sales.** Sales is now a science and an Art. With the proposed sales solution ABS Electronics will have an innovative, real-time, fully responsive mobile sales tool to effectively and consistently expand sales. Management will have direct control on sales force effectiveness and will be to maximize return of campaigns.

The following are the main business impacts and expected benefits of the proposed **Innovative Solutions** with regards to the three business trends that will forge the automotive industry in the upcoming years.

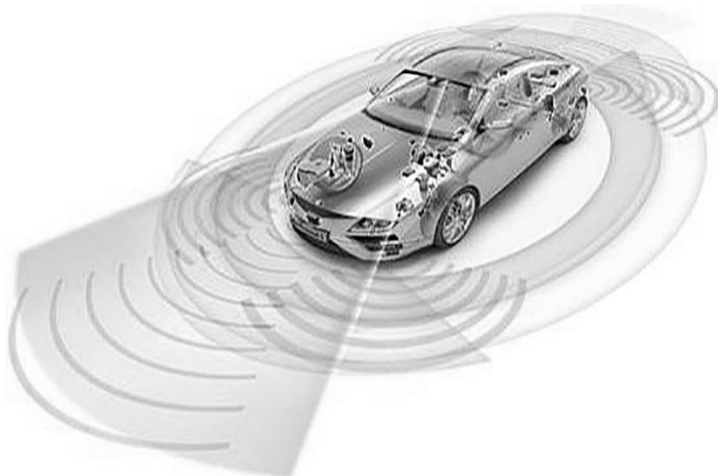


1. Smart Cars - Connected Devices & Internet of Things.

Things. Automakers have noticed a growing trend and a significant business opportunity for connecting their cars. Expectation is to get 381 million connected cars to be on the road by 2020, up from 36 million in 2015. Furthermore, current forecasts that connected cars will generate \$8.1 trillion between 2015 and 2020. But it won't just be car wi-fi that changes the automotive industry. Public transportation, such as buses and trains, will also transform thanks to the IoT. The Innovative solutions takes it into consideration and provides a platform that will connect ABS Electronic with its multiple portfolio of devices.

2. Energy Efficiency, Fuel Switching, and Environmental Emissions.

Electric cars are super-hot. An across-the-aisle Bundesrat resolution calls on the EU Commission in Brussels to pass directives assuring that “latest in 2030, only zero-emission passenger vehicles will be approved” for use on EU roads. New electronic auto devices will need to bring more energy efficiency. So the solutions proposed will make ABS Electronics being developing cutting edge and high energy efficiency devices to delight its clients’ green needs.



3. Autonomous Vehicles. Did you hear

that? Yes. That's true. Autonomous Vehicles are a big trend for the near future. Remote sensors and geospatial location technologies are going to change the way we drive. This is the time to get prepared to capitalize on this multi-billion-dollar segment. Mobilize Consulting did not forget to think on such solutions that will enable soon or later literally shift to this new reality.

5 Sign-Off

Name	Role	Signature
Ricardo Vinhas	Mobilize Consulting, SVP Strategic Affairs	
Maria Catarina Silva	Mobilize Consulting - VP Technology Solutions	
Diogo Presunto	Mobilize Consulting - VP Sales Solutions	
André Andrade	Mobilize Consulting - VP Marketing Solutions	
Viviana Bonilla	Mobilize Consulting – SVP Human Capital Management	
Cathy Brown	CFO	
Lee Narita	CIO	
Tom Gates	VP Sales & Marketing	
Teresa Zheng		
Prof. Dr. Jorge Carrola	Academic Digital Transformation Consultant	

Appendixes

Appendix 1 – Effort Estimation for Implementation of Core Solutions

Phase 1 – ERP upgrade/system conversion and data migration to SAP S/4HANA

1) For the first phase the effort estimation will be:

a. A typical migration/system conversion with this landscape takes around 4 months to finish with one resource, considering migration and conversion of each system to S/4HANA, unit tests and acceptance test of each system.

b. We have a total of 18 ERP systems. A team consisting one technical lead and four BASIS consultant, can finish the migration/system conversion of a total of 5 systems at the end of four months. So to finish on 6 months the 18 ERP migration/system conversion we need 4 teams working at the same time and one project manager (PM) and one project manager officer (PMO)

c. We have to migrate data from 18 ERP to the new SAP S/4HANA. A team consisting of 3 SAP Data Migration Consultants and one technical lead, covers the data migration of three ERP to the new SAP S/4HANA in 6 months. We need 6 teams working at the same time, one project manager and two project manager officer (PMO).

Phase	Task	Team	Role	Number of Resources	Resource Price (€) (Day)	Estimated Effort (Days)	Dates (From/ To)
1	Task 1: Migration/System Conversion of 18 ERP Systems to SAP S/4HANA	All	SAP Project Manager	1	400	120	01.01.2016 To 30.06.2016
		All	SAP Project Manager Officer	1	300	120	
		B,1	SAP BASIS Technical Lead 1	1	300	120	
			SAP BASIS Consultant	4	1200 (4*300)	120	
		B,2	SAP BASIS Technical Lead	1	300	120	
			SAP BASIS Consultant	4	12000 (4*300)	480 (4*120)	
		B,3	SAP BASIS Technical Lead	1	300	120	
			SAP BASIS Consultant	4	12000 (4*300)	480 (4*120)	
		B,4	SAP BASIS Technical Lead	1	300	120	
			SAP BASIS Consultant	4	12000 (4*300)	480 (4*120)	
		SubTotal				22	
Total (M€)							15.276

Phase 2 - BW data harmonization and migration to unique BW on HANA

In the second phase, the effort estimation is:

a. The remodel of classic BW Data Warehouse into BW on HANA technology with the migration of three environments into one, takes 1 year to complete with a team of three BW on HANA consultants and two BO consultant being one of the BW on HANA consultant the role of lead. Therefore to get from 25 systems to 8 systems at the end of one year we need 8 teams, one project manager and two project manager officer (PMO).

b. At the end of the first year we have 8 BW on HANA systems already on BW on HANA technology. The next phase will be only to migrate the 8 BW on HANA systems into three and then the final three into one BW on HANA system. Since here there is no need to do the remodeling (since it was done in the task before), the migration of 8 BW on HANA environments into three, and then from three systems into one takes one year to finish. We need 3 teams, one project manager and one project manager officer in the first six months (where from 8 BW on HANA are migrated into 3 BW on HANA systems) and for the final six months we only need 1 team, 1 project manager and one PMO.

Phase	Task		Team	NR. of Resources	Resource Price (€) (Day)	Estimated Effort (Days)	Dates (From/ To)
2	Task 1: Remodel of classic BW data flows to BW on HANA with migration of 25 BW NW into 8 BW NW	All	SAP Project Manager	1	400	240	01.01.2017 To 31.12.2017
		All	SAP Project Manager Officer	2	600 (2*300)	480 (2*240)	
		BI,1	SAP BI Technical Lead	1	300	240	
			SAP BW on HANA Development Consultant	2	600 (2*300)	480 (2*240)	
			SAP BO Development Consultant	2	600 (2*300)	480 (2*240)	
		BI,2	SAP BI Technical Lead	1	300	240	
			SAP BW on HANA Development Consultant	2	600 (2*300)	480 (2*240)	
			SAP BO Development Consultant	2	600 (2*300)	480 (2*240)	
		BI,3	SAP BI Technical Lead	1	300	240	
			SAP BW on HANA Development Consultant	2	600 (2*300)	480 (2*240)	
			SAP BO Development Consultant	2	600 (2*300)	480 (2*240)	
		BI,4	SAP BI Technical Lead	1	300	240	
			SAP BW on HANA Development Consultant	2	600 (2*300)	480 (2*240)	

			SAP BO Development Consultant	2	600 (2*300)	480 (2*240)	
		BI,5	SAP BI Technical Lead	1	300	240	
			SAP BW on HANA Development Consultant	2	600 (2*300)	480 (2*240)	
			SAP BO Development Consultant	2	600 (2*300)	480 (2*240)	

It continues on the next page

Phase	Task	Team	Role	Number of Resources	Resource Price (€) (Day)	Estimated Effort (Days)	Dates (From/ To)
2	Task 1: Remodel of classic BW data flows to BW on HANA with migration of 25 BW NW into 8 BW NW CONT	BI,6	SAP BI Technical Lead	1	300	240	01.01.2017 To 31.12.2017
			SAP BW on HANA Development Consultant	2	600 (2*300)	480 (2*240)	
			SAP BO Development Consultant	2	600 (2*300)	480 (2*240)	
		BI,7	SAP BI Technical Lead	1	300	240	
			SAP BW on HANA Development Consultant	2	600 (2*300)	480 (2*240)	
			SAP BO Development Consultant	2	600 (2*300)	480 (2*240)	
		BI,8	SAP BI Technical Lead	1	300	240	
			SAP BW on HANA Development Consultant	2	600 (2*300)	480 (2*240)	
			SAP BO Development Consultant	2	600 (2*300)	480 (2*240)	
		Sub Total				43	
Total (M€)							134.160

Phase	Task	Team	Role	Number of Resources	Resource Price (€) (Day)	Estimated Effort (Days)	Dates (From/ To)			
2	Task 2: Migration of 8 BW on HANA systems into three	All	SAP Project Manager	1	400	120	01.01.2018 To 30.06.2018			
		All	SAP Project Manager Officer	1	300	120				
		BI,1	SAP BI Technical Lead	1	300	120				
			SAP BW on HANA Development Consultant	2	600 (2*300)	240 (2*120)				
			SAP BO Development Consultant	2	600 (2*300)	240 (2*120)				
		BI,2	SAP BI Technical Lead	1	300	120				
			SAP BW on HANA Development Consultant	2	600 (2*300)	240 (2*120)				
			SAP BO Development Consultant	2	600 (2*300)	240 (2*120)				
		BI,3	SAP BI Technical Lead	1	300	120				
			SAP BW on HANA Development Consultant	2	600 (2*300)	240 (2*120)				
			SAP BO Development Consultant	2	600 (2*300)	240 (2*120)				
		Sub Total				17		5200	2040	
		Total (M€)							10.608	

Phase	Task	Team	Role	Number of Resources	Resource Price (€) (Day)	Estimated Effort (Days)	Dates (From/ To)
2	Task 3: Migration of 3 BW on HANA systems into one	All	SAP Project Manager	1	400	120	01.07.2018 To 31.12.2018
		All	SAP Project Manager Officer	1	300	120	
		BI,1	SAP BI Technical Lead	1	300	120	
			SAP BW on HANA Development Consultant	2	600 (2*300)	240 (2*120)	
			SAP BO Development Consultant	2	600 (2*300)	240 (2*120)	
			SubTotal		7	2200	
Total (M€)							1.848

Phase 3 – Integration of BW on HANA with SAP Business Object Cloud and Digital Boardroom (re-create reports)

The remodel of existing ABS Electronics reports on the new reporting tool SAP Business Object Cloud and SAP Digital Boardroom takes 6 months to complete with a team of one BI consultant, one ABAP Development consultant and one SAP Integration Consultant. To manage this team we need one PMO and one PM.

Phase	Task	Team	Role	Number of Resources	Resource Price (€) (Day)	Estimated Effort (Days)	Dates (From/ To)
3	Re-create reports in SAP BOC and SAP Digital Boardroom	All	SAP Project Manager	1	400	120	01.01.2019 To 30.06.2019
		All	SAP Project Manager Officer	1	300	120	
		REP,1	SAP ABAP Development Consultant	1	300	120	
			SAP BI Consultant	1	300	120	
			SAP Integration Consultant	1	300	120	
			SubTotal			5	
Total (M€)						0.960	

Phase 4 - Integration of SAP BOC with SAP Roambi (implementation of SAP mobile solution)

The integration of reports developed in phase 3 with SAP mobile solution SAP Roambi 6 months to complete with a team of one BI consultant, one ABAP Development consultant and one SAP Integration Consultant. To manage this team we need one PMO and one PM.

Phase	Task	Team	Role	Number of Resources	Resource Price (€) (Day)	Estimated Effort (Days)	Dates (From/ To)
4	Integration of SAP BOC with SAP Roambi	All	SAP Project Manager	1	400	120	01.07.2019 To 30.12.2019
		All	SAP Project Manager Officer	1	300	120	
		AP,1	SAP ABAP Development Consultant	1	300	120	
			SAP BI Consultant	1	300	120	
			SAP Integration Consultant	1	300	120	
		SubTotal			5	1600	
Total (M€)							0.960

Phase 5 – Implement new SAP HYBRIS Solution

The development of a new SAP HYBRIS solution takes 70 days to conclude with a team of one project manager, one senior technology architect and one technology consultant of the Hybris profile.

Phase	Task	Team	Role	Number of Resources	Resource Price (€) (Day)	Estimated Effort (Days)	Dates (From/To)
1	Implement SAP HYBRIS solution	All	SAP Project Manager	1	400	70	01.01.2016 TO 15.04.2016
		HB,1	SAP Senior Technology Architect	1	300	70	
			SAP Technology Consultant	1	300	70	
		SubTotal				3	
Total (M€)							0.210

Phase 6 – Implement new SAP SUCCESSFACTORS Solution

The development of a new SAP SUCCESSFACTORS solution takes 70 days to conclude with a team of one project manager, one senior technology architect and one technology consultant of the SuccessFactors profile.

Phase	Task	Team	Role	Number of Resources	Resource Price (€) (Day)	Estimated Effort (Days)	Dates (From/ To)
1	Implement SAP SUCCESS FACTORS Solution	All	SAP Project Manager	1	400	70	16.04.2016 TO 31.07.2016
		SF,1	SAP Senior Technology Architect	1	300	70	
			SAP Technology Consultant	1	300	70	
		SubTotal				3	
Total (M€)							0.210

Appendix 2 – Change Request Procedure

Professional Services Agreement or Schedule ("Agreement")

between

Mobilize Consulting

and

ABS Electronics. ("Customer")

Change Order Procedure

Any change to this Proposal must be agreed to, in writing, by both parties. The following procedure (whether requested by Customer or SAP) will be used to control all changes. All Change Requests to the SOW must be made in writing and shall be submitted by the appropriate Project Manager. Each request should contain the following information:

- The requested change;
- The impact, if any, on the existing Services and Deliverables (if any);
- Estimated impact, if any, on project schedule; and
- Estimated change, if any, in consulting fees.

The Project Manager shall review and accept or reject the Change Request. If rejected, the Change Request shall be returned to the submitting party with written reasons for rejection and, as appropriate, any alternatives.

All approved Change Requests will be incorporated into the Change Order to this SOW. SAP will not perform any Services outside of the SOW until the Change Request has been signed by both parties.

1. Describe the requested change:

2. Define the impact, if any, on existing Services and Deliverables (if any):

3. Define additional Services required as a result of the requested change, if any:

4. Define the impact, if any, to the existing Project schedule. Provide an updated Project schedule, if appropriate.

5. Provide an updated Services and payment schedule, if appropriate.

Accepted By:
Mobilize Consulting

By: _____

Print name: _____

Title: _____

Date: _____

Accepted By:
(Customer)

By:

Print

Title:

Date:

name:

Appendix 3 – Expense Policy

Professional Services Agreement or Schedule ("Agreement")

between

Mobilize Consulting

and

ABS Electronics ("Customer")

Expense Policy

General

Mobilize Consulting will provide expense details in monthly invoices. Receipts are required for all expenses over \$10. Copies of receipts will be provided to Customer upon written request. Reimbursement will be made at actual cost. Detailed information by expense category is listed below.

Airfare

- Airfare must be economy class.
- Airfare over \$450 per person must be approved in writing by your Customer contact. Charges for airfare changes will only be reimbursed due to Customer scheduling changes unless approved in writing (email).
- Baggage charge reimbursement is limited to one checked bag.
- Fees for early check-in or seat upgrades are not reimbursable.

Car Rental

- Rental cars must be intermediate class or lower (economy). If using National or Enterprise, request the ABS Electronics rate.
- SAP must make reasonable efforts to share rental cars when multiple SAP personnel are traveling to the same Customer site.
- No additional insurance coverage will be reimbursed. SAP is required to carry automobile insurance.
- Fuel purchases packages from the rental car agency will not be reimbursed;

Taxi Service

- Taxi services are reimbursable with receipts.
- Taxi service is only reimbursable if a rental car is not used.
- Taxi service is only to be used if it is estimated to be cheaper than car rental.

Meals

- Meals are limited to \$46.00 / day / person.
- Meal reimbursement is NOT a per diem. Only actual expenses with receipts will be reimbursed.

Hotel

- The following policy applies if hotels will honor Customer rates for Mobilize Consulting Consultants:
 - Hotel Expenses is limited to \$110 (w/out taxes) per person per day.
 - Approval in writing must be acquired for any hotel over \$110 per day unless it is a Customer pre-approved hotel.
 - If traveling to a ABS Electronics site that has per-approved hotel(s), the Mobilize Consultant must use those designated hotels unless hotel is unavailable, or a cheaper rate is used.
- If hotels will not honor Customer rates for SAP consultants, consultants will use best available discounted rates.

Phone Expenses

- Hotel Phone expenses will be reimbursed only for conducting ABS Electronics business. Cellular phone charges will not be reim

Appendix 4 – General Information about the Project

1. Date and Local of Services Deployment

The Services will be provided between the Expected Start Date: January 01, 2016, and the Expected End Date: June 30, 2019 a total of 48 months. This comprises the first three phases.

After these three phases, there would be a new one to create a new HCM solution but this is not a priority for CFO Cathy Brown and therefore was not considered as part as the estimation for the effort, although an SAP solution will be also suggested to eliminate Human Resources manual tasks.

The Expected End Date is an estimated date only. This SOW will remain in effect until the Services agreed have been concluded unless otherwise agreed between the parties in writing or unless otherwise terminated in accordance with the PSA or this SOW.

The place of performance where SAP's consultants will be performing the Services is Customer's facility in United Kingdom as well as occasional work performed in other based Customer facilities.

Customer agrees that certain parts of the Services may also be performed on SAP's premises or via remote connection.

2. Invoicing and Payment

The Services provided by SAP will be invoiced monthly on a time and expense basis. The invoice will include a list of the activities to which it refers and applicable expenses. The invoice will include a valid Customer PO number. SAP may issue separate invoices for time and related expenses. Payment is due 30 days from the date of invoice. No cash discount is granted. SAP will mail invoices monthly to the following Customer billing address:

3. Taxes

Fees and other charges described in this SOW do not include federal, state or local sales, foreign withholding, use, property, excise, service, or similar transaction taxes ("Tax(es)") now or hereafter levied, all of which shall be for Customer's account. With respect to state/local sales tax, direct pay permits or valid tax-exempt certificates must be provided to SAP at the execution of this SOW. If SAP is required to pay Taxes, Customer shall reimburse SAP for such amounts. Customer hereby agrees to indemnify SAP for any Taxes and related costs, interest and penalties paid or payable by SAP.

The location for the Services provided hereunder is identified by Customer as: 535 Marriott Drive, Nashville, TN 37214 ("Service Location"). Customer agrees and understands that the calculation of Taxes may be affected by the Service Location.

4. Cancellation /Termination

Notwithstanding termination for cause, this SOW can be terminated by Licensee any time, in whole, by providing at least 30 days prior written notice stating the effective date. In event of termination, SAP shall be paid all fees then due and owing, including expenses, and for all Services performed (including the notice period), irrespective of whether Services have been invoiced yet. Licensee agrees that in the event this SOW is terminated with less than 30 days prior written notice, SAP reserves the right to also invoice and be paid for the balance of the remaining hours measured from the insufficient notice date up to the 30 day notice requirement.

5. Validity of Quotation

The validity of this Statement of Work will expire on December 31, 2015, unless sooner executed by Customer, or extended in writing by SAP.

6. General

Any earlier quotations that SAP has submitted concerning the same works and services are hereby withdrawn. The terms, conditions, and details in this quotation also apply to any Services and Work Products that are or have been provided to Customer before a contract is concluded.

Should any provision of this SOW be ineffective or unenforceable, the validity of this SOW remains unaffected. In this case, the parties undertake to replace the ineffective provision with an effective provision that achieves as nearly as possible the business purpose of the ineffective provision.

Except as provided in the severability clause, this offer may accepted only in its entirety. Customer must provide SAP with a valid PO number prior to delivery of Services.

