SAP® Innovation Awards 2020 Entry Pitch Deck
Spatial Computing Revolution Driven by an Intelligent Enterprise
Magic Leap Inc.
Company Information

<table>
<thead>
<tr>
<th>Headquarters</th>
<th>Plantation, Florida</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Spatial Computing</td>
</tr>
<tr>
<td>Web site</td>
<td><a href="http://www.magicleap.com">www.magicleap.com</a></td>
</tr>
</tbody>
</table>

Magic Leap is a spatial computing company building the next computing platform. Our vision is to create infinite realities in our world. Through the use of our proprietary spatial computing technologies, products, platforms, and services we will enable the physical and digital worlds to become one.

Spatial computing frees digital content from screens, seamlessly blending the digital world with the physical world. Digital objects can now play in our physical world—aware of their surroundings, respecting physics, and adding to the human experience rather than distracting from it.

Magic Leap 1 is the latest release and the most advanced XR device on the market today. Magic Leap 1 is an updated version of Magic Leap One Creator Edition, a revolutionary wearable computer that brings the physical and digital worlds together as one.

Magic Leap is proudly headquartered in Plantation, Florida, with additional offices in California, Texas, Washington, Colorado, Israel, London, New Zealand, and Switzerland.
Achieving Intelligent Enterprise through SAP S/4HANA Transformation

“"The SAP implementation at Magic Leap has led us to operate as an Intelligent Enterprise out of the gate, resulting in tremendous efficiencies by building flexible, integrated and collaborative systems. We have business processes and transactions that are agile, secure and scalable across the globe.”

- Landon Cortenbach

VP, Business Engineering
Magic Leap

Challenge
As a startup in the early stages of our business lifecycle, we needed to enable the core tenants of an intelligent enterprise quickly, given our growth trajectory. We needed the capabilities of a large, global organization, while maintaining the agility and flexibility of small startup.

Solution
Magic Leap, working with its implementation partner Deloitte, developed an SAP implementation roadmap using a phased approach to enable SAP S/4HANA, SAP Ariba, SAP Commerce, SAP SuccessFactors and SAP Billing and Revenue Innovation Management (BRIM) components as core capabilities were being rolled out in engineering, manufacturing, supply chain, sales, finance, procurement, human resources and customer service.

Outcome
Magic Leap went live with SAP S/4HANA, SAP SuccessFactors, SAP Ariba, SAP Commerce, SAP Cloud for Customer (C4C) and SAP Billing and Revenue Innovation Management (BRIM) (Convergent Charging & Invoicing), all of which serves as the central nervous system to our global organization as we continue to grow and scale.

10% Improvement in productivity with PO process
33% Improved inventory Accuracy
35% Improved order fill rate
88% Increased productivity managing MRO process
Deloitte Consulting

Deloitte Consulting partnered with Magic Leap and worked alongside the Magic Leap team on building the SAP roadmap, planning and implementation of SAP S/4HANA, SAP Commerce, SAP SuccessFactors and SAP Ariba under challenging circumstances.

“"It was extremely exciting and gratifying to help Magic Leap create a foundation for building a truly scalable, global, and world class business around their incredible vision in spatial computing and digital reality. Their reimagined human capital, sales, and operations give them the core to drive future innovation and growth.”

Bill Briggs, Chief Technology Officer, Deloitte
Business Challenges and Objectives

Business challenges –
- Product in engineering phase;
- New technology, product with limited industry available best practices;
- Rapidly growing organization, with a need to globally scale people, process and technology;
- Change management in a rapidly growing and evolving organization;
- Maintain agility to meet the demands of an evolving market.

Project objectives –
- Establish best practices across core capabilities related to people, process and technology;
- Build an efficient and scalable integrated ERP solution suite to drive organizational growth;
- Create process and system templates for market and country expansion;
- Drive adoption across global user base.
Project or Use Case Details

- Enable Ariba P2P, Network & SCC module to integrate Procure to Pay process with internal and external customers
- Enable People functions (H2R) by implementing multiple SuccessFactors modules
- Enable Concur for Invoice, Expense & Travel modules globally
- Enable SAP Commerce for B2B & B2C Sales
- Enable SAP S/4HANA to facilitate Order to Cash, Record to Report process for Hardware and Digital Products
- Enable SAP S/4HANA to support Engineering Change Management process and Plan to Purchase/Order
- Enable SAP C4C to support Lead and Opportunity management process
Benefits and Outcomes

Business or Social
- Increased productivity and automation in various business areas
- Better inventory visibility, accuracy and usage
- Integrated business process preventing revenue leakage
- Improved planning process using MRP
- Increased collaboration between business users on an integrated ERP platform
- Improved order fulfillment process reducing shipment delays
- Improved period end close process

Information Technology
- Improved transport management process
- Improved release & change management process
- Facilitated segregation of duties
- Developed better ITGC controls and SOX compliance
- Improved third party data transmission communication with electronic exchange
- Supported security and data integrity standards
- Developed KPI metrics for business and IT on master and transactional data

Human Empowerment
- Provided better reporting capabilities
- Deployed robotic process automation
- World class ERP platform supporting end user business needs
- Enabled self service for employees to execute business processes across the organization

Information Technology
Architecture

Intelligent Enterprise – Magic Leap

Front Office
Sales
Marketing
Service & Support

Back Office
Finance
Spend Management

HR

Manufacturing & Supply Chain

Order to Cash
* SAP Commerce
* SAP C4C
* SAP BRIM

Procure to Pay
* SAP Ariba

Total Workforce Management
* SAP SuccessFactors
* SAP Concur

Design to Operate

SAP S/4HANA

SAP Cloud Platform
## Deployment

### Deployment status
Live and Ongoing

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of users</th>
<th>SAP technologies used:</th>
<th>Contribution to project</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/28/2020</td>
<td>Less than 500</td>
<td>SAP S/4HANA, SAP Billing and Revenue Innovation Management</td>
<td>Implemented Order to cash, Record to Report, Convergent Charging, RAR</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAP Commerce</td>
<td>Implemented Frontend B2B and B2C Sales</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAP Cloud for Customer</td>
<td>Implemented Leads and Opportunity Management</td>
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<tr>
<td></td>
<td></td>
<td>SAP SuccessFactors</td>
<td>Implemented PM/GM, Employee Central, MSS/ESS, Compensation Management, LMS</td>
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<tr>
<td></td>
<td></td>
<td>SAP Ariba, SAP Concur</td>
<td>Procure to Pay, Travel &amp; Expenses</td>
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If you have used one of the services or support offerings from SAP Digital Business Services during the implementation or deployment phase, please select with ☒ one or more of the following offerings:

- ☐ SAP MaxAttention™
- ☐ SAP ActiveAttention™
- ☐ SAP Advanced Deployment
- ☐ SAP Value Assurance
- ☐ SAP Model Company
- ☐ Others:
- ☐ SAP Innovation Services
- ☐ SAP Innovative Business Solutions
Advanced Technologies

The following **advanced technologies** were part of the project.

<table>
<thead>
<tr>
<th>Technology or use case</th>
<th>Yes or No</th>
<th>Contribution to project</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Robotic Process Automation</td>
<td>Yes</td>
<td>Improved productivity of users by offloading manual and repetitive tasks to a digital assistant (bot).</td>
</tr>
<tr>
<td>2 Data Quality and Analytics</td>
<td>Yes</td>
<td>Improved data quality across the systems landscape. Delivered real-time metrics and KPI's to end users to make data informed decisions.</td>
</tr>
<tr>
<td>3 DevOps-centric Cloud Architecture</td>
<td>Yes</td>
<td>Infrastructure as code for continuous integration and continuous deployment.</td>
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Our mission is to harmonize people and technology to create a better, more unified world.

Our vision is to amplify the best parts of you and to advance the human spirit.

We’re partnering with sector-leading brands to create real-world solutions with spatial computing across manufacturing, architecture/engineering/construction, automotive, entertainment, healthcare, retail and education, and beyond. Free your mind…

In 2016, Magic Leap embarked on the journey to becoming an Intelligent Enterprise by selecting SAP as our business platform and then partnering with Deloitte. Being a startup, we were an organization quickly transitioning from idea and concept to shippable product. While the challenges faced were likely typical for a company this young and immature, this project and the project team delivered a foundation for enabling our transformation and executing at scale.

Reality is just beginning.