

# Leveraging Machine Learning and Azure AI to Enhance SAP Reporting and Analytics

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## **Abstract**

This research paper has successfully depicted how both machine learning and Azure Artificial Intelligence can be properly leveraged by business entities while enhancing SAP reporting and analytics. By the process of integrating SAP data with the advanced AI capabilities of Microsoft Azure, can obtain predictive analytics along with automation and real-time business insights. This can lead to better operational efficiency and decision-making. Both ML and Azure AI services can include cognitive services, Power BI and machine learning which also can enhance predictive modelling, data processing and visualisation of SAP. Hence this research paper has highlighted and outlined different usage of cases along with some important integration methods to maximize the power of SAP reporting and analytics.

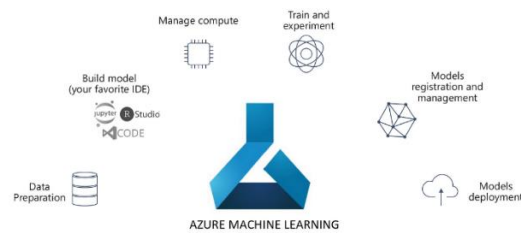
**Keywords:** ML, SAP, Azure AI, AI, Power BI

## **1. Introduction**

SAP has been widely and significantly utilised for business intelligence (BI) and enterprise resource planning (ERP). However, there are multiple traditional reporting methods related to SAP that rely on predefined dashboards and historical data while limiting the power of agility. On the other hand, business entities need enhanced capabilities of analytics in order to extract valuable insights while driving business intelligence. Hence integration of both machine learning and Azure AI can simply apply automation along with real-time insights and predictive modelling to SAP data. This particular research paper explores how both ML and Azure AI can enhance the analytics of SAP while enabling predictive insights, real-time data processing and the process of automation. It also has the capability of focusing on multiple services of Azure AI, focusing on industrial usage and SAP-Azure integration strategies in order to demonstrate practical benefits.

## **2. Overview of machine learning and azure AI**

Machine Learning and Azure AI provide several services such as Azure Machine Learning, Azure Cognitive Services, Azure Synapse Analytics and Power BI with AI Capabilities. Azure Machine Learning is one of the successful platforms for training, deploying and building multiple machine learning models in order to analyse SAP information and data<sup>1</sup>. Azure Cognitive Services can enable AI-based speech recognition, vision analytics and text analysis. Azure Synapse Analytics has the ability to combine both AI-driven and Big Data analytics to enhance reporting. Power BI with AI Capabilities can provide the power of artificial intelligence through natural language querying and data visualisation.



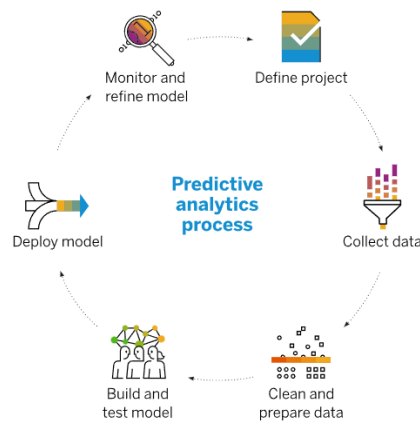
**Figure 1: Components of Azure Machine Learning**

### **3. SAP data integration with azure AI**

There are methods of integration for SAP data with Azure AI such as Azure Data Factory, SAP HANA on Azure and SAP on Azure. Azure Data Factory can load, extract and transform SAP data and information into the environment of Azure AI. SAP HANA on Azure has the ability to provide exceptional performance while doing real-time information access<sup>2</sup>. Running what clothes of SAP can directly and successfully enhance AI integration and performance while being associated with Azure. In addition to this, pipeline data is available for AI-oriented SAP analytics. It provides the service of data storage, data ingestion and processing of data. As a result, this can leverage both Synapse Analytics and Azure data lake to have scalable storage. Application of different AI models to SAP information and data can enhance the process of anomaly detection and predictive analytics<sup>3</sup>. By using the data factory of Azure, the individual experts can collect both master and transactional data related to SAP.

### **4. AI-based enhancements in SAP reporting**

AI-based enhancement in SAP reporting shows the changes organisations have taken to analyse, visualise and get more accurate data. There are different approaches which help to analyse the SAP data with the help of AI-based methods integration. AI provides Predictive analytics for SAP data which offers analysis of trends<sup>4</sup>. It has the ability to identify different customer-related trends in sales data and SAP CRM. It can use AI in order to detect the risk factors in financial transactions related to SAP data. Artificial Intelligence can predict future demand according to historical and previous SAP data and information. Furthermore, it also helps to detect real-time data with the help of Anomaly detection. It can identify the causes of inefficiencies in logistics and production. AI can detect fraudulent and fake financial transactions in SAP ERP. It can send multiple automated notifications to process the detection of anomalies<sup>5</sup>. AI-based data visualisation can also be seen which helps to suggest optimal layouts of reports and data groupings. On the other hand, users can simply and successfully generate different yet constructive SAP reports by using simple and clear take queries.



**Figure 2: Predictive analytics process for SAP**

## 5. Industry use and case studies cases

ML and Azure AI are used in several industries from manufacturing to finance to retail. AI models have the capability of forecasting inventory requirements according to logistic data related to SAP. AI has the capability of analysing the production data of SAP in order to predict any kind of failure cases of equipment<sup>6</sup>. AI can adjust different pricing strategies while relying on sales trends in SAP reporting which is mainly helpful in the retail sector. Insights driven by AI in the structure of SAP CRM can simply enhance consumer engagement. It can detect any fraudulent transactions by using financial SAP data.

## 6. Best practices and challenges

The practices that can be adopted to increase the capabilities of ML and Azure AI such as the implementation of role-based access control (RBAC). Further, it can be utilisation of Pre-established AI models as well as implement hybrid cloud architectures<sup>7</sup>. However, on the contrary, there are some challenges which can be faced on the part of AI like security and data privacy concerns. There can be complexity in integrating AI into operations. Following this, AI models have the capability of suggesting optimal business and corporate strategies mostly based on SAP information and data. Hence, it can help to mitigate the challenges faced.

## 7. Conclusion

It can be concluded that both ML and Azure AI can successfully enhance the analytics related to SAP while enabling automated reporting, predictive insights and real-time anomaly detection. On the other hand, there are multiple future trends which can include greater waves of incorporating automated decision-making along with in-depth AI integration and generative artificial intelligence into the ecosystem of SAP. It also should be included that strategically implemented SAP with Azure AI can be quite helpful for business entities in the near future where the business organisations will be able to unlock powerful reporting and analytics capabilities while driving corporate innovation in the era of digitalisation. This paper has successfully highlighted use cases along with benefits, best practices, challenges and integration methods to maximize the power of AI while being associated with SAP reporting and analytics.

**Abbreviations and Acronyms**

- ML - Machine Learning
- AI - Artificial Intelligence
- SAP - Systems Applications and Products in Data Processing
- CRM - Customer Resource Management
- BI - Business Intelligence
- RBAC- Role-Based Access Control

**Units**

- SAP Data Layer - SAP HANA
- Azure AI & Machine Learning Tools - Azure Databricks
- Integration Units - SAP Data Connectors
- Machine Learning Models - Supervised Learning

**Equations**

- Linear Regression -  $Y = X\beta + \epsilon$
- Classification Algorithm -  $P(y|X) = \frac{e^{f(X)}}{1 + e^{f(X)}}$

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