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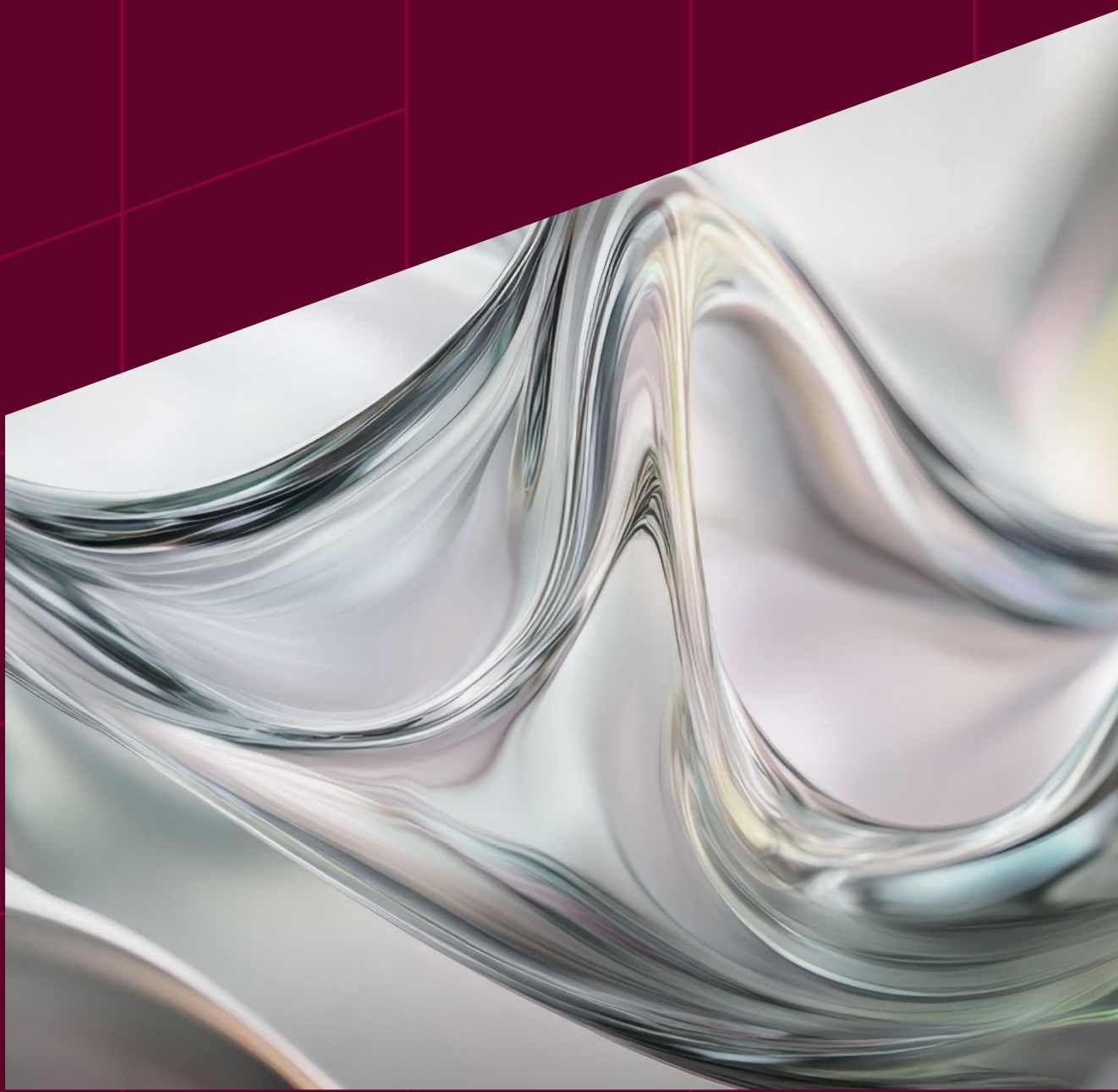
Whitepaper

AI Delivered Right: A Perspective on SAP's Agentic AI Applications



Executive Summary

We're entering an era where transformation is continuous and self-accelerating. Businesses are no longer digitizing existing processes; they are now collaborating with intelligence.

The true business value generated is due to the ability of the enterprise to operate holistically across multiple functional areas and systems leveraging shared information for competitive advantage. This requires a shift from focusing on operational efficiency within narrow functional areas to strategic impact that reshapes the enterprise-wide operations.

There are three key success factors needed for this transformation:

- Adoption of an AI-first mindset to support the data driven transformation.
- Technical foundation centers on shared data that cuts across all functional areas and how AI agents can leverage information to augment human efforts.
- Shared vision of the future to drive change with the deep and pragmatic understanding of how various business operations can be shared to achieve this vision.

In every workflow, every insight, and every decision, **AI agents are becoming embedded actors**, not passive assistants. This isn't just automation, it's also the **compounding of human potential.**

This kind of change is exponential. It builds, evolves, and unlocks exponential value year after year. For leaders, the opportunity is clear: Rethink your enterprise with AI and create a future where strategy and intelligence advance together.

The emergence of multi-agent systems is redefining productivity and reshaping the future of automation. Today's AI scenarios no longer follow rigid, hard-coded logic; AI agents adapt dynamically to evolving business rules and goals.

This white paper examines what CXOs expect as they adopt agentic AI to automate enterprise-wide operations and tackle urgent business challenges, enabling smarter decisions to generate measurable business value. This white paper further examines the business role in the success of agentic AI, engaging business users in more strategic work and providing business support to other functions to truly advance the purpose of the organization by achieving the agents' economic value.

Table of Contents

AI-First Business Transformation

The shift to an AI-first mindset signals a new era of enterprise transformation—one where connected systems, intelligent data, and human potential converge to create a truly augmented way of working.

For the first time, organizations are not just understanding how work is done; they are discovering how work should be done, driven by intelligence that learns, adapts, and continuously optimizes. This marks a move beyond automation toward deep augmentation, where AI enhances human decisions, accelerates outcomes, and unlocks entirely new possibilities.

We are no longer just connecting systems. We are rethinking across the enterprise on how decisions are made, and how work flows end-to-end. The future belongs to businesses that connect, optimize, and augment—intelligently and at scale.

SAP's Vision For Agentic AI: Powering the Intelligent Enterprise

At SAP Sapphire 2025, SAP unveiled a bold strategy centered around agentic AI as the engine of intelligent automation, transforming how enterprises operate. The core of this vision is **the 'Business AI Flywheel',** the dynamic interplay of applications, data, and AI, designed to continuously learn, act, and evolve. This flywheel enables organizations to harness business data with contextual intelligence and embed AI directly into processes for real-time, scalable decision-making.

SAP is "all-in" on AI agents, with Joule—its generative AI (GenAI) copilot—serving as the experience layer across SAP and non-SAP systems. These agents go beyond simple task execution to reason, collaborate, and automate end-to-end workflows. These include prebuilt agents across finance (e.g., accruals, dispute resolution), supply chain (e.g., shop floor supervisor, maintenance planner), spend management (e.g., sourcing, travel planning), HCM (e.g., performance insights), and CX (e.g., quote creation).

These agents are powered by the **SAP Business Data Cloud**, enabling real-time access to harmonize, trusted enterprise data across SAP and non-SAP systems. The first set of Joule agents is now available to customers. These agents work across business functions to help customers resolve dispute cases, maintain strong customer relationships, complete follow-up tasks, and more.

Joule will become omnipresent, following users across applications to provide proactive insights and recommendations, tightly integrated with tools like Microsoft 365, SAP Ariba, Fieldglass, and Signavio.

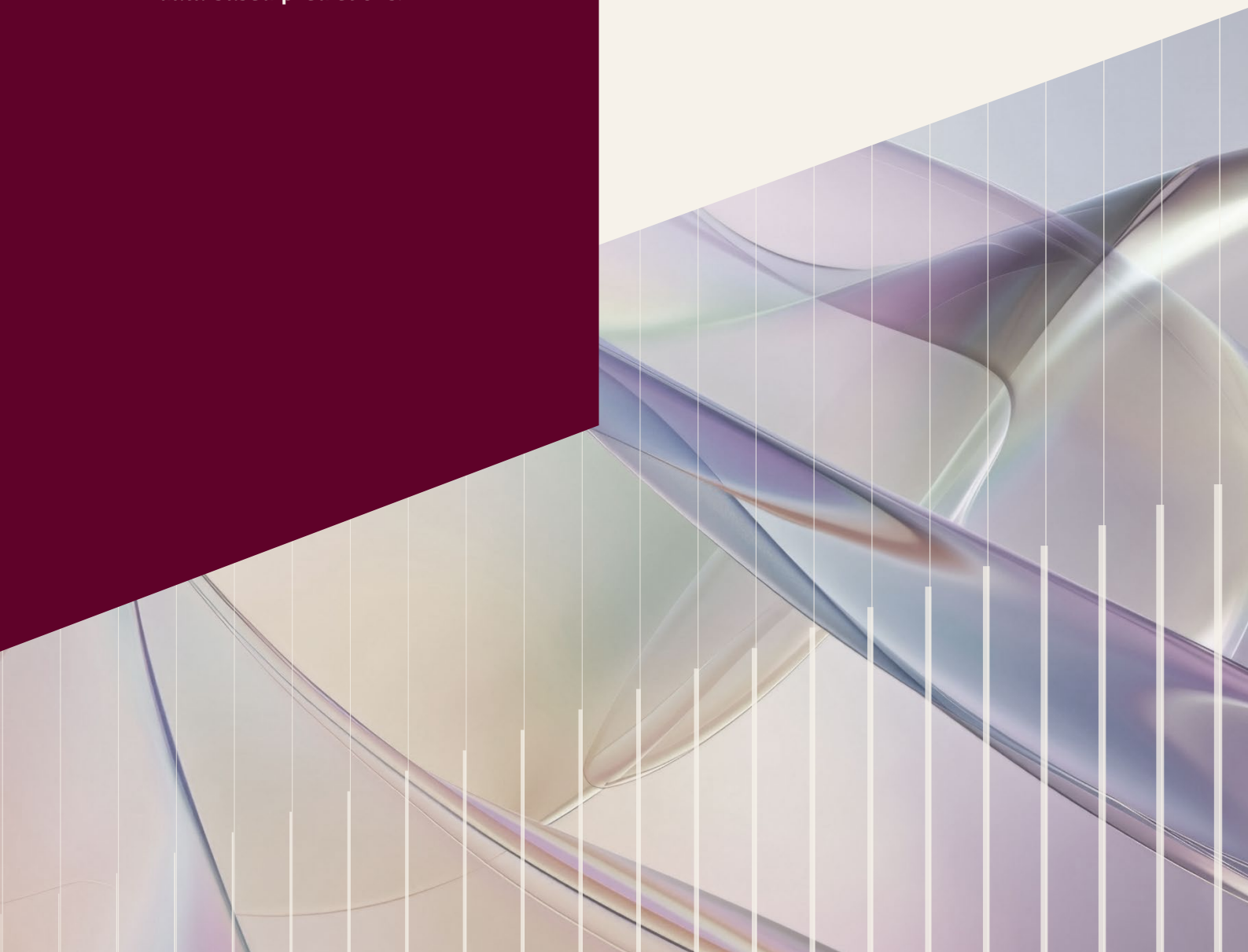
SAP's **AI Foundation** is positioned as the AI operating system on SAP **Business Technology Platform** (BTP). It brings together:

- **Joule Studio for building low-code/ no-code AI agents and skills,**
- **SAP Knowledge Graph to ground AI reasoning with business semantics,**
- **AI Agent Hub in SAP LeanIX for centralized inventory and governance,**
- **A prompt optimizer and tabular AI services for structured data-based predictions.**

These tools enable customers and partners to create custom agents aligned with their processes and managed centrally at scale..

SAP's vision also **emphasizes interoperability**. To avoid vendor lock-in and support multi-agent collaboration across platforms, SAP is adopting open AI protocols such as **Agent2Agent** (developed with Google Cloud), **Model Context Protocol (MCP), and Agent Communication Protocol (ACP).** These enable agents to share context and coordinate across heterogeneous systems, supporting true cross-platform intelligence.

SAP's Agentic AI vision is not just about automation—it's about building a **scalable, intelligent, and adaptive enterprise.** With Joule as the copilot, the AI Foundation as the engine, and context-rich agents embedded across the suite, SAP positions itself as a leader in delivering real business outcomes through enterprise-grade AI.



Agentic AI in Business Environments

Business leaders have long desired that their functional teams support more strategic initiatives, in addition to tactical and operational support, thereby freeing up time for higher-value work.

With the evaluation of agentic AI, business users can enable an AI digital workforce assistants to get the work done by giving instructions and focus on **strategic support to the overall growth of the business function.**

Business users should enable **context and domain knowledge to AI agents**, providing them to deconstruct complex tasks into smaller, manageable steps. Consequently, AI agents can operate autonomously and manage complete workflows through reasoning and self-learning capabilities.

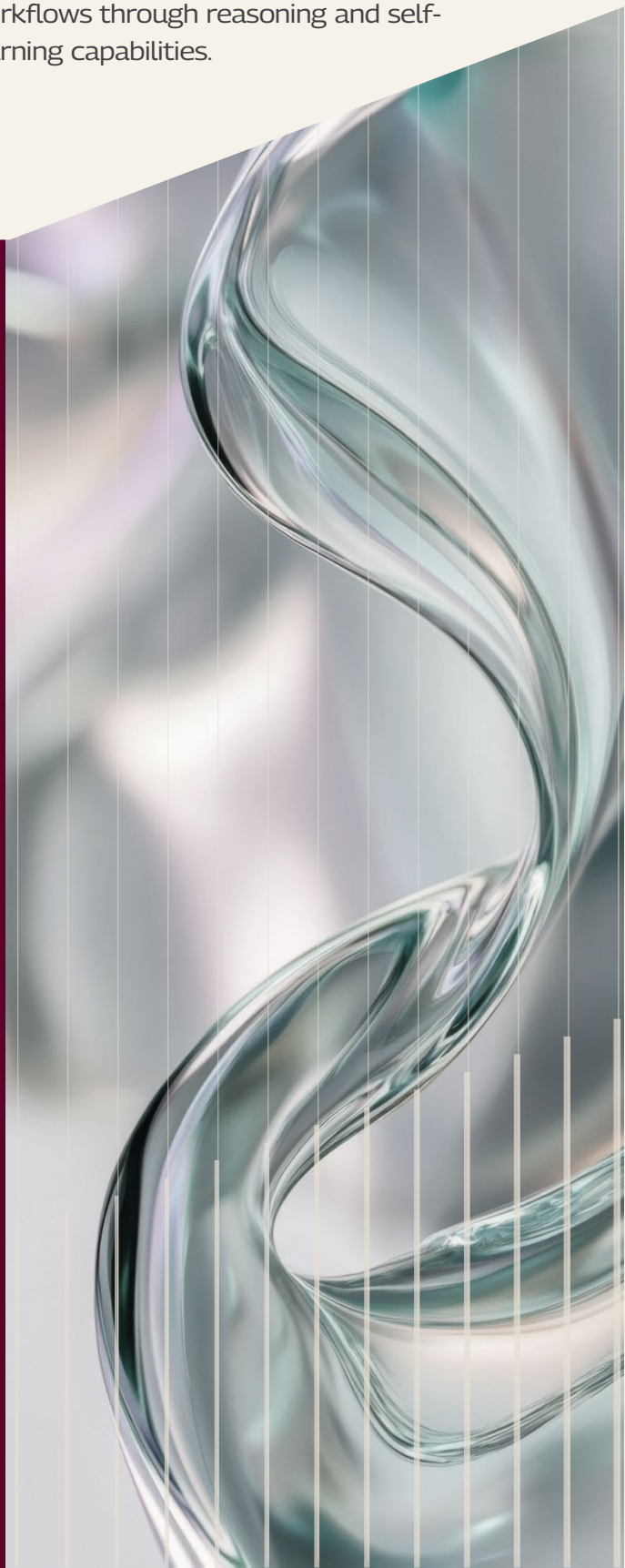
Business Users: Moving from Tactical and Operational Tasks to Strategic Initiatives

Let us take the example of the **procurement function** in the age of agentic AI. The role of Chief Procurement Officer is undergoing a profound transformation. With **agentic AI** automating routine tasks and generating real-time insights, CPOs are now able to shift their focus from operational execution to strategic impact, driving enterprise-wide value, innovation, and sustainability.

Agentic AI empowers procurement to move beyond cost control and compliance into a **strategic, insight-driven, value-creating function.** As trusted advisors and co-innovators, CPOs are helping shape the organization's future—bridging internal priorities with external capabilities to drive **growth, sustainability, and resilience.**

Procurement is evolving into a strategic business partner, aligning closely with enterprise goals and driving growth through AI-powered insights. CPOs are fostering innovation by co-creating with suppliers and shifting toward outcome-based, purpose-driven sourcing models.

The function now plays a key role in ESG initiatives, resilience building, and ethical sourcing. Additionally, procurement influences strategic spend to support innovation and long-term value creation.



Moving from Operational and Tactical Tasks to Strategic Initiatives

Operational transactional activities

- Draft RFQs & RFPs
- Write and Review Contract Clauses
- Summarize Complex Vendor Proposals
- Analyze Excel-Based Bid Comparisons
- Respond to Vendor Inquiries Faster
- Turn KPIs into Performance Reports
- Respond Professionally to an Audit Finding
- Create Vendor Onboarding Documentation
- Review Legal Risks in Agreements
- Create Tender Evaluation Templates
- Translate & Localize Vendor
- Communications
- Map Out Vendor Risk Scenarios
- Automate Vendor Follow-Ups
- Conduct a Quick Market Intelligence

Tactical activities

- Realize the cost savings
- Implementing automatic processes
- Identifying strategic suppliers
- Reducing tail spend
- Leveraging procurement tools
- Supply Chain Risk Management
- Supplier Information Hub for end-to-end supplier management process
- Category strategy management
- Global Trade and Tariff Rate Management
- Product innovation - Design and development
- Demand control as per business needs
- Align on the operating model to translate supply market value into product value

Strategic activities

- Strategic Business Partner and Trusted adviser - Contributes to growth initiatives, M&A, ESG agendas, and product innovation
- Co-Creating Innovation with Suppliers
- Leading Outcome-Based, Purpose-Driven Models
- Driving ESG and Sustainable Sourcing
- Aligning Spend with Strategic Objectives
- Strengthening Resilience and Supplier Ecosystems

The shift from operational to strategic activities is not easy or straight forward. Strategic activities require a shared vision that cuts across the enterprise that outlines the future augmented enterprise. It then requires a pragmatic roadmap of endeavours that will incrementally reshape the business operations with managed risk and maximum impact leveraging AI agents to enhance, supplement and guide human activities.

Agentic AI in Procurement: The SAP Perspective

Procurement has evolved from manual execution to automation and now to intelligence. Predictive AI in SAP systems helped identify risks such as delivery delays, while GenAI accelerated content creation for RFQs, contracts, and supplier communication. The next leap, agentic AI, enables SAP solutions to operate with autonomy: Setting goals, planning tasks, and executing workflows with minimal intervention.

Within SAP S/4HANA and SAP Business Network, agentic AI agents can orchestrate sourcing events end to end. They can gather supplier data, issue RFQs, evaluate responses in SAP Ariba, and generate award recommendations. Integrated with SAP Datasphere and SAP Analytics Cloud, these agents continuously monitor supplier performance, detect compliance risks, and propose corrective measures—creating more resilient, transparent supply chains.

The combination of GenAI in SAP Joule and agentic AI in SAP BTP is especially powerful.

GenAI can draft negotiation playbooks, contract clauses, or supplier reports directly in Joule, while agentic AI executes these insights—conducting supplier outreach, managing negotiations, and ensuring adherence to enterprise policies. Together, they deliver faster cycle times, greater accuracy, and stronger governance.

By automating tactical work such as purchase order processing, supplier onboarding, and contract follow-ups, SAP's Agentic AI empowers procurement leaders to shift focus toward innovation, sustainability, and strategic supplier partnerships.

These agents will collaborate to make informed recommendations. Still, the ultimate control at different stages will **remain in human hands** to supervise and ensure accountability in end-to-end supplier management.

Procurement, supported by SAP and Tech Mahindra, thus moves from a transactional role to a value-creation engine—driving savings, resilience, and ESG impact across the enterprise.

SAP Intelligent Apps in Procurement Categorized by AI Type

- Predictive AI/ML (Analytics and Forecasting)
  Spend Intelligence, Supplier Risk Management, Demand and Category Forecasting
- GenAI (Content Creation and Summarization)
  RFQ and RFP Auto-Drafting, Contract Generation and Summarization, Guided Buying Enhancements
- Agentic AI (Autonomous Task Execution)
  Sourcing Agent, Spend Agent, Category Management Assistant

Unlocking Enterprise Value with AI Agents

The economic value of AI agents in the enterprise hinges on their ability to solve real business problems using proprietary data, domain-specific knowledge, and integration with enterprise tools. While generic assistants offer limited returns, value accelerates when agents are tailored to automate specific tasks within existing workflows.

Maximum impact is achieved when AI agents operate as autonomous digital workers, managing complex processes like client onboarding, invoice approvals, regulatory submissions, or contract negotiations. These high-value use cases deliver measurable productivity gains, reduce operational costs, and drive efficiency at scale.

To fully realize their potential, enterprise AI agents must go beyond generic interactions—leveraging internal systems, accessing specialized knowledge, and embedding deeply into core processes.

As AI agents gain more context, access to proprietary data, and domain-specific knowledge and integration into enterprise workflows, their economic value becomes exponential—unlocking productivity at scale across industries.

The Flywheel Effect: Creating Long-Term Value with Context-Aware AI agents

In enterprise AI, context is key to building truly valuable and differentiated aagents. The most effective AI agents operate within a flywheel of continuous learning—gaining insight from proprietary data, user interactions, workflows, and tool integrations.

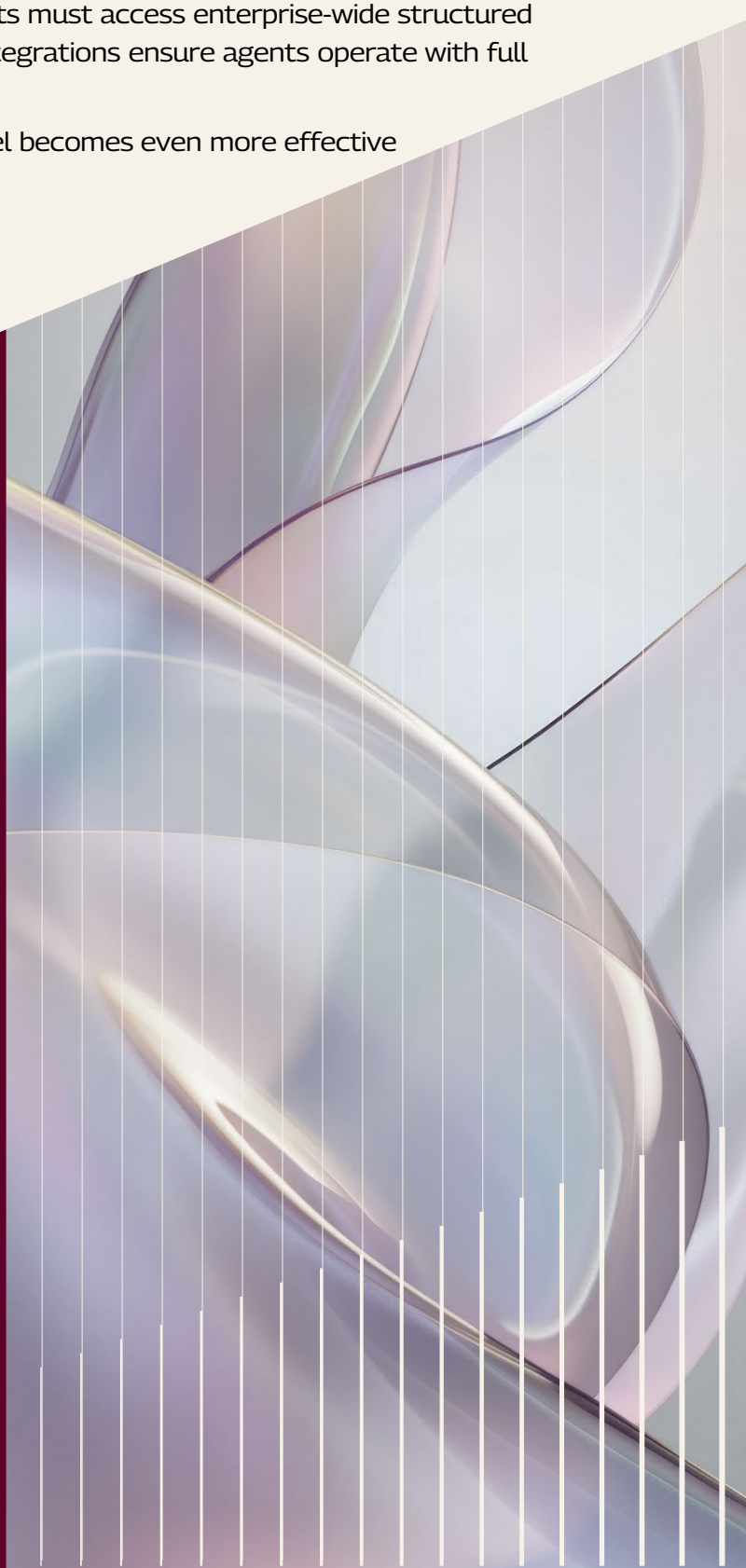
The most valuable agents aren't just built once, they improve over time. As they learn from company data, user actions, and business processes, they get better at delivering useful, accurate results. This creates a powerful flywheel: the more they understand, the better they perform; the better they perform, the more they're used; and the more they're used, the more they learn.

Each step in this loop—domain understanding, tool interoperability, user engagement, and data access—reinforces the next, compounding the Agent's intelligence and business value. Over time, this growing context becomes a real advantage, making the Agent more helpful, harder to replace, and deeply integrated into how work gets done.

To unlock this value, businesses should focus on designing agents that:

- Learn from domain-specific data and workflows - Every industry has dozens or hundreds of workflows that are highly domain-specific. agents embedded with industry-specific workflows and terminology are far more effective than generic counterparts, especially in regulated or complex environments.
- Tools use and seamlessly integrate across enterprise systems - A better understanding of the domain and workflow (e.g., specific job instructions, knowledge of business processes) leads to better use of tools and interaction with other systems
- Apply internal knowledge effectively - agents must access enterprise-wide structured proprietary and unstructured data. Deep integrations ensure agents operate with full business awareness.

As AI models continue to improve, this flywheel becomes even more effective boosting every step in the loop.



Tech Mahindra's Approach for Agentic AI: Powering the Intelligent Enterprise

We recommend starting your path to success in low-risk domains where you can gain early insights and effectively manage probabilistic elements. We select use cases carefully, especially avoiding areas with poor data quality or incompatible integration technologies.

We are executing a focused strategy to help enterprises accelerate their AI adoption through customer-centric approaches with domain expertise.

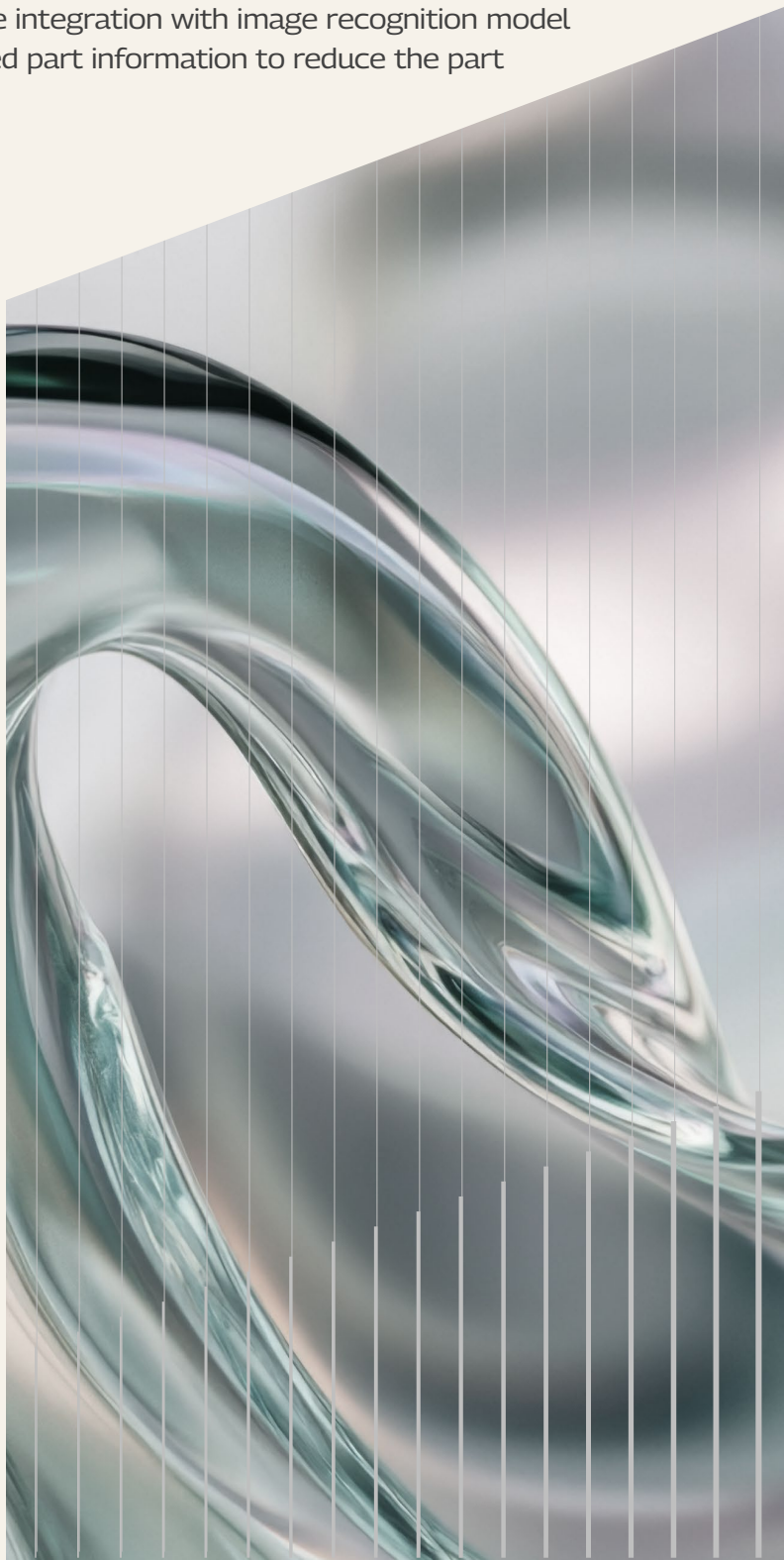
We support the organization on how best utilize large language models (LLMs), the quality of the data lakes on which they're trained, and how SAP AI services are integrated into the SAP.

SAP GenAI Offerings and AI Adoption Approach

TechM leverages cutting-edge GenAI offerings to push the boundaries of innovation by developing AI solutions tailored to specific needs and requirements of business functions, building on SAP's GenAI offerings while strategically addressing white spaces.

We have developed a custom GenAI implementation and methodology from ideation, validation, realization and productization to operation and continuous update to monitor the LLM response regularly and update the right data in the vector store. We have defined the approach for **LLM model optimization** for custom built AI solutions and methods and metrics for **model evaluation.**

For example, we have developed additional use cases on GenAI on SAP BTP. For a medical equipment pharma company, we have done the integration with image recognition model GPT-4o and other LLMs for **retrieval** of detailed part information to reduce the part ordering cycle time.



Our Approach to Adoption:

- Deploy SAP Business AI use cases for our customers in finance, manufacturing, spend management and procurement, supply chain to embed intelligence into every business process to maximize automation, insight generation, and efficiency.
- Leveraging SAP AI Foundation, Joule Skills, Agent Studio and Builder, SAP Knowledge Graph, and embedded business AI use cases.
- Understand and deploy intelligent apps for customers.

Customer Enablement Approach:

- Addressing real-world business challenges and delivering custom functionality.
- Initiating with one high-impact use case and scaling based on maturity and business value.
- Supporting customers in co-developing tailored AI agents grounded in their specific data and workflows.

Integration of SAP Agentic Platform with TechM Orion – A Next-Gen Agentic AI Platform

Tech Mahindra's **Orion** is not just a standalone agentic AI platform, but a "**plug-and-play AI orchestration layer**" that integrates tightly with enterprise platforms like **SAP ERPs** while embedding assurance guardrails for greater reliability and scalability.

Here's how the integration strategy looks

- **Pre-Built SAP Adapters** - Orion includes **enterprise adapters** for **SAP**. These connectors are designed as **low-code Python adapters and pre-configured integration APIs**, making it easier to embed AI agents directly into SAP workflows without heavy custom development. Example: an Orion procurement agent can directly query SAP S/4HANA purchase order data or invoice records.
- Agentic RAG for ERP Data - Orion leverages Agentic Retrieval-Augmented Generation (RAG) to access SAP knowledge bases (SAP Datasphere, Analytics etc.). This helps agents answer questions, validate transactions, or generate contextual recommendations. Example: Instead of generic insights, an Orion agent could pull supplier risk scores from SAP Ariba or reconcile GL entries.
- **Embedded Governance for SAP Transactions** - Every AI agent interacting with ERP systems runs through **30+ governance checks** (compliance, validation, approval).

TechM's **VerifAI observer agent** cross-monitors ERP workflows to ensure no unauthorized transaction is triggered by AI. This is especially critical,where strict auditability is required.

- **Orion Agent for SAP Supply Chain – Intelligent Procurement Assistant** - Creates draft **RFQs** in Ariba, recommends best-fit suppliers using real-time risk scoring.

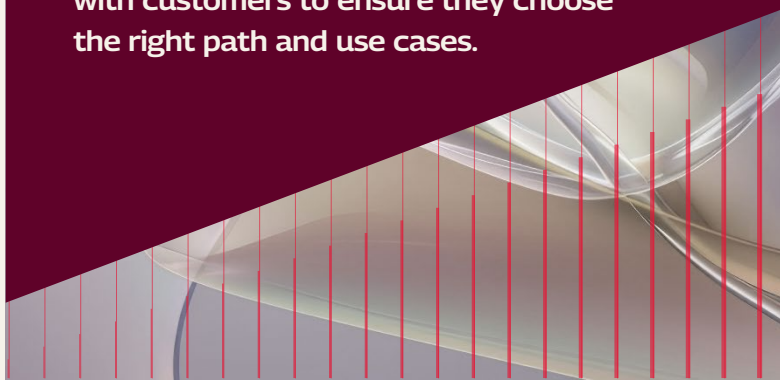
Tech Mahindra's AI Delivered Right

At Tech Mahindra, that philosophy is called AI Delivered Right, an approach built to take enterprises from exploration to scale with purpose, precision, and strong governance, so outcomes are measurable and trusted from day one.

It emphasizes four essentials: Transformation, Productivity, Innovation, and Assurance which together make AI practical in complex, regulated environments like telecom and large enterprise operations.

We lead our customers through a change process that minimizes scope, manages risk and guides customers through the series of endeavours required to convert vision into operational change.

"Transformation Delivered Right" is about transforming processes, technology, and people, both within our organization and for our clients. This includes skilling, upskilling, and continuous training. It also introduces the consultative methodology we apply with customers to ensure they choose the right path and use cases.



Agentic AI Next Steps

Far beyond a trend, AI agents are becoming central to how organizations manage workflows, enhance human capabilities, and unlock value through high-quality data and advanced models.

As business context continuously evolves, shaped by user input, agent insights, and external signals, it forms a living digital twin of the enterprise, capable of real-time analysis and strategic simulation. This marks a shift from static process automation to dynamic enterprise reinvention.

Although AI has the potential to enhance human roles, it simultaneously requires significant upskilling and organizational transformation—challenges that many companies are not yet equipped to handle. Furthermore, transitioning to more strategic tasks could pose risks if individuals aren't properly prepared.

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Unlike past eras of IT-driven process reengineering, we are now in the augmentation era, where AI can directly drive both growth and efficiency. Organizations are no longer just digitizing operations—they are reimagining them entirely.

The most adaptive enterprises will be those that are highly connected, both internally and externally, operating with speed, intelligence, and strategic flexibility.

While SAP and Orion provide the technology-based foundation for operational change and Agentic support, the larger challenge is in how to orchestrate these changes. We, at Tech Mahindra, have the industry, process and change management capabilities to turn your vision onto reality.

About the Author

Avanish is an experienced industry leader with 28 years in the SAP ecosystem, covering both business and IT roles. His passion is focused on enabling sustainable, business-value-oriented S/4HANA transformations that help organizations succeed in an AI-first, innovation-driven world.

He has extensive expertise in developing and delivering sustainability-focused solutions across various industries, utilizing the power of SAP technologies, AI, and digital platforms to create measurable impact. He shares insights through blogs on sustainability, supply chain management, and SAP strategies. He holds a bachelor's degree in engineering from IIT Roorkee and a diploma in sustainable business strategy from Harvard Business School.

Avanish Kumar
SAP Practice Head,
Tech Mahindra

Pat Sullivan
Expert Advisor
Third Eye Advisory

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