Prepare for a successful move to SAP S/4HANA
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>15:30</td>
<td>Introduction</td>
</tr>
<tr>
<td>15:35</td>
<td>Objective of the session</td>
</tr>
<tr>
<td>15:45</td>
<td>Transformation Journey to S/4HANA</td>
</tr>
<tr>
<td>15:55</td>
<td>Lessons learned from S/4HANA Transformations</td>
</tr>
<tr>
<td></td>
<td>● Building common ground</td>
</tr>
<tr>
<td></td>
<td>● Where are we with S/4HANA and why?</td>
</tr>
<tr>
<td></td>
<td>● Journey to S/4HANA</td>
</tr>
<tr>
<td></td>
<td>COFFEE BREAK</td>
</tr>
<tr>
<td></td>
<td>● Approaching the Why, How, What &amp; Lessons Learned from others</td>
</tr>
<tr>
<td>18:00</td>
<td>Wrap up and what your next steps should be</td>
</tr>
<tr>
<td>18:30</td>
<td>Networking drink</td>
</tr>
</tbody>
</table>
1. Building Common Ground

- The world is changing
- SAP comes a long way together
- Digital Era evolves to Intelligent Era
- Intelligent Enterprise
- Scope for today: How to get there?
Building Common Ground

The world is changing – disruption continues
Building Common Ground
SAP comes a long way together

✓ 46 years of innovation across all industries
✓ 390,000 customers in 193 countries
✓ 74% of the world’s transaction revenue touches an SAP system

- SAP R/2
- SAP R/3
- SAP S/4HANA

State of the art user interface
Modern IT architecture
Journey to S/4HANA
The advantages of SAP S/4HANA at a glance

- anywhere, anytime, in real time
- drill-down to transaction level
- intuitive and individual user interface
- reporting and analysis capabilities
- Role-based frontend (reporting & transactions)
- Evaluation of alternative business strategies based on simulations
Building Common Ground
Intelligent Enterprise

**Intelligent Suite**
- Core Applications running with high performance
- Superior UX
- High Standardization for scale
- Standard API or Best Practice Integration

**SAP Cloud Platform**
- Integrate SAP & other Applications that deliver intelligence
- Universal analytics and digital boardroom connecting the enterprise for the CXO
- Leverage Intelligent Technologies like AI, ML, IoT
Building Common Ground
Scope for today: How to get there?

- SAP R/2 (1979)
- SAP R/3 (1992)
2. Where are we with S/4HANA and why?

- Past years of SAP & S/4HANA
- Where is SAP today & why?
- Where is the market … Partners & Customers?
- Forecast for the next years?
Where are we with S/4HANA and why?

Past years of SAP & S/4HANA

SAP ERP 6.0

SAP HANA

Any databases

2011 2012 2013 2014 2015 ...

2025

S/4HANA Cloud

S/4HANA Central Finance

S/4HANA Enterprise Management

S/4HANA Finance

SAP S/4 HANA Finance

SAP S/4 HANA Logistics

SAP S/4 HANA ...
Where are we with S/4HANA and why?

Past years of SAP & S/4HANA

- Numerous recent acquisitions (30 over last ten years for over €50bn)
- Shifting focus to the cloud: development focus & staff
- S/4 HANA release history helps understanding SAP S/4HANA mechanics
Where are we with S/4HANA and why?

Where is SAP today & why?

S/4HANA adoption today

Reasons:

• Urgency? … & trend for late adoption
• Tools? … true, but heavy investments
• S/4HANA Readiness? … case by case
• UX? … good direction, but …

Topics flying around …

• 2025-Argument
• HCM-future
Where are we with S/4HANA and why?

Where is SAP today & why?

- Customer count: ~10,000
- Live customers: ~2,600
- YoY Growth: 11%

S/4HANA

Updated: June 2019
Where are we with S/4HANA and why?

Where is the market … Partners & Customers?

- Still premature market, but …
- Strong interest in S/4HANA (YoY SAP festival)
- S/4HANA seen as technical challenge (green & brownfield)
- Limited feature knowledge (1511 vs 1909)
- No Value and/or Impact studies
- Projects delivered pseudo-agile (actually Waterfall … reads as: BigBang)
- Roadmaps end with Go-Live

Main Challenge: Finding the right partner, with right experience
Where are we with S/4HANA and why?

Forecast for the next years?

• An easy one: Step to S/4HANA becoming bigger with releases
  • Move to S/4HANA more&more automated,
  • BUT step-increase remains on non-technical aspects (e.g. change)
• S/4HANA (OnPrem & Cloud) picking up high speed
• Shift to Cloud, therefore shift from IT → Business
• Increasing Awareness of Impact & Change Management
• Transition Focus ends less & less with Go-Live
• Battle for (good) resources
• Access to SAP more&more challenging
• Hardware will further drop in price
• …, but focus will go to hyperscalers like AWS, Microsoft Azure, Google Cloud, Alibaba Cloud
3. Journey to S/4HANA

- Good News: Travel Guide to S/4HANA
- Bad News: ToC only! You have to write it yourself!
- Encouraging News: You are not the first!

Now you need a coffee!
Journey to S/4HANA
Good News: Travel Guide to S/4HANA

**Why S/4HANA?**
- How does it support my strategy?
- How does it help me transform?
- What’s S/4HANA’s impact?

**How do we move?**
- How long does it take?
- How much does it cost?
- How shall we implement?

**What do we do?**
- Which S/4HANA do we adopt?
- How do we use S/4HANA?
- How do we tie S/4 to other solutions?

**Next steps / not end of journey**
- Define Vision
- Set Business case
- Decide Approach
- Get Investment case / Detailed plan
- Execute, Execute, Execute
- Go Live
Journey to S/4HANA

Bad News: ToC only! You have to write it yourself!

All journeys are different

Point of departure
- big vs. small System/Organization
- long vs. short SAP history
- thorough vs. light-weight governed
- deep vs. shallow SAP footprint (functional scope)
- SAP being a more vs. less critical system (business continuity)

Road Signs & Road Blocks
- Organizational constraints
- Organizational Culture
- Budget
- Available Time & Urgency
- Number of comfort stops

Destination
- cf. answers to ‘WHY-question’
Journey to S/4HANA
Tools - Encouraging News: You are not the first!

To a large extend the *your* travel guide can be written with text elements coming from

**Tools**
- SAP Readiness Check
  ![](image1.png)
- SAP Transformation Navigator
  ![](image2.png)

**Valuable documents**
- Gathering details on S/4HANA
  ![](image3.png)
- S/4HANA Manifesto
  ![](image4.png)

**Experiences from other projects (Lessons Learned)**

That’s for **TODAY**! but first have a

Coffee break
Coffee break
Journey to S/4HANA
Travel Guide to S/4HANA

Why S/4HANA?
- How does it support my strategy?
- How does it help me transform?
- What's S/4HANA's impact?

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Define Vision
Set Business case
Decide Approach
Get Investment case / Detailed plan
Execute, Execute, Execute
Go Live

Experiences from other projects & Lessons Learned

Next steps / not end of journey
4. Approaching the Why, How, What & Lessons Learned from others

- Answering the Why-Question
- Answering the How-Question
- Answering the What-Question
Lessons learned from others
Answering the Why-Question

Should you care about the ‘Why’?
Translates to [before] (Why) should I move?
[ during] Why am I moving?
[after] Now what?’

Your S/4 Value – S/4 Business Case – Timing for start
S/4 Value awareness – Secure Sponsorship – Secure Project Success
Leverage S/4 Value – Innovation Roadmap

General Approach

Inefficiencies by Tech Constraints
Define & Prioritize Value Driver
Analyse S/4HANA Capabilities
Optional: Proof of Concept (PoC)
Quantify Value
Prioritized list of Value Drivers mapped to S/4HANA capabilities

Lessons Learned
Don’t conduct Value Studies pro-forma
Implement & track value dimension
Follow-up S/4HANA features
Invest in Proof of Concepts

Improvements
Value Manager in Change Board
Use PoCs also for Way-of-Working
Focus on Value Drivers (eg Show & Tell)
Lessons learned from others
Answering the How-Question

Should you care about the ‘How’?
- 1st One-Million-Dollar-Question: Brownfield (Conversion) vs. Greenfield (New Install) vs. Tailored Option
- 2nd One-Million-Dollar-Question: OnPrem vs Private vs Public Cloud
- "How long does it take?” and “How much CAPEX & OPEX”

General Approach

Implementation Approach (Greenfield vs. Brownfield)

Deployment Approach (OnPrem vs. Cloud)

Methodology (Waterfall vs. Agile)

Lessons Learned
- Invest in the How-decisions
- Find peers & compare
- Approach from business perspective
- For Greenfields: Clean-Digital-Core Law, not a Guideline

Improvements
- Impact Assessments for considered options
- Go beyond Go-Live (‘infinite game’)
- If postponing due to gaps, stay tuned with evolution (tools)
Lessons learned from others
Answering the What-Question

Should you care about the ‘What’?
→ That decisions materializes!
→ To stay in control during the delivery
→ To mitigate risks & focus on promised values

General Approach
→ In the core nothing else than **solid project management**
→ … but thinking beyond Go-Live

Lessons Learned
→ Sponsorship is key
→ Another key: The Right Partner
→ End-to-End Process definitions are mandatory (level tbd.)
→ Fix the ERP Strategy latest at start of Explore Phase
→ Don’t change Target-Landscape
→ Take in consideration operational model from beginning
→ Don’t try new PM methodologies w/o expert support
→ Avoid Support Pack 0 as Target Release for Go-Live
→ Work with appetizers

Risks & Challenges

Improvements
→ equipped PMO w/ C-Level Access
→ stable Core Team
→ Involve End-users in Testing
→ Plan Upgrades during project
→ Setup Target-Landscape (e.g. virtual/dummy, latest @implementation)
→ Use Case Managers on cross-domain problems

Why?
Define Vision

How?
Decide Approach

What?
Execute, Execute, Execute
Greenfield and Brownfield (Conversion) are typical moves to S/4HANA

None of them is good or bad, but comes with fundamentally different challenges.
Greenfield and Brownfield (Conversion) are typical moves to S/4HANA
None of them is good or bad, but comes with fundamentally different challenges

- **Greenfield (New Implementation)**
  - New system to realize new business models and re-imagined processes (often seen with deployment change)
  - Degree of process redesign: 80%
  - Duration: 2018 only S/4HANA Projects (50%)

- **Brownfield (Conversion)**
  - Technical conversion of an existing SAP Business Suite ERP to SAP S/4HANA (fast & low process change)
  - Degree of process redesign: 20%
  - Duration: All Install-base S/4HANA Projects (50%)

On average, new implementations at existing customers are 3 months longer.
Greenfield and Brownfield (Conversion) are typical moves to S/4HANA

None of them is good or bad, but comes with fundamentally different challenges

On average, new implementations at existing customers are 3 months longer

On average, conversions cover 4-5x larger user base
How long does SAP S/4HANA migration take?

Live customers analysis

Vast majority of SAP S/4HANA customers went live in 10-12 months

Q1 ’18 Analysis customers = 1145

Duration of projects is largely determined by customer complexity (degree of change) and implementing partner preferences / tools / methodologies

<table>
<thead>
<tr>
<th>Duration</th>
<th>As short as</th>
<th>As long as</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical S/4HANA system conversion</td>
<td>4 months</td>
<td>12 months</td>
<td>8 months</td>
</tr>
<tr>
<td>Typical S/4HANA (full suite) new implementation</td>
<td>6 months</td>
<td>14 months</td>
<td>11 months</td>
</tr>
<tr>
<td>Complex S/4HANA (full suite) implementations at the largest customers</td>
<td>Depend on customer specific requirements, skills, and other factors</td>
<td>We have experiences 20 month implementations and even longer</td>
<td></td>
</tr>
</tbody>
</table>

Costs: scope of SAP S/4HANA implementation, current landscape, degree of the related business transformation – all influence the cost of implementation and change management
S/4HANA Choices

**SaaS vs. OnPrem/Hyperscaler**

<table>
<thead>
<tr>
<th>Question</th>
<th>(Yes/No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can you omit SAP source code modifications?</td>
<td></td>
</tr>
<tr>
<td>Do you go for a greenfield implementation?</td>
<td></td>
</tr>
<tr>
<td>Do you consider to move from Own-License to a SaaS subscription?</td>
<td></td>
</tr>
<tr>
<td>All questions answered yes</td>
<td></td>
</tr>
<tr>
<td>At least one question answered no</td>
<td></td>
</tr>
</tbody>
</table>

**S/4HANA Cloud or S/4HANA in Private Cloud**

<table>
<thead>
<tr>
<th>Question</th>
<th>(Yes/No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would you like to build your business to be agile and innovate on a quarterly basis triggered by (mandatory) updates?</td>
<td></td>
</tr>
<tr>
<td>Are you willing to change your business processes in order to fit S/4HANA Cloud standards?</td>
<td></td>
</tr>
<tr>
<td>Are your required business processes supported with the current S/4HANA Cloud product release, or within the 4 rolling quarter roadmap (including localization/language)?</td>
<td></td>
</tr>
<tr>
<td>Are you within the published S/4HANA Cloud focus industries or requires only Administrative ERP?</td>
<td></td>
</tr>
<tr>
<td>Can you turn over the full governance for release upgrades to SAP?</td>
<td></td>
</tr>
<tr>
<td>Do you require only business continuity within the standard?</td>
<td></td>
</tr>
<tr>
<td>All questions answered yes</td>
<td></td>
</tr>
<tr>
<td>At least one question answered no</td>
<td></td>
</tr>
</tbody>
</table>
Consider three dimensions: **Scope, Governance, Standardization**

- **Core ERP scope**, rapid innovation
  - **SAP-led governance**
  - Standardization
  - **SAP S/4HANA Cloud (multi-tenant)**

- **Extended ERP scope**, controlled innovation
  - **Customer-influenced governance**
  - Recommended to Standardize
  - **SAP S/4HANA Cloud, single tenant edition**

- **Customer-led governance**
  - Open to Modifications
  - **SAP S/4HANA (on Premise)**
S/4HANA Choices

Consider three dimensions: **Scope, Governance, Standardization**

In a rapidly innovating business segment, infrastructure not a core competency of IT, equipping the business with new capabilities is:

- Acquiring fast growing businesses

**SAP S/4HANA Cloud** (multi-tenant)

**SAP S/4HANA Cloud**, single tenant edition

**SAP S/4HANA** (on Premise)
S/4HANA Choices

Consider three dimensions: **Scope, Governance, Standardization**

Industry functionality not covered in any Cloud ERP regulated industries where sharing tenants is not an option

Areas of business, highly differentiated

- **SAP S/4HANA Cloud (multi-tenant)**
- **SAP S/4HANA Cloud, single tenant edition**
- **SAP S/4HANA (on Premise)**
S/4HANA choice

Consider three dimensions: **Scope, Governance, Standardization**

**SAP S/4HANA Cloud** (multi-tenant)

- Stable business: 1-3 year innovation cycles
- In highly regulated industry
- Existing config/modifications required

**SAP S/4HANA Cloud, single tenant edition**

**SAP S/4HANA (on Premise)**
Choose the destination that’s right for you

<table>
<thead>
<tr>
<th></th>
<th>SAP S/4HANA Cloud</th>
<th>SAP S/4HANA Cloud, single tenant edition</th>
<th>SAP S/4HANA (on Premise)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Process</strong></td>
<td>Standardized, core ERP</td>
<td>Flexible, ext. ERP</td>
<td>Customizable, ext. ERP</td>
</tr>
<tr>
<td><strong>Innovation Lifecycle</strong></td>
<td>Quarterly</td>
<td>Semi-annual</td>
<td>Annual, customer-led</td>
</tr>
<tr>
<td><strong>TCO</strong></td>
<td>Lowest</td>
<td>Lower</td>
<td>Higher</td>
</tr>
<tr>
<td><strong>System governance</strong></td>
<td>SAP-led</td>
<td>Customer-influenced</td>
<td>Customer-led</td>
</tr>
<tr>
<td><strong>IT infrastructure</strong></td>
<td>SAP, public</td>
<td>SAP, dedicated</td>
<td>Customer-managed</td>
</tr>
<tr>
<td><strong>Customization</strong></td>
<td>Within Standards</td>
<td>Within Standards</td>
<td>Open to Modifications</td>
</tr>
<tr>
<td><strong>Extension</strong></td>
<td>PaaS, SCP</td>
<td>PaaS, SCP</td>
<td>Open, SCP</td>
</tr>
<tr>
<td><strong>System delivery</strong></td>
<td>New implementation</td>
<td>New implementation</td>
<td>New or ECC conversion</td>
</tr>
</tbody>
</table>
Project Methodology Approach

Along the continuum…

Degree of change

High

Low

Iterative

Waterfall

Delivery Frequency

Low

High

Incremental

Agile

Testing

Feedback

Planning

Analyzing

Materials

Requirements

Design

Implementation

Verification

Maintenance

PwC
## Project Methodology Approach

### More Agile

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Agile</th>
<th>Waterfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>We need to change our current way of working</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management &amp; corporate culture open to Agile</td>
<td></td>
<td>Rigid corporate culture</td>
</tr>
<tr>
<td>Empowered &amp; available Product Owners can be established</td>
<td></td>
<td>Product Owner Role difficult to establish</td>
</tr>
<tr>
<td>Strong possibility of changes (requirements or other)</td>
<td></td>
<td>Low risk of changes expected</td>
</tr>
<tr>
<td>Cross-functional &amp; dedicated stable team possible</td>
<td></td>
<td>Siloed &amp; fluctuating team</td>
</tr>
<tr>
<td>Possibility to work as colocated team in one room</td>
<td></td>
<td>Distributed teams in different locations</td>
</tr>
<tr>
<td>Project Managers and team members open for new approach</td>
<td></td>
<td>Expected to be resistant for new approach</td>
</tr>
<tr>
<td>Standard SAP is a good starting point</td>
<td></td>
<td>We do not want to adapt to SAP Standard in the first place</td>
</tr>
<tr>
<td>High possibility to invest in Agile training &amp; coaching</td>
<td></td>
<td>Limited possibility for Agile training &amp; coaching</td>
</tr>
<tr>
<td>Our surrounding project organisation is open to Agile</td>
<td></td>
<td>Rigid surrounding project organisation not open to Agile</td>
</tr>
</tbody>
</table>

### More Waterfall

1. Rigid surrounding project organisation not open to Agile
2. Limited possibility for Agile training & coaching
3. We do not want to adapt to SAP Standard in the first place
4. Expected to be resistant for new approach
5. Distributed teams in different locations
6. Siloed & fluctuating team
7. Low risk of changes expected
8. Product Owner Role difficult to establish
9. Agile corporate culture
10. How we do it now works fine

### Project Methodology Approach

- More Agile
- More Waterfall
Project Risks and Challenges In S/4HANA Transformations

- IT transformation rather than business transformation
- Value of S/4HANA is not leveraged
- Impact is underrated
- Project horizon ends with go-live
- Risk management not enough emphasized
- Project methodology applied without assessment
- Customers struggle with magnitude
- E2E process is not in focus
- Resource & capacity planning is underrated
- Lack of user-centricity
- Missing E2E view from requirements to IT functionality
IT specific Risks and Challenges In S/4HANA Transformations

- Software Logistics & Transport Management
- Release Management
- Holistic & efficient Testing
- Upgrades during the project
- Solution documentation
- Roles & rights concept
- Scope Management
- Alignment with other IT programs
- Reskilling IT for S/4HANA (technology & functionality)
- Aligning IT delivery with methodology
- Lack of Architecture management
- Missing S/4HANA-specific development guidelines
Next Steps for you.

• Define your Timing to answer the questions
• Tackle the Why! … or why not!
• Discover your peers, who are (about to go) on S/4HANA
• Subscribe to quarterly Follow-Up web session
  (invites will be sent)
… feel free to reach out for support!
PwC supporting your path to SAP S/4HANA

**Why S/4HANA?**
- How does it support my strategy?
- How does it help me transform?
- What’s S/4HANA’s impact?

**How do we move?**
- Define vision
- Set Business case
- Decide Approach
- Get Investment case / Detailed plan

**What do we do?**
- Execute, Execute, Execute
- Go Live

**Next steps / not end of journey**

---

**Service Offerings**

### PwC supporting your path to SAP S/4HANA

- S/4H Assessment
- S/4H Roadmap Study
- S/4H Proof of Concept
- S/4H Value Study
- S/4H Business Case
- RIP Creation
- SI Selection
- HCM for S/4
- Migration Assistance
- S/4 System Implementation
- S/4 Impact
- S/4 IT & Solution Architecture
- S/4 Strategy and Planning
- Business Transformation
- Data Assessment and Governance
- S/4 Testing and Automation
- Project & Programme Management
- Quality & Risk & Value Assurance
- Vision storylining to Stakeholders
- Change Impact Analysis & Plan
- Deploy Change Actions to Maximise Adoption for Go Live
- Continuous innovation
Our holistic approach ensures a successful Business transformation driven by SAP S/4HANA from strategy through execution.
Our holistic approach ensures a successful Business transformation driven by SAP S/4HANA from strategy through execution.

Koen De Smet - Director Treasury - Focus on hedging strategies and optimal execution to manage risk and reduce the impact of volatility.

Cindy Huyghens - End to End Finance Processes. Challenge decision-making processes and bring finance acumen and figures into the business.

Barbara Pinzan - Vision storylining to Stakeholders, Change Impact Analysis & Plan, Change Actions to Maximise Adoption for Go Live, CI.

Marc Hoessels - Director Tax - Tax compliance process streamlining, end-to-end reporting and compliance process for indirect taxes.

Patrice Schumesch - Global center of expertise for public sector accounting and reporting, IFRS & financing.

Wim Rymen - Provide risk-based quality assurance to protect investments, identify and properly handle risks and realise benefits.
Questions?
Thank you!

Contact information:

Torsten Hübsch
Director, SAP Practice Lead at PwC Belgium
E. torsten.huebsch@pwc.com
T. +32 492 74 58 50

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