



Next Level Human-Centric Change Management: Innovative and digital methods to humanise SAP S/4HANA transformations

In the past traditional change management techniques were well suited to transformation projects that dealt with linear problems. But in a VUCA world (volatile, uncertain, complex, ambiguous), more and more organisations face complex and multifaceted global transformation programmes that require an augmented change management approach. Next level human-centric change management puts people at the front and centre of every transformation. It involves listening to the voice of the employees, implementing their feedback and investing in upskilling them.



In major digitalisation projects the human factor is central to realising your ROI

As digitalisation advances (see: [SAP | Deloitte Switzerland](#)), organisations across the globe are deciding to implement S/4HANA, the newest update of SAP enterprise resource planning (ERP). They are looking to start a new era in which standardisation of processes lowers costs and employees can work from anywhere at any time (see: [Tech Trends 2022 | Deloitte Insights](#)).

In this context, generating a high return on investment (ROI) requires high and early user adoption that saves time and money. This is a new chapter in which the Internet of Things (IoT) makes business processes more innovative and predictable, and in which the use of different modules in one system provides a single source of truth, with real-time data that enables better and faster decision-making.

In contrast to traditional ERPs, SAP S/4HANA has a built-in system with intelligent technologies, including artificial intelligence and advanced analytics that can be seen on real-time dashboards. Its capabilities span across finance, supply chain, asset management and procurement, among others.

S/4HANA comes with an on-premise edition and can also be implemented as a cloud solution that receives timely updates every quarter. Organisations should not think that implementing SAP S/4HANA involves simply installing a new software once. Most business and technology leaders recognise **the importance of continuous change management** to enable successful system transformations and new ways of working (see: [S/4HANA - the key to transformation | Thrive in a digital world | Deloitte UK](#)).

A tailored change management approach is required to allow this transformation journey to be successfully completed on budget, on time and with the right quality. The applied change management approaches and methods need to evolve to keep up with exponential technology changes and shifting employee demographics. The top five key challenges are summarised in the table below, and innovative solutions derived from these challenges are shown in the Treasure Chest. This blog post will conclude with five recommendations relating to these key challenges.

Five key challenges we see in the market^{1,2}



72% of transformations fail due to **inadequate sponsorship** and alignment on a common digitalisation vision enabled by having one single source of truth in SAP S/4HANA



82% of transformation programmes fail due to employee resistance and don't focus enough on how SAP S/4HANA **impacts** the ways of working in one digital system



65% of transformations fail due to unrealistic expectations from leadership, resulting in **unclear communication** about people and process changes as well as technology changes



86% of leaders believe they must reinvent the **upskilling** of their teams to make use of analytics and insights, moving away from generic and one-off **trainings**



Most companies lose ROI because they do not leverage **data insights to measure progress** and user adoption in SAP S/4HANA transformations

¹ Deloitte Consulting / CSO Forum CRM Project Survey results

² Deloitte (2019), Human Capital Trends 2022

How to keep people on board of large SAP S/4HANA transformations

Human-centric change management enables organisations to successfully implement their most exciting digital transformations. Building on the key principles of behaviour change, transparency, and data-driven change management, Deloitte has developed and deployed a powerful **treasure chest of key success factors**. This treasure chest consists of innovative, digital techniques to maximise buy-in, user adoption and a highly successful outcome in SAP S/4HANA transformations. The described tools can be leveraged in both waterfall and agile projects and the treasure chest enables you to pick and choose what works best for your organisation,

meeting your employees' needs and permitting more sustainable change.

Our recommendation is to use these tools in an agile way in order to be more flexible where and when a different focus is required. The need for evolving change management has been accelerated by the global pandemic and by changing technologies and operating models that reflect demographic and behavioural shifts, as digital natives prefer to work in more diverse ways. Our treasure chest combines digital and human assets and enables us to reimagine change management.

Treasure chest of key success factors:



1 | Defining a compelling change story beyond IT

Every transformation – and especially large-scale SAP S/4HANA transformations that integrate multiple processes into one system – starts with the programme vision, including buy-in and alignment from the leadership teams. Every company knows this, and senior stakeholders usually plan formal and rigid alignment sessions. But these old-fashioned alignment sessions have not proven to be very sustainable and have had little impact on how people adopt new technologies.

The lack of integrated decision-making has been shown to add huge costs to transformations, in the form of long delays and poor user adoption. Experience suggests that the best approach is a “**High Impact Session**”, where leadership meets in a **creative environment outside the company and one’s own comfort zone**. There they can align on the vision, change story and guiding principles on how to leverage SAP S/4HANA real-time analytics, with insights at your fingertips and collaboration across borders. They can also reflect on

“**employee moments that matter**” when embarking on their joint **digital journey beyond IT**.

As a best practice the leadership team should avoid isolating itself in an “ivory tower” and be informed, inspired, and supported by an **interdisciplinary** team of both SAP S/4HANA specialists and change management experts, empowering decision-making at all levels. In these sessions the specific change journey and road map to carry through the transformation is **co-created** and will be shared with the broader community, with one common **brand for the programme** and a logo for increasing the **visual identity** of the programme. For greater understanding, these sessions can be facilitated by videographers to replay the key moments and messages, helping to ensure higher buy-in of the formed vision across all employee levels and functions. **People must be at the centre** of the transformation.

2 | Assessing the ‘change impacts’ iteratively across people, process, and technology

In a second step, it is crucial to visualise the gap between the current state and the future state, taking into consideration not only technology, but also processes, structures and people changes. This often results in Excel spreadsheets without much business value that are then forgotten in an empty drawer. Organisations are advised to focus instead on the **human aspect** of change and how it influences the interaction with new technology. An **iterative and agile** approach allows risks and crucial points that require attention to be identified early on. SAP S/4HANA comes with self-service capabilities that require employees to adapt to new ways of working. For example, it allows employees to use AI-enabled dashboards and benefit from faster processes in finance and supply chain and many other functions. Involving the business throughout and validating and reviewing change impacts as you go along avoids misalignment in the end. Including current SAP power

users early on not only increases the **variety of assessed impacts** and allows more **holistic requirement analysis** but also lays the foundation for later communication.

As a best practice, when virtually conducting impact assessments (often with large groups of globally distributed stakeholders) it helps to leverage **virtual whiteboarding tools** to increase engagements. The Deloitte-owned digital tool, **ChangeScout** (see [Change management software - ChangeScout | Deloitte Global](#)), makes change processes transparent, acts as a single source of truth, and is accessible by all project members. It is therefore especially recommended for large-scale transformations. The tool can easily pool and analyse a large amount of data to create actionable recommendations during multi-year projects and helps employees to adopt the new mindset they will need when working with SAP S/4HANA.

3 | Tailoring multi-channel communications and human-centric engagements

The times when a newsletter was enough to keep employees updated and engaged are gone.

SAP S/4HANA comes with real-time data analytics and permits communication across borders in a more efficient way than ever before. The core component of the human-centric change management treasure chest are solutions for concise, visually compelling, and tailored **multi-channel communications and digital programme apps** – taking into consideration that messages need to be reinforced multiple times until they stick (i.e., the rule of seven repetitions).

With its extensive SAP S/4HANA transformation experience, Deloitte leverages a wide range of communications tools and templates in creative formats designed for SAP S/4HANA specific milestones that can be tailored to end users. A fun approach to these communications is to create change stories

and SAP S/4HANA **super-hero campaigns** or **amusing comic books** to keep everyone excited and continuously informed.

Internal collaboration tools and **social media** enable immediate, visible, and interactive communication and recognition from peers, customers, and managers, such as Yammer or Workplace. Additionally, an online “pigeonhole” or survey can be used so that program-related questions can be asked at any time. Going beyond this, organisations can use augmented communications method such as **digital podcasts or video series** where “easy-to-digest” project updates and stakeholder feedback can be shared with every employee. Other well-received formats are “**users on the sofa**” clips in which power users or program sponsors are interviewed on a sofa and demonstrate in bite-sized videos the ‘what’s in it for me’ to new users.

4 | Creating personalised and just-in-time upskilling opportunities

Many organisations are moving away from traditional multi-day training sessions and moving towards a **personalised training curriculum** which allows every user to be assisted at their current personal level of expertise, whether low or high. This achieves maximum upskilling by putting **people first**. SAP S/4HANA allows you to bring knowledge and tips to users wherever and whenever needed. This enablement approach ensures constant two-way communication all the time. This is especially important as new users typically have a lot of questions and constructive feedback.

The other main accelerator to transfer knowledge to employees is **gamified microlearning** that can be taken **just-in-time**.

For example, wizards walk employees through the new system step-by-step, such as “SAP Enable Now” or “WalkMe”. “SAP Enable Now” is a content authoring tool where training material can be created and managed. “Walk Me” is another platform that combines proactive step-by-step guidance, comprehensive solution analysis and automated processes to help users complete tasks in the system at the moment of execution. Instead of classes, employees can build communities and **upskilling studios** for other teams to learn the new system via play. On top of that, communities can organise ‘**Hackathons**’ where employees challenge the new system to find new functionalities of SAP S/4HANA in a fun way.

5 | Driving and measuring people readiness in form of user adoption and change outcomes

For many decades, change leaders have worked mostly with qualitative data and have had to manage without hard numbers on their progress. The big advantage of SAP S/4HANA is that it comes with **just-in-time data analytics** on usage and adoption of its system. This can be visualised in **interactive dashboards** (or by leveraging the dashboards that come with SAP S/4HANA) which help change managers, the leadership team, and users know where they stand and where to prioritise their efforts. This type of data helps business leaders take decisions for the program from a perspective of people readiness. Making sure

that this data is not left untapped is key to ensure the success of human-centric change management.

Organisations can also leverage qualitative data to drive their decision-making. For example, employees can **scan QR-codes** at the (virtual) coffee machine and provide their opinion through short, **gamified surveys**. In this way organisations can make sure they **listen to the voice of their employees** and proactively ask them to contribute to their own use of SAP S/4HANA.

Deloitte can help you with human-centric change management

SAP S/4HANA solves many ERP problems in companies of all sizes. It helps to standardise processes, integrate multiple systems in one single source of truth and leverage predictive data analytics with real-time dashboards. This implies a lot of change for employees and organisations need a clear vision, communication, upskilling and measurement of user adoption. Though many leaders understand the importance of change management in SAP S/4HANA transformation projects, it is time to rethink how to implement the process. Innovative virtual and on-site methods can accelerate the ROI and improve the transformation outcome. A 134% ROI can be achieved when 'excellent' change programs are part of the SAP S/4HANA transformation¹. Old-school methods are not simply replaced by new-world technologies but rather integrated into a hybrid

way of implementing change management. In order to keep up with digitalisation, change management itself needs to become more digital.

Deloitte has been recognized by Gartner as one of the key leaders in SAP S/4HANA transformations in an analysis of 20 service providers. One of Deloitte's main strengths is its orientation to the broader business transformation objectives (see: [Magic Quadrant for SAP S/4HANA Application Services, Worldwide, June 2021](#)). Based on our experience with approximately 115 SAP S/4HANA transformation projects across different sectors in the EMEA region, Deloitte identified five recommendations that can help you take your change management approach to the next level:

Five key recommendations to address the most common challenges in SAP S/4HANA transformations



Ensure that **buy-in** from management is agreed upon **early** in the process and that the **vision** of real-time digital collaboration and data-driven ways of working with SAP S/4HANA is clear to all employees



Think **agile** and be **flexible** when planning your SAP S/4HANA change management journey. Understand and **analyse what impact** the SAP S/4HANA transformation will have on your employees and their ways of working



Decrease anxiety and rumours through **transparent** and **continuous communication** about the ongoing and upcoming changes in the organisation related to your SAP S/4HANA transformation



Offer custom-made **upskilling sessions** on new interfaces, processes and new ways of working related to SAP S/4HANA directly in the software and **showcase the benefits** and 'what's in it for you' for employees



Digitalise your change management approach. Leverage big data and **advanced data analytics** generated by the SAP S/4HANA system to create **KPIs to measure user adoption** and to make **faster and informed decisions** in your change management strategy

Actions speak louder than words, here is what our clients have to say:

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The transformation from SAP R/3 to S/4HANA was also successful because we involved the business departments from the concept phase through testing, training and go-live planning to the handover of operations on the basis of their business cases. Thanks to the support of external consultants, we were able to focus our organisational change management on optimally preparing the organisation and the individual end users for the new business processes and roles as well as for the system changeover.

**- Marcel Biedermann, Lead Transformation HWF,
Swiss Post Ltd.**

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Deloitte helped us to design and deploy a holistic organisation change management strategy for our S/4HANA-driven business transformation to assess business and user readiness, identify change impacts and develop specific change action plans for each business unit.

- Multinational client from the energy sector

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Get in touch with us:



[Veronica Melian, PhD.](#)

Swiss Human Capital Leader

vcmelian@deloitte.ch

+41 58 279 6161



[Sofia Stavri](#)

Director

sostavri@deloitte.ch

+41 58 279 6584

Authors:

Marko Katana, PhD.

Senior Consultant,
Deloitte Switzerland

mkatana@deloitte.ch

+41 58 279 6246

Laura Cordes

Consultant,
Deloitte Switzerland

lauracordes@deloitte.ch

+41 58 279 9035

Stefano Costanzo

Manager,
Deloitte Switzerland

smcostanzo@deloitte.ch

+41 58 279 8887

Alessa Terzano

Manager,
Deloitte Switzerland

alterzano@deloitte.ch

+41 58 279 7550

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