



SAP Case for Change – The Move to SAP S/4HANA

The world is changing at a rapid pace. Not a day goes by without a minor or significant business impact resulting from technology.

From the way businesses and individuals now interact with each other in routine settings, to innovations such as chatbots, AI, and cognitive automation – all of these shifts have become catalysts for profound business trajectory...for those who embrace these advancements.

A number of fundamental questions exist as businesses face these intense,

inevitable shifts – how ready a businesses' existing tech infrastructure to concurrently absorb the current and adapt to the future stages of change? With technology at the core of successful businesses, no matter what industry, creating and supporting a culture of proactive positioning for advancement is fundamental to future-proofing businesses for what's next.

SAP is the premier ERP that organizations choose to enable the entirety of key processes, enabled by technology. As businesses face the sheer variety and volume of questions that face their future-proofing, transformation journeys, SAP offers a framework for consideration – and solutions to match.

Balancing the increasingly complex business requirements with the consumer expectations of right here, right now, delivered right to me.

Modern ERP systems deliver complex, dynamic and real-time operational insights - including forecasting and planning, through a scalable platform. Consumers likewise access information real-time through literally limitless device options with what seems like zero effort. Platforms including S/4HANA likewise have kept pace with these progressions, with advancements to address both the business and end user demand for product and service evolution.

How do platforms make this concurrent innovation take shape? S/4HANA includes business flexibility, faster analytics, improved working capital, increased margins, and more effective asset management. Attributes of this type of multifaceted, multilevel and integrated approach:

Business portfolio agility

S/4HANA supports the ability to keep pace with the ever-changing marketplace demands: desire to leverage next generation technologies, meeting ever-evolving customer expectations, supply chain disruptions, and hybrid workforces. S/4HANA provides a simpler and quicker way to embed acquisitions into the ERP environment and benefit from a synergy capture of bringing

two businesses together, providing the potential to lower operating costs and expand markets. Alternatively, divestures can leverage the same simple and more effective process.

Opportunities to amplify revenue and increase margin

Businesses require multiple go-to-market services, including subscriptions and pay-per-use models. Flexible revenue and monetization models have the potential to increase the effectiveness of the billing lifecycle (contracting, billing, invoicing), while reducing costs and processing times to increase the effective use of working capital and deploy workforces more efficiently.

Increased Analytics Performance Leveraging Cutting-Edge Technologies

By utilizing a simplified data model, S/4HANA enables users to record once, and use many times, which enables organizations to make critical business decisions, while reducing the time and cost to do so. Continuously evolving, embedded AI and machine learning applications improve modeling, predictive outcomes and forecasting. Forecasting becomes more intuitive, automatically determining accurate working capital levels to make strategic investments that concurrently anticipate customer needs.

A faster database leads to faster access to financial information that facilitates greater decision making agility and predictive modeling for forecast accuracy.

S/4HANA includes business flexibility, faster analytics, improved working capital, increased margins, and more effective asset management.



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Industry innovations

Not all industries operate equally and S/4HANA includes new innovations and capabilities pertinent to your organization's industry. Capturing industry trends significantly impacts efficiency and your organization's ability to respond to dynamic market trends.

Make sustainability an inherent part of the information management equation

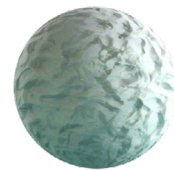
Sustainable future planning requires enhanced reporting, more effective supply chain management including enhanced inventory optimization and logistics routing and data transparency in line with the Green Ledger Initiative. These efforts allow for business enhancements that concurrently drive economic – and societal benefits – at large.

Dynamic supply chain management

A successful supply chain has never been more critical – or complicated – than today. The number of distribution centers and warehouses is at an all-time high, and customers demand a reliable supply chain network from their organizational ecosystems.

Enhanced Tax processes

Through Automation of global indirect calculations and reporting, automation of operational pricing, and real time self-service tax reporting dashboards allows organizations to benefit from more effective planning, forecasting and reduced costs.



Platform Case Study

Pathways to Transform

The foundation for continuing a contract with a platform provider SAP and the opportunity for organizations to remain a leader in a respective industry begins with preparing and planning for the migration from SAP ECC. S/4HANA allows for innovation in business processes by focusing on Top Line, Bottom Line, and Green Line growth to derive multifaceted business outcomes. With unpredictable factors impacting areas like supply chain pipelines, product demand and manufacturing are often disrupted, forcing organizations to dynamically reallocate resources and swiftly adjust to environmental disruptions. Bearing all this in mind, there are several ways for organizations to migrate business to S/4HANA. Each transformation journey is unique, falling somewhere along the transformation spectrum.

The transformation spectrum, visually showcased below, includes:

Brownfield: system upgrade/infrastructure replacement. Brownfield is a system

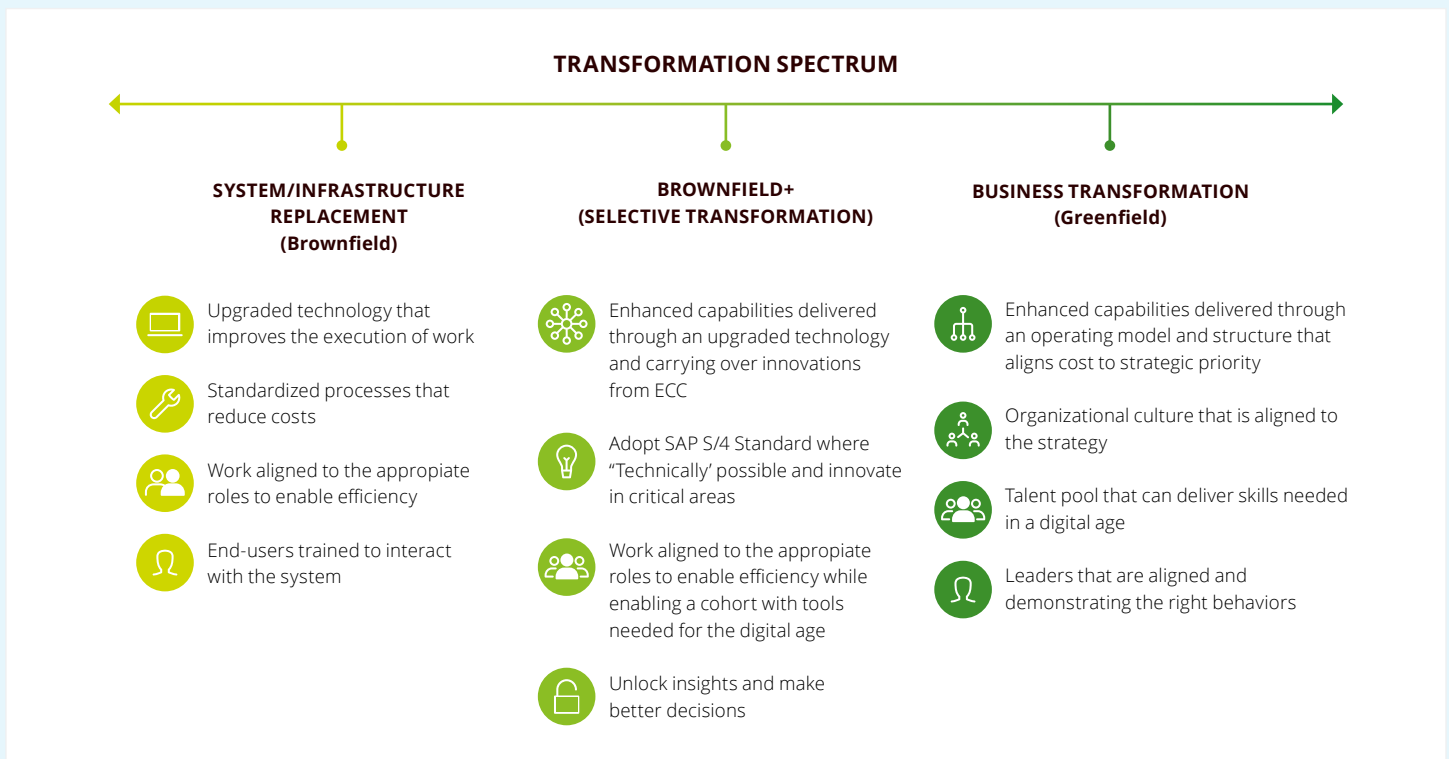
conversion involving upgrades from an existing SAP Business Suite ERP System to S/4HANA. Organizations can opt for a direct system conversion if the present SAP system landscape has been well-maintained and the majority of existing processes and code base are still in use. This cost-effective approach enables a smooth migration to S/4HANA, including a migration to the cloud, without disrupting current state business processes.

Brownfield+: like a system conversion from SAP ECC to S/4HANA, but provides the ability to selectively determine configuration, existing code development, and data to be moved to the new environment. Provides a clean core S/4HANA environment, which entails keeping S/4HANA devoid of modification, without starting from scratch. By using automation/AI tools, the analysis and corresponding activities can be intelligently automated to reduce effort and risk.

Greenfield: Envision net new business transformation of an S/4HANA cloud environment, leveraging a pre-configured automation/AI-enabled solution to drive industry specification. This requires

fundamentally new design, build, and test of the environment and applicable data.

Those choosing a new implementation (Greenfield) typically want to eliminate custom programs, shed ineffective practices, and drive standardization around best practices. Organizations that are implementing SAP with simpler business models, different competitors, and a less demanding customer base find this approach allows for remodeling to support productivity and growth. Businesses can start afresh and keep their ERP clean, keeping the basic functionality of S/4HANA out of the box from conventional developments and modifications without compromising any flexibility. Alternatively, Brownfield+ may be an option; think of this as a system conversion that allows businesses to continue using their existing SAP investments. Customers choosing a system conversion typically like to preserve some of their custom-built solutions and have business models that are static and predictable. This path is viewed as a lower-cost, minimal risk way to move to S/4HANA but also allows your business to choose areas to optimize and transform such as Finance as the foundation.



Conclusion

It is no secret that undergoing a large-scale enterprise transformation requires dedicated time to evaluate current business processes, define future-state objectives, and identify best practices to migrate legacy systems to new platform approaches.

So, the digital imperative is: **don't wait**. While innovation is necessary for survival, evolution is necessary for a successful future. Leading organizations will proactively document objectives and desired outcomes, diagnose current state business processes, and identify quick wins to remain on the forefront of innovative technologies and get ahead of the competition. With the right implementation partner that leverages the right combination of extended solutions offered with a platform approach, organizations can continue to solve complex business problems and create innovative business outcomes today, tomorrow, and for years to come.

Supplemental information

With roughly 68% of SAP's ECC customers not migrated to S/4HANA¹, December 31, 2027, represents a critical date for the future of their existing ERP environments. SAP's recent announcement, to discontinue ECC mainstream legacy services after 2027 and ramp down mainstream maintenance for older systems as early as 2025, forces organizations to face a critical decision: migrate to S/4HANA or remain on SAP ECC past 2027 with limited to no support. The decision to discontinue ECC maintain legacy services post-2027 reduces the scope of Customer-Specific Maintenance, limits functionality, requires new contracts with SAP, and increases annual fees.

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