Putting people first: Sponsoring a successful SAP S/4HANA transformation

Insights for leaders at any stage of their SAP journey

Contents

This paper is written for those who lead or sponsor an SAP S/4HANA implementation, including those involved with **project management, change management, or business readiness.**

Our research and experience tells us that leaders tend to underestimate how difficult it is to manage large scale change effectively and get the focus right by **'putting people first'.**

Note: this paper does not set out to cover the wider technology related considerations of moving to SAP S/4HANA.

Introduction

In the realm of enterprise-level technology solutions, SAP stands tall as a leading provider of integrated business software. An SAP transformation can reap huge benefits for a future focussed, organisation, as it involves reimagining and optimising core processes across the organisation. However, amidst the excitement of embracing cutting-edge technology, organisations must not overlook the most critical aspect of any transformation: **Your People.** Putting the humans who will live this journey is the key to long-term success and sustainability at the heart of your approach.

1. Vision and communication
Major change is hard. Ensuring all of your employees understand the purpose of change can be harder. Before diving into the technicalities, it is essential to establish a clear vision for the SAP transformation and communicate it effectively to all stakeholders. This vision should encompass not only technological advancements but also the benefits to employees and the organisation as a whole. Transparent and continuous communication is vital to address concerns, build enthusiasm and instil a sense of purpose among employees. It is important not only to address concerns, but to keep people informed of progress – both the advances and setbacks – so they are taken on the program journey.

2. Change management
An SAP transformation is often a change management process. Acknowledge that change can elicit resistance, fear, and uncertainty. Empathise with employees' concerns and develop a comprehensive change management strategy.

Involving employees early in the process, understanding their pain points, and providing avenues for feedback can lead to a smoother transition.

3. Addressing concerns and challenges
An SAP transformation can disrupt existing workflows, leading to concerns about job security and role changes. It's crucial to address these concerns promptly and honestly. Engage with employees, understand their fears, and offer support throughout the process. Provide clarity on how roles might evolve and emphasise the focus on utilising human potential in more strategic and value-adding ways.

4. Empowering the workforce
Empowerment lies at the core of a successful SAP transformation. As new technologies are introduced, organisations must invest in training and upskilling to build confidence among your people. The key to getting people ready for SAP S/4HANA to go-live lies in early upskilling efforts and adhering to a well-structured transformation blueprint.

5. Collaboration and cross-functional teams
A people-focused SAP transformation involves breaking down silos and encouraging collaboration across departments. Creating cross-functional teams can bring together individuals with diverse skills and experiences. Such teams help design processes that consider a breadth of perspectives.

6. Celebrating success and learning from setbacks
Throughout the transformation journey, it's vital to celebrate milestones and achievements. Acknowledge
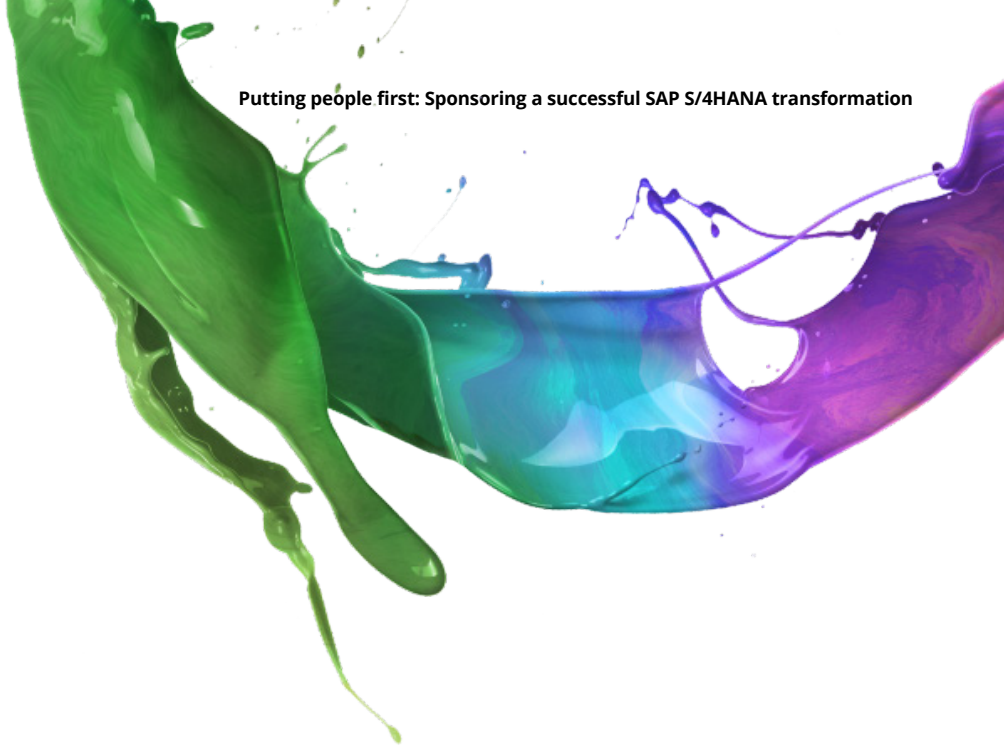
the efforts put in by teams and individuals and recognise setbacks as learning opportunities. Greater success comes from cultivating a culture of experimentation and resilience which ultimately leads to continuous improvement. Recognise and celebrate individual and team accomplishments while fostering a culture that encourages continuous learning and growth.

7. User experience

Bring the user experience to the fore at the design and implementation stage of SAP solutions. We find that bringing people together through 'experience rooms' has a highly beneficial effect on outcomes and ideas. These spaces make it easy to understand and adopt new technology, which is paramount in ensuring smooth adoption and long-term success. Gathering feedback from users and making iterative adjustments based on their suggestions not only enhances the effectiveness of the transformation, but also empowers employees and shows that their voices are heard and valued.

8. Leadership support

Leadership plays a crucial role in driving a people-focused SAP transformation. Leaders must set an example by embracing change and displaying a willingness to learn alongside their teams. Empower managers with the right information, capability and tools to be advocates for the transformation, supporting their team on the journey to success.

In conclusion, an SAP transformation is much more than just a technological upgrade, it represents a cultural shift and an opportunity for growth. Prioritising the human aspects of the transformation ensures that employees are engaged, motivated and well-equipped to fully utilise the new SAP system. When people are at the heart of the process, technology becomes an enabler rather than an end in itself. A people-first approach paves the way for an enduring and successful SAP transformation journey.

Adam Quigley

Adam Quigley
Leader of Deloitte Australia's
SAP change offering

What's in it for your people when they move to SAP S/4HANA?

**Change is inevitable.
It's also controllable.
As your business grows,
it's not enough to simply
have the right data and
common processes in place.
To future-proof your
business, you need to
implement best in class
technology. But it's actually
talent, that will be your
secret weapon.**

SAP S/4HANA is designed to be scalable and flexible, so it can be adapted to the specific needs of any organisation. It used by many of the world's largest organisations, and its popularity is growing as more and more businesses realise how much data they're having to wrestle with across different platforms. In part, this popularity is also driven by a desire to grow, to digitise, and to automate and simplify processes.

Your organisation may be completely new to SAP, migrating from entirely outdated, locally managed, and heavily customised systems and still relying on manual processes like Excel. If this is where your organisation sits, it's likely hindered by a lack of efficiency and agility when it comes to technology, limiting your team's ability to respond promptly to market demands such as mergers or acquisitions of a new company that they may want to integrate. Not to mention the major challenges involved in manual and legacy systems such as process delays, lack of visibility, duplication, errors, high dependency on a particular team, chances of corporate fraud, etc. By adopting SAP S/4HANA, you can modernise your operations, eliminate redundancies, and streamline processes. This technology is all about equipping you to scale towards growth and meet future challenges.

SAP S/4HANA is a market-leading enterprise resource planning technology. It is a software suite that helps businesses manage their finances, operations, and customer relations. It integrates all of a company's core processes, and relevant data, into a single system. It gives users a real-time view of the business helps managers streamline operations. But have you thought about what SAP S/4HANA means for your people, and how they're impacted?

While some organisations are implementing this technology for the first time, you may be transitioning from older SAP versions, such as ECC, to SAP S/4HANA. The transition offers a leap in functionality and performance, empowering your business to embrace cutting-edge technologies and derive greater value from your data. SAP S/4HANA provides a foundation for you to innovate and leverage emerging technologies like AI, machine learning, and advanced analytics. This is how you can further enhance your competitive edge. The benefits also extend to an all-in-one

platform, standardisation of processes across geographies, analytics and regular product improvements, particularly from SAP as a cloud-based offering. It also allows IT teams to focus on innovation and growth while ensuring data security.

SAP S/4HANA will change the way people in your organisation do their job. You must engage your workforce early and frequently to ensure successful adoption and maximise the return on your technology investment.

When you initially introduce the fact that you're implementing a new ERP, you will likely encounter some form of resistance. People will often say, "Why are we doing this? The system we have now is fine." This is especially true for organisations that have been using their current ERP for a long time.

To overcome this resistance, you need articulate a clear and compelling reason for implementing SAP S/4HANA and invest the time of your best people, your brightest and most inspirational leaders into the program. Those that have true influence in the business, either through experience, reputation or tenure.

These programs can provide the opportunity for learning and development, stretch roles and new opportunities to help further your people's careers. In the long term, this may have retention benefits and by involving your people in the design process you're likely to achieve better outcomes for your technology investment.

Invetech

A *leader-led solution* delivered in 26 weeks

Invetech is a full-service provider of product design, instrument development, and contract manufacturing within the healthcare industry. With services based in Victoria and San Diego and a rich history of driving breakthroughs, Invetech excels in offering end-to-end product development services, spanning from ideation to manufacturing. Their commitment is to enable businesses to bring novel products to market with confidence.

The Challenge
Invetech's strategic direction to expand its manufacturing business and enhance recurring revenue prompted a pivot. Their current system, Pronto, was incapable of handling the intricate demands of complex manufacturing. The aging ERP system had not been kept up to date over the 20 years of its use, with the company relying on manual processes and locally-designed workarounds. This often resulted in the

duplication of work causing errors, inefficiencies, unnecessary costs, and delays, taking time and focus away from Invetech's growth strategy. This was one of the first technology transformation projects delivered in recent years.

The Solution
Deloitte provided guidance as both an implementation and organisational change partner. Empowering the leadership team was the catalyst for early sponsorship. These leaders were supported by the implementation of the change network, structured and open communication via the digital adoption platform, WorkforceX, and a change approach tailored to the organisation's engineering culture and change appetite. The result was an enhanced transformation journey and learning experience.

From the get-go, Invetech leadership placed equally high importance on visible business sponsorship and change leadership as they did on SAP technology implementation and system integration. The Finance VP, Program Director and Global IT Lead formed a highly effective leadership triumvirate at the head of the transformation, actively contributing to all key change workshops – from change activation and strategy, through to leading monthly change network and business engagement sessions – all the while collaborating and actively sponsoring milestone communications and learning events.

Deloitte supported Invetech to facilitate early engagement and exposure to SAP. This kick-started their leaders, SMEs, and business experts' capability development. This was achieved by utilising WorkforceX, but not alone. The team also employed a robust change management methodology, fully integrated into Deloitte's SAP project management

framework and SAP Activate. This integrated strategy accelerated and empowered Invetech leadership. Through the early provision and leader sponsorship of a self-enablement learning plan, people were able to build up confidence upfront not only in the new system and processes, but also how an SAP transformation runs so they were more prepared on what to expect. Live demonstrations in regular change network and business engagement sessions, together with leader video updates in campaign communications, continued the learning journey through to go-live.

The Impact
The implementation, which spanned 26 weeks, was completed successfully and went live in February 2023. The ERP system's enhanced features, including financial transparency and deep analytical capabilities, delivered improved financial management and predictive insights. Deloitte's SAP experience, proven change approach, and S/4 specific accelerators supported Invetech leaders to accelerate business readiness and tech adoption throughout the whole process.

"WorkforceX allowed us to regularly publish neat and snappy video updates to staff. It was a great conduit. We also followed the advice of Deloitte, who were really across this. Our communication efforts ran in parallel with the actual technical implementation and it was equally important."

- Janet O'Meara, Invetech Finance Vice President

Typical change challenges

The technology itself will only get you so far; success will be determined by recognising the skills and capabilities of your people, working through process difficulties, and being able to handle them in a way that enables your people to adapt to new processes, roles and responsibilities.

Implementing SAP S/4HANA is a complex and challenging process that has a significant impact on the people in your organisation. There are common challenges that employees face during digital transformations so it's crucial that insightful preparation is undertaken before a project begins.

Approximately two-thirds of large-scale transformation projects fail to achieve their desired objectives and processes; system functionality is rarely the problem. Leaders consistently rank organisational barriers — especially resistance to change—as the top reasons for failed business transformations.

Source: Deloitte CIO Survey

Other major challenges include: inadequate sponsorship, unrealistic expectations, poor project management, a lack of a compelling business case, scope expansion/uncertainty, a lack of an organisational change plan, a project team lacking skills, working in silos, and an IT perspective that's not integrated.

Large technology rollouts over multiple waves and multiple countries present a unique set of challenges. You will see a series of changes to the global organisation: day-to-day business, accountability, data management, communications, and decision-making. As a result, your stakeholders and users are affected at different stages and to varying degrees throughout the transformation. This level of complexity requires a flexible and modular approach to enable the organisation to adopt SAP.

Your employees are likely to be resistant to at least some changes brought about by a transformation. They must adapt to new processes, roles, and responsibilities. Strategy and well-planned communications are essential for successful change adoption without widespread resistance when introducing changes. It's common for organisational structure changes to impact employees during this time, so ensuring everyone understands the changes as well as their role and responsibilities, is key. There's also the possibility, rightly or wrongly, that such transformations can raise concerns about job security and role changes; therefore, it's important that the program has a plan to address these head on with clarity. It's also important to be clear on the operations that require no change.

Subject matter experts play a crucial role when designing and implementing SAP S/4HANA. On most projects, it's the finance teams, business process owners and data owners who are required to become heavily involved in SAP

S/4HANA activities. It's these cross-functional teams that are usually most appropriate to participate in design workshops, facilitate demonstrations, assist in the change impact assessment, participate in User Acceptance Testing, and more. This means that consideration for their workload ensures to prevent disgruntled staff and missed deadlines, ensuring the project is not put at risk. Often, we find organisations are most successful when they release their people from business as usual roles to help drive program activities, and backfill those business as usual individuals, as a deep understanding of the business is also critical to a successful SAP S/4HANA transformation.

Integrating various systems and consolidating data can raise concerns about data security and privacy during an SAP S/4HANA transformation, especially when sensitive information is involved. Clear communications with the organisation are planned out so that any new restrictions and data access changes don't surprise your employees or create any difficulties in their work.

Another key risk around data migration involves data quality. If cleansing activities are incomplete and the go-live delivers poor quality data, then the operational consequences can be significant. We often see first-hand how data quality has impacted some of our projects, so getting your people focussed on data cleansing early is critical to success.

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"Your employees are likely to be resistant to at least some changes brought about by a transformation. They must adapt to new processes, roles, and responsibilities."

Addressing these challenges requires careful planning, effective communication, strong leadership and involvement of stakeholders at all levels of the organisation. Being aware of these common challenges and implementing change management strategies ensures successful adoption of the SAP S/4HANA system.
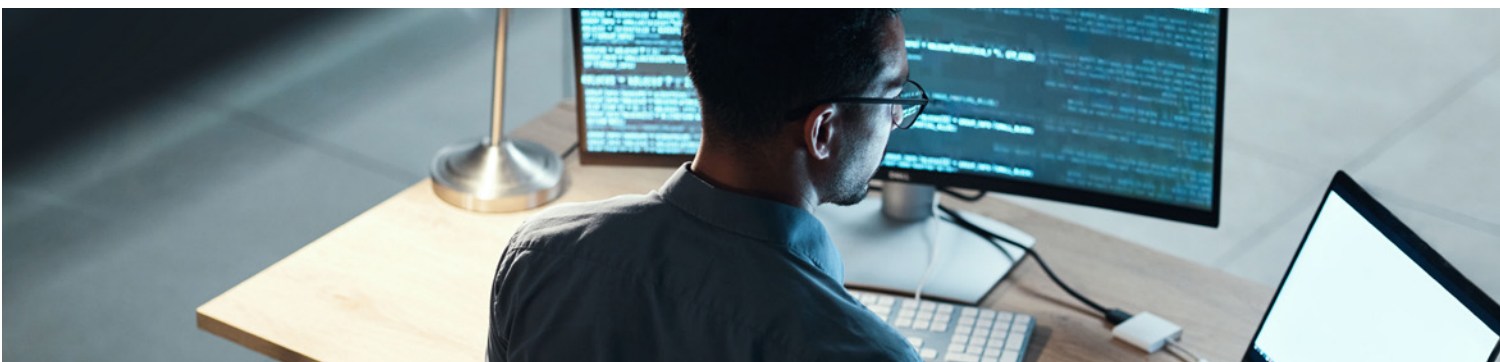
Getting onto SAP was all part of the journey to **drive new ways of working** *and bring consistency across the Australian-managed businesses.*

Deloitte was engaged by a mining and metals organisation to support the implementation of the new ERP Program, SAP S/4HANA. The project also required integration with other supporting systems such as SAP Ariba, for strategic sourcing activities.

The Challenge

This organisation was transforming its Australian operations to drive standardisation and consistency across the business. With the new ERP landscape, the project provided a unique opportunity to transform the way work was delivered across the business, using standardised functionality where possible.

The Solution

Deloitte developed a change strategy for end-user adoption of new processes, technologies, and overall project success. Over 1,500 change impacts were identified during 65+ design workshops with 195+ representatives from across the business to design simplified and standardised business processes in line with modern best practices and the Deloitte Mining and Metals Accelerator Framework. Driving local engagement and ownership of the program happened through the activation of a change network including 380+ representatives across the divisions, including change sponsors, business champions, site and functional

champions (on each site or within each function helping drive engagement at a local level), and super users (involved in UAT, training delivery). This strategy ensured support was provided to teams and sites throughout Hypercare. Utilising floorwalkers, drop-in desks and Microsoft Teams channels for Hypercare, to coach people through new processes and help provide the support they need, wherever they may be. Measuring end user readiness for go-live — through analysis of engagement data and the running of pulse check and interactive surveys — enabled the team to understand user sentiment and readiness. This data allowed for additional or updated interventions and provided a baseline for when post go-live end user surveys were run to measure adoption.
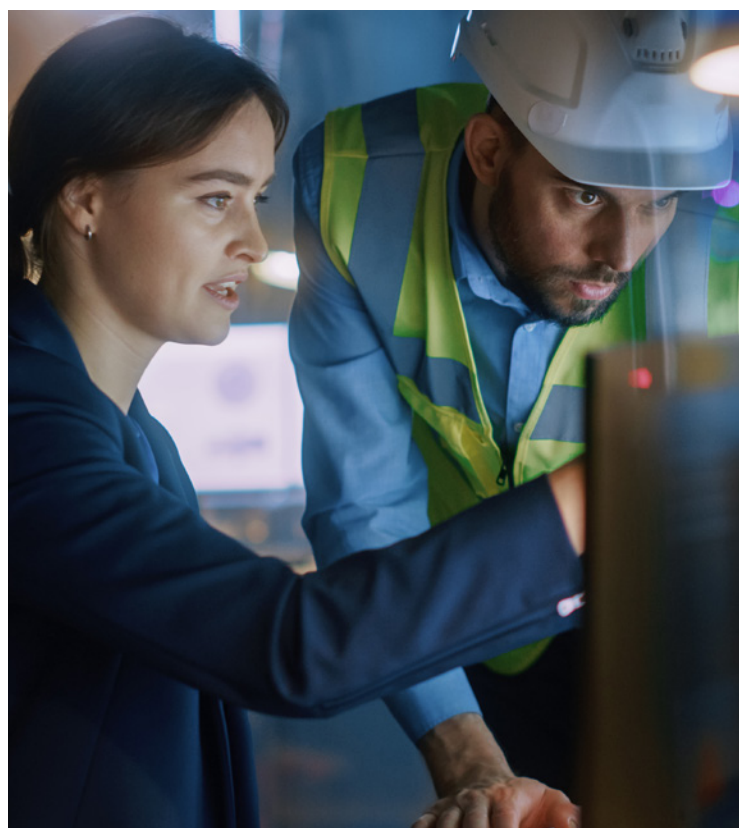
The Impact

The blended learning approach for 300+ end users in the first release provided both just-in-time support via Quick Reference Guides and in-system help (simulations and context sensitive help text) and greater understanding of the new system via face-to-face instructor-led sessions. The train the trainer program upskilled nominated super users with the soft skills required to become trainers, with whom learners could relate to and engage in practical and tailored examples.

SAP EnableNow mapped simulations within the transactions and supported easy access and updates to the existing online learning materials. The tracking capability of SAP EnableNow also provided a view on how many learners were viewing the simulations, enabling targeted actions to be designed and implemented to encourage greater use of in-system help.

And later, when Deloitte was asked to help onboard an acquisition onto the same SAP S/4HANA instance, the change team used WorkforceX. This program deployed tailored, high impact communications to business users in their newly acquired plant and supporting functions in Sydney, Singapore, and London.

Spotlight on: WorkforceX

WorkforceX was utilised by both the program and the broader business to deploy communications and engage with the business for both the digital system transformation and integration process. This included:

- Regular and direct updates from leaders, distributed by email and SMS.
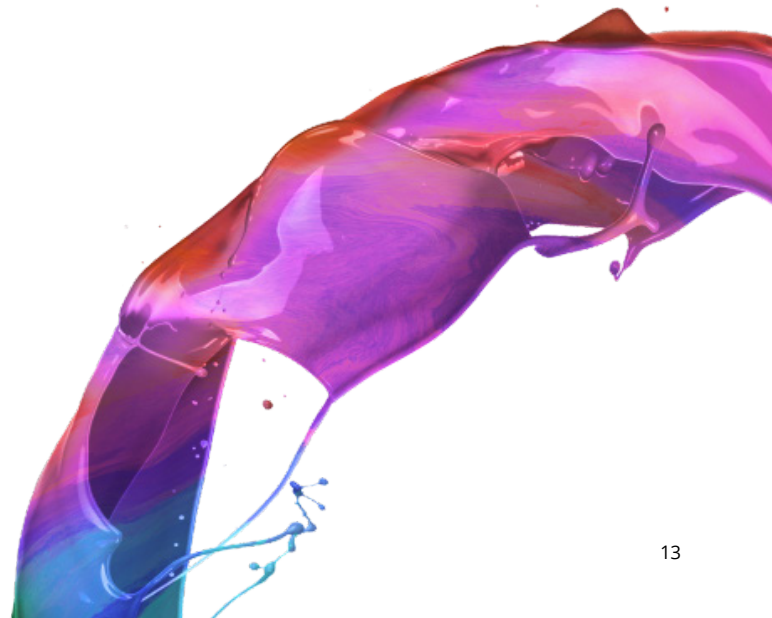
- Supporting the coordination and delivery of early system readiness activities for impacted users.

- Delivering pulse checks to enable the program team to identify areas of risk.

- Tracking engagement of change network representatives and providing an open feedback channel.

Getting your people ready

There is no one-size-fits-all approach to change.
You can maximise the impact of SAP and drive sustained adoption through tailored communications — providing the right information to the right audiences in the right ways.

Implementation of new technology will always bring about uncertainty, as any phase of change would. Part of building confidence throughout the entire project lifecycle means that stakeholders involved know what they're dealing with. Early investment in building these skills and capabilities is essential to foster engagement with all phases of the transition to and adoption of SAP S/4HANA. Early engagement, during the design phase, is often critical.

Deloitte is equipped with comprehensive training and resources to arm both your project team and end users with the necessary expertise. We leverage various tools, including the SAP library and Deloitte materials, which offer extensive documentation, training modules, and best practices. Knowledge transfer is a key measure of success.

Deloitte believes it is important to have clarity in every phase with a comprehensive framework that includes:

- Program goals and objectives.
- The process for how knowledge transfer will develop over the course of the project.
- The roles and responsibilities of project team members in the transfer and development of knowledge and capabilities.

We define, track, and measure knowledge transfer at the program level to determine success and sustainability beyond the initial project. We also identify options for knowledge development, including one-on-one coaching, on-the-job training, observation, and other informal learning opportunities that arise from working side-by-side on a daily basis.

To prepare the workforce we draw on our well-established transformation blueprint, including our rich delivery methodology, pre-configured solutions, and world-class accelerators. These tools enable mass customisation to your needs and data-driven insights. Our holistic, human-centred approach to transformation is based on data-driven, tailored change management. We work with impacted stakeholders and leaders to prepare your organisation to "adopt and go," realising your transformation ambitions quickly and efficiently. We use ChangeX, our proprietary platform, to assess, build, execute, and track all change activities simply and effectively at a global scale. Our change approach recognises and adapts to the fact that change is not linear—it's constant and executing tailored interventions delivers results. This structured methodology outlines the roadmap for the implementation, encompassing the necessary steps, timelines, and milestones. By adhering to this framework, training and upskilling initiatives are aligned

with the specific requirements of the organisation for maximum efficiency during go-live.

Deloitte believes that increasing change leadership capability helps to progressively build a change coalition. And critically, by tapping into the coalition's power you can build to a tipping point where change cascades throughout the organisation. This works for SAP S/4HANA as much as it does any other kind of change. The role of change champions in each part of the business – and depending on your organisation, the power of embedding champions in 'high change' areas like supply chain, finance, and asset management — cannot be underestimated.

Additionally, we foster a collaborative learning environment that encourages knowledge-sharing and continuous improvement. Through workshops, hands-on sessions, and cross-functional interactions, we facilitate a deeper understanding of SAP S/4HANA and encourage our team and business stakeholders to embrace the change proactively.

Deloitte believes that increasing change leadership capability to help progressively build a change coalition is critical to success – building to a committed 25% tipping point.

The key to getting people ready for SAP S/4HANA go-live lies in early upskilling efforts, leveraging comprehensive resources like the SAP library and Deloitte materials and adhering to a well-structured transformation blueprint. By empowering our people with the right skills and knowledge, we pave the way for a successful implementation that unlocks the full potential of SAP S/4HANA to nurture your organisation's growth and drives tangible business outcomes. Gone are the days when "training" happens just before (or after) testing and before go-live.

We also find that bringing people together through 'experience rooms' can also be highly beneficial. The size and geographical complexity of the user base determines how many and where these physical (or even virtual) experience rooms are held. In short, they can be established four to six weeks prior to go-live and remain for a month after go-live providing hands-on in-person support. They're a place that builds confidence in SAP; each user completes in-person training with an opportunity to complete process scenarios themselves and 'have a go' in system as many times as they need to. They're also a great place for program experts to be on hand to help troubleshoot issues as well as change champions to answer questions. Depending on how close certain sites are to one another, it may even be possible to have a roaming 'pop up' experience room that travels to a geographical area to inject energy and fun as they go.

Spotlight on: ChangeX

ChangeX is Deloitte's technology-driven, data-powered solution designed to enhance your enterprise change approach. It provides you with the ability to deliver transformation quickly and confidently through a single view of change with pre-loaded SAP S/4HANA change impacts and a suite of communication campaigns for each stage of the transformation. Our platform is a comprehensive, end-to-end solution that covers the entire change process, from design through to go-live. It is unique in the global market and stands alone in its ability to drive impactful change.

Benefit from our **leading practice methodology**, allowing you to focus on what really matters for you people.

Build continuity and knowledge through a **centralised repository**, benchmarking against past successes and challenges.

Accelerate change with our **market-leading tools** that provide repeatability, consistency and accountability.

Uplift your **change capability**, empowering you to deliver on your transformation ambition.

Unlock insight and precision with **dashboarding and analytics,** reporting back to stakeholders faster and more accurately.

Stay nimble and resource-efficient by **pinpointing areas of demand and scaling up or down as needed**.
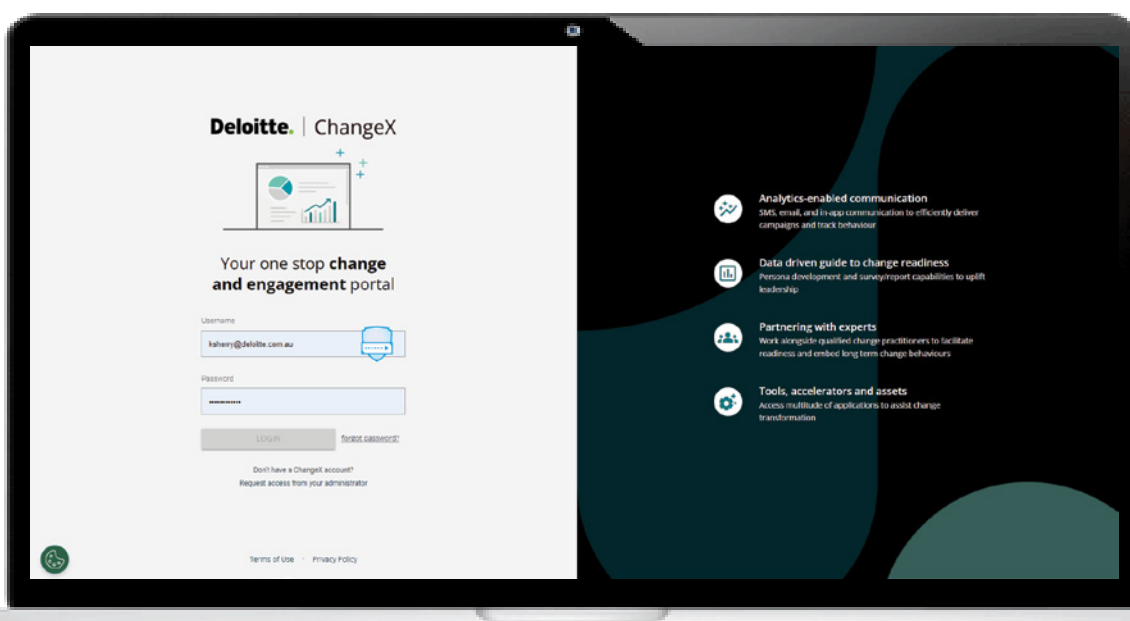
Leading through go-live

As the highest level in the governance hierarchy, the executive sponsor is the leading voice of any SAP transformation and leads the transition with impact and clarity. They are expected to use their position and authority to mitigate risks, make rapid and effective decisions,and support the executive in change.

A project sponsor plays a crucial role in the SAP S/4HANA transformation process as they are the leader and advocate for the transformation across the business throughout the implementation journey. The sponsor needs to provide strategic guidance, allocate resources, and be a decision-making authority so they must thoroughly understand the business case and effectively engage with stakeholders. If this is done well, and strong leadership is demonstrated from the commencement of the project, then your organisation will be set up for SAP S/4HANA implementation success.

The path to transformation is not easy and many organisations do not succeed. In fact, according to Gartner, between 55% and 75% of ERP projects either fail or do not meet their intended objectives. This transformation is too critical to become a statistic. Success is your only option and an active and engaged executive sponsor a critical part of that success of that success. You need the executive sponsor to oversee the strategic direction and manage overall risk of such a massive undertaking. The executive sponsor is responsible for involving stakeholders, as needed, to resolve escalated issues, risks and change requests.

In times of transition, effective leadership actively and clearly champions change. In practice, what does this mean? It may be attending a team meeting to explain to the business why you, as a leader, are excited about the shift, why this investment in technology is a huge positive, and what the benefits will be to them as individuals and to the organisation as a whole. This involves not only conveying the 'why' behind the shift but also coaching leaders themselves on embracing the vision.

It's vital to establish a seamless connection between the change and the overarching business strategy, emphasising the positive impact on customers, clients, and services. The 'why' shouldn't be confined to the organisation's future, it should resonate with employees on a personal level. This can be achieved by illustrating how the change directly addresses existing pain points and introduces additional benefits.

Source: https://www.gartner.com/en/documents/1329324

A visible leader will also participate in project workshops and forums throughout the transformation including project kick off, UAT and training sessions, as well as support the celebration of key milestones. This demonstrates the significant investment of their commitment to its success, whilst also creating a constant and reliable face associated with the project.

Maintaining authenticity and honesty is at the heart of effective leadership during times of change. This means that honest communication and acknowledgment of any challenges and demanding tasks will be necessary. While acknowledging the difficulties, leaders should uphold the overarching vision and drive that propels the change initiative. It's imperative to convey that not everything will be perfect at go-live and that the journey continues into business as usual with enhancements and improvements over time. Equally important is the expression of praise and encouragement for the hard work and dedication of the team.

An active and engaged project sponsor will use their influence to bring people into their project and create positivity and excitement around change, despite the challenges that are inevitable during a large-scale technology transformation. A strong project sponsor sets up the program for success from the beginning. It's also critical at this juncture to celebrate success, recognise what your team has done well, and help people adjust back into their business-as-usual roles—which, because of the program may have led to changes in their roles.

Maintaining authenticity and honesty is at the heart of effective leadership during times of change.

Santos

*Live in **seven months**, consolidating Oil Search and Santos to SAP S/4HANA*

Santos is a global energy company committed to increasingly cleaner energy and fuel production, with operations across Australia, Papua New Guinea, Timor-Leste, and North America. Santos is one of Australia's largest domestic gas suppliers and a leading LNG supplier in the Asia Pacific region. It is committed to supplying critical fuels such as oil and gas in a more sustainable way through decarbonising projects, while we all transition to cleaner fuels.

For more than 65 years, Santos has been working in partnership with local communities, providing local jobs and business opportunities, safely and sustainably developing natural gas resources, and powering industries and households. Santos takes a common-sense approach to addressing the world's energy challenges, investing in traditional fuel and carbon reduction projects, while ensuring the lights stay on and customers have access to affordable, reliable, and sustainable energy.

Underpinned by a diverse portfolio of high-quality, long-life, low-cost oil, and gas assets, Santos seeks to deliver long-term value to shareholders. Over recent years this has included the acquisition of key oil and gas companies, most recently Oil Search in 2021. A key focus following these recent acquisitions has been the rapid integration of acquired companies onto Santos' core business footprint and operations.

The Challenge
At the end of 2021, Santos disrupted the APAC oil and gas industry with the acquisition of Oil Search, creating a regional champion of size and scale in the industry, with a pro-forma market capitalisation of more than AUD$22 billion. This acquisition positioned Santos in the top-20 ASX-listed companies and top 20 oil and gas companies globally. It was the second largest merger transaction in Australia that year.

After formal implementation of the acquisition in December 2021, the challenge for Santos was to rapidly merge Oil Search into its business footprint and operations. A key step was the integration of Oil Search onto the Santos SAP S/4HANA platform to enable the company to run the combined business without interruption and report results to the ASX and shareholders as a consolidated company by the end of 2022.

To enable this rapid go-live, the project principles stated zero changes were to be made to the existing Santos templated SAP S/4HANA platform and supporting business processes. This preserved a 'Clean Core' aligned to the standard offerings of the SAP system rather than making custom changes or extensions outside of the system. Santos was also focused on gaining synergies and cost savings through this 'Clean Core' approach to rapid consolidation.

During the process of merging Oil Search, Santos also required business operations to continue safely, with minimal disruption to day-to-day activities and employees.

The Solution
Santos had previously worked with integration partner Deloitte in 2019 to undertake an on-premise SAP S/4HANA greenfield implementation of three core modules – Finance, Enterprise Asset Management and Supply Chain Management. The scope of this implementation included the transition of legacy Santos from to SAP S/4HANA and integration of a new acquisition, Quadrant Energy, to create a standardised "platform for growth". During this implementation, Santos completed the acquisition of ConocoPhillips's Northern Australian business, and the scope

of the project was extended to include the rapid onboarding of these new assets.

The learnings from the successful SAP S/4HANA and business integration of the prior acquisitions provided the template and experience to rapidly integrate Oil Search. During the disciplined program execution for the Oil Search integration, data migration risk was mitigated by focusing on strong governance, clear and transparent timelines, automation and acceleration, as well as providing extensive business support through data resources with functional expertise in the relevant business areas.

Organisational change management was prioritised with a function-led change management approach that brought expertise to the front-line whilst utilising industry-leading change tools and methods. The change journey was adapted for different locations, particularly PNG, where face-to-face engagement and training was most effective. Over 750 users went live across Australia, Alaska and Papua New Guinea onto a single SAP platform. The go-live was supported by a highly engaged change network of 100+ people who supported the business across 17 sites in three different countries. Post go-live 'top up' training was provided particularly as new users came onto shift with more Enterprise Asset Management training.

The Impact

In October 2022, after just seven months, the SAP Integration Program went live, bringing Santos and Oil Search together onto a single SAP S/4 platform, united under a single set of business processes and data to create a single source of truth. This allowed Santos to effectively make data informed decisions on strategic initiatives and report to stakeholders and the market in the appropriate timeframe as a consolidated company.

Given the size of the two companies being merged (Santos' 3,786 employees and Oil Search's 1,243 employees) and the multi-country footprint of Oil Search's business (Australia, Papua New Guinea, Alaska, Japan, and United Arab Emirates), the rapid migration onto Santos' on-premise SAP S/4HANA 1909 Platform in just 7 months set an industry record for speed, especially considering the average time for migration on SAP S/4HANA is 18 months*. The achievement of this accelerated timeline was due to the commitment that both Santos and Deloitte had to work together to push the boundaries of what is usually experienced. Santos has now defined the industry standard for rapid integration of new acquisitions. As part of the consolidation, the transition to Santos' SAP platform with a 'Clean Core' goal was successfully met. Santos reported that the change journey was positive – with "low noise" and limited disruption for employees.

"The SAP integration program has brought us together through one SAP system, one set of business processes and one source of ERP data to enable us to move forward as one Santos and deliver our 2040 vision:

'To be a global energy company committed to helping the world decarbonise; to reach net-zero emissions through reliable, affordable, and sustainable energy'."

- Stuart McIntosh, Santos CIO

Leaving a lasting change capability

Every SAP transformation provides an opportunity to standardise processes, minimise technological debt, provide a platform for innovation, and lay the groundwork for future growth. But most importantly it can be transformative from a people perspective, leaving new capabilities in your business long after go-live and new ways of doing things.

The success of any large-scale technology transformation is based on the long-lasting positive impacts the new system has on the organisation. There are different change management strategies and processes that are used throughout the change journey to leave lasting capability after the technology goes live.

Assigning employees in the organisation meaningful roles within the change process is essential to long-lasting change. These roles will help you to connect with people, communicate messages and provide training. The roles will be change champions, business process owners, trainers, and super users. They become the go-to people; the knowledge holders who help pave a successful path forward once the transformation is complete. These roles help to retain knowledge and skills in the organisation once the transformation is complete.

Following the SAP S/4HANA implementation, it's imperative the sponsors ensure that there's an effective plan in place to measure adoption and take corrective measures, wherever necessary. Adoption metrics provide vital feedback and measurement mechanisms that assess the effectiveness of change management activities and overall adoption. Best practice suggests that embedding roles defined during the program, such as those of change champions, business process owners, trainers, and others can also add organisational muscle when it comes to other changes down the track or more immediately transferring skills onto other transformation programs that you might have in flight. One idea for leaders is to run a lessons-learned session with those involved during the project to understand ownership beyond the project and/or other ways of embedding the benefits from the transformation.

For example, some organisations develop new capabilities like centralised master data management teams or a business process owner forum (including change champions as representatives of the business) to help manage in new releases of functionality. These teams can also take full advantage of SAP S/4HANA updates and/or agree to business process improvements or changes.

Platforms like ChangeX, WorkforceX or WalkMe—which have been used during the life of the program—can also be expanded upon for use in other programs or to support the business on an ongoing basis in the weeks and months after go-live. Utilising digital tools and assets allow for mass customisation, improves the change experience and increases the receptiveness of the receiver. And through platforms like ChangeX and WorkforceX, as leaders you're better able to monitor and measure interventions to overcome obstacles or challenges. Using a digital adoption platform like WalkMe across SAP and potentially across your suite of applications, enables your people to be digitally supported and learn in the flow of work reducing time spent in classrooms.

Taking **14 sites** and **1500+ end users** live across 3 US branches

Deloitte was contracted to deliver SAP S/4HANA in three phases across three business units, affecting 1500+ end users in ten sites across North America.

The Challenge
This SAP S/4HANA deployment over a two-year period was designed to standardise processes across the three organisations, which helped in satisfying the auditory standards of the United States and making the entire process more efficient. COVID-19 resulted in a redesigned strategy to reinforce virtual learning and real-time hands-on experience. Another major challenge was adapting training to reflect variances between the organisations.

The Solution
For phase one (the main organisation among the three branches), we supported capability development by offering a digitised and comprehensive learning program, which included eight functional modules, 1,500 learning hours, 80+ instructor-led trainings, 15 web-based trainings, 50+ exercise guides, 700 business process procedures (BPPs) and 110+ job aids. We had similar tasks in the following two phases, but we had to tailor the content to the culture and vision of the other organisations. The training program was designed to assist end users in preparing to utilise the new system at go-live by teaching them about new procedures, explaining how the system works, and allowing them to practise within the system using exercises that mirrored their daily responsibilities. To that aim, we used customised data sets and 50+ exercise guides to provide real-time hands-on experience with business site specific data.

The Impact
SAP S/4HANA was integrated with over 30 boundary applications and replaced almost all the legacy systems which existed before this implementation. The implementation was especially noteworthy in terms of standardising the audit system across three US branches, as the audit ran successfully despite the same timeframe. The change improved process efficiency by allowing the company to focus on other critical business priorities.

How can Deloitte help you accelerate your SAP S/4HANA transformation

Our capabilities, accelerators, and tools.

Organisational change management

Enterprise change management | Portfolio/program change management | Change management offices | E2E change strategy to execution | Technology adoption and implementation | Business readiness | Learning | Communications

Specialist Capabilities

Culture
- Purpose, culture, and values
- Culture assessment
- Culture transformation

Behaviour First
- Organisational and environmental analysis
- Behavioural intervention design
- Nudging behavioural change

Learning
- Human-centred design discovery
- Full stack learning design
- Content curation
- Pre-packaged communications and training accelerators for SAP S/4HANA

Narrative & Experience
- Narrative and purpose
- Comms strategy
- Brand and visual identity
- Creative production
- EX, service, and visual design

Change Leadership
- Change leadership assessment
- Change leadership capability development

Our Accelerators and Tools

A Deloitte partnership comes with best practice tools that have been developed through our collective global experience and industry practice. These tools are developed with our change management knowledge and our specialist capabilities in HCD, data, and AI.

ChangeX

Our end-to-end enterprise change management technology platform with pre-loaded change impacts for SAP S/4HANA.

Delivery blueprint

Our codified approach, methodology, playbooks and labs.

WorkforceX

Our single, mobile-enabled communications platform with SAP S/4HANA tailored, modern and interactive campaigns and built in engagement analytics.

WalkMe

Partnership and expertise with WalkMe, a leading digital adoption platform. Deloitte has solution accelerators for SAP S/4HANA.

Who to reach out to?

Our people are ready to help with your most complex transformations.

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