



More than what you think.



Simplifying the Roadmap to Business Transformation with SAP S/4HANA

ABSTRACT

We live in a digital world where constantly evolving technologies dramatically change the competitive landscape. Only businesses capable of seamlessly adapting to the rapidly changing environment and customer requirements will get a competitive advantage. The future undoubtedly belongs to the organizations designed for agility, robustness, and resilience. It's about time that businesses reevaluate and re-engineer their systems, processes, infrastructure, and business models to build an intelligent enterprise and drive digital transformation.

Organizations must prioritize transforming their businesses into an intelligent enterprise by leveraging emerging and next-generation technologies, such as Big Data, Artificial Intelligence, Robotics, and Machine Learning to improve business performance. An intelligent enterprise simplifies the IT landscape by seamlessly integrating different business processes to create an agile and resilient business framework that easily adapts to an ever-changing environment. Building such a unified business model is often challenging and involves extensive execution. Therefore, It's imperative to understand how businesses can simplify the process to build an intelligent enterprise by employing the right technology. This whitepaper focuses on one of the critical components of business processes transformation - the Enterprise Resource Planning (ERP) system. It traces the transformation journey to implement an intelligent ERP solution, SAP S/4HANA, for building an enterprise of the future. It broadly addresses the following key aspects:

- 1. What is an intelligent enterprise, and how can you transform your business into one?**
- 2. Why is SAP S/4HANA implementation a critical milestone for the business transformation roadmap?**
- 3. How to embark on a business transformation journey with SAP S/4HANA?**



1. INTELLIGENT ENTERPRISE: ENABLING BUSINESS TRANSFORMATION

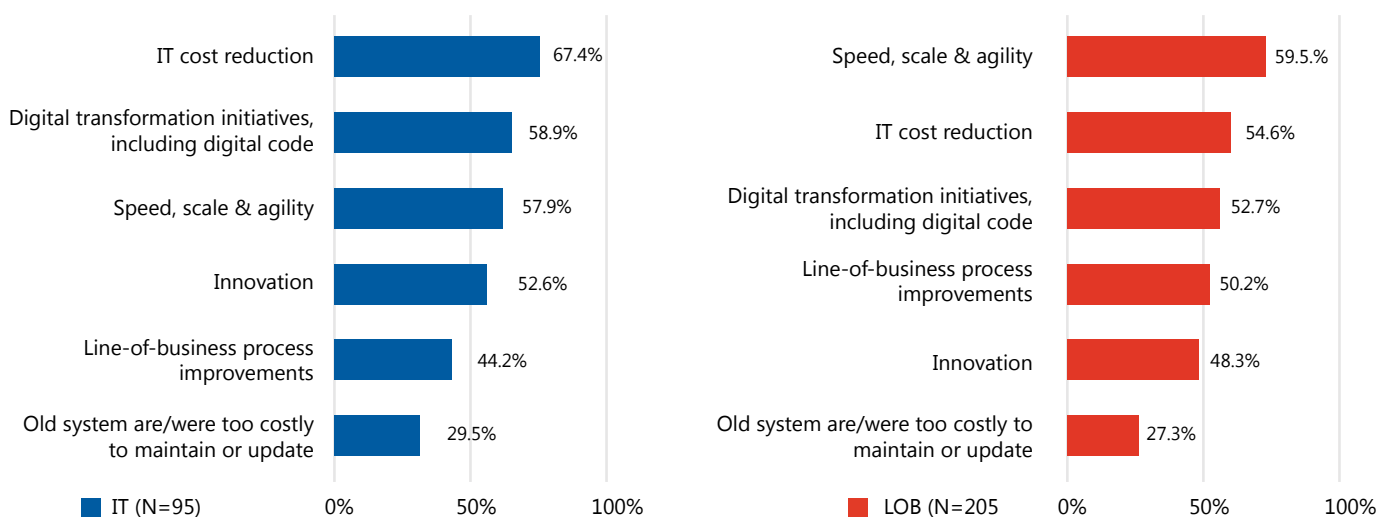
An intelligent enterprise capitalizes on smart technologies to perform faster, respond immediately, and intelligently to the changing needs, handle varying capacity requirements, and remain resilient in the face of unprecedented situations. The agility of information acts as the backbone of an intelligent enterprise. It aims to reduce the complexity of siloed business processes to accelerate decision-making and quickly respond to customer requirements using actionable insights derived from a gigantic pool of data. Therefore, being complacent with an organization's information backbone, an enterprise resource planning (ERP) system, leads to lost opportunities, and a more significant risk of getting extinct in the digital economy. Consequently, ERP modernization is one of the top priorities for businesses planning to transform into an intelligent enterprise.

To be reckoned as an intelligent enterprise, businesses must embrace intelligent ERP systems that make them future-ready. Implementing intelligent ERP systems that support innovative digital technologies such as machine learning, big data analytics, automation, and artificial intelligence help organizations innovate and transform faster. S/4HANA, an intelligent ERP solution from SAP, is emerging as the 'digital core' for building an 'Intelligent Enterprise'.

2. PAVING THE WAY FOR INTELLIGENT ENTERPRISE WITH SAP S/4HANA

SAP S/4HANA, an intelligent ERP solution, is an absolute alternative to the traditional complex business suite as it embodies simplification at its core. It dramatically simplifies the user interface to enhance productivity, unravels the data model to improve robustness, and accommodates ease of deployment to minimize the total cost of ownership (TCO). Enterprises are increasingly planning to transition to SAP S/4HANA as it empowers businesses to become agile and resilient to changes in technology, business models, and consumer demands. According to a recent [IDC survey](#), 65% of G2000 organizations will refresh their systems by 2023 by moving to SAP S/4HANA. The participants in the IDC survey, including IT and line-of-business (LOB) executives from the C-level to the manager level, have listed 'speed, scale, and agility' and 'digital transformation initiatives' along with 'IT cost reduction' among the top reasons for moving to SAP S/4HANA.

What are/were the business cases for moving to SAP S/4HANA?



Source:SAP

SAP S/4HANA is one of the critical elements for the success of the overall digital transformation strategy, and several studies endorse the rapidly growing SAP S/4HANA conversion trend. According to the latest report from ASUG, around 13,000 SAP legacy customers are actively moving to SAP S/4HANA. With an increasing number of organizations choosing SAP S/4HANA transition as a strategic move, this whitepaper answers 'why', 'when' and 'how' to move to S/4HANA. In another [survey conducted by IDC and SAP](#) in April 2019, covering 300 of its clients, 54% of the respondents claim they are planning to deploy SAP S/4HANA within three years. Businesses making the strategic shift to S/4HANA understand how it facilitates digital interaction by capitalizing on emerging technologies, including real-time analytics, artificial intelligence (AI), Internet of things (IoT), machine learning (ML), blockchain, and more.

S/4HANA implementation helps modernize the existing ERP system and transform the operations to build an intelligent enterprise of the future. SAP S/4HANA accelerates digital transformation for enterprises of all sizes by ensuring:

IT Landscape Optimization

Smart operational integration, process automation, and data consolidation simplify the overall IT ecosystem and reduce data footprint manifold to ensure better system performance and ease of scalability.

Business Process Transformation

Streamlining and unifying processes eliminate duplication of efforts and improves efficiency and productivity. Removing silos ensures seamless data flow in real-time to minimize cost and lags eventually.

Business Models Reinvention

The future of work is uncertain, and the rapidly changing landscape fuels the need for autonomy. AI and ML-based solutions enable process automation to ensure operational resiliency, ease of deployment in the cloud guarantees flexibility to respond to changing conditions proactively.

Real-time Decision Making

Valuable insights on-the-go aid rapid decision-making and faster response to any bottlenecks. Smart data analytics enable quick exception identification and prompt corrective actions.

Better User Experience

The digital era calls for a remote working environment, and S/4HANA ensures that its users get seamless access to information at all times from anywhere. Additionally, the conversational user interface (UI) of S/4HANA simplifies the user experience like never before.



3. SAP S/4HANA BUSINESS TRANSFORMATION ROADMAP

The preceding section described why embracing SAP S/4HANA is inevitable for enterprises to succeed in the digital economy. Now, let's understand how businesses embark on this transformation journey.

3.1. S/4HANA TRANSFORMATION SCENARIOS

The path to S/4HANA transformation may be unique for every enterprise; however, some common objectives guide the migration journey. Some businesses with existing SAP systems might be looking to streamline, integrate, and automate the business ecosystem to simplify the overall IT infrastructure, reduce costs, and increase productivity. Others might be wanting to bring in new functionalities based on innovative capabilities driven by AI, ML, advanced data analytics, and automation.

Broadly, there are three transition approaches for enterprises moving to S/4HANA.

1. Greenfield Approach: New Implementation

New SAP S/4HANA implementation by outrightly replacing existing systems and building everything from scratch is termed as greenfield migration to S/4HANA. In other words, it works like a reset button that ensures complete process re-engineering to embark on the digital transformation journey. According to [IDC's latest survey](#), 23% of respondents said they would go for a completely new implementation. Greenfield approach gives businesses an option to use innovative technologies to optimize the complete system landscape and pave the way for digital restart. This approach is relevant when an enterprise is either looking to migrate from a legacy system or planning to leverage S/4HANA as a strategic change initiative.

2. Brownfield Approach: System Conversion

When businesses that already use SAP systems plan a step-by-step transition from the existing system to S/4HANA via technical upgrade, it is known as brownfield migration. This approach doesn't require process re-implementation and can be carried out without disrupting or halting the ongoing processes. According to the IDC's latest survey, 33% of the respondents will go for a system conversion from ERP Central Component (ECC) to S/4HANA to keep intact current data, configuration, and customizations.

Unlike the Greenfield approach, Brownfield migration requires lesser time, cost, and effort as it is implemented by integrating the new functionalities into the existing system. Additionally, it also allows reevaluating the current process and data flows. This approach is relevant for enterprises wanting to transition the existing structure into the SAP S/4HANA system.

3. Landscape Transformation Approach

In the landscape transformation approach, enterprises aim to consolidate multiple systems into a unified S/4HANA instance or reimagine the process by carving out a specific process into a distinct S/4HANA instance without restructuring the existing system as a whole. According to IDC's latest survey, 43% of the respondents claim to consolidate multiple ERP instances to a single SAP S/4HANA. The landscape transformation approach ensures operational efficiency by allowing phased migration. It's effective for trial transitions as it limits the impact on the processes or areas that are being migrated. This approach works well for the scenarios where either business witness acquisitions or mergers and seek to consolidate disparate systems or plan to modernize any specific business unit or function by moving to S/4HANA.

Enterprises must note that there isn't any "one size fits all" strategy for migrating to S/4HANA. Selecting the right transition path must be based on the business's specific needs in a given scenario. Companies need to evaluate the existing situation and plan according to future requirements.

3.2. S/4HANA TRANSFORMATION PROCESS

Moving to SAP S/4HANA necessitates a clear transformation strategy to initiate transition and a detailed roadmap for implementation. The transformation process begins with a complete understanding of the current business scenario, processes, systems, and supporting technology. It's critical to determine the areas of improvement and analyze how S/4HANA adds value to the business. Therefore, it is significant to understand the requirements of all the phases of S/4HANA transformation to ensure a smooth transition journey from the existing state to a digital core.

3.2.1. EVALUATION PHASE

Before charting out plans for the S/4HANA transition, businesses need to conduct a fit-gap assessment, evaluate system requirements, analyze organizational readiness, and determine future scope.

- **Gap Analysis:** Carrying out fit-gap analysis is a prerequisite for S/4HANA transition planning as it helps to identify inefficiencies across the business processes. This step unveils the ineffective processes that cause disruptions, increases costs, and hamper productivity. A detailed analysis is essential to map such gaps before starting the process to avoid any bottlenecks during the implementation.
- **System Requirements:** Determining whether to adopt the greenfield, brownfield, or landscape transformation approach lays down the system requirements for the transition process. Analyze the current technical landscape to check whether existing databases and operating systems and their respective versions are compatible with the SAP S/4HANA ecosystem.
- **Organizational Readiness:** S/4HANA implementation certainly changes how strategic operations are carried out in an organization; hence it's essential to consider the impact of reimagined operations on the business. Additionally, assessing the people's readiness is equally significant as the personnel and internal staff are crucial enablers of the transformation. Consequently, their skills and competencies must be mapped before the implementation.
- **Roadmap Development:** Devising a plan of action after assessing the current business processes improvement areas is valuable for guiding the overall strategy implementation. A strategic roadmap aligns the organizational Return on Investment (ROI) and Total Cost of Ownership (TCO) parameters and goals with the technical milestones. It outlines the sequence of actions throughout the transformation journey and after the deployment for regular monitoring.



3.2.2. PLANNING PHASE

Smooth deployment and quick time-to-value require effective planning before implementation. After assessing system requirements and organizational readiness, organizations can head start preparation for conversion. SAP provides an array of tools to facilitate planning. Various preparatory measures required before the implementation are listed below.

- **Compatibility Checks:** For successful implementation, enterprises must perform various readiness checks to ensure their IT systems adhere to the SAP S/4HANA framework requirements during implementation.
- **Maintenance Planning:** The Maintenance Planner solution provided by SAP checks an enterprise's business functions and the compatibility of corresponding industry solutions and add-ons. In case the check doesn't result in a valid conversion path due to reasons such as non-availability of a specific add-on, the Maintenance Planner prevents the system conversion.
- **Simplification List Review:** Another check is based on a quick review of the Simplification List. Items on the Simplification List represent application or architecture changes concerning the SAP ERP system. Simplification items are grouped into different categories, such as changes to existing functions, functions no longer supported, and functions that are no longer strategic.
- **Architecture Design:** Implementation of SAP Fiori with S/4HANA enables a business-driven design that ensures unified experience across business lines and enhances customer experience, and guarantees an agile, resilient, and scalable architecture to meet the changing needs of unprecedented scenarios.

3.2.3. IMPLEMENTATION PHASE

Execution of the SAP S/4HANA transition begins with SAP HANA database migration and conversion to a new data model. The SAP Software Update Manager simplifies these processes and guides during the deployment. S/4HANA implementation is an ongoing process and requires continuous monitoring and maintenance to keep the system efficient and updated. Let's take a look at the broad steps of the SAP S/4HANA implementation framework.

- **Migrate, Integrate or Extend:** Based on the chosen deployment approach (new implementation, system conversion, or landscape transformation), configurations, data migration, and testing are carried out to transition the systems to S/4HANA. System configurations are implemented iteratively with regular feedback and structured testing to assure quality.
- **Onboard and Deploy:** Before going live, it's recommended to conduct pre-checks and carry out guided tours to ensure that the system data and end-users are ready to transition into the production environment. Effective deployment calls for SAP S/4HANA knowledge transfer between system integrator and internal project resources.
- **Monitor and Support:** Implementation is not a one-time activity. It requires continuous monitoring to enable users to execute the business transactions, conduct regression testing for timely upgrades, and add additional functionality if needed. Integrating SAP Solution Manager helps to manage operations, monitor, and support. Additionally, there should be a clear support plan and upgrade strategy for moving forward.

GET STARTED WITH TRUSTED ADVISOR: REIMAGINE YOUR BUSINESS WITH YASH TECHNOLOGIES

Along with a comprehensive transformation strategy and roadmap, successful SAP S/4HANA implementation requires end-to-end enablement by a trusted strategic advisor with experience and expertise in SAP S/4HANA and the specific industry. YASH Technologies, a leading provider of SAP solutions and services, helps businesses assess their existing processes, identify operational gaps, and devise a personalized roadmap to align their transformation goals with corporate goals. With elaborate experience in SAP S/4HANA transformation projects across industries, YASH specializes in increasing speed to value and maximizing return on investment (RoI) for businesses. YASH helps its customers design and implement an intelligent enterprise solution by leveraging its strong SAP alliance, highly experienced SAP consultants, and a complementary set of tools and methodologies.

YASH has successfully implemented various prestigious S/4HANA projects globally. It helped businesses overcome next-generation challenges innovatively by reimagining the core business processes and embracing evolving business models to meet the new demands. With extensive experience in strategically transforming highly complex business problems through detailed planning and customized SAP S/4HANA implementation, YASH has played a crucial role in several business success stories.

In a recent S/4HANA transformation project, YASH helped a leading chemicals manufacturer and supplier operating in the United States, Germany, and France, automate its business process workflows. The client has been using the legacy system that lacked the functionality to meet the current business requirements, such as workflow automation, and thus needed enhancements. The existing system was time-consuming, manual, and contained gaps that slowed business operations. With YASH onboarding as a strategic partner, the client addressed existing issues within the legacy system and implemented new enhancements to improve business operations. S/4HANA transformation helped the client automate business processes for several geographical locations in the US, Germany, and France through automated workflow implementation that reduced time and effort and enhanced productivity. Using its complementary set of tools and methodologies, YASH has built agile solutions for the client for easy migration during future upgrades or enhancements.

SAP experts at YASH Technologies use a dynamic multi-phased approach to support the preparation and transition of S/4HANA. YASH is a smart technology partner who helps enterprises prepare a simplified roadmap for ERP transformation and design the right digital strategy for integrating SAP S/4HANA into the existing IT landscape. It assists organizations at each stage of the S/4HANA transition process through:

- Gathering preliminary requirement
- Defining strategic objectives
- Preparing a detailed assessment of the current environment
- Developing a migration plan, including new functionality, enhancements, and architectures
- Building, testing, and deploying the new system capabilities
- Supporting and sustaining the transition

Leverage YASH's experience and expertise to figure out your first step to SAP S/4HANA transformation. Get valuable insights from the team of experts to build an intelligence enterprise and avail a complete range of S/4HANA services for all three implementation phases.



For more information
contact YASH Technologies today at info@yash.com
or visit www.yash.com//technology/sap/

About YASH Technologies

YASH Technologies focuses on customer success. As a leading technology services and outsourcing partner for large and fast growing global customers, the company leverages technology and flexible business models to drive innovation and value throughout its customer's enterprise. YASH customer centric engagement and delivery framework integrates specialized domain and consulting capabilities with proprietary methodologies and solution offerings to provision application, infrastructure and end user focused Right-Sourcing services. YASH is a SEI CMMI (Level 5) and an ISO 9001:2015 certified company with U.S. and India headquarters and regional sales and development offices globally with customers spread across 6 continents.



More than what you think.

AMERICAS | EUROPE | APAC | MEA

Global HQ: 841 Avenue of the Cities East Moline IL-61244
USA Tel: 309-755-0433 | Fax: 309-796-1242 | www.yash.com