



CREATING YOUR UNIQUE PATH TO A DIGITAL CORE WITH S/4HANA ADOPTION STARTER

Michael Zetzmann, Tobias Westphal, Otto Group Holding
Session ID 82768

About the Speakers

Michael Zetzmann

- Head of SAP Finance, Otto Group Holding
- In SAP area for over 20 years, RPA fan
- Remember:
Winter is coming!!!

Tobias Westphal

- Teamlead SAP Finance, Otto Group Holding
- In SAP area for over 12 years
- “The force will be with you”

Key Outcomes/Objectives

1. What to expect from S/4 Adoption Starter Program
2. IT and Business Units must work together
3. Effort is worth it!

Agenda

- The company
- Why the S/4 Adoption Starter Program?
- Experience Report
- Lessons learned
- Forecast

1. The Otto Group



- > Founded in 1949 as “Otto Versand”
- > 123 major companies in more than 30 countries
- > around 50,000 employees
- > Otto Group is one of the world's largest online retailers
- > Three strategic segments Multichannel Retail, Financial Services and Services

1. The Otto Group – in the US

Crate&Barrel



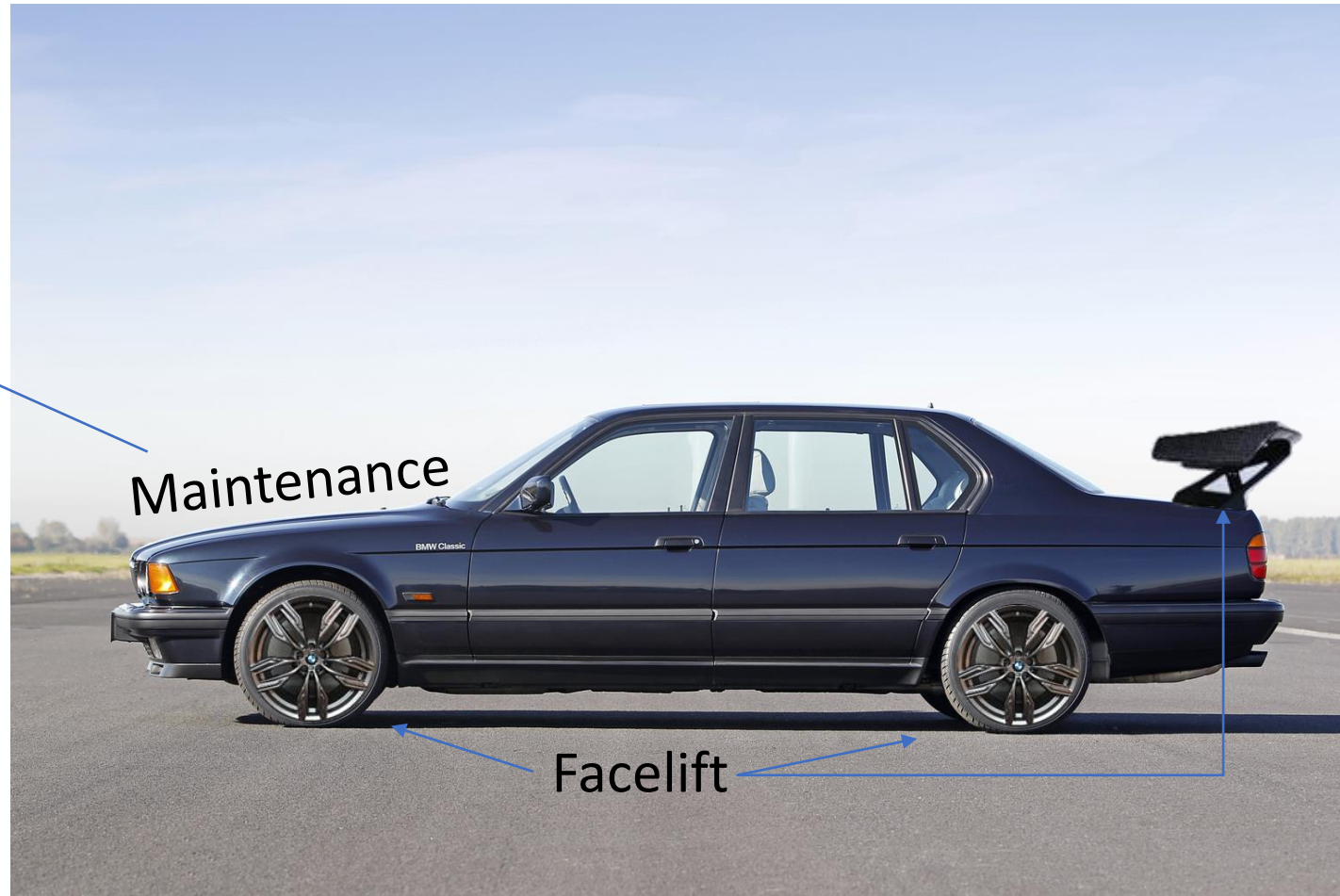
- > 1,8\$ billions revenue in 2018
- > 8.300 employess
- > 100 shops in the US
8 shops in Canada

Why the S/4 Adoption Starter Program?

10 year old system

Maintained regularly

- 2011 – EHP 5
- 2013 – EHP 6
- 2015 – EHP 7
- 2018 – EHP 8



Facelift

2010 - Webdynpro



2017 - Fiori



Why the S/4 Adoption Starter Program?

Old Design



Upgraded Function

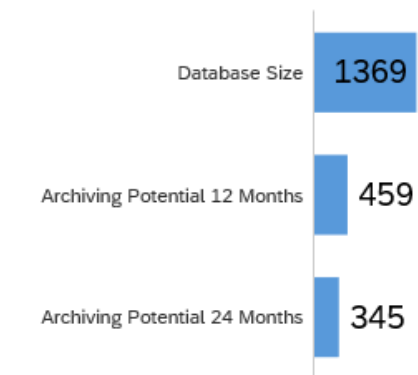


Machine Learning

Full Trunk



Archivierungspotenzial in GB



Tuning



Why the S/4 Adoption Starter Program?



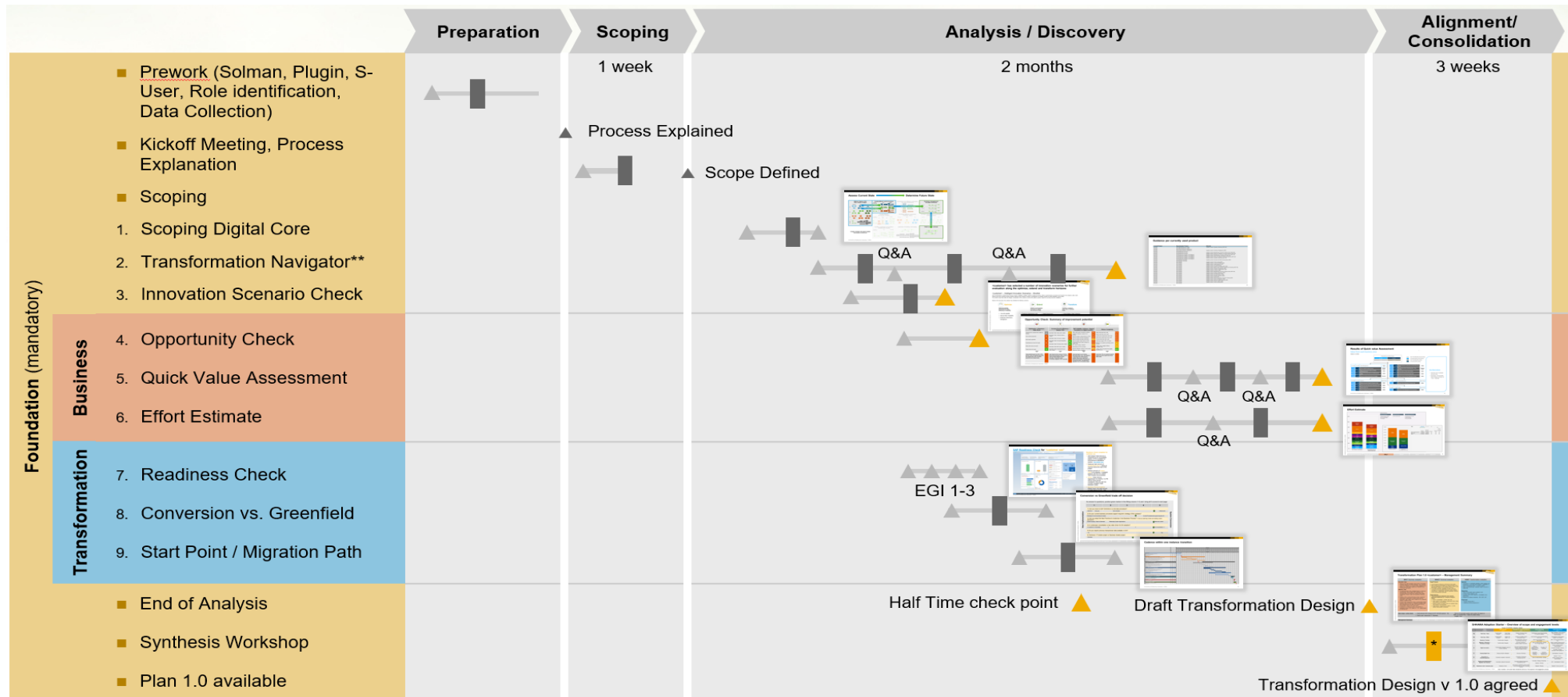
We want to have this!!!

2. Our Experience – S/4 Adoption Starter Program

- What is the procedure within the Adoption Starter Program?
- What were the problems?
- What experience did we made?

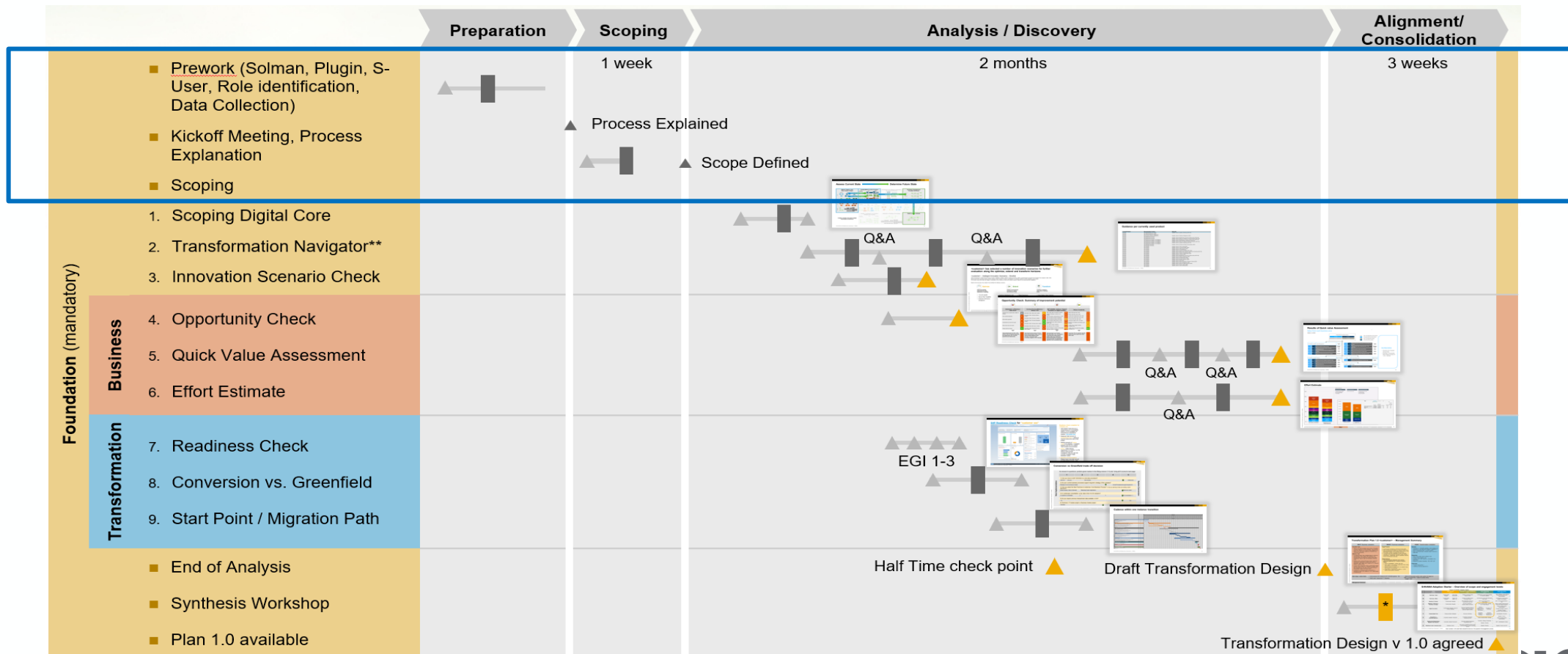
2. Experience Report

What is the procedure within the Adoption Starter Program?



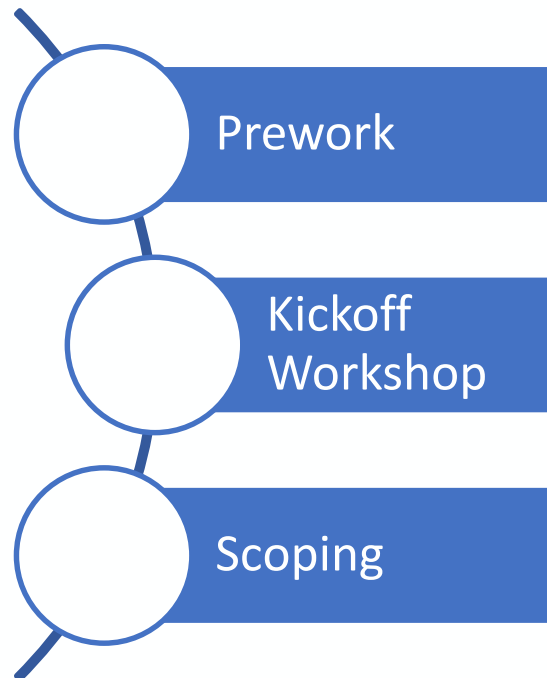
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2. Experience Report

Start of the project



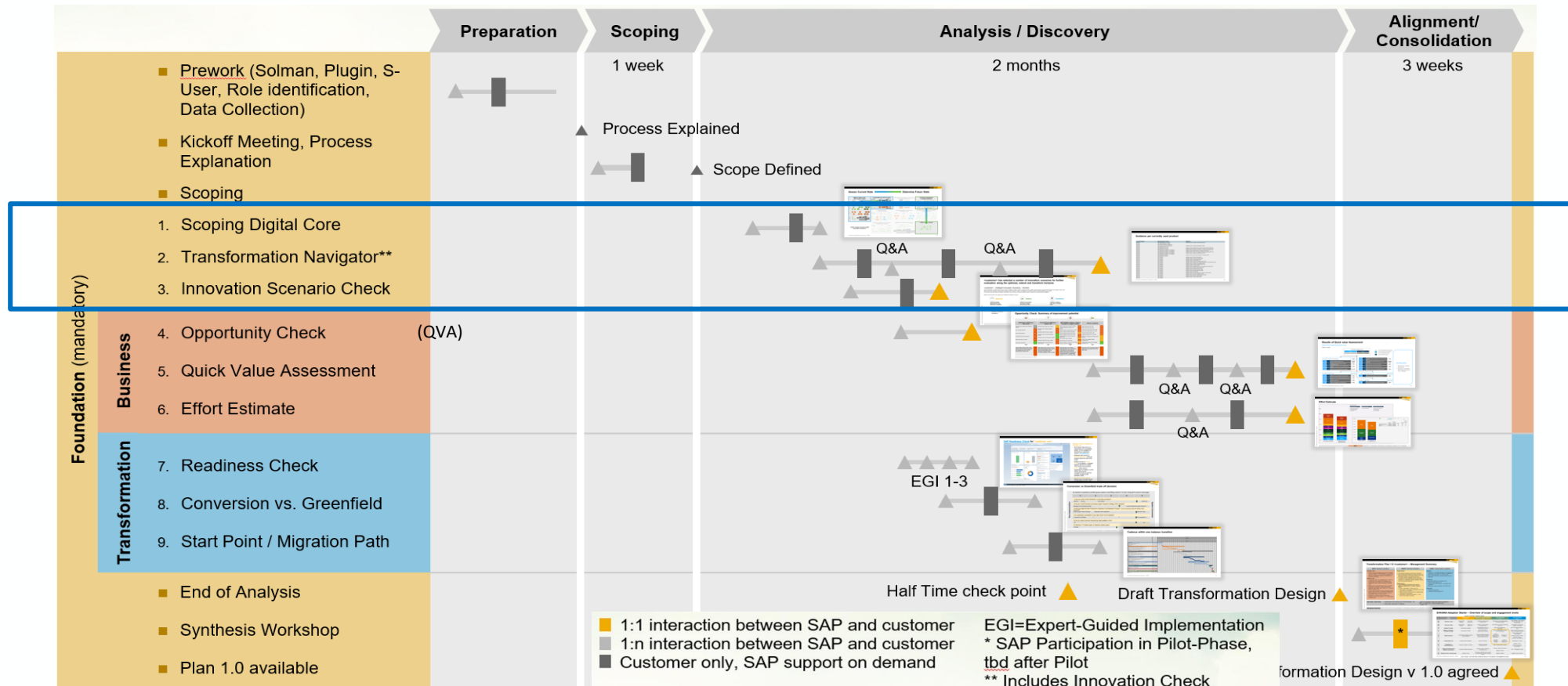
- Connection of the system to the OSS
- S-User naming
- Get Budget

- Discuss schedule and procedure
- Introduction round of the participants

- Internally define the roles for the appointment series
- Distribute appointments to all internal participants
- Agreeing on common internal objectives

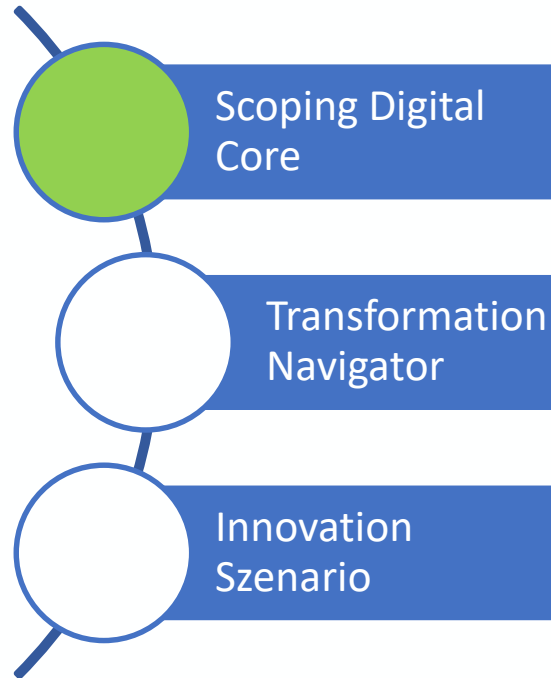
2. Experience Report

What is the procedure within the Adoption Starter Program?



2. Experience Report

Objectives and System Landscape



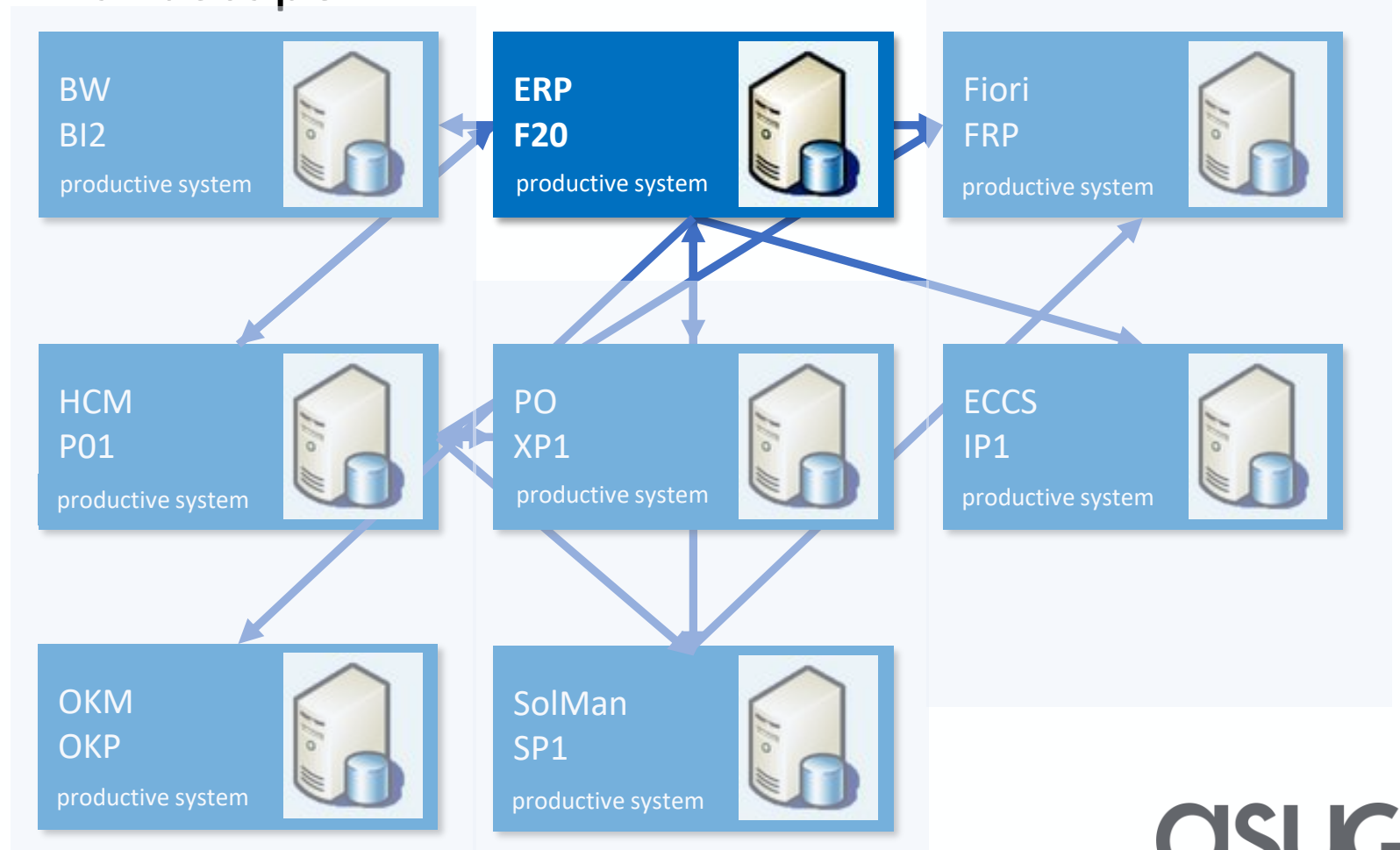
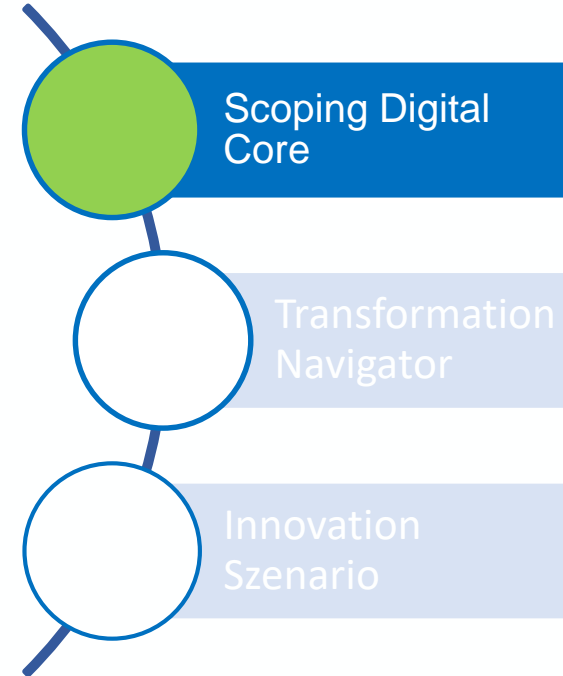
- scope of conversion
- System landscape

- Displays new technology in line with your own system landscape
- Entry for determining the target landscape

- SAP presents innovations around a S/4 HANA project
- Machine learning, Cloud, RPA etc...

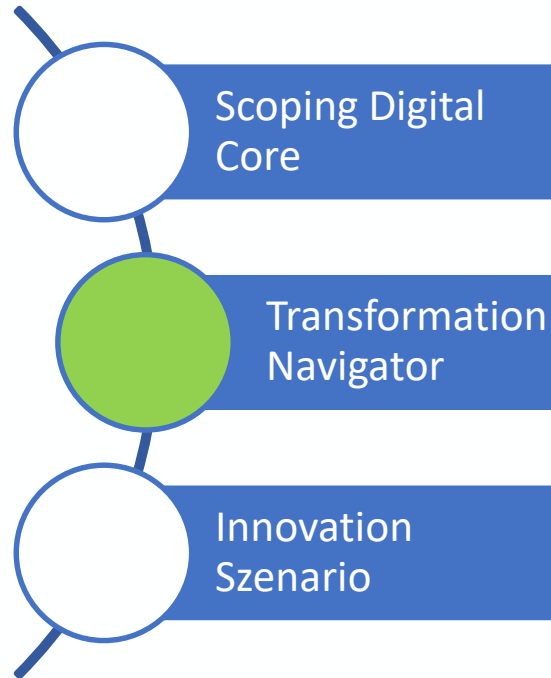
2. Experience Report

Objectives and System Landscape



2. Experience Report

Objectives and System Landscape



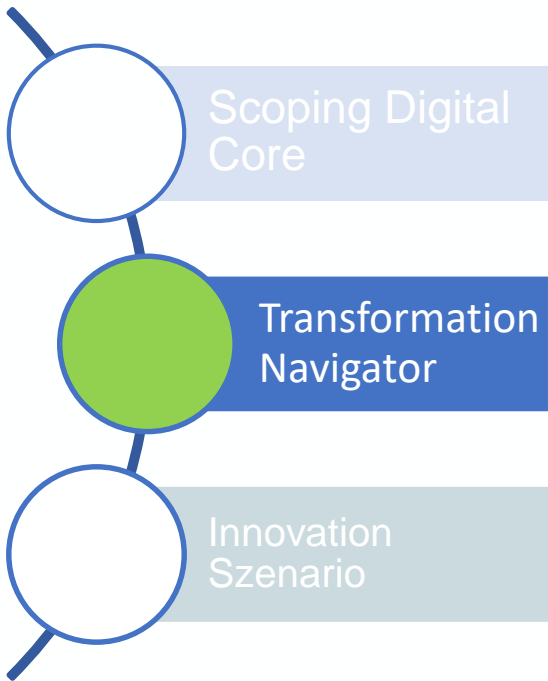
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2. Experience Report

Objectives and System Landscape



SAP Transformation Navigator

openSAP Course What's New FAQ Glossary Herr Tobias Westphal Otto (GmbH & Co. KG)

My Product Maps

Create new Product Map

F20 goes on HANA

Retail 2018-07-17

Products Capabilities Line Consolidated

Current Products Recommended Products

Products with Transformation Recommendation

ERP and Digital Core

SAP ERP 21 Capabilities +7

SAP REFERENCE PRODUCT SAP S/4HANA

SAP REFERENCE PRODUCT SAP Business Planning and Consolidation, version for SAP NetWeaver

SAP REFERENCE PRODUCT SAP Master Data Governance

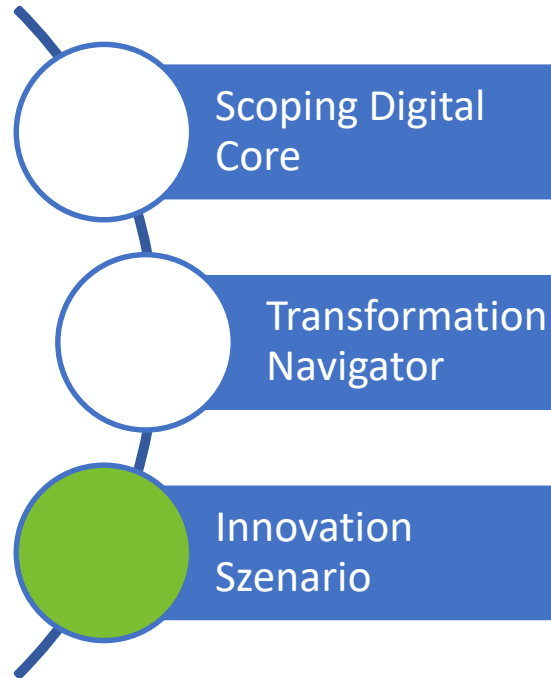
Products not requiring Transformation (Stay On)

Finance

SAP Asset Retirement Obligation Management

2. Experience Report

Objectives and System Landscape



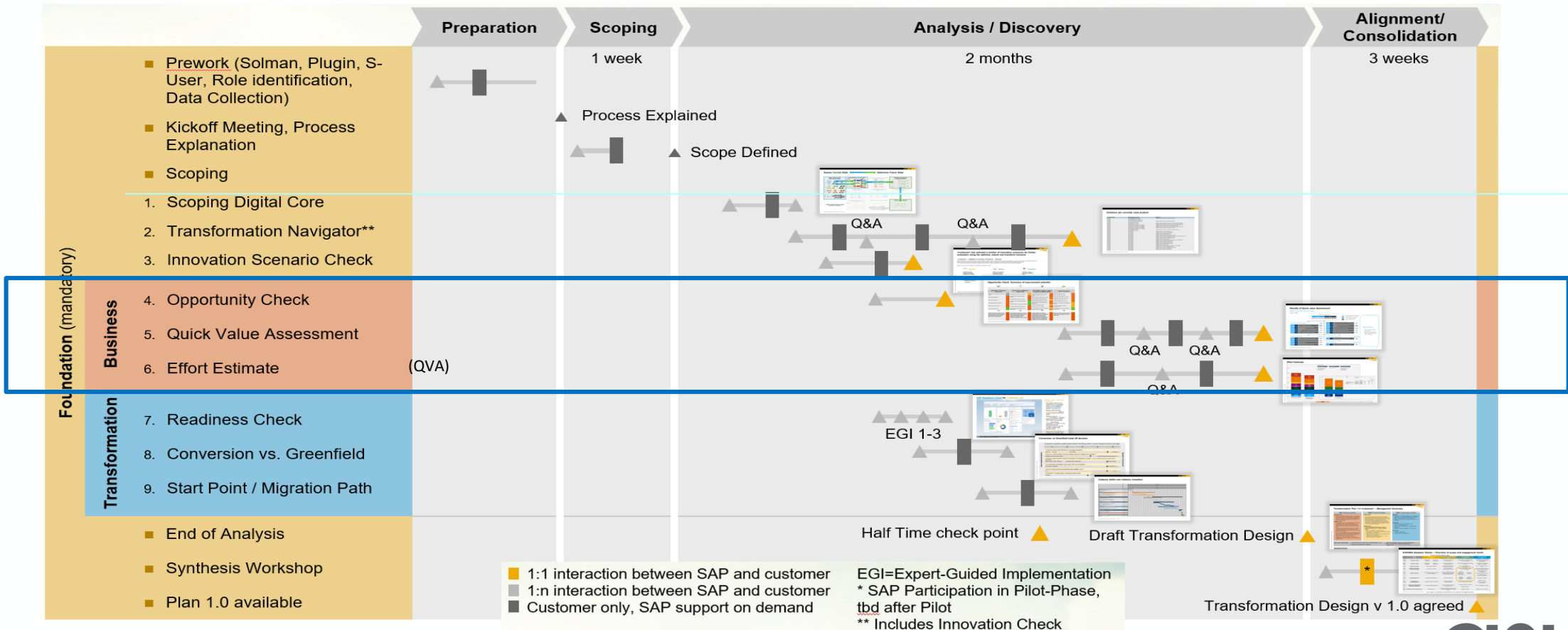
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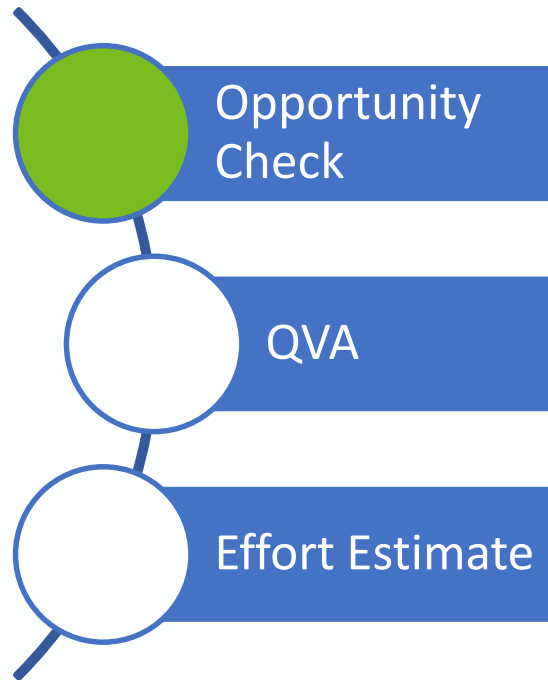
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What is the procedure within the Adoption Starter Program?



2. Experience Report

Business – Phase



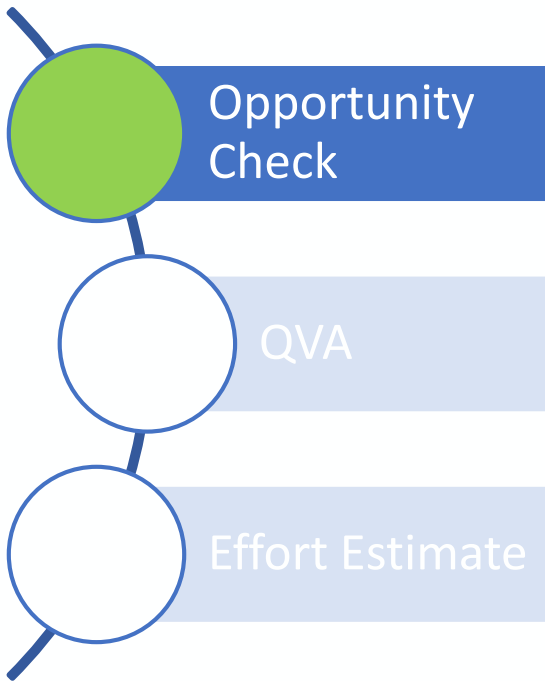
- KPI analysis of the system
- Complexity reduction
- Process automation rate
- Data quality





- Cost / savings – analysis
- Savings potential in business through accelerated business processes

- Project cost distribution per project step
- Project cost indication

2. Experience Report

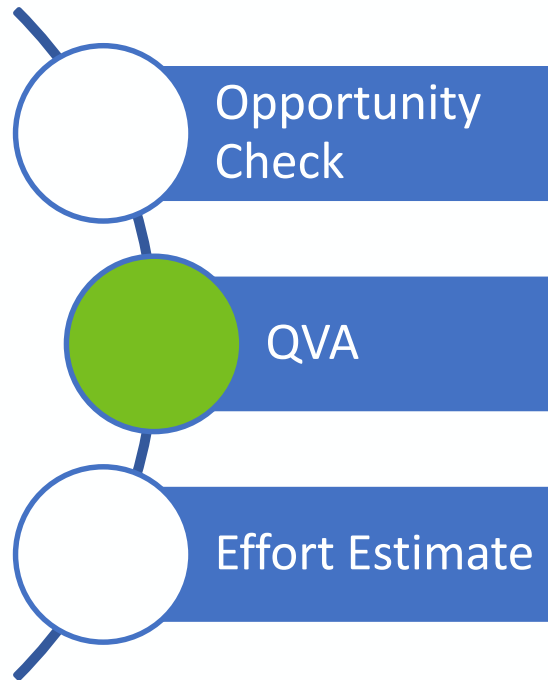
Business – Phase



 Optimization of Business / Value Driver		 Increase Process Efficiency / Reduce TCO		 SAP S/4HANA readiness / Support foundation for digital transition		 Reduce Complexity	
Lead time from customer item creation to clearing	36d	Automation Rate: Sales order creation	92%	Sales orders open & overdue for delivery	12	Sales order type never used	8 of 19
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Early vendor payments	27%	Automation Rate: SD invoice creation	91%	Open & Overdue customer items in FI-AR	534.3k	Credit memo request type never used	1 of 4
Unrestricted-use stock not moved	0	Automation Rate: Purchase Requisition creation	0%	Open & overdue purchase requisitions	6.6k	Debit memo request type never used	0 of 1
Sales order stock not moved	0	Automation Rate: Purchase order creation	95%	Open & overdue purchase order items	1.1m	Process order type never used	-
Project stock not moved	0	Automation Rate: MM invoice creation	61%	Open & overdue vendor items in FI-AP	92.7k	Order type usage in PM / CS orders	-
		Automation Rate: Production/Process order creation	-	Production/Process orders overdue for deletion flag	-	Materials w/o required purchasing source list entry	0
				PM orders in phase 'released'	-	Config. check: Suggest 'delivery completed' flag	Flag everywhere set
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				Inbound Deliveries overdue for GR posting	0		
				Shipments without completion	0		
High potential seen in DS: 68% of all customer payments done too late; DPO shows medium potential		Automation rates already high in most areas. Optimization potential only in purchase requisition creation as all items are text items		High document backlogs in different application areas; especially in purchase order backlog and open item management of FI-GL		Otto specific document types are mostly used - except for sales orders	

2. Experience Report

Business – Phase



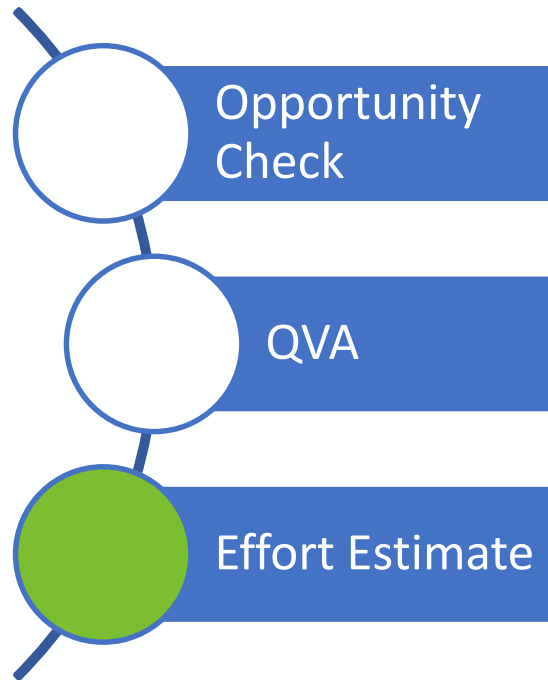
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Business – Phase



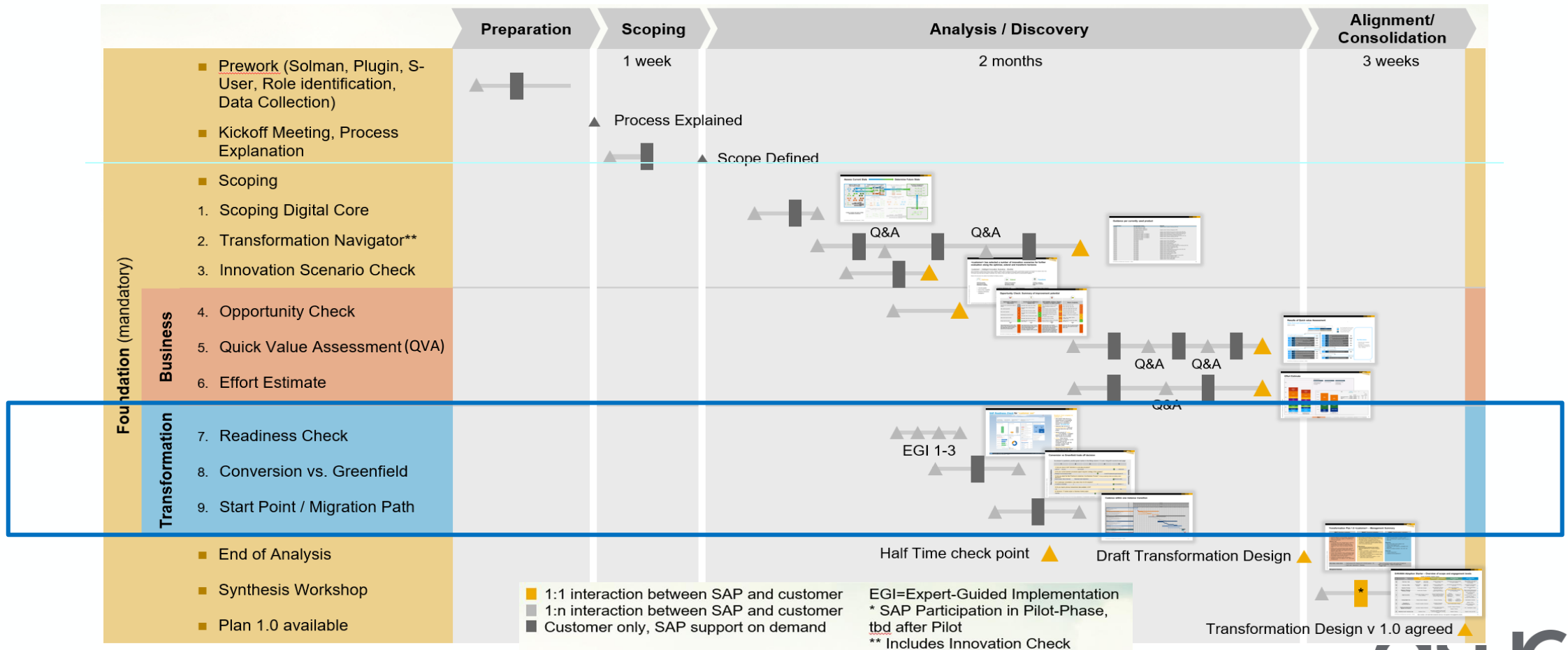
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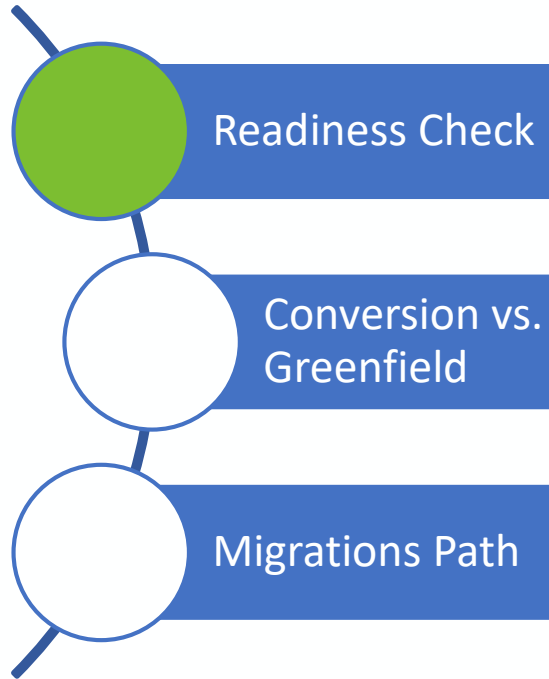
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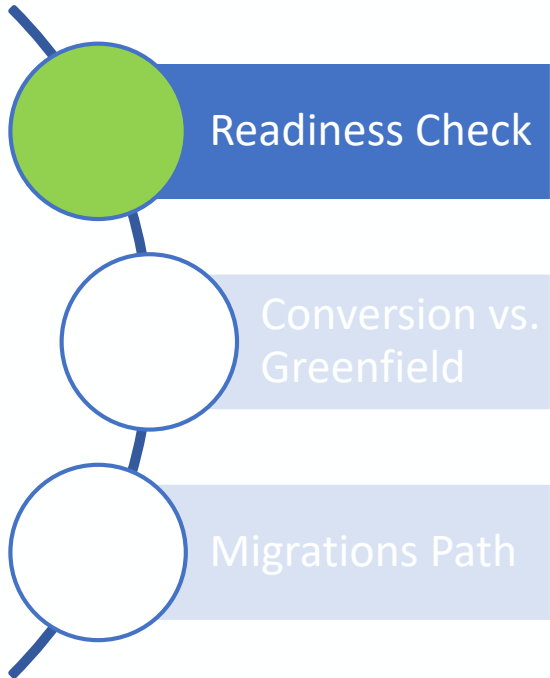
Transformation



- Technical analysis of the system
 - Note list suitable for the respective S/4 HANA version
 - Business Function and AddOn Check
 - Quality of in-house developments
-
- Advantages and disadvantages of the two upgrade variants
 - Possible variants per system landscape
-
- In which steps can a S/4 HANA upgrade take place?
 - Exemplary project plan
 - Road map

2. Experience Report

Transformation



Active Business Functions

15 Compatible, 1 Compatible By Deletion

Updated 267 day(s) ago

Add-On Compatibility

1 Compatible Version Exists, 1 Compatible By Deletion, 2 Unknown

Updated 267 day(s) ago

Business Process Analytics

Critical Number of Documents

Total: 8951326

Older than 3 months: 8333389 (93.09%)

Older than 12 months: 7419471 (82.88%)

Older than 5 years: 3150379 (35.19%)

Business Warehouse Extractors

1270 Working, 4 Not Relevant, 42 Obsolete, 274 Not Working

Custom Code Analysis

- Syntactically incompatible change of existing functionality: 17
- Functionality not available: functional equivalent available: 13
- Functionality not available: no functional equivalent: 9
- Semantically incompatible change of existing functionality: 3
- Functionality not available: equivalent function on roadmap: 2
- Change of existing functionality with performance impact: 2
- Non-strategic-function: no functional equivalent: 2
- Non-strategic-function: functional equivalent available: 2
- Functionality not available: 1

Data Volume Management

7 Document Types Considered

Archiving Potential in GB: Database Size (1369), Archiving Potential 12 Months (459), Archiving Potential 24 Months (345)

Recommended SAP Fiori Apps

Cost Accountant - Overhead: 49, General Ledger Accountant: 36, Purchaser: 32, Total: 466

Open

SAP S/4HANA Sizing

Anticipated Maximum Requirement in GB

Critical Recommendation Exists

Memory Requirement [ITS]: 2870, Net Data Size on Disk [ITS]: 2056, Memory Requirement [AC]: 1757, Net Data Size on Disk [AC]: 1863

Open Critical Recommendation

Simplification Items

85 Total Relevant Items

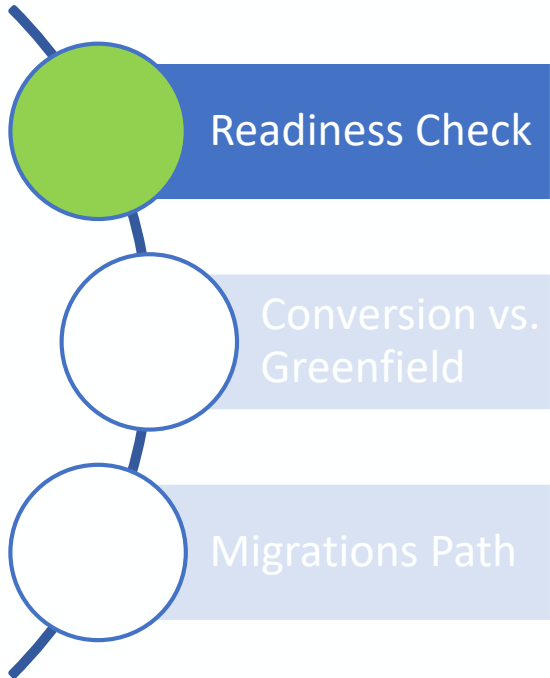
Donut chart: Relevant (65), Relevance to be Checked (11), Relevant (non-strategic) (2), Relevance to be Checked (Non-strategic) (7)

Next Steps and Further Information

- [SAP Value Assurance Services](#)
- [Transition to SAP S/4HANA](#)
- [SAP S/4HANA Trial](#)
- [SAP S/4HANA Community](#)
- [SAP Innovative Business Solutions](#)

2. Experience Report

Transformation

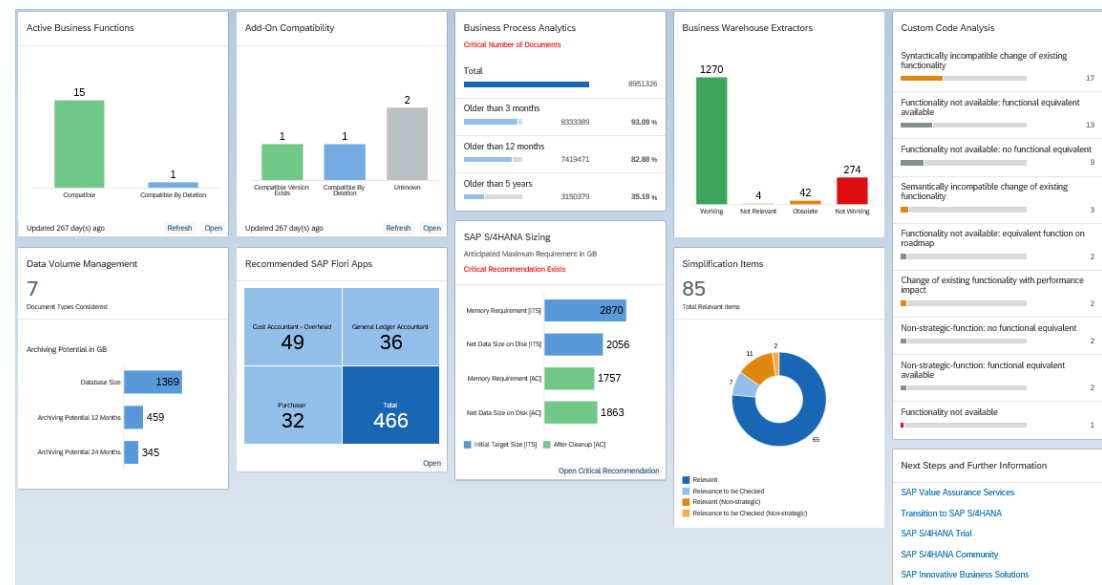


ERP F10
Development

ERP F15
test system

ERP F20
productive system

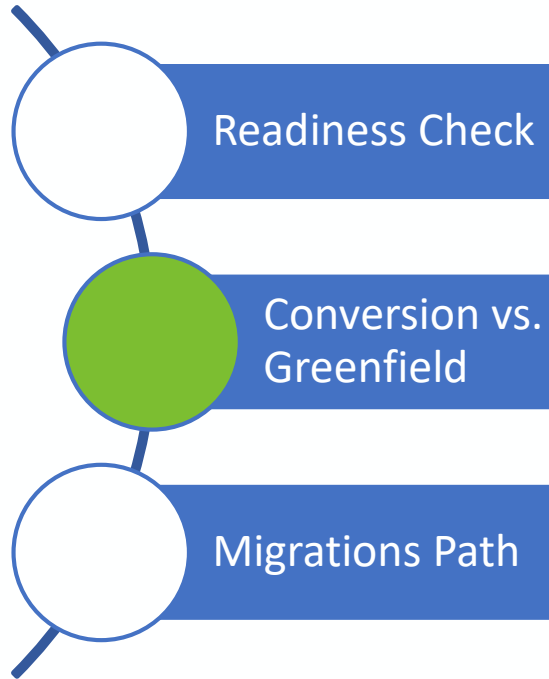
development objects



usage data (UPL)

2. Experience Report

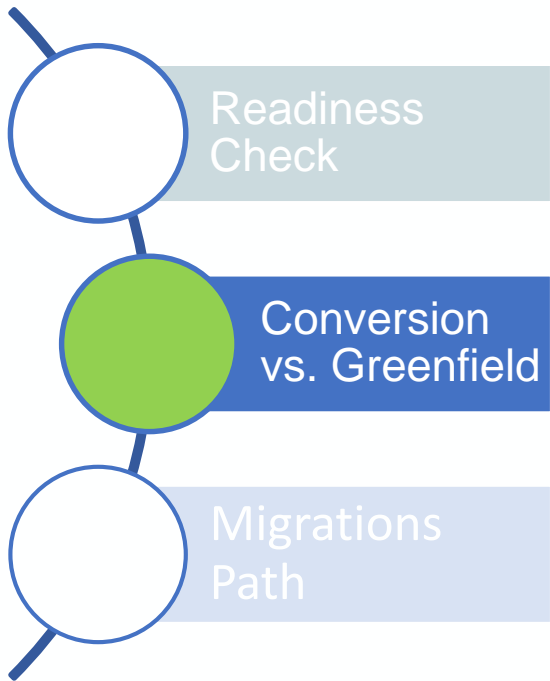
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Transformation

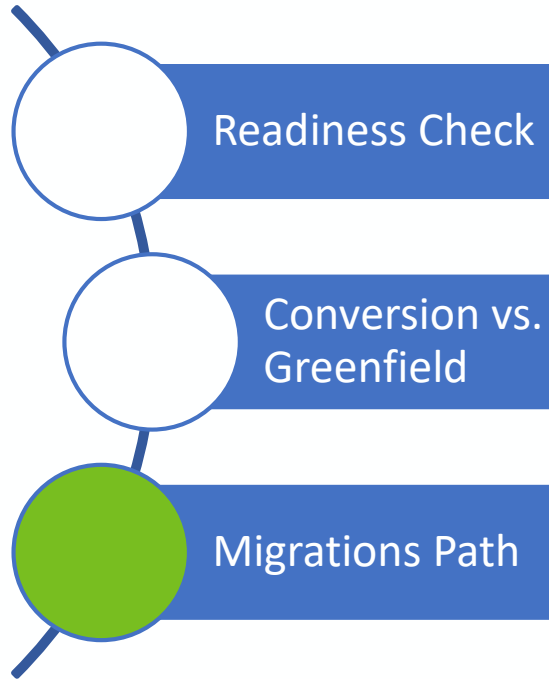


As answer to questions, position green marker in the fitting column (1-5) and bring all 6 scores to next page

	1	2	3	4	5
New Implementation	1) Can you move to SAP S/4HANA in a one-step procedure?				
	<ECC 6.X	OLD_GL	Non-Unicode		↑ ≥ECC 6.0X
	2) Do your current business processes support long-term strategy of the company?				
	Redesign of core business processes			↑	Current Processes are a good long term fit
	3) Can you adopt the Best Practices to modernize Core Business Process? Or are you planning to take over existing custom applications?				
	Model Company / Back to Standard	Redevelop Custom Applications		↑	Take over custom
System Conversion	4) Is Landscape consolidation a key value driver for S/4 adoption?				
	4+ systems to consolidate	3		2	No Consolidation 1:1 ↑
	5) Do you require previous transactional data available in S/4?				
	No				↑ Yes
	6) Technical / IT funded project or Business funded project				
	Business			↑	IT

2. Experience Report

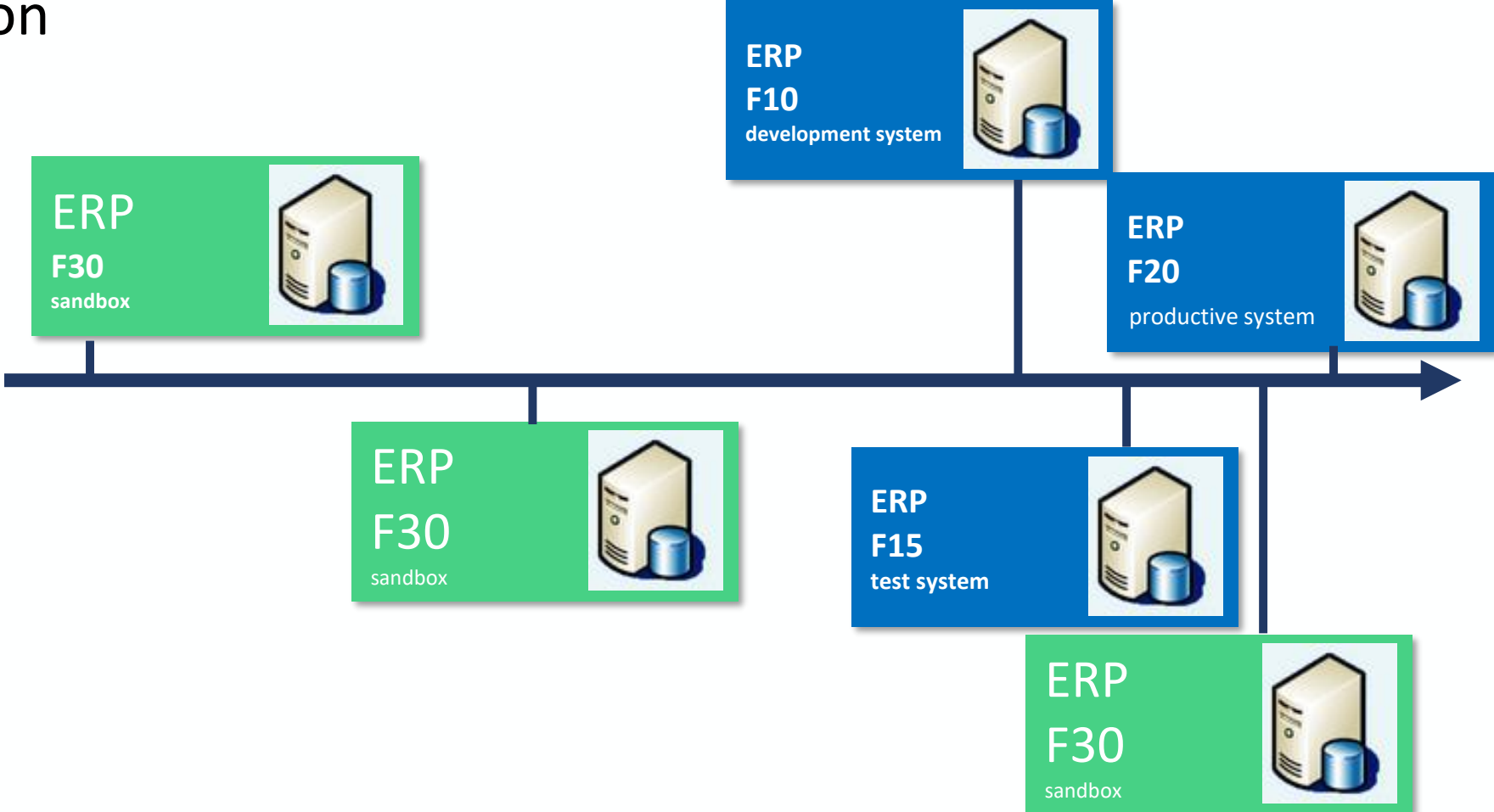
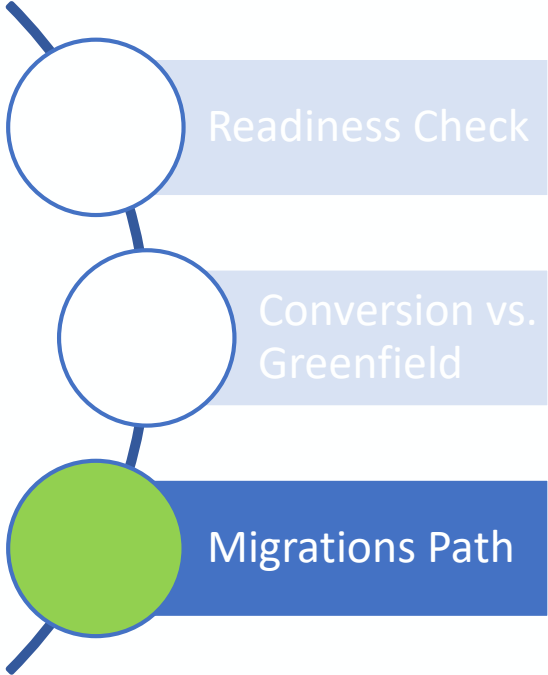
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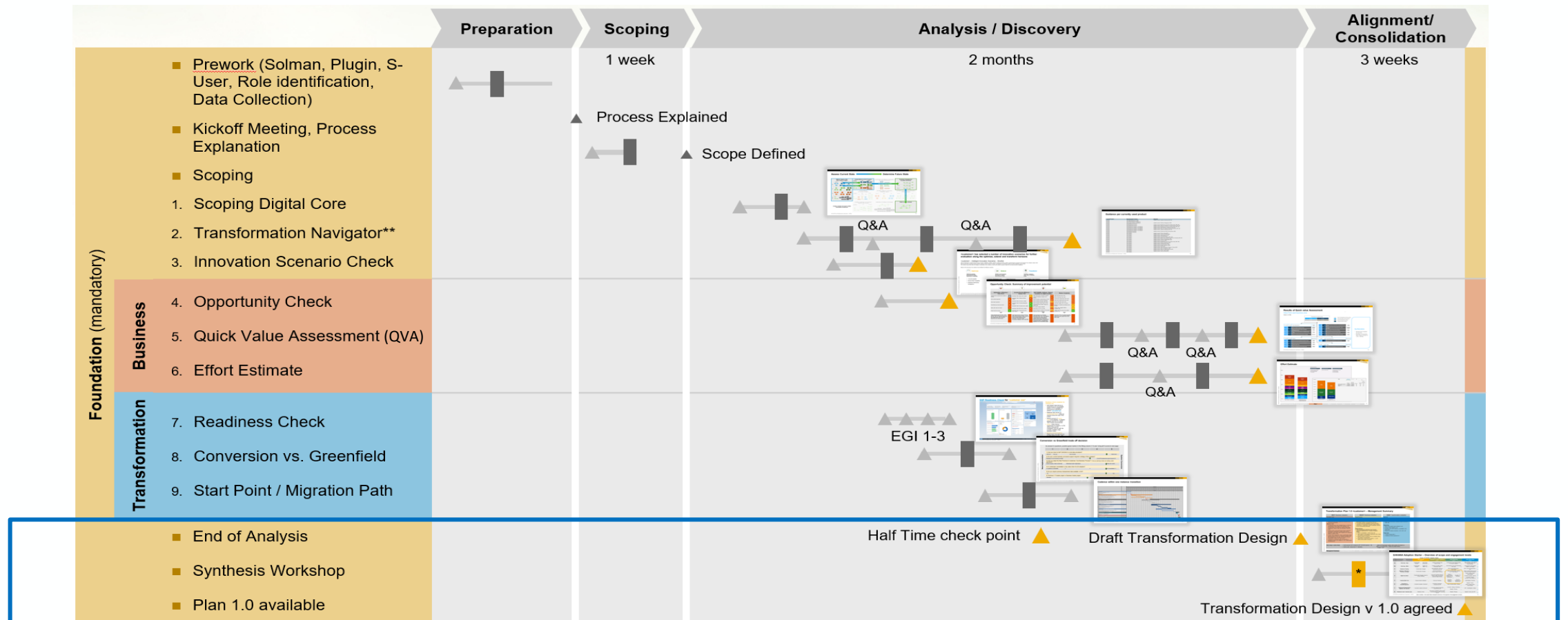
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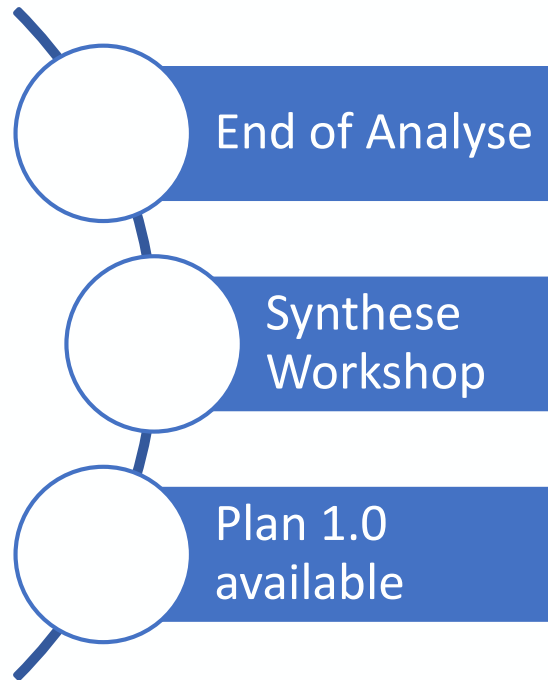
2. Experience Report

What is the procedure within the Adoption Starter Program?



2. Experience Report

Project completion



- Extensive Powerpoint Presentation
- Summary of all results

- Internal closing event
- 1:1 session with SAP for further action

- Lineup the next steps
- Voting of a roadmap

2. Experience Report

Trumpf: „The time for intensive custom code analysis is not enough in Adoption Starter.“

Trumpf: „The work balance within the 90 days could be better.“

Karstadt: „Which basic consultant can I find, who will manage to install the Hana Readiness Check (including all notes) and get it running until the workshop?“

Karstadt: „Why did we just register? Another workshop on Hana Readiness and no lunch.“

Karstadt: „Help - can one explain to me where the EUR 19 million" Unrestricted use stock for 12 months or more come from? The department never believes me!“

Otto: „For the fourth time, the SAP Readiness Check has to be updated.“

Otto: „Did I forget to invite the others or why am I sitting here alone in the telco?“

3. Project results

- Which tools did we learn about?
- What next steps lie ahead of us?





3. Project results – important Tools

Transformation Navigator

The screenshot displays the SAP Transformation Navigator interface. At the top, there are tabs for 'Products' and 'Capabilities', and a 'Line Consolidated' button. The main content is divided into two columns: 'Current Products' and 'Recommended Products'. Under 'Current Products', there is a section for 'Products with Transformation Recommendation' which includes 'ERP and Digital Core' with a card for 'SAP ERP' showing '21 Capabilities'. Below this is a section for 'Products not requiring Transformation (Stay On)' with a 'Finance' category containing a card for 'SAP Asset Retirement Obligation Management'. The 'Recommended Products' column features three 'SAP REFERENCE PRODUCT' cards: 'SAP S/4HANA', 'SAP Business Planning and Consolidation, version for SAP NetWeaver', and 'SAP Master Data Governance'. Each card includes an information icon and a scrollable area.

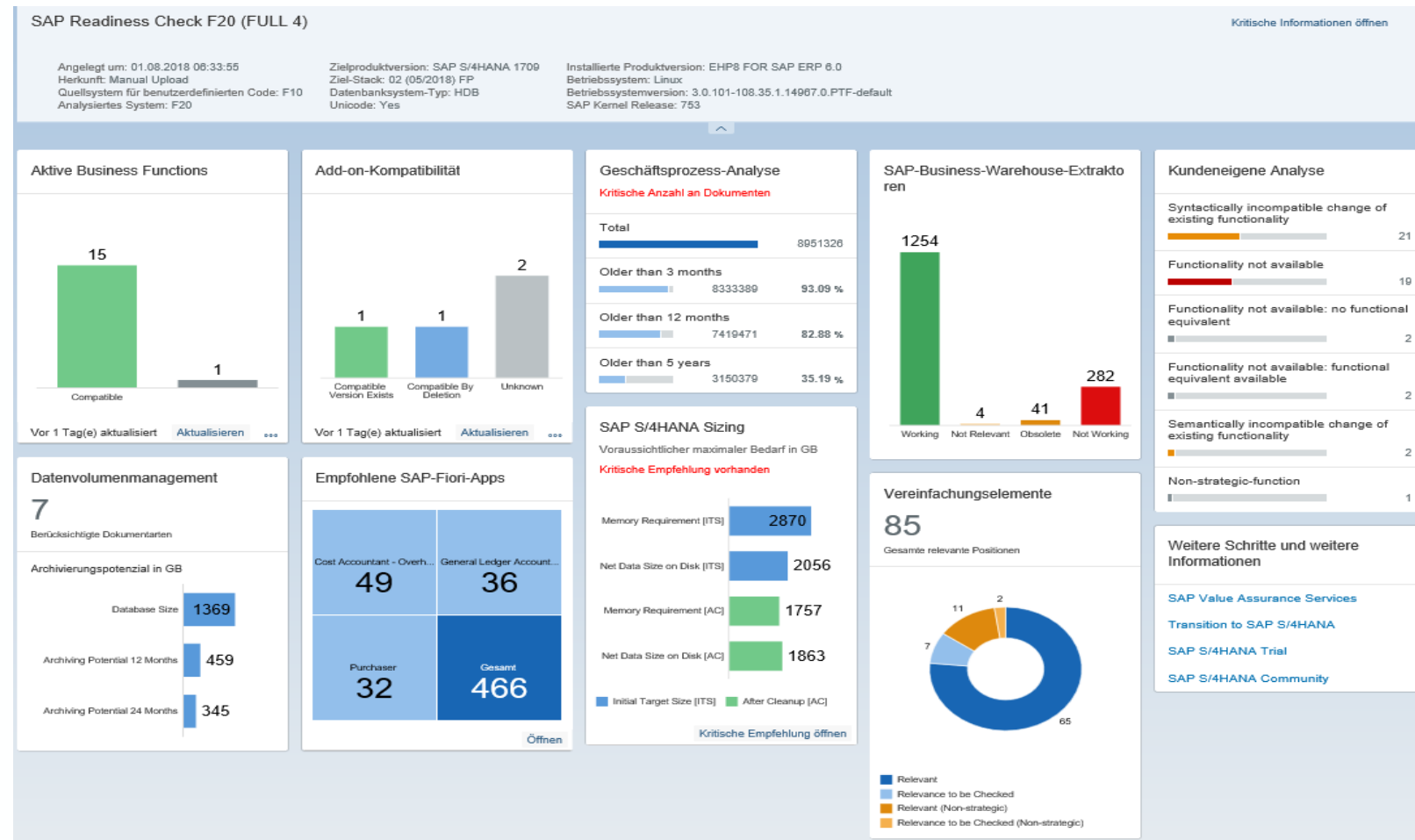
3. Project results – important Tools

Opportunity check

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3. Project results – important Tools

SAP Readiness Check



4. Lessons Learned

- There is still room for improvement
- What went well within the Adoption Starter Program?

4. Lessons Learned

There is still room for improvement!

- Not self-explanatory presentations
- Participation rate in meetings
- Some weeks the todo list/meetings clustered heavily
- Time-consuming communication of the results
- Depth of know-how required by specialist departments too high
- Different system landscapes of the participants
- Different target landscapes of the participants
- Implementation of the SAP Readiness Check was difficult

4. Lessons Learned

What went well within the Adoption Starter Program?

- Professional exchanges
- Additional 1:1 sessions for more specific questions
- Organisation of regular update meetings by SAP and adherence to delivery dates
- JAM Platform
- Fast processing of notifications of technical problems
- Access to all tools even without enterprise support
- Criticism of the tools was taken seriously and changes were actively integrated

Conclusion: Participation is recommended!

5. Forecast

What next steps lie ahead of us?

- Analyse and discuss the Results of the Readiness Check
- Updating AddOns (done)
- Analysis of the hint lists for critical functions and showstoppers
- Introduction of New Asset Accounting
- Finalization of the CVI - Business Partner integration
- Project plan for a system conversion to S/4 HANA

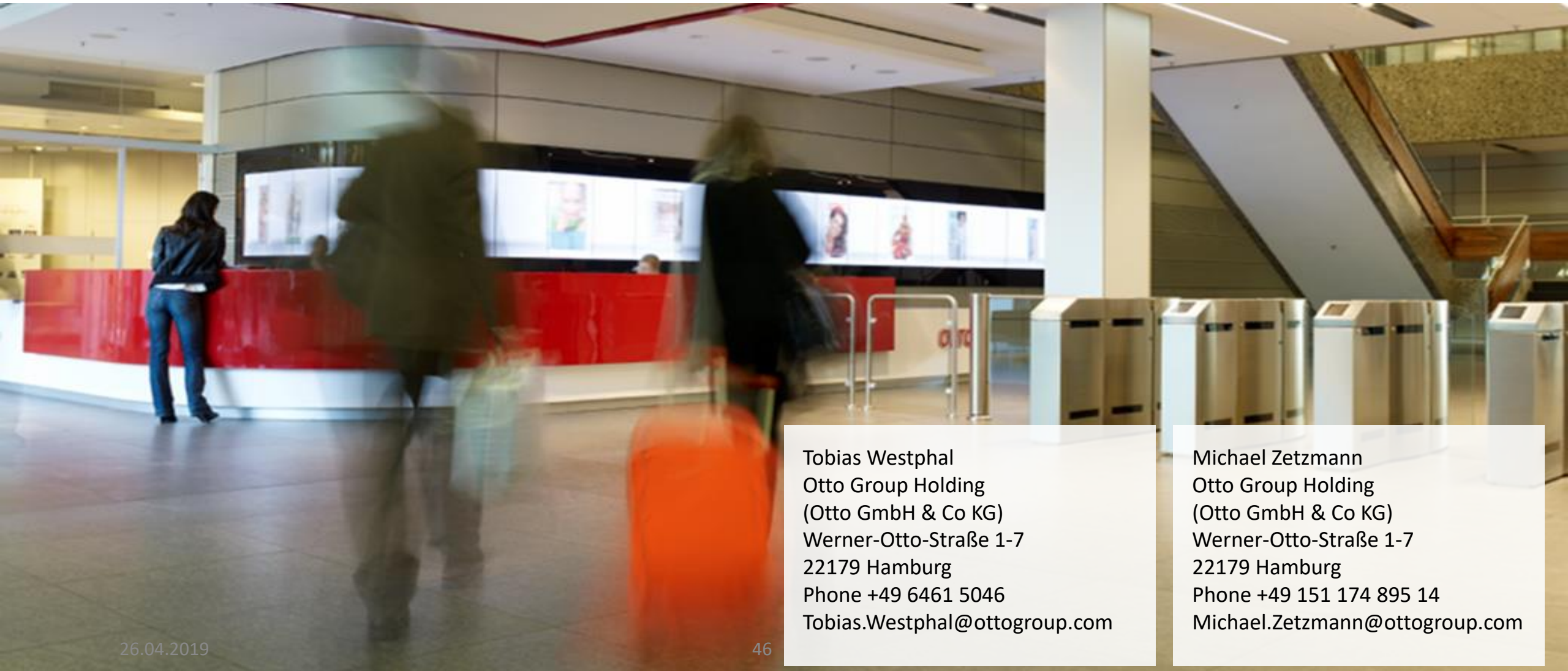
- Get budget for the upgrade - very important!!!
- Migrate system to S/4

Conclusion

Three intensive months
Relevant information provided
Good support through tools
It was worth it for us!



Contact details



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Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

<http://info.asug.com/2019-ac-slides>

Q&A

For questions after this session, contact us at michael.zetzmann@ottogroup.com and tobias.westphal@ottogroup.com.

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