Deployments in Shell with SAP S/4HANA Cloud
The Journey to Digital Enterprise Resource Planning

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About the Speaker

Speaker Name

- Merijn Backx, Shell
- Very motivated to complete the presentation on time since the Ajax – Tottenham Hotspur semi-final soccer game starts in 1 hour exactly
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Agenda

- Business overview & current SAP Landscape
- The changing business environment
- Adopting multi-tenant architecture in current projects
- We need to become data centric and industry focussed
- Where are we in our journey
Shell business overview

01 Exploration
- Exploring for oil and gas: offshore
- Exploring for oil and gas: onshore

02 Development and extraction
- Developing fields
- Producing oil and gas
- Extracting bitumen

03 Manufacturing and energy production
- Upgrading bitumen
- Refining oil into fuels and lubricants
- Converting gas into liquid products (GTL)
- Producing petrochemicals
- Producing biofuels
- Generating power

04 Transport and trading
- Liquefying gas by cooling (LNG)
- Shipping and trading
- Regasifying (LNG)
- Supply and distribution

05 Sales and marketing
- Retail
- Lubricants
- Aviation
- Power

Customers

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What we’ve built to support Shell’s business...

APPROACH 2002-2017

- Achieve integration and economies of scale through large centralised single instance ERPs
- Waterfall projects meeting Shell’s specific business requirements through customisation
- Focus on process excellence
Business and technology environment are evolving fast

- Energy mix changing
- Decarbonisation and decentralisation
- Non traditional competitors and models

Focus to accelerate

- Business Value though exploiting digital & technology innovation
- Simplification and Agility through Market Standards

New technology opportunities
Technology changing business models
Customer expectations increasing
This is a paradigm shift
Working with SAP towards adopting a Market Standard Platform

- ERP processes are considered 'non-differentiating' for Shell; our strategy is to adopt cloud based market standards as our target for this scope, as we expect the market to drive the innovation.

- SAP is the market leading ERP in the Oil and Gas business. When SAP announced its public cloud strategy (2017), we confirmed S4HANA as our direction.

- A public cloud version for Oil and Gas is not available. To shape the market Shell decided to play active roll in consortia.
Single global instance no longer the holy grail – many tenants
Scenarios

KEY ASSUMPTION: BY 2025 THE DEFAULT DELIVERY MODEL FOR ANY ERP IS SAAS IN THE PUBLIC CLOUD

A1 STRATEGIC PATIENCE, MOVE IN ONE STEP
   Jump point: market adopts MVP

A2A INTERMEDIATE STEP UNTIL PUBLIC CLOUD IS AVAILABLE, MIGRATE ALL TO MTE

A2B INTERMEDIATE STEP UNTIL PUBLIC CLOUD AVAILABLE, MIGRATE LATER

B AS A2, BUT LESS DISCIPLINE AND FEWER TENANTS

PUB = PUBLIC CLOUD (MTE)
PRIV = PRIVATE CLOUD (STE)
MVP = minimal viable product
... and we need to become Data Centric ...
Becoming Data Centric

NOW: HIGH DEGREE OF FRICTION

- ISOLATED
- CUSTOMISED
- HIGH TOUCH
- LOW QUALITY

VISION: DIGITAL PROCESSES

- CONNECTED (IN- & EXTERNAL)
- OPEN STANDARD
- TOUCHLESS (AI DRIVEN)
- HIGH QUALITY (AI DRIVEN)

COMPLEX & HARD TO CHANGE

SIMPLE & AGILE
Our journey has started
Current S/4HANA deployments

PUBLIC CLOUD

Three tenants live:
- Shell New Energies; covering NL and UK. AUS is being added
- Shell Pension Fund; covering NL, UK
- Service Company

Three new tenants are work in progress
- Upstream/IG: 2 South America accounting entities
- Upstream/IG: ‘Non-Operated Venture’ exploration phase
- Upstream/IG: Administrative company

PRIVATE CLOUD

- US Pipeline Business project started
- Additional project being considered

WHAT WE’VE LEARNED

Business
- Users like the new look and feel
- High speed of deployment of new entity
- Replicate similar entities at low cost
- Significant change management to adjust to industry processes
- User/role management needs refinement
- Ensure business model matches available processes

Technology
- Product and service need to significantly mature for larger enterprise
- To scale need more automation for e.g. config and data management
- Not all integration (SAP – SAP) is available ‘out of the box’
- Market standard cloud provides enormous innovation opportunity
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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 me at merijn.backx@shell.com
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