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## 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
- 22 years of IT experience in Shell – including Procurement, Downstream and Upstream SAP implementations. Work assignments Rotterdam, London, Kuala Lumpur, Houston and The Hague
- 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

## 05 Sales and marketing



Retail



Lubricants



Aviation



Power

## 04 Transport and trading



Liquefying gas by cooling (LNG)



Shipping and trading



Regasifying (LNG)



Supply and distribution

## 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

## 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



44,000 SERVICE STATIONS

3.7MLN BOE/D PRODUCTION  
(50/50 OIL AND GAS)

ACTIVE IN  
70 COUNTRIES

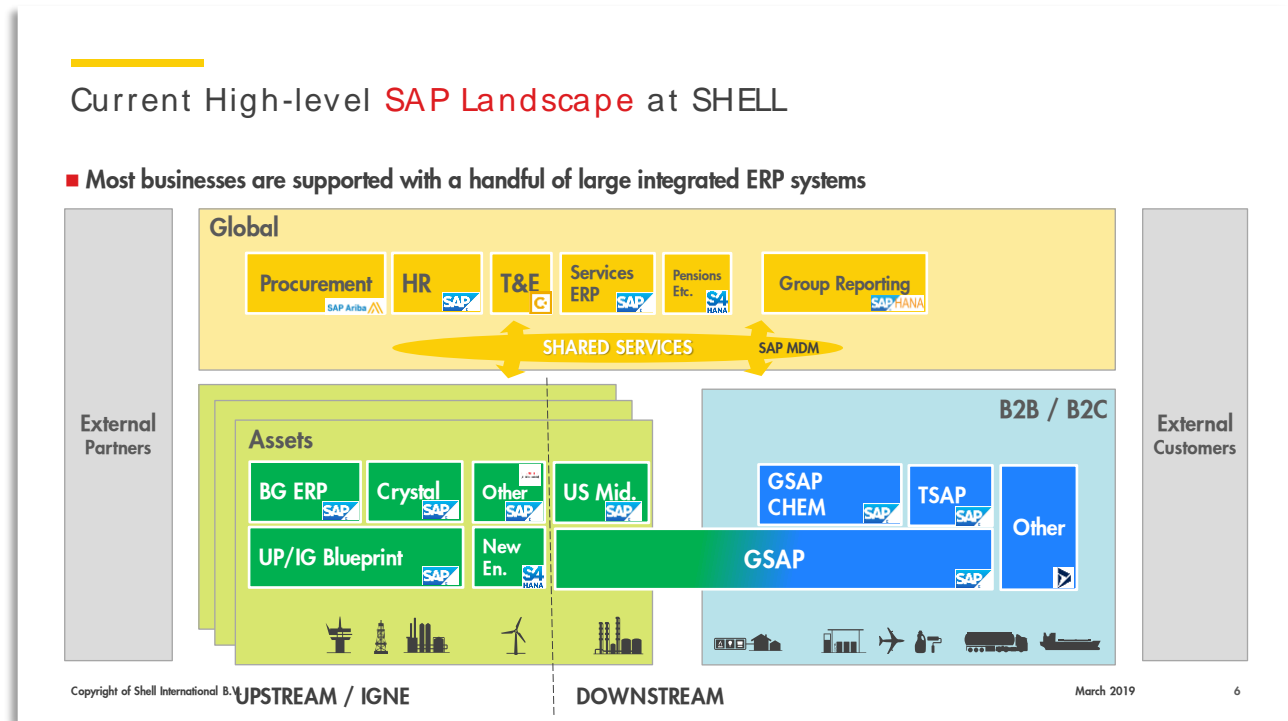
\$21.4 BLN  
CLEAN EARNINGS (2018)

#5 FORTUNE500

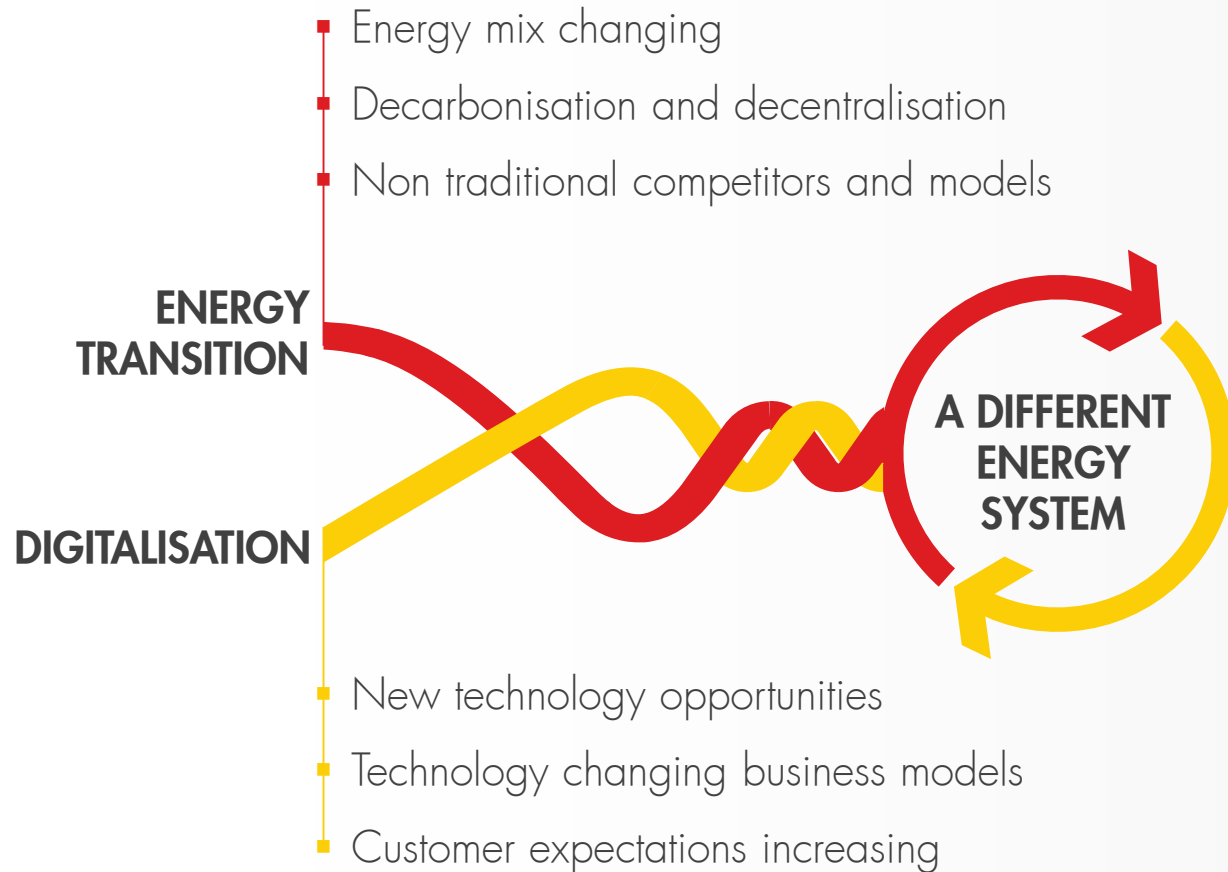
# What we've built to support Shell's business...

## 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



## FOCUS TO ACCELERATE



Business Value through exploiting digital & technology innovation



Simplification and Agility through Market Standards



**MARKET  
STANDARDS**

**This is a  
paradigm shift**

**MULTI-TENANT  
ARCHITECTURE**

**DATA**

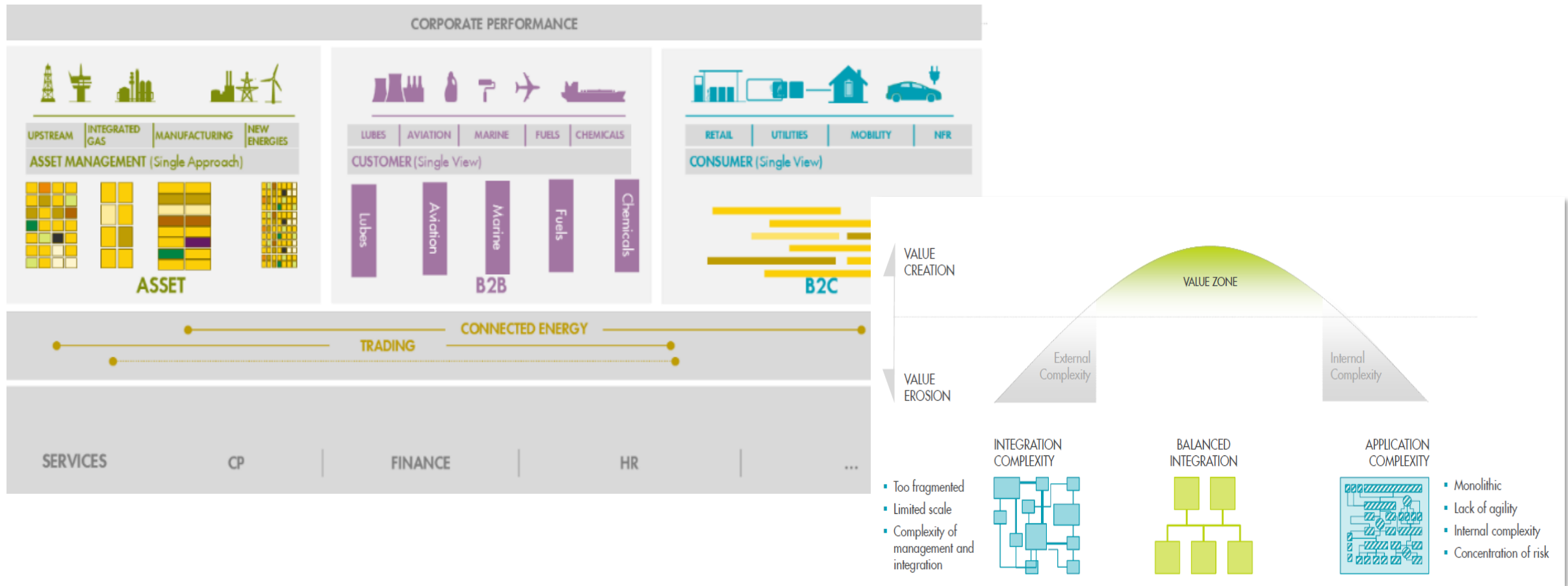


# Working with SAP towards adopting a Market Standard Platform

- 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



PUB = PUBLIC CLOUD (MTE)  
 PRIV = PRIVATE CLOUD (STE)  
 MVP = minimal viable product

# Scenarios

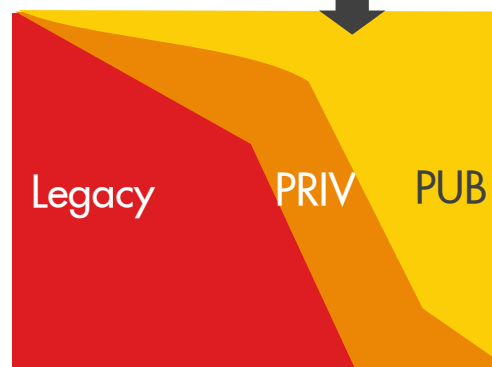
KEY ASSUMPTION: BY 2025 THE DEFAULT DELIVERY MODEL FOR ANY ERP IS SAAS IN THE PUBLIC CLOUD

**A1** STRATEGIC PATIENCE,  
 MOVE IN ONE STEP

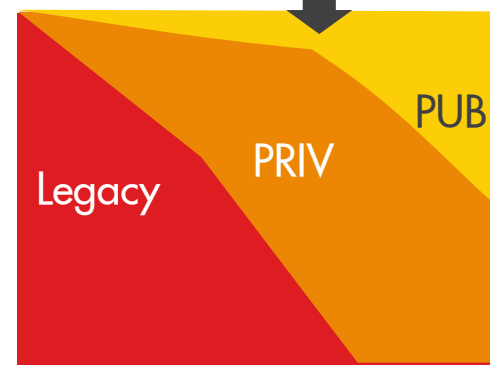
Jump point:  
 market adopts MVP



**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



<b>BIZ SIMPLIFICATION</b>	YES	<span style="color: green;">●</span>	YES	<span style="color: green;">●</span>	YES	<span style="color: green;">●</span>	MORE COMPLEX	<span style="color: yellow;">●</span>
<b>TIME TO VALUE</b>	LONGER	<span style="color: red;">●</span>	FASTER	<span style="color: green;">●</span>	FASTER	<span style="color: green;">●</span>	FASTER	<span style="color: green;">●</span>
<b>CUSTOMISATION</b>	NO	<span style="color: green;">●</span>	RISK	<span style="color: yellow;">●</span>	RISK	<span style="color: yellow;">●</span>	LIKELY	<span style="color: red;">●</span>
<b>PROJECT COSTS</b>	LOWEST	<span style="color: green;">●</span>	HIGHEST (2 STEP)	<span style="color: red;">●</span>	HIGHER	<span style="color: yellow;">●</span>	HIGHER	<span style="color: yellow;">●</span>
<b>RUNNING COSTS</b>	LOWEST	<span style="color: green;">●</span>	LOWER - LONG TERM	<span style="color: yellow;">●</span>	HIGHER	<span style="color: orange;">●</span>	HIGHEST	<span style="color: red;">●</span>

**... and we need to  
become Data Centric ...**



# Becoming Data Centric

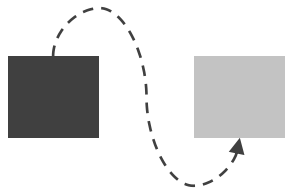
NOW: HIGH DEGREE OF FRICTION



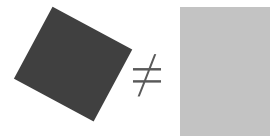
ISOLATED



CUSTOMISED



HIGH TOUCH

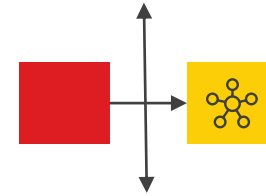


LOW QUALITY

COMPLEX & HARD TO CHANGE



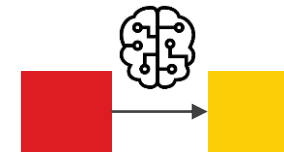
VISION: DIGITAL PROCESSES



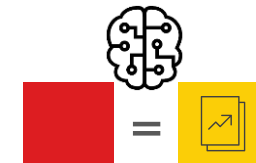
CONNECTED  
(IN- & EXTERNAL)



OPEN STANDARD



TOUCHLESS  
(AI DRIVEN)



HIGH QUALITY  
(AI DRIVEN)

SIMPLE & AGILE

**Our journey has started**



# Current S/4HANA deployments

## PUBLIC CLOUD

START SMALL, LEARN, GROW

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

TACTICAL AS NO MVP AVAILABLE

- 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](mailto:merijn.backx@shell.com)

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