



Spirit Airlines' Transformation Journey to SAP S/4HANA Cloud and SAP Ariba Solutions

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About the Speakers



Pani Pothur

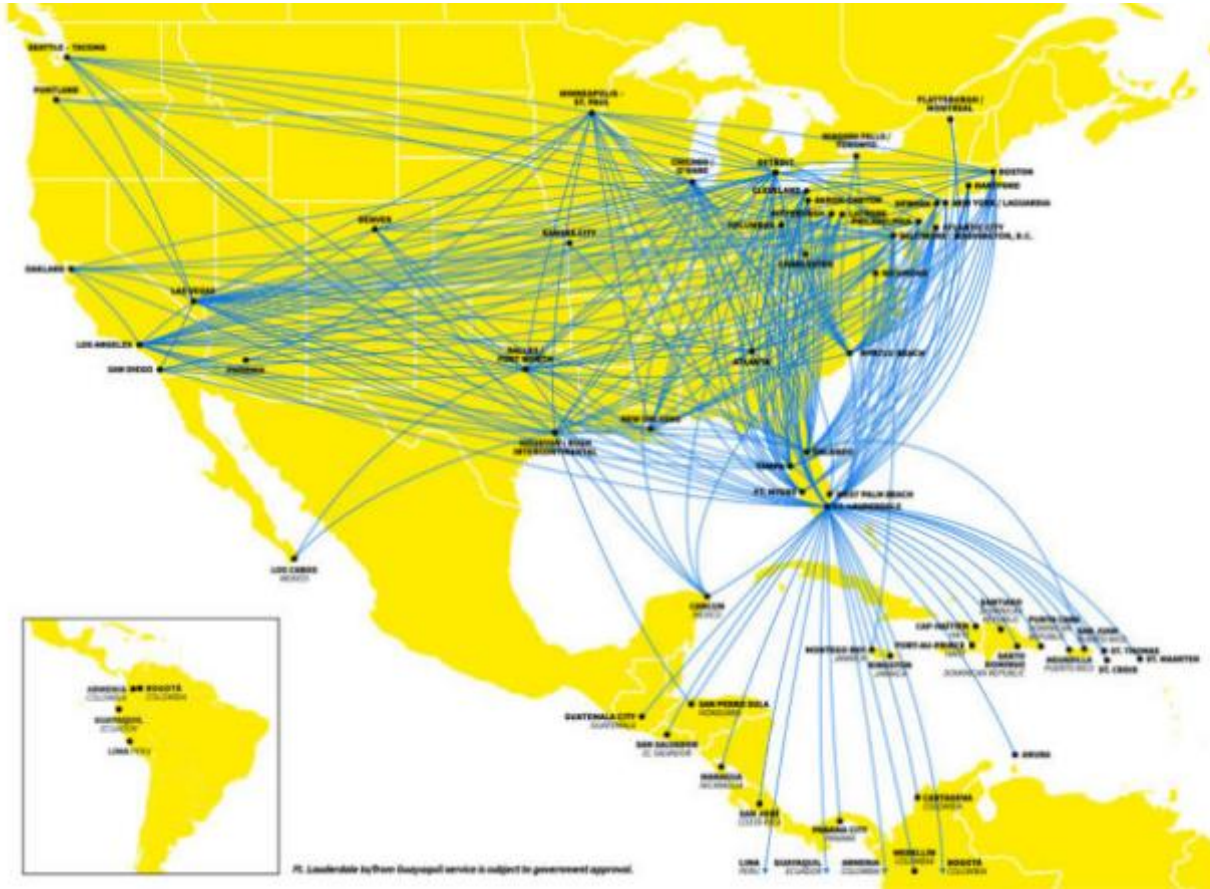
- Spirit Airlines
- IT professional with 15 years of experience with focus on BI and ERP applications
- Completed 1st Half Marathon in 2019 @ Miami



Arun Nagaraj

- Birlasoft
- SAP Finance Competency Lead
- I have started to work on my passion this year “Direct a short film”

Spirit Airlines



- Spirit Airlines is the leading Ultra Low Cost Carrier headquartered in Miramar, Florida
- Operates flights to U.S., Caribbean and Latin American destinations
- 75 destinations with 600+ daily flights

Leading Digital Transformation Across the Enterprise



Focused Horizontals and Deep Domain Expertise



Industry Focused



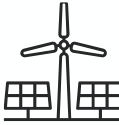
Automotive



Manufacturing



Life Sciences



Energy & Resources



Banking, Capital Markets & Insurance (BFSI)



Media & Entertainment



AGENDA

- 01 Current SAP Environment
- 02 ECC System Challenges
- 03 S/4HANA Decision Process
- 04 S/4HANA Public Cloud Benefits
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- 06 Implementation Challenges
- 07 Cloud Platform Integration Layer
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Current Environment

SAP FICO

SAP Treasury

SAP MM

SAP Fiori

SAP BW

SAP BPC

VIM

Z Options

- SAP ECC EHP6 system since 2013
- Running on older version of OS and DB servers
- BW and BPC systems for financial reporting
- GRC system for security
- Open Text VIM application for Invoice processing
- Z options for posting manual GL entries
- No upgrades since Go Live

ECC Systems Challenges

Business

- Delayed Financial Close Activities - *Manual Effort Intensive Reconciliations*
- Business Disruption - *Lack of Industry Best Practices*
- Lack of Flexibility or Agility – *Regulatory Requests*
- Multiple T-Code Challenges - *Remember/Navigate*
- No Real-Time Reporting – *Delayed Actionable Business Insights*
- Mobility Restriction – *Confined Access*

IT

- Greater Administrative Burdens - *Patching, Downtime, Monitoring etc.*
- Nearing End of Life Cycle - *Software Version*
- Open for Customization - *Allows for Non- Best Practices*
- Complex DB Architecture – *Greater Maintenance*
- Complex Security Modules - *Not Robust and Per Security Framework Best Practices*

S/4HANA Decision Process

Moving to cloud will reduce the IT foot print, maintenance costs over a period of time

Moving to the cloud platform aligns with our management's strategic initiative

Allows us to adhere to best practices and less scope for customization

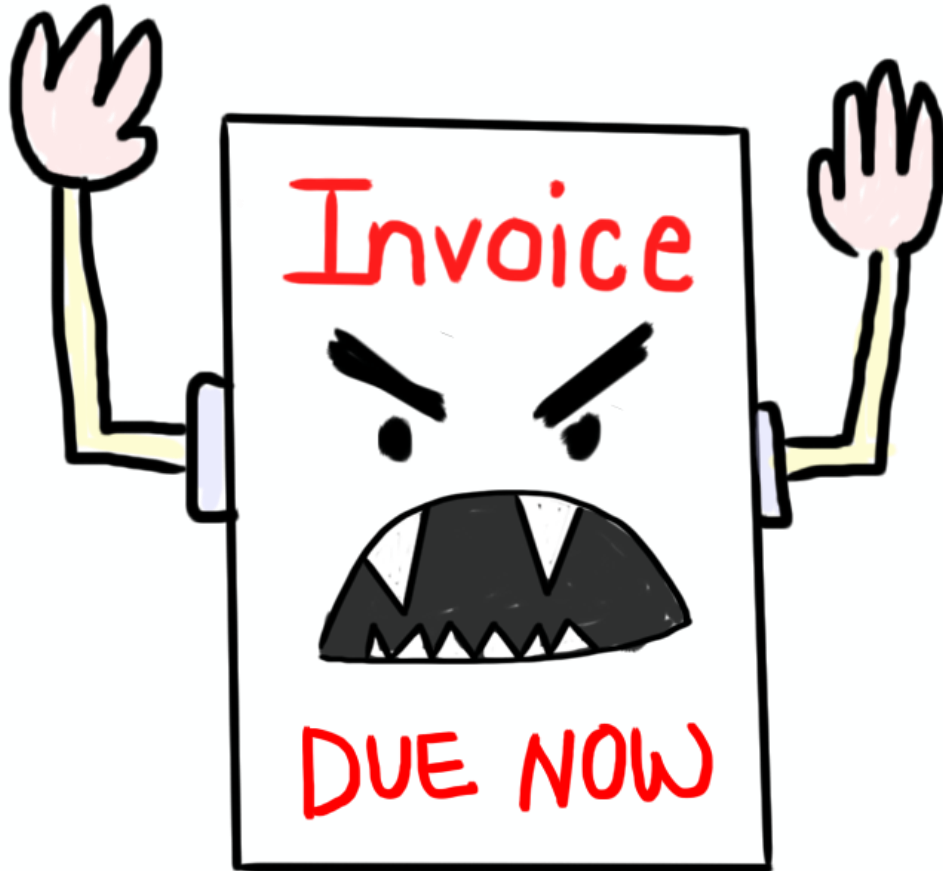
Quarterly updates will allow the systems to comply with security policies

S/4HANA Public Cloud Advantages

- Fit to standard best practices, Quarterly updates
- Multi-tenant system reduces cost of ownership
- Reduced IT Maintenance efforts
- Ability to soft close
- Real time reporting
- Simplified database architecture
- Access anywhere via mobile applications
- Time for Action/Innovation



Why Ariba?



- Open Text's VIM application is not compatible with S/4 HANA Public Cloud and this resulted in :
 - Invoice, fixed assets and purchase orders modules in ECC
 - Two GL account structures in S4 and ECC
 - Additional interfaces between ECC and S/4HANA
- Finalized to go with Ariba for buying and invoicing :
 - ✓ Compared to other products, Ariba to S/4HANA cloud is a native integration
 - ✓ Reduces the integration challenges and concerns
 - ✓ Optimizes the invoice processing by streamlining the approval process

Ariba Advantages



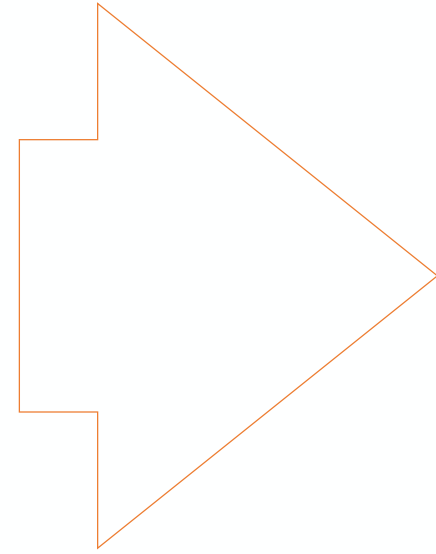
Shop and Approve
From an App



Tons of Suppliers
Ready to go



No more Paper
Electronic Invoices



Spend-Compliance
Savings

\$500k
In contract leakage
prevented per \$50
million of spend



Process
Cost Savings

3-10%
Average unit price
reduction



Savings across all
Spend Categories

\$1m
increased cash flow
per \$50 million of
addressable spend

** Faster, Easier Buying means Immediate Savings

Procurement



Current

- Manual requisition process via emails and phone calls
- Purchase order module to create PO's
- Centralized process to create PO's

Future

- Implementing Ariba will allow the PO request/creation to be decentralized
- All employees can request by themselves
- Enables the purchasing team to work on company's strategic initiatives
- Provides a quick ROI for the company

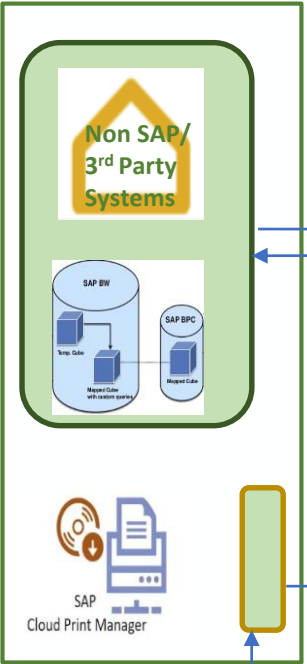
Implementation Challenges



- 3rd party systems like Open Text VIM and Z options are not compatible with S/4HANA Public cloud
- Standard S/4HANA Invoice processing is not robust to handle larger volumes
- Invoicing Solution for non Ariba network suppliers and manual invoices
- Moving from GRC to IAG (cloud security platform)
- Account for quarterly release updates to S/4

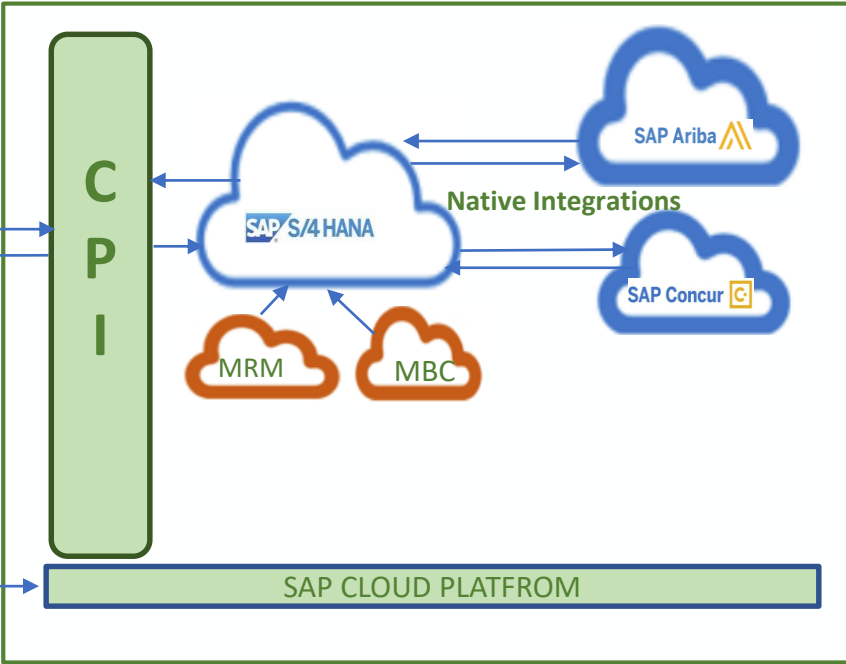
Cloud Platform Integration Layer (CPI)

On-Premise



SAP HANA Cloud Connector

Cloud

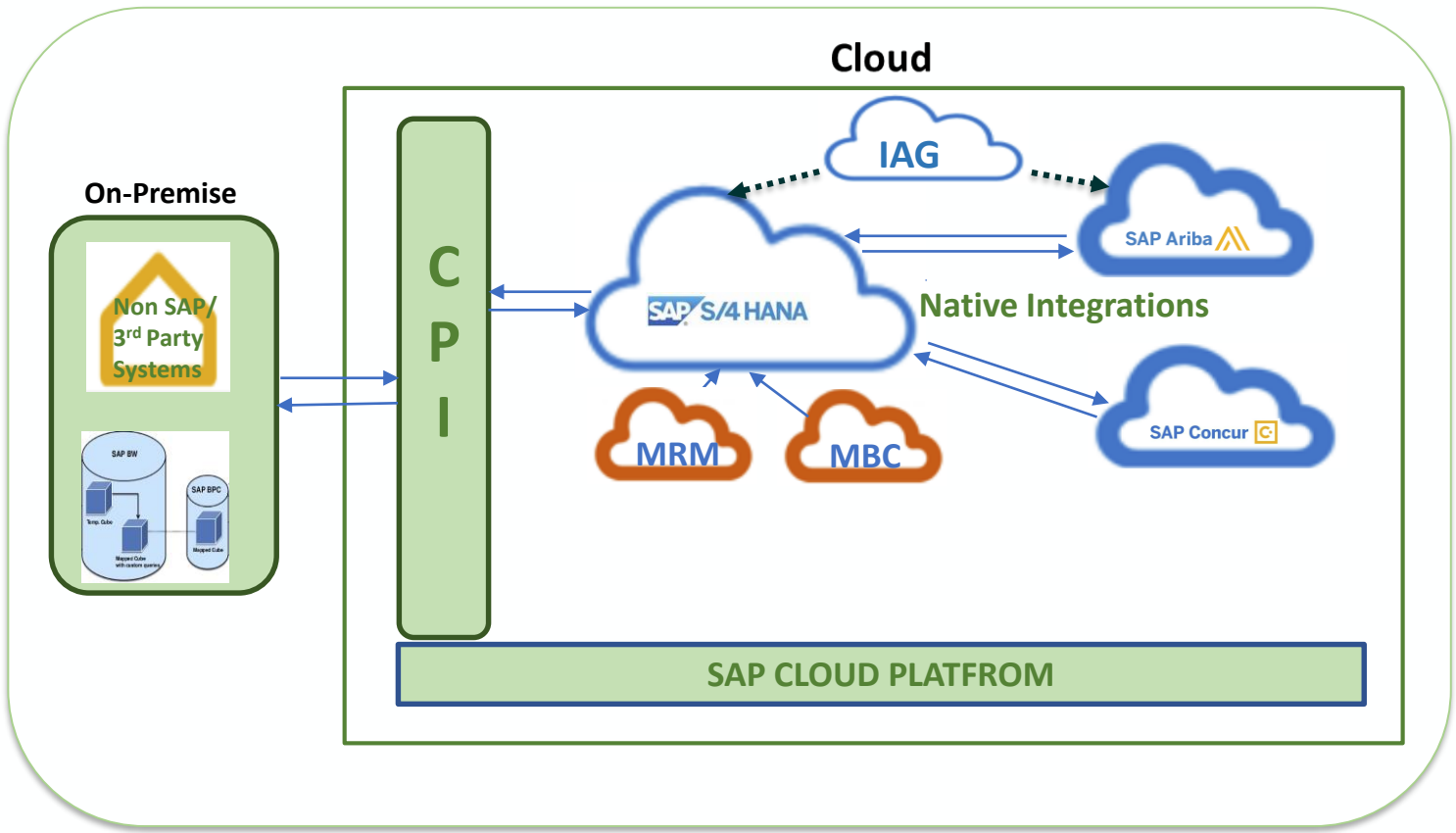
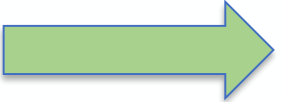


- ❖ MRM – Market Rate Management
- ❖ MBC – Multi Bank Connector

- 250+ whitelisted API's
- Single platform to manage interfaces
- Provides robust monitoring capabilities
- Fit to standard, less scope for application customization
- Developed all the existing interfaces to S4 HANA using CPI layer

S/4 Upgrade Consolidation

- SAP FICO
- SAP Treasury
- SAP MM
- SAP Fiori
- SAP BW
- SAP BPC
- VIM
- Z Options



- ❖ MRM – Market Rate Management
- ❖ MBC – Multi Bank Connector
- ❖ IAG – Identity Access Governance



Benefits Gained



- Mobile Accessibility
- Real time reporting metrics
- Simplified bank interface processes by using MBC (Multi- Bank Connector)
- Optimized capital projects approval/tracking process
- Created five custom objects to simplify our Chart of Accounts Structures
 - ✓ i.e. Reduced Cost Centers from 600+ to 150+
 - ✓ Reduced company codes from 20+ to 1
 - ✓ Reduced GL accounts from 1200+ to 800+

Lessons Learned



- Take time to analyze the system at enterprise level
- Business buy in and engagement
- Change management
- Plan enough time for training
- Plan for daily responsibilities of business users into the project timelines

Q&A



For questions after this session, contact us at

- Pani Pothur : Pani.Pothur@Spirit.com
- Arun Nagaraj: Arun.Nagaraj@birlasoft.com

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