How to Develop your S/4HANA Roadmap with a Conversion Assessment

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Sponsored by:







- Introduction
- SAP S/4HANA Transformation Basics
- Assessment Approach (brown- or greenfield)
- Simplified Assessment (brownfield only)
- Case Study Miba Group
- Summary, Q&A





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CNT Management Consulting – By the Numbers











SAP Competences



SAP S/4 HANA – The Digital Enterprise Core

Greenfield Implementation, brownfield conversions, pre-studies, Run2S4 Conversion Package

SAP Ariba	SAP IBP	SAP EWM/ SRM/ WM	SAP CX/ CRM
End-to-end intelligent spend, Digital Supplier Network, Fieldglass	Integrated Business Processes, Digital Supply Chain, APO	Extended Warehouse Management, Stock Room Management	Customer Experience, CRM, Sales and Service Cloud
SAP BI/ Analytics	SAP EAM/ IAM	SAP ETO/ PP	SAP HCM/SF
BI, Planning, and Predictive Analytics	Enterprise Asset- and Intelligent Asset Management	Engineer to Order, Production Planning	SuccessFactors, Human Capital Management, Concur
SAP SCM	SAP MM	SAP OTC, FI-SD	SAP FI / CO
Inter-Company Logistics	Material Management Intra-Company Logistics	Order to Cash, Finance and Sales Integration	Finance and Controlling

Business Process Consulting

Business process templates, SAP Business Technology Platform,, GRC, release management, development, ...



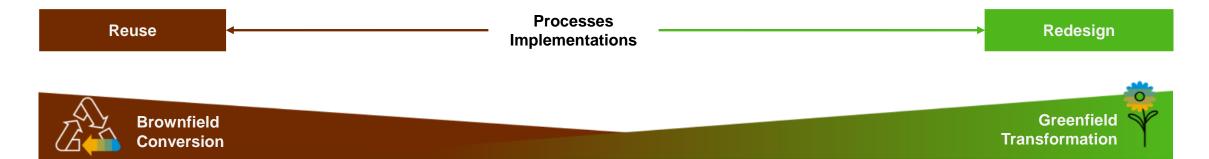


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Conversion versus Transformation

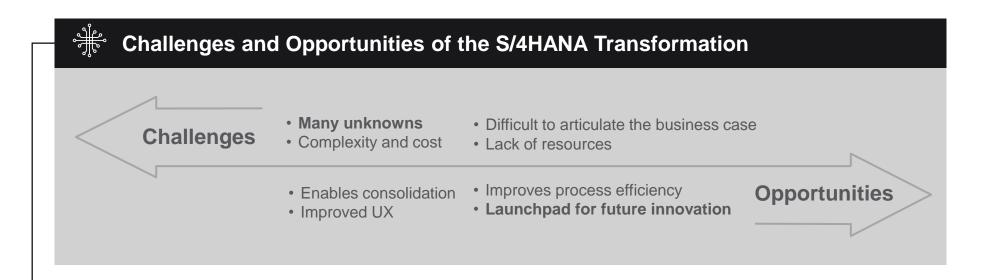




Brownfield Conversion	Infield Conversion Empty Shell Conversion Mix & Ma		Greenfield Transformation	
Reuse >90% of existing processes/implementation	Reuse >50% of existing processes/implementation	Reuse <50% of existing processes/implementation	Redesign of processes / implementations	
System Conversion	Clone current ERP system. Perform S/4HANA upgrade. Migrate existing processes. Implement new processes.	Create a new S/4HANA system. Partially migrate existing processes. Implement new processes.	Setup new S/4HANA system Implement new processes.	

S/4HANA Assessment & Transformation Roadmap





Transformation Assessment

- Structured approach for all transformation aspects
- Identify S/4HANA potentials and benefits
- Identify status quo of current ERP implementation
- Identify activities prior to transformation
- Involve stakeholders; build positive momentum

Develop S/4HANA Strategy

Transformation Roadmap

- How to implement and run the transition project
- Aggregate assessment data
- Defined clearly the transition phase
- Augment the SAP Activate transformation method
- Estimate scope, timeline, and resource

Develop S/4HANA Transition Path

Transformation Project



Why a formal Assessment?





Benefits of a Formal Assessment

- Answer the "Why" and "How" of the transformation project
- Structure approach to cover all critical aspects of the transformation
- Get good data from stakeholders with the right questions
- Dedicated focus from stakeholders during and after assessment
- Set expectations for the transition
- Better decision on transformation approach
- Have a ready-to-go transformation template
- Develop a better S/4HANA strategy
- Get the transformation project off on the right foot





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Selected Key Stakeholder Questions



Greenfield **Brownfield** 2 3 5 4 high low few many high low Example high low much little IT business low high many few high low

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Required process adjustments to match strategy

Number of custom applications to be converted

Importance of minimizing transition steps

Requirement to consolidate systems

Retention of historic data

S/4HANA considered an IT- or business projekt

Expected support from the different business areas

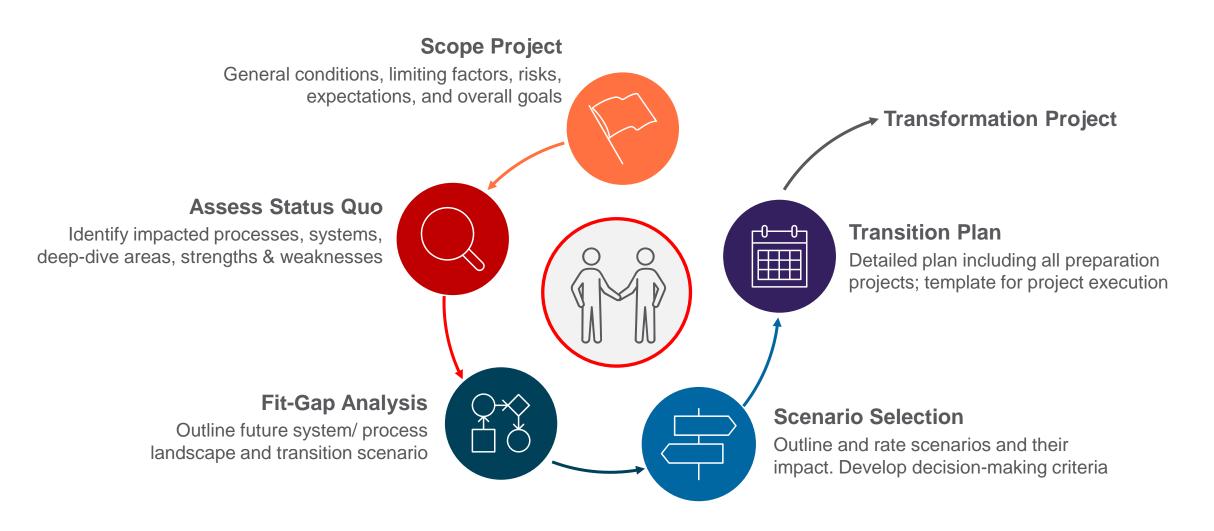
Number of Interfaces to other systems

Tolerance for transition risks



Assessment Phases







Phase 1 – Scope Project



	Sco	ping & Readiness Check	Deliverables
Scope Project	— Work Package —	— — Tasks — — — — — — — — — — — — — — — — — —	 Goals, expectations & mission statements
Assess Status Quo Fit-Gap	Overall Goals & Expectations Environment & Risk Analysis	 Define overall project goals Coordinate expectation of project- and roadmap scope Coordinate (strategic) expectations from management Inventory of general conditions and limiting factors Execute targeted stakeholder interviews Strategic alignment and competing projects Scope project risks and identify risk-minimizing initiatives 	 Agreed-upon templates of road marresult document Summarized results of stakeholder interviews Result of environment and risk-assessment of parallel projects Results Readiness Check 2.0 Relevant system documentation
Analysis	High-level Scoping	 Identify relevant organizations, systems, and applications Outline the organizational structure of the relevant business areas Identify relevant documentation (BPML,) 	Benefits
cenario election	Technical Scoping	 Execute SAP Readiness Check 2.0 Execute Custom Code Analysis Analyze interface list and end-to-end tests Check system readiness and third-party software 	 Mutual understanding of goals and expected results Defined in-scope and out-of-scope areas
ansition Plan	S/4HANA Enablement	 Identify and present relevant S/4HANA functionality & features Workshops and demos for selected innovations topics 	 Stakeholder participation and buy-in Incorporated strategy and competing projects



Phase 2 – Assess Status Quo



Work Package —— evel 3 Business rocess Map	 Tasks Business process workshops. L3 process map and BPML Identify current strengths and potential Identify current pain points 	 Business process master list (BPML) with at least L3 processes in critical areas Documentation of strengths, pain points, and leftover topics.
	 Identify current strengths and potential 	and leftover topics.
	 Identify 'leftover' topics 	 Documentation of as-is landscape List of critical additional developments
s-Is Landscape	 Identify as-is system landscape Identify as-is application landscape Identify as-is interface landscape based on existing documentation and process workshops 	
dditional evelopments & eep-dive Areas	 Identify critical additional developments within SAP Identify critical additional developments outside SAP Select deep dive areas in processes, as-is analysis, and additional developments for fit-gap analysis in phase 3 	 Benefits Step-by-step evaluation and analysis the business processes for each critical area Early detection of deep-dive areas Early evaluation of required development within and outside SAP
C	lditional evelopments &	 Identify as-is application landscape Identify as-is interface landscape Identify as-is interface landscape based on existing documentation and process workshops Identify critical additional developments within SAP Identify critical additional developments outside SAP Select deep dive areas in processes, as-is analysis, and additional



Phase 3 – Fit-Gap Analysis & Target Scenario



1	Fit-Gap	Analysis & Target Scenario	Deliverables
Scope Project	— Work Package —	– — Tasks — — — — — — — — — — — — — — — — — —	 Outlined To-be landscape with mapped processes, systems, interfaces and additional development
2 Assess Status	To-Be Landscape	 Develop and jointly scope: To-be system landscape To-be application landscape To-be interface landscape 	 Outline possible and suitable transition scenarios Optional: Fit-gap documentation of Level 4 processes
Quo 3 Fit-Gap Analysis	Transition Scenarios	 Outline possible transition scenarios Coordinate with the Lines of Business from respective areas Pre-select suitable transition scenarios and migration approach Prepare documentation of the results 	
4 Scenario Selection	To-Be Processes including Fit-Gap (optional)	 Execute fit-gap process workshops based on level-4 processes Execute fit-gap workshops for critical additional developments Document process gaps and outline draft solutions 	 Benefits Detailed fit-gap analysis based on SAP best practices Early identification of additional developments relevant for S/4HANA
Transition Plan			



Phase 4 – Scenario Selection



1	-	Scenario Selection	Deliverables
Scope Project	— Work Package ——	— Tasks —	 Catalog with individually rated criteria Finalized requirement
2 Assess Status Quo	Define Decision Criteria	 Develop and define decision criteria Coordination and expand key transition questions Coordinate and expand requirements and the decision matrix 	 Decision matrix List of priorities Answers to key questions Finalized rated results
³ Fit-Gap Analysis	Assign Ratings and Assess Risks	 Execute decision criteria rating Answer key questions Prioritize and sequence possible scenarios 	
Scenario Selection	Prepare Selection	 Finalize the assessment Outline impacts and risks of each scenario High-level outline of the transition for each scenario 	 Benefits Meaningful decision criteria relevant to the organization Stakeholder-vetted rating of scenarios
Transition Plan	Select Transition Scenario	 Present scenarios to decision-makers Present ratings to decision-makers Present priorities including impacts and risks 	 and mapped with SAP best practices Defined process leading to organizational decisions



Phase 5 – Transition Planning



1		Transition Plan	Deliverables
Scope Project	— Work Package ——	— Tasks —	 Content and scope of pre-projects and sub-projects
2 Assess Status Quo	Identify pre-projects and sub-projects	 Outline all required pre-project and sub-projects for transition Detailed scope of pre-projects and sub-projects regarding time, resources, and expenditures Align dependencies between pre-projects and sub-projects 	 Transition plan Resource estimate Final roadmap Roadmap presentation
3 Fit-Gap Analysis	Plan Transition	 Create a high-level roadmap plan Coordinate detailed roadmap with customer Outline assumptions and environment 	Benefits
4 Scenario Selection	Scope Resources	 Identify relevant SAP license cost Assess internal and external resource requirements 	 All pre-projects and sub-projects identified Complete high-level road map plan is available Resource estimate is available
5 Transition Plan	Written Roadmap and Result Presentation	 Finalize roadmap document Coordinate roadmap with stakeholders (roadmap vs expectations) Create result presentation Joint result presentation and next steps 	 Results are documented Enable to kick off transformation project immediately





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The need for Simplified Conversion



Transformation Bottlenecks

- Already at capacity managing day-to-day business
- Competing projects
- · Lack of internal and qualified external resources
- Financial constraints
- Limited management buy-in
- Approaching deadline for transformation
- Significant investment in current business processes
- No organizational consensus on strategy

Unrealistic for some to rebuild existing business processes from scratch and map to new ERP

Simplified Assessment and Conversion

- Focus limited resources and energy on S/4HANA conversion first
- Clear expectations for the business and stakeholders
- Outline concrete scope, timeline, and outcome
- Convert first, innovate second
- Follow clearly defined conversion path set out by SAP with SAP Activate
- Fully converted S/4HANA system as a launchpad for innovation

"Don't mix conversion and innovation"



Simplified Conversion via #run2S4



Highlights

- Predefined and standardized scope project.
- ✓ **runAssessment** as S/4HANA conversion launchpad
- ✓ **runConversion** for end-to-end conversion.

Benefits

- ✓ Fixed scope and timeline
- Convert first, innovate second
- Predictable outcome

Conversion Milestones and Timeline





#runAssessment - Steps



S/4HANA Potentials and Benefits	Technical Convertibility	Influencing Factors	Required Adjustments	Conversion Roadmap
Why should we move to S/4HANA?	<i>Is the conversion possible, what are the necessary adjustments?</i>	What are the main influencing factors of the conversion?	What prep-work needs to be done for the conversion?	
 Stakeholder interviews Discovery workshops Move In Motion workshop Customer value of S4/HANA 	 Assess system convertibility Assess required prep-work Assess custom code conversion 	 Scope compatibility of the application landscape Scope compatibility of the interface landscape 	 Must-have Simplification Items Prepare transformation (e.g., business partner) Data quality checks 	
Tools: • SAP Next-generation BSR • SAP Value Lifecycle Manager	Tools: • SAP Readiness Check • SAP Maintenance Planner • SAP Custom Code Analyzer	Tools: • SAP Transformation Navigator • System Landscape Analyzer	 Tools: SAP Simplification Item Catalog SAP Conversion Pre-checks tool 	



#runConversion – Steps



Sandbox Conversions	Conversions	Dress Rehearsal and Go-Live	Ready for Innovations S/4HANA
SBX1	QAS	Dress Rehearsal	Innovation Discovery
Validate add-ons and licenses Identify & handle showstoppers	Convert from a refreshed PRD system	Convert from a refreshed PRD including corrective actions	Business scenario recommendations
Analyze long lead tasks and long-running tables	Execute following dress rehearsal cookbook	Final validation of cookbook Final check of runtime	Hands-on workshops on S/4HANA System
Implement S/4HANA pre- requisites (BP, CVI, etc.)	Reuse corrective actions Conversion and import of relevant transports in one step	Hard freeze PRD Approval	Business Case and Value Assess values of recommended
SBX2 Identify corrective actions form SBX1	Build a test environment with all interfaces	PRD Prepare during up-time	process improvements Value Lifecycle Manager
Validate conversion runtimes Validate corrective actions Start dress rehearsal cookbook	DEV Convert from a refreshed QAS system Start of the retrofit process	Execute during down-time Convert and import relevant transports in one step Validate run-time depending on system performance	Innovation projects and release management Gain innovations with defined projects and release cycle





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Miba Group – CNT Assessment Case Study



- Family-owned manufacturing company founded in 1927 in Austria
- 7,800 employees, ~1bn\$ annual revenue
- Leading strategic partner to the international engine- and automotive industries
- Miba clients are in energy generation & transmission, oil & gas, and plant engineering





Miba Transformation Assessment



Prestudy Project Drivers	 Miba already decided on brownfield conversion. Target partial transformation assessment in form of a pre-study focused on business enablement Plan, scope, and execute pre-study with a focus on S/4HANA Innovation Topics
Project Goals	 Prepare the IT teams for the S/4HANA conversion Maximize cooperation between IT team and business Create positive momentum for the project
Project Scope	 Know-how transfer: Structured training for new S/4HANA solution Build a custom test- and training system (sandbox) Execute Miba-specific process workshops on S/4HANA standards Create Miba specific documentation to support standard operating procedures Hands-on and help during internal tests on the sandbox system



Miba Enablement Prestudy – Covered Topics during Prestudy



S/4HANA EAM Enterprise Asset Management	Asset manager mobile apps, work manager, asset manager, EAM FIORI apps,
S/4HANA FICO Finance/ Controlling Asset Accounting, new general ledger/ asset accounting, cash management, cash operations, fi closing cockpit, investment management, material ledger, simplified COPA profitibility analysis, FIORI apps,	
S/HANA PPM Portfolio and Projectmanagement Handling embedded PPM in S/4HANA, web dynpro handling, mapping of RPM (resource and portfolio management), PPM FIORI apps,	
S/4HANA SCM Supply Chain Management	Embeded analytics in MM/SD, GBT (Global Batch Traceability), settlement management, S/4HANA sales/logistics live KPIs, APO/PPDS (Production planning detailed scheduling), SCM FIORI apps,
S/4HANA MM Material ManagementStandard mobile device usage, goods movement without exclusive material valuation locking, statistical moving average price, MM Fiori Apps,	
Sales & Distribution Fiori Apps in SD master data, Fiori apps in sell from stock, Fiori apps for analytical,	
S/4HANA GTS Global Trade Services	New customer module introduction,
SAP Cloud	Miba opportunities for SAP Ariba and SAP CX/ CS
Others	S/4HANA output management, Adobe forms, release management, FIORI app development



Miba Prestudy Takeaways



Transformation Key points

- Ahead of the pre-study, Miba was **already set on brownfield conversion**.
- Miba preferred to do a **minimalistic and very pragmatic approach** to the conversion.
- At the conversion stage, **SAP functionality should** only be enhanced if absolutely required.
- Miba's primary goal of the Prestudy was to get the organization ready for technical conversion and involve stakeholders in developing a joint S/4HANA vision and strategy.
- Opportunity for a six- to the eight-week dedicated focus of key stakeholders on the future landscape

Downstream Business Case

- Miba used the Prestudy to develop a **Downstream Business Case.**
- Clearly set the business expectation that the technical conversion will have minimum workflow changes
- Clearly communicate the **technical conversion is** a base investment only.
- Clearly outline the innovation projects and business value that are scheduled on top of the converted system





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01	S/4HANA is more than a new release. It is a launchpad for innovation
02	A formal assessment brings clarity to vision, strategy, and roadmap
03	Focus on the SAP S/4HANA potential, not only the technical conversion
04	You must find your sweet spot in the brownfield-greenfield spectrum
05	You will greatly benefit from an experienced SAP partner



Questions?

For questions after this session, contact us at

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Thank you.



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