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

ASUG Carolinas Chapter Meeting | June 24, 2022

Bernd Baier

Business Development Manager CNT Management Consulting Inc



Sponsored by:







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





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



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

End-to-end intelligent spend, Digital Supplier Network, Fieldglass

SAP BI/ Analytics

BI, Planning, and Predictive Analytics

SAP SCM

Inter-Company Logistics

SAP IBP

Integrated Business Processes, Digital Supply Chain, APO

SAP EAM/ IAM

Enterprise Asset- and Intelligent Asset Management

SAP MM

Material Management Intra-Company Logistics

SAP EWM/ SRM/ WM

Extended Warehouse Management, Stock Room Management

SAP ETO/ PP

Engineer to Order, Production Planning

SAP OTC, FI-SD

Order to Cash, Finance and Sales Integration

SAP CX/ CRM

Customer Experience, CRM, Sales and Service Cloud

SAP HCM/SF

SuccessFactors, Human Capital Management, Concur

SAP FI / CO

Finance and Controlling

Business Process Consulting

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





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



Conversion versus Transformation



Processes Reuse Redesign **Implementations**



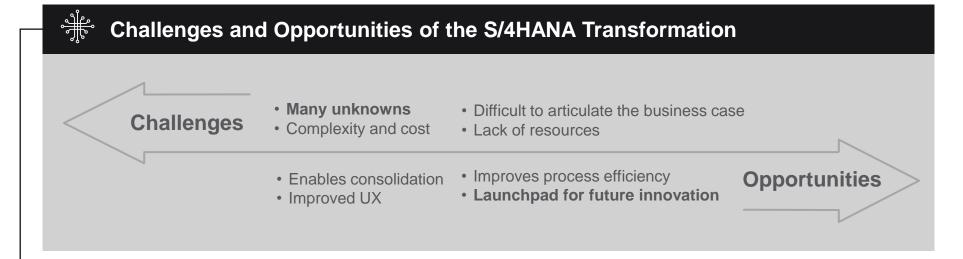


Brownfield Conversion	Empty Shell Conversion	Mix & Match	Greenfield Transformation
Reuse >90% of existing processes/implementation	Reuse >50% of existing processes/implementation	Reuse <50% of existing processes/implementation	Redesign of processes / implementations
System Conversion	Clone current ERP 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
- 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





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



Assessment Phases







Phase 1 – Scope Project



Scope **Project** Assess Status Quo Fit-Gap **Analysis** Scenario Selection **Transition** Plan

Scoping & Readiness Check

— Work Package — Tasks

Overall Goals & Expectations

Environment & Risk Analysis

High-level Scoping

Technical Scoping

S/4HANA Enablement

- 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
- Identify relevant organizations, systems, and applications
- Outline the organizational structure of the relevant business areas
- Identify relevant documentation (BPML, ...)
- 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
- Identify and present relevant S/4HANA functionality & features
- Workshops and demos for selected innovations topics

Deliverables

- Goals, expectations & mission statements
- Agreed-upon templates of road map result document
- Summarized results of stakeholder interviews
- Result of environment and riskassessment of parallel projects
- Results Readiness Check 2.0
- Relevant system documentation

- Mutual understanding of goals and expected results
- Defined in-scope and out-of-scope areas
- Stakeholder participation and buy-in
- Incorporated strategy and competing projects



Phase 2 – Assess Status Quo



1

Scope Project

Assess Status Quo

Fit-Gap Analysis

Scenario Selection

Transition Plan

Assess Status Quo

— Work Package -

Level 3 Business Process Map

- Tasks
- Business process workshops. L3 process map and BPML
- Identify current strengths and potential
- Identify current pain points
- Identify 'leftover' topics

As-Is Landscape

- Additional
 Developments &
 Deep-dive Areas

- Identify as-is system landscape
- Identify as-is application 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 developments for fit-gap analysis in phase 3

Deliverables

- Business process master list (BPML) with at least L3 processes in critical areas
- Documentation of strengths, pain points, and leftover topics.
- Documentation of as-is landscape
- List of critical additional developments

- Step-by-step evaluation and analysis of the business processes for each critical area
- Early detection of deep-dive areas
- Early evaluation of required developments within and outside SAP



Phase 3 – Fit-Gap Analysis & Target Scenario



Scope Project Assess Status Quo Fit-Gap Analysis Scenario Selection **Transition** Plan

Fit-Gap Analysis & Target Scenario

— Work Package –

— Tasks

To-Be Landscape

- Develop and jointly scope:
- ... To-be system landscape
- ... To-be application landscape
- ... To-be interface landscape

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

To-Be Processes including Fit-Gap

- 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

Deliverables

- Outlined To-be landscape with mapped processes, systems, interfaces and additional development
- Outline possible and suitable transition scenarios
- Optional: Fit-gap documentation of Level 4 processes

- Detailed fit-gap analysis based on SAP best practices
- Early identification of additional developments relevant for S/4HANA



Phase 4 – Scenario Selection



Scope Project Assess Status Quo Fit-Gap **Analysis** Scenario Selection **Transition** Plan

Scenario Selection

— Work Package –

— Tasks

Define Decision Criteria

- Develop and define decision criteria
- Coordination and expand key transition questions
- Coordinate and expand requirements and the decision matrix

Assign Ratings and Assess Risks

- Execute decision criteria rating
- Answer key questions
- Prioritize and sequence possible scenarios

Prepare Selection

- Finalize the assessment
- Outline impacts and risks of each scenario
- High-level outline of the transition for each scenario

Select Transition Scenario

- Present scenarios to decision-makers
- Present ratings to decision-makers
- Present priorities including impacts and risks

Deliverables

- Catalog with individually rated criteria
- Finalized requirement
- Decision matrix
- List of priorities
- Answers to key questions
- Finalized rated results

- Meaningful decision criteria relevant to the organization
- Stakeholder-vetted rating of scenarios and mapped with SAP best practices
- Defined process leading to organizational decisions



Key transition questions



Brownfield

Greenfield

Required process adjustments to match strategy

Number of custom applications to be converted

Importance of minimizing transition steps

Requirement to consolidate systems

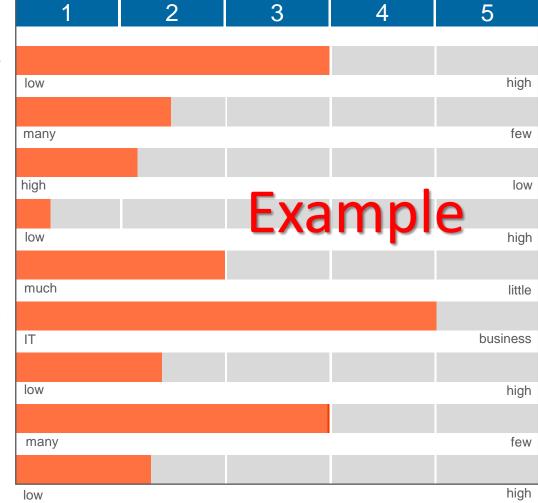
Retention of historic data

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





Phase 5 – Transition Planning



1

Scope Project

Assess Status Quo

Fit-Gap Analysis

Scenario Selection

Transition Plan

Transition Plan

— Work Package -



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

Plan Transition

- Create a high-level roadmap plan
- Coordinate detailed roadmap with customer
- Outline assumptions and environment

Scope Resources

- Identify relevant SAP license cost
- Assess internal and external resource requirements

Written Roadmap and Result Presentation

- Finalize roadmap document
- Coordinate roadmap with stakeholders (roadmap vs expectations)
- Create result presentation
- Joint result presentation and next steps

Deliverables

- Content and scope of pre-projects and sub-projects
- Transition plan
- Resource estimate
- Final roadmap
- Roadmap presentation

- All pre-projects and sub-projects identified
- Complete high-level road map plan is available
- Resource estimate is available
- Results are documented
- Enable to kick off transformation project immediately





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



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"



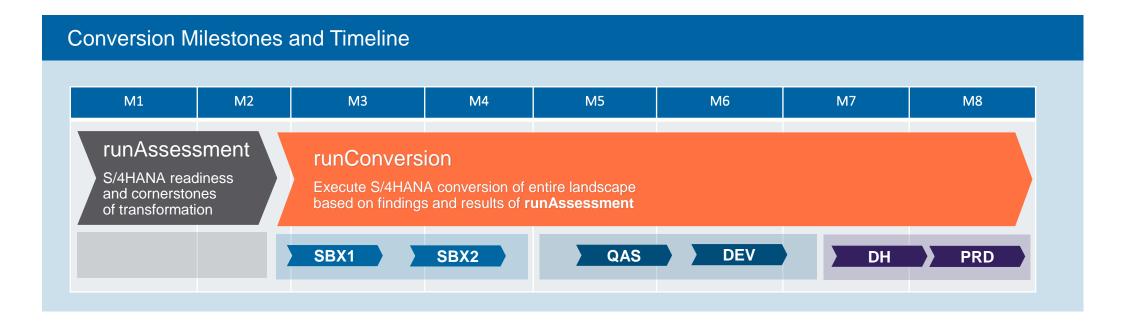
Simplified Conversion via #run2S4



Highlights

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

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





#runAssessment - Steps



S/4HANA Potentials and Benefits

Technical Convertibility

Is the conversion possible,

· Assess system convertibility

Assess required prep-work

· Assess custom code

what are the necessary

adjustments?

conversion

Influencing Factors

Required Adjustments

Conversion Roadmap

Why should we move to S/4HANA?

- Stakeholder interviews
- Discovery workshops
- Move In Motion workshop
- Customer value of S4/HANA

SAP Next-generation BSR

SAP Value Lifecycle Manager

- SAP Maintenance Planner
- SAP Custom Code Analyzer

What are the main influencing factors of the conversion?

- Scope compatibility of the application landscape
- Scope compatibility of the interface landscape

What prep-work needs to be done for the conversion?

- Must-have Simplification Items
- Prepare transformation (e.g., business partner)
- Data quality checks

Tools:

SAP Readiness Check

Tools:

- SAP Transformation Navigator
- System Landscape Analyzer

Tools:

- SAP Simplification Item Catalog
- SAP Conversion Pre-checks tool



Tools:

#runConversion - Steps



Sandbox Conversions

SBX1

Validate add-ons and licenses

Identify & handle showstoppers

Analyze long lead tasks and long-running tables

Implement S/4HANA prerequisites (BP, CVI, etc.)

SBX2

Identify corrective actions form SBX1

Validate conversion runtimes

Validate corrective actions

Start dress rehearsal cookbook

Test System Conversions

QAS

Convert from a refreshed PRD system

Execute following dress rehearsal cookbook

Reuse corrective actions

Conversion and import of relevant transports in one step

Build a test environment with all interfaces

DEV

Convert from a refreshed QAS system

Start of the retrofit process

Dress Rehearsal and Go-Live

Dress Rehearsal

Convert from a refreshed PRD including corrective actions

Final validation of cookbook

Final check of runtime

Hard freeze PRD

Approval

PRD

Prepare during up-time

Execute during down-time

Convert and import relevant transports in one step

Validate run-time depending on system performance

Ready for **Innovations**

Live on S/4HANA

Innovation Discovery

Business scenario recommendations

Hands-on workshops on S/4HANA System

Business Case and Value

Assess values of recommended process improvements

Value Lifecycle Manager

Innovation projects and release management

Gain innovations with defined projects and release cycle





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



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, financial closing cockpit, investment management, material ledger, simplified COPA profitibility analysis, FICO 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 Management	Standard mobile device usage, goods movement without exclusive material valuation locking, statistical moving average price, MM Fiori Apps,	
S/4HANA SD 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





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



Five Takeaway from Todays Presentation



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

Alexander Paulus, CNT Atlanta a.paulus@cnt-online.com

Bernd Baier, CNT Atlanta b.baier@cnt-online.com



Thank you.

