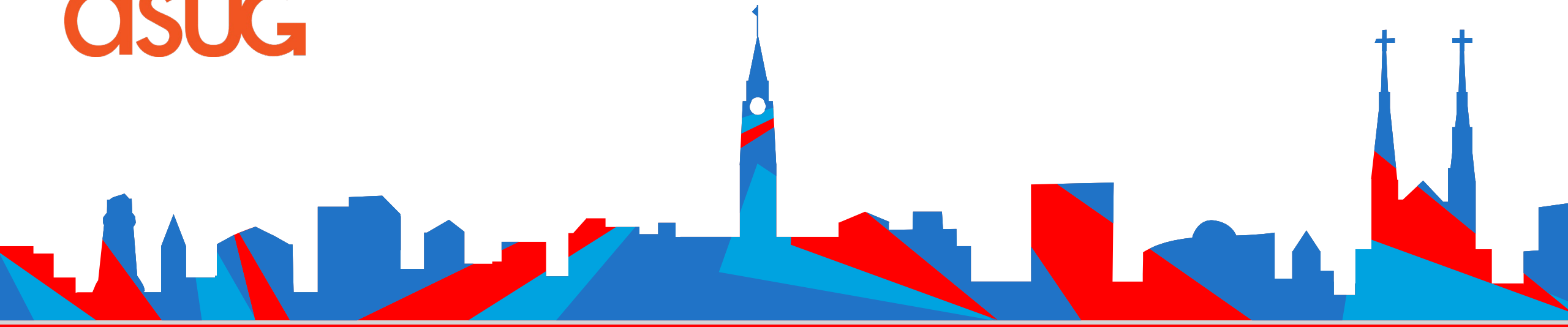


Deloitte.

ASUG



ASUG Ottawa Chapter Event:
SAP & Cloud Deployments

Gordon Ip

SAP Cloud Transformations Leader

SAP Industry Business Architects Leader

Deloitte Canada

Monday, June 5th, 2023



Government
of Canada

Gouvernement
du Canada

Canada



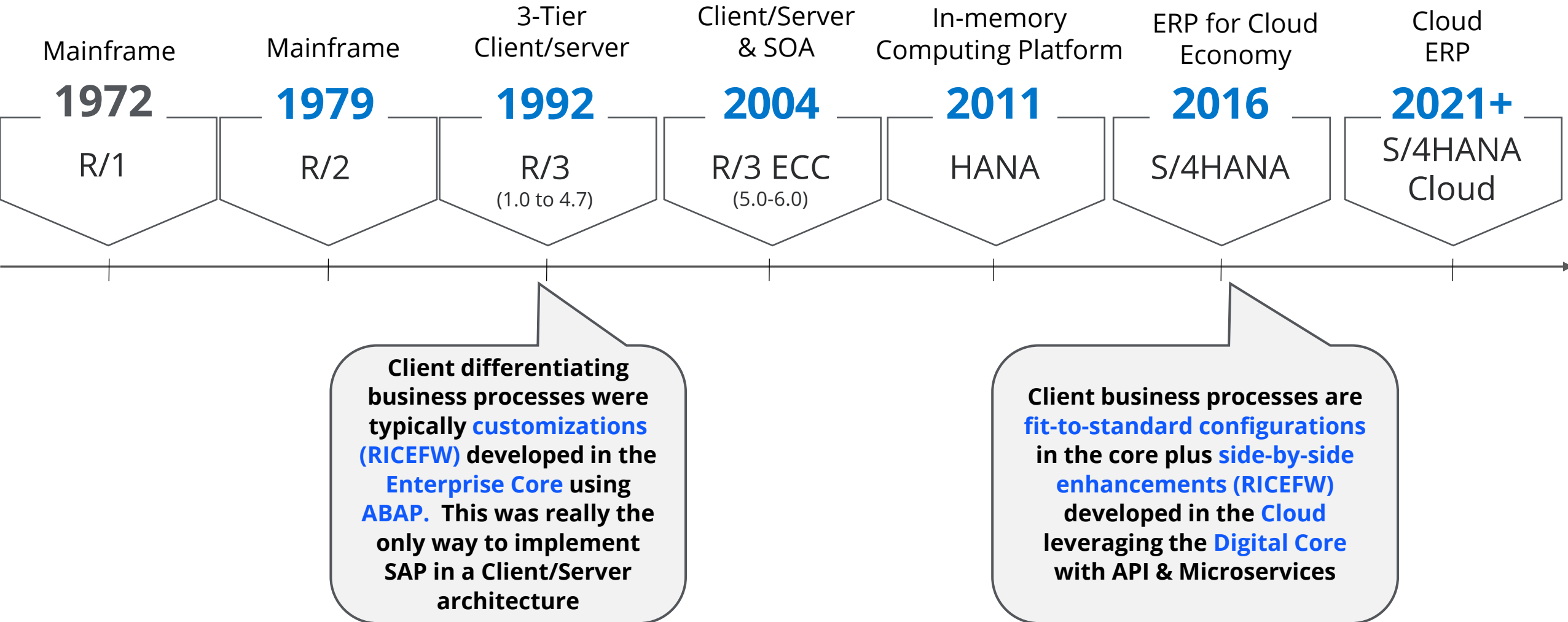
AGENDA

1. SAP Cloud Enabled Business Transformations
2. Cloud Deployment Models for SAP S/4HANA
3. SAP Cloud Reference Architecture (Put it Together)
4. Path for SAP to the Cloud

1. SAP Cloud Enabled Business Transformations

History & Journey with SAP's ERP Architecture

SAP S/4HANA is now a full Cloud ERP



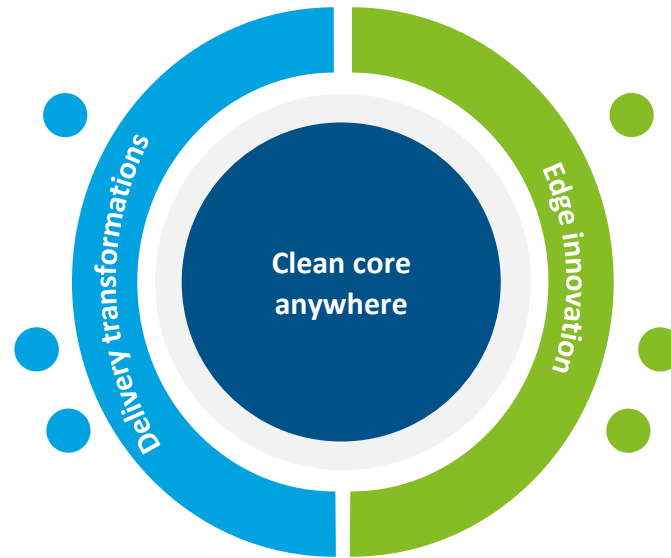
Our Kinetic Enterprise Framework for SAP Cloud Transformations

Cloud becomes the enabling technology that has allowed SAP to be the ERP core of a Kinetic Enterprise

Intelligent: Insight driven strategies and operational decision-making fueled by intelligent applications, reporting, analytics and data.



Clean: Organized unencumbered core grounded in consistent enterprise data and processes free from unnecessary customizations and underperforming business assets.



Kinetic Enterprise Framework

Responsive: Adaptable and scalable operations enabled by the Cloud API economy that are configured to predict and rapidly act upon changing organizational and market dynamics.

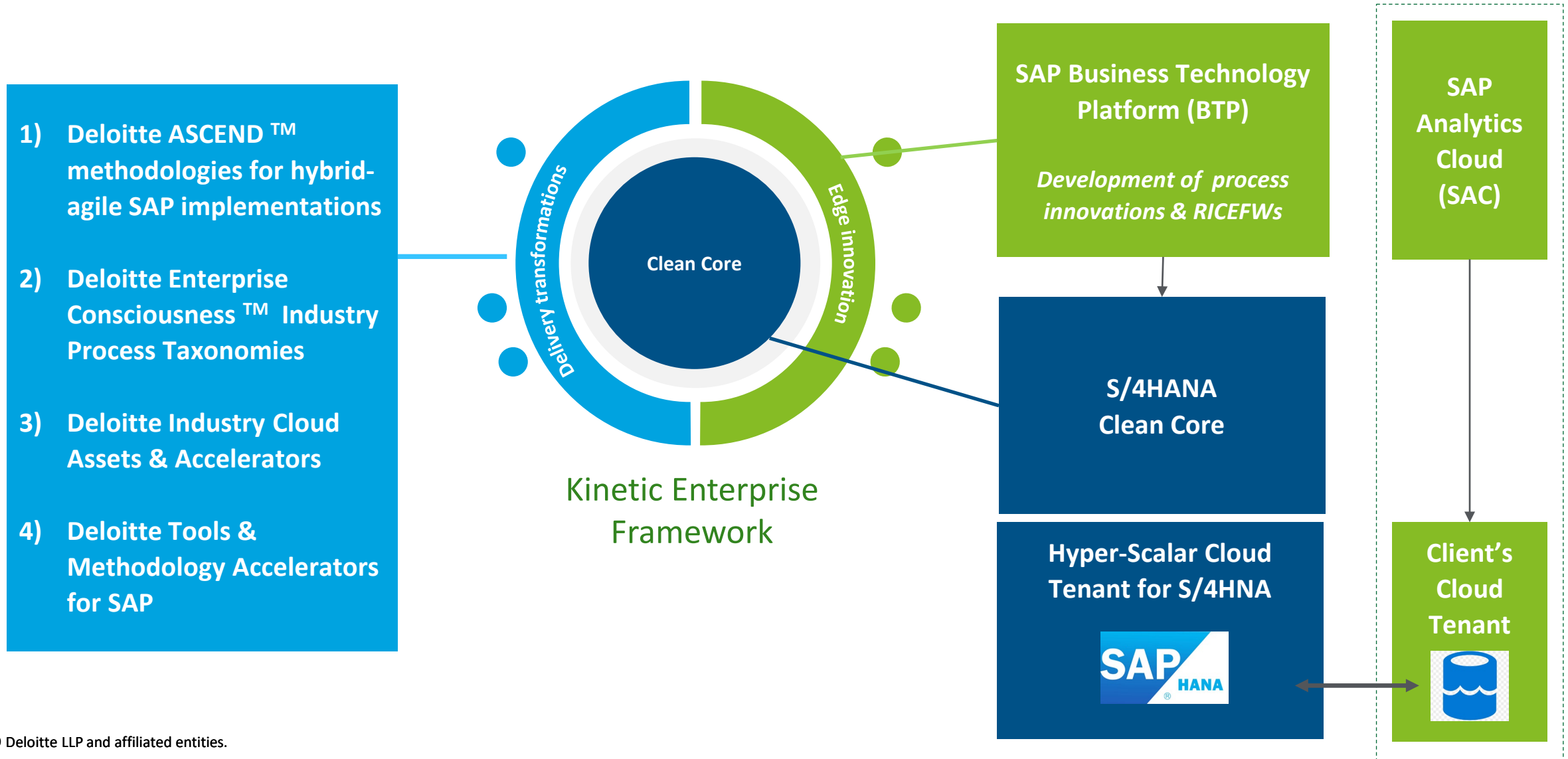
Inclusive: End-to-end strong ecosystem of Deloitte, SAP, hyper-scalar cloud service providers and SAP proven solution providers



servicenow

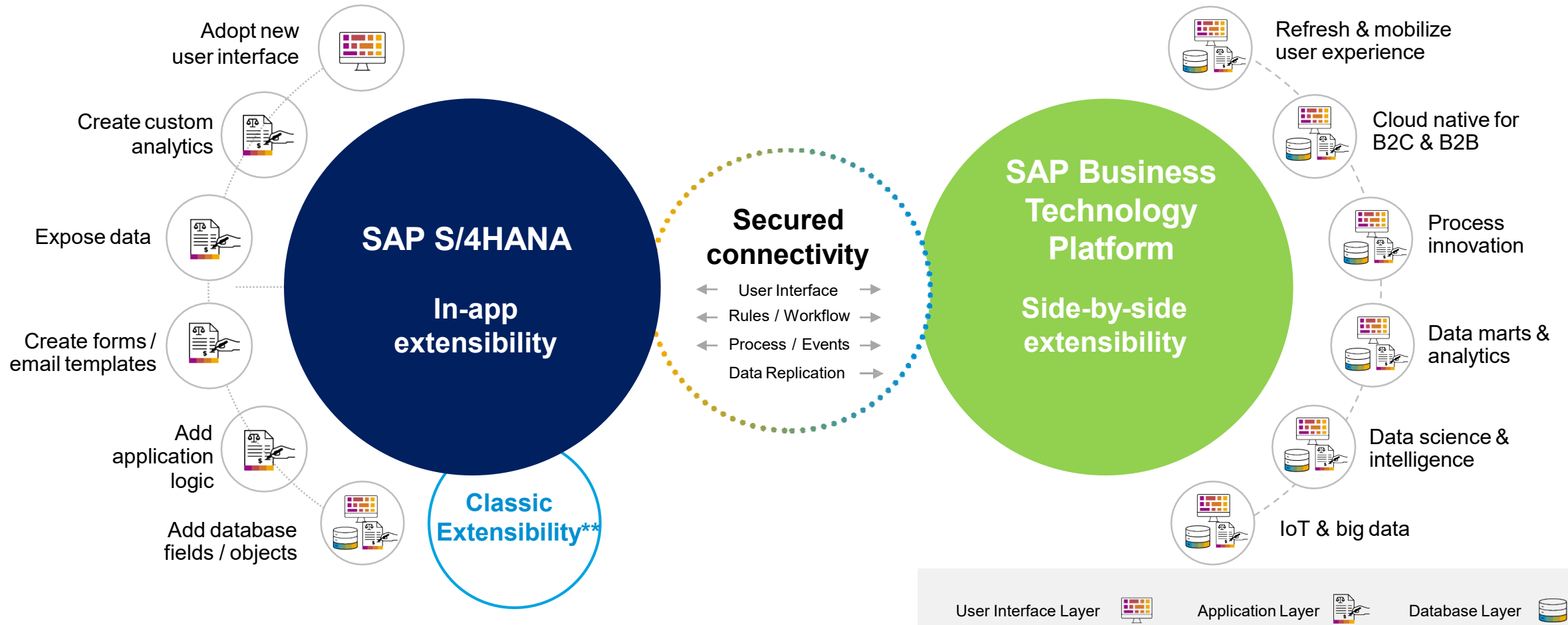
Our Kinetic Enterprise Reference Framework for SAP Cloud Transformations

Cloud becomes the enabling technology that has allowed SAP ERP to be at the core of a Kinetic Enterprise



Process Extensibility and Innovations (RICEFWs) in the Cloud

Cloud becomes the enabling technology that has allowed for a Clean ERP Core



** With some deployment models only

E2E Security / E2E Lifecycle Management

2. Cloud Deployment Models for SAP S/4HANA ERP

Cloud Service & Deployment Models for SAP S/4HANA

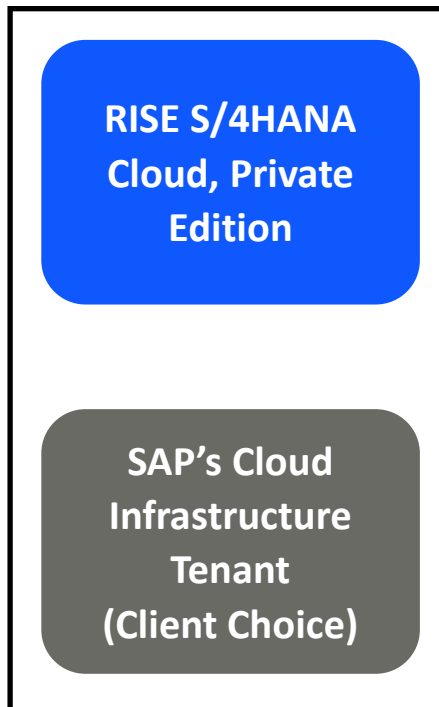
SAP S/4HANA Service & Deployment Models



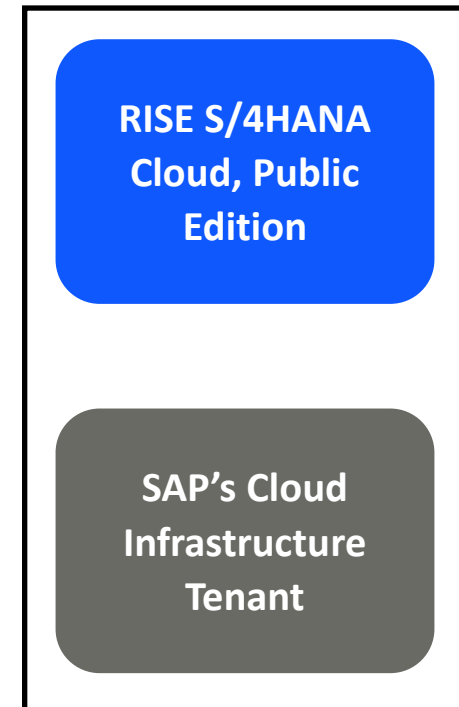
SAP S/4HANA on Cloud



RISE SAP S/4HANA Cloud, Private Edition



RISE SAP S/4HANA Cloud, Public Edition



Cloud Service & Deployment Models for SAP S/4HANA

Infrastructure-as-a-Service (IaaS)



SAP S/4HANA on Cloud

Clients can access fundamental computing resources such as servers, data storage, and networking equipment and infrastructure. Client's can use the Cloud Service Provider's equipment to deploy and run software (eg. SAP S/4HANA) as they see fit.

With SAP S/4HANA On-Premise, this allows for flexibility to do a pure technical upgrade, including bringing over all existing core customizations and custom add-on modules to meet their existing process functional scope.



Deployment Type	Conversion or New Implementation (Brownfield to Greenfield)
License Model	Perpetual Software + Annual Maintenance
Extensibility	Full Side-by-Side Extensibility & Core Customizations
Modifications	Allowed but Not Recommended
3rd Party Add-ons	Allowed
Release Upgrades	Not included (Client Responsibility)
Upgrade Availability	2 Year (starting with 2023)
Upgrade Frequency	Client's Release Management Policies
Infrastructure	Hyperscaler Cloud Service Provider (Client Tenant)

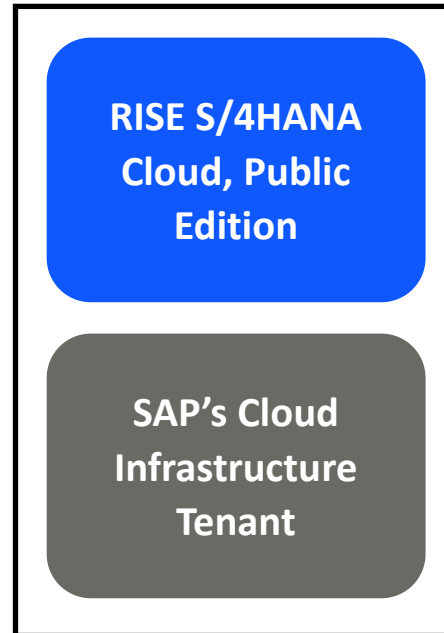
Cloud Service & Deployment Models for SAP S/4HANA

Software-as-a-Service (SaaS) – Public Cloud

SaaS is a software distribution model in which customers purchase a service to use applications hosted by a Cloud Service Provider. The service is made available for use over the Internet.

A Public Cloud, the Cloud Service Provider's infrastructure and resources are available to the general public over the Internet and serve multiple clients.

With SAP S/4HANA Public SaaS, this offers the most fit-to-standard processes, the most un-encumbered ERP from customizations and technical debt and enables continuous innovations towards all the Kinetic attributes in their ERP



RISE SAP S/4HANA Cloud, Public Edition

Deployment Type	New Implementation Only (Greenfield)
License Model	Software Subscription
Extensibility	In-App Configurations BTP Side-by-Side Extensibility
Modifications	Not Permitted
3 rd Party Add-ons	SAP Certified Public Cloud Add-Ons Only
Release Upgrades	Included and Mandatory (SAP)
Upgrade Availability	2 Per Year
Upgrade Frequency	1 Per Year (Mandatory)
Infrastructure	SAP's Hyper-Scalar Cloud Tenant

Cloud Service & Deployment Models for SAP S/4HANA

Software-as-a-Service (SaaS) – Private Cloud

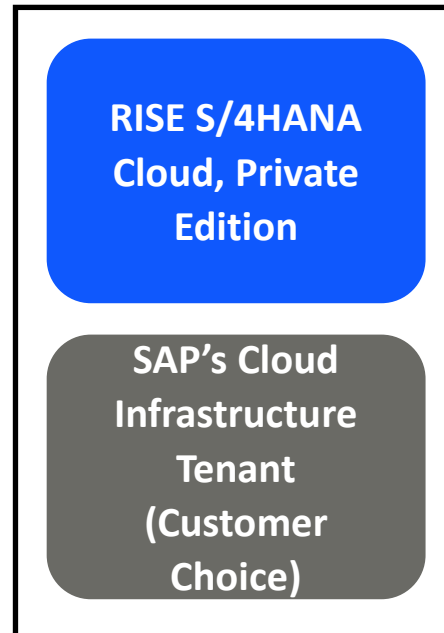


RISE SAP S/4HANA Cloud, Private Edition

SaaS is a software distribution model in which customers purchase a service to use applications hosted by a CSP. The service is made available for use over the Internet.

A Private Cloud is a computing environment operated specifically for one client, allowing for flexibility in customer's functional scope, configuration and customizations.

With SAP S/4HANA Private SaaS, this allows for flexibility to use industry add-on modules, SAP certified 3rd party supported ERP add-ons, and to bring over existing legacy configurations, customizations and modifications



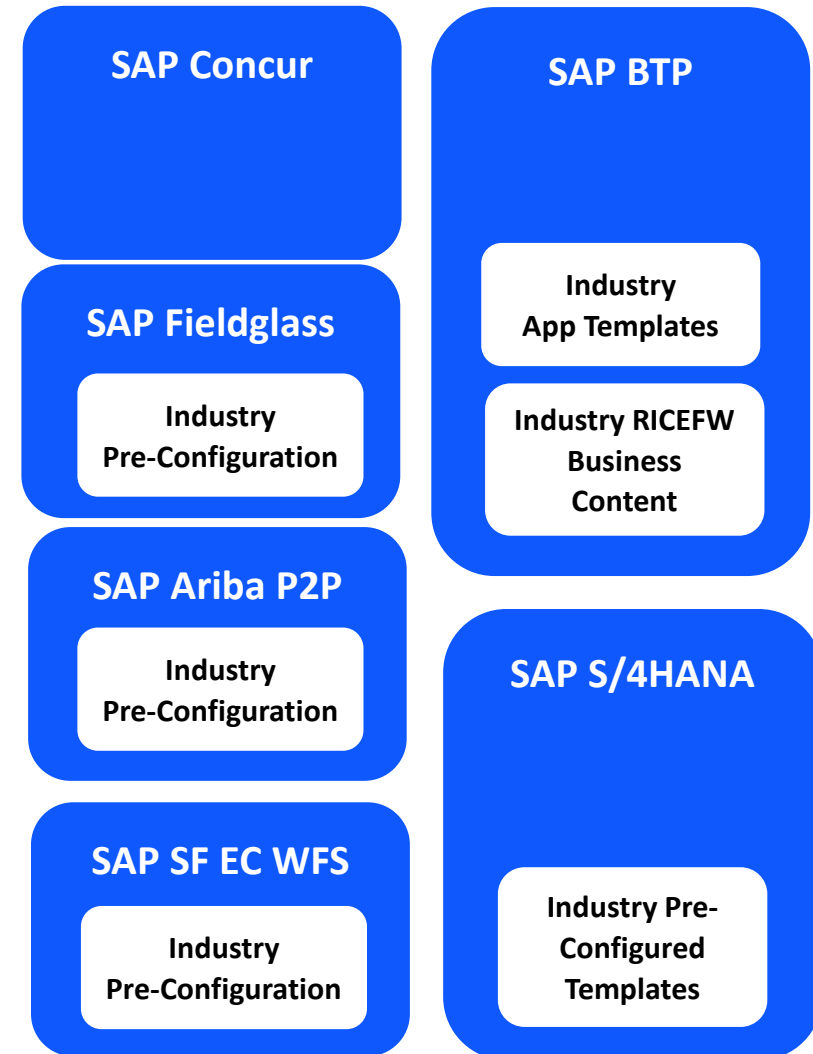
Deployment Type	Conversion or New Implementation (Brownfield to Greenfield)
License Model	Software Subscription
Extensibility	Full Side-by-Side Extensibility & Core Customizations
Modifications	Permitted (limitations) but Not Recommended
3 rd Party Add-ons	Defined list of S/4HANA qualified add-ons only
Release Upgrades	Customer Decision (Optional Service Provided by SAP)
Upgrade Availability	Every 2 Years (starting with 2023)
Upgrade Frequency	Min. every 5 Years within mainstream maintenance
Infrastructure	SAP's Hyper-Scalar Cloud Tenant (Client Choice)

Cloud Service & Deployment Models for SAP S/4HANA

SAP Industry Clouds (Templated Industry Scope)

SAP Industry Clouds provides specialized industry-focused accelerators and pre-configured industry processes and data models to help optimize, extend and transform your core business processes.

SAP's Industry Clouds should be composed of SAP **S/4HANA templates and accelerators** of pre-configuration for the industry processes as a starting point - with little to no customizations (ie. Clean Core) for that industry, along with Industry specific business content to develop **client specific RICEFWs** plus usable Industry specific applications (may still need client specific scope) developed in SAP BTP.

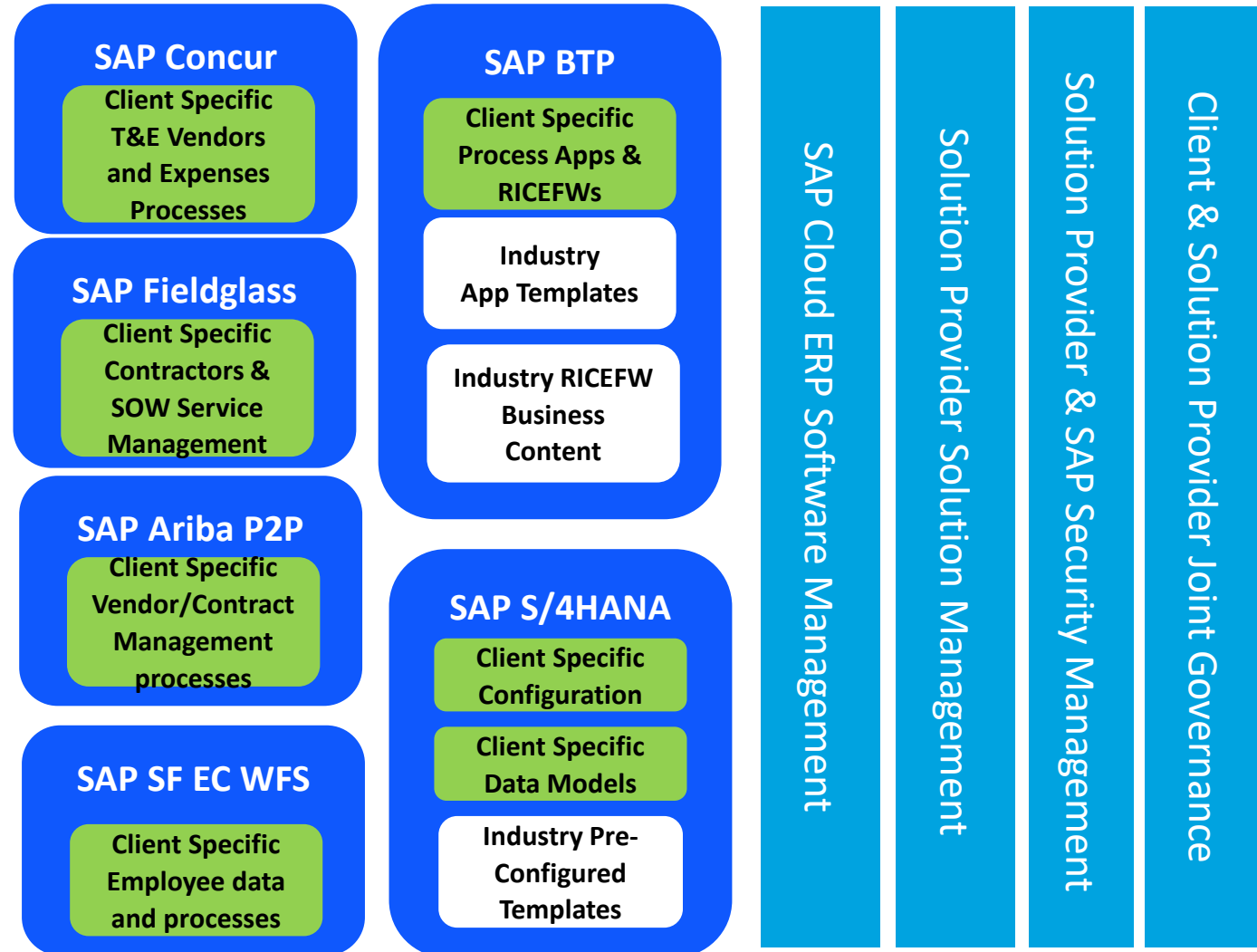


Cloud Service & Deployment Models for SAP S/4HANA

SAP Solution-as-a-Service (SolaaS)

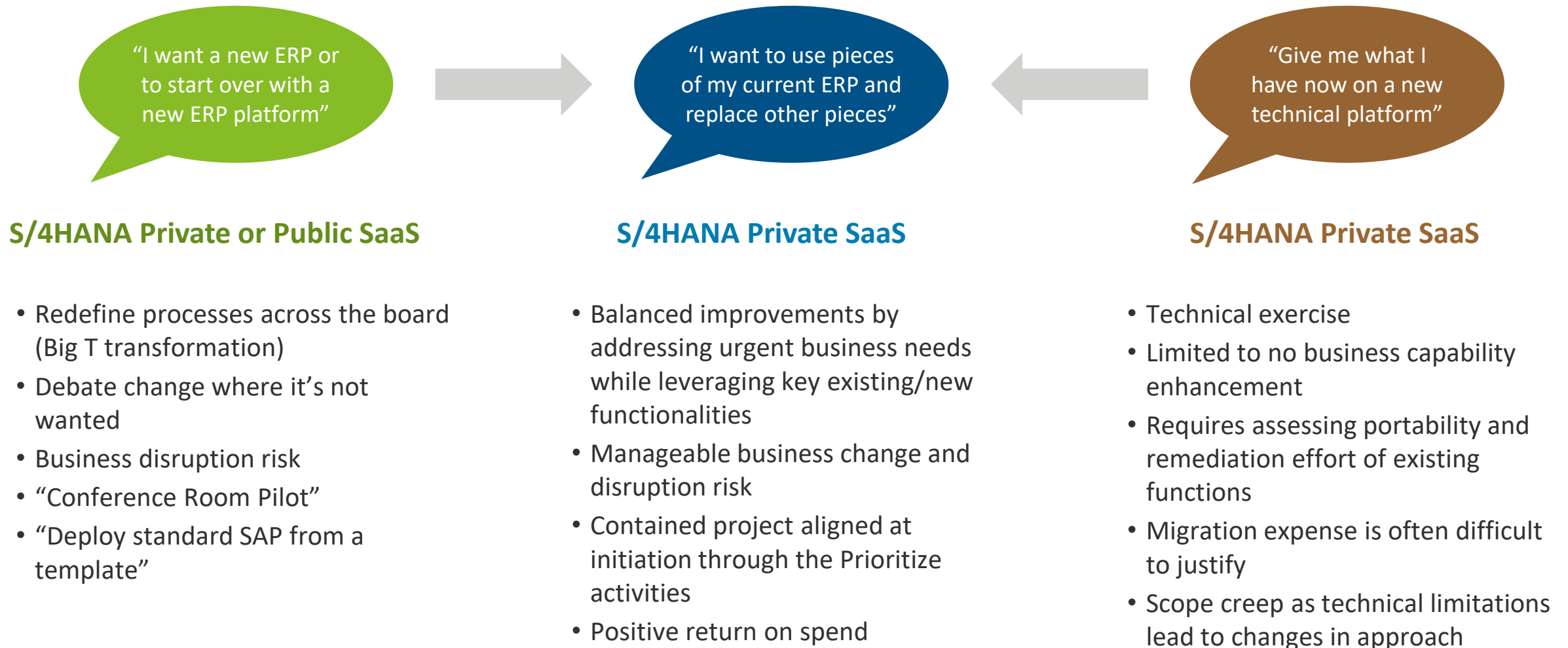
SAP Solution-as-a-Service provides SAP operations and sustainment support management across all of SAP's Cloud solutions for a client specific industry and functional process solution as a service in a subscription service model.

This type of service model is typically provided by a Solution Provider or Systems Integrators with the capabilities for operations and sustainment support of SAP.



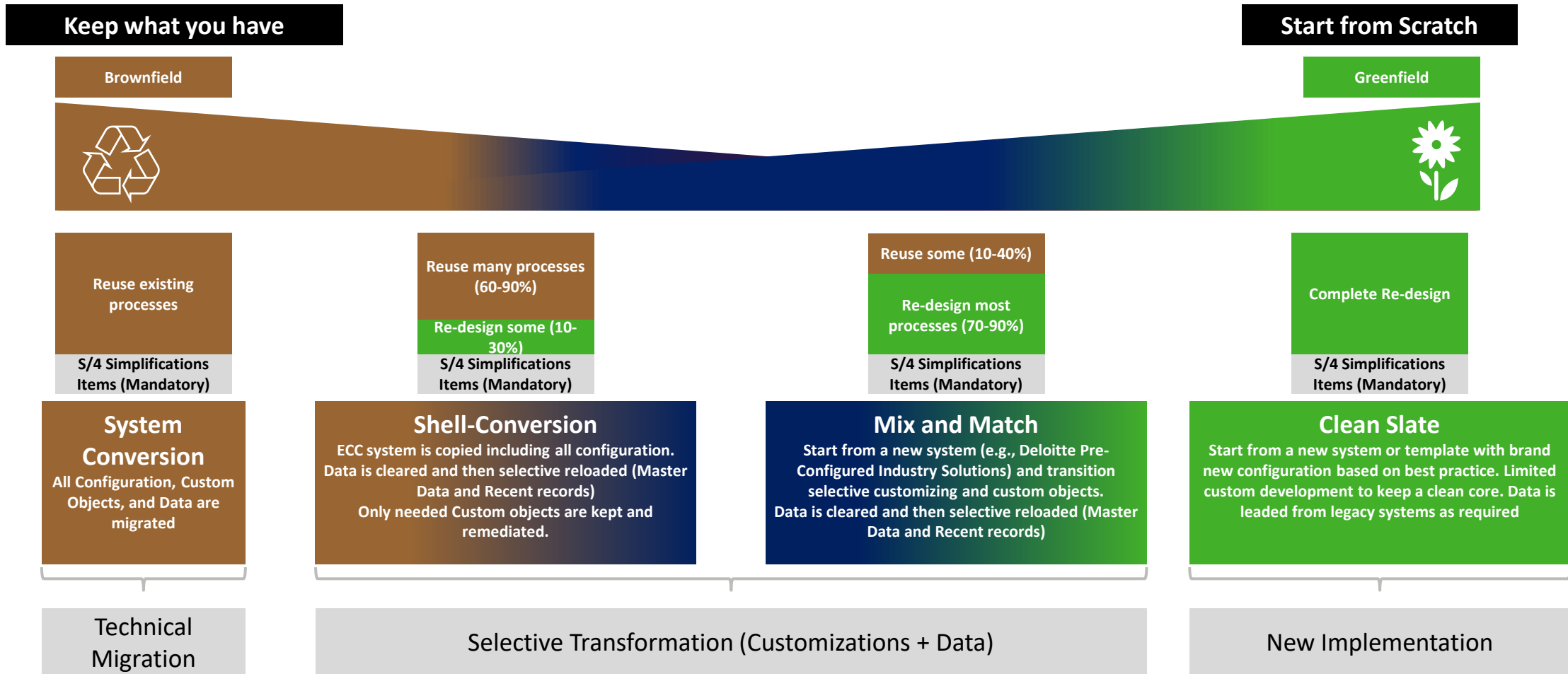
3. Path for SAP to Cloud

Migration and Transformation Strategies to S/4HANA Cloud ERP



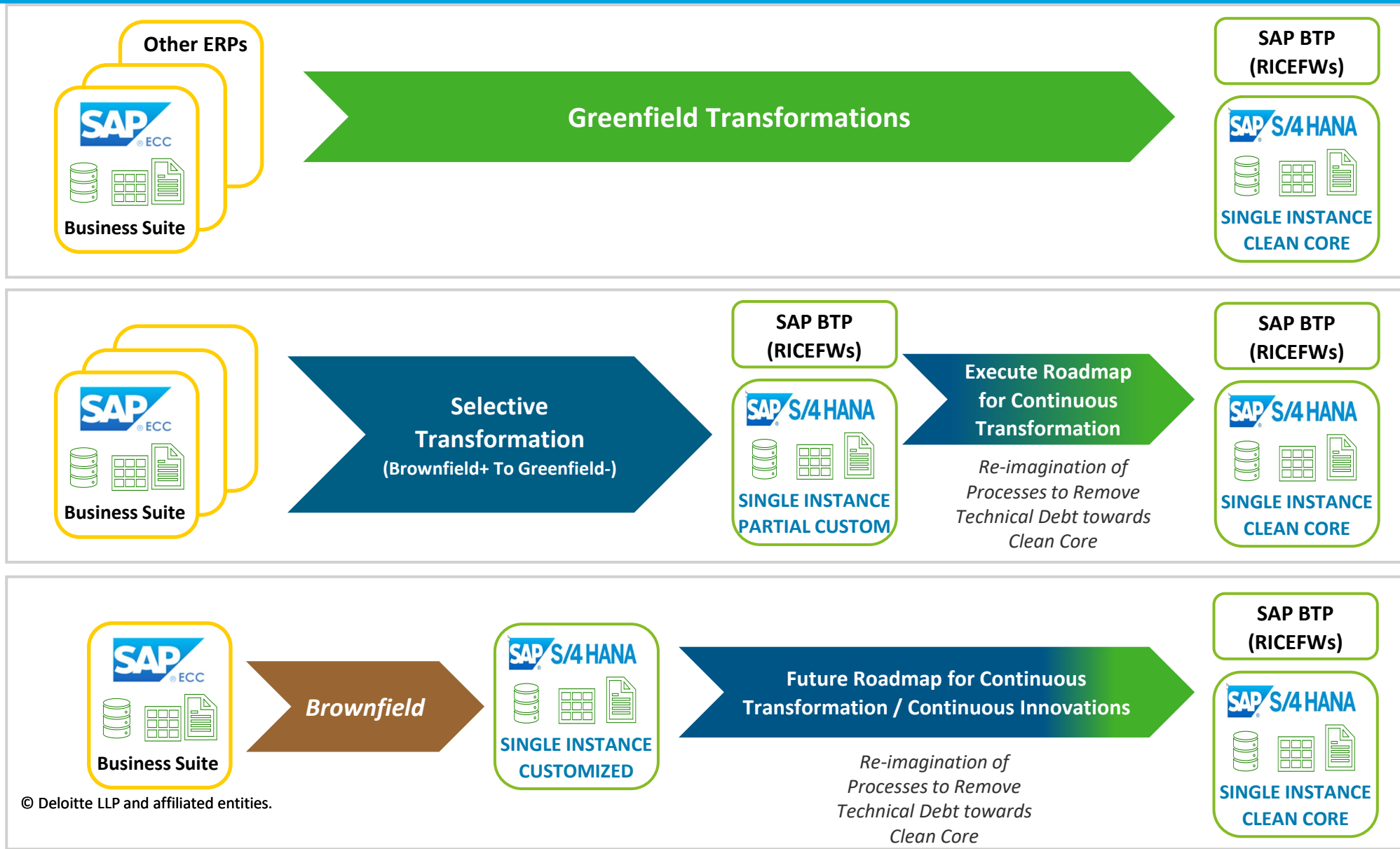
Selective Transformation is a spectrum between Greenfield & Brownfield

The starting point in the journey to a S/4HANA Clean Core can start anywhere in the spectrum



Migration and Transformation Strategies to S/4HANA Cloud ERP

What the various strategies looks like in SAP ERP systems

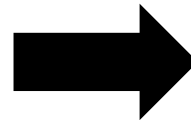
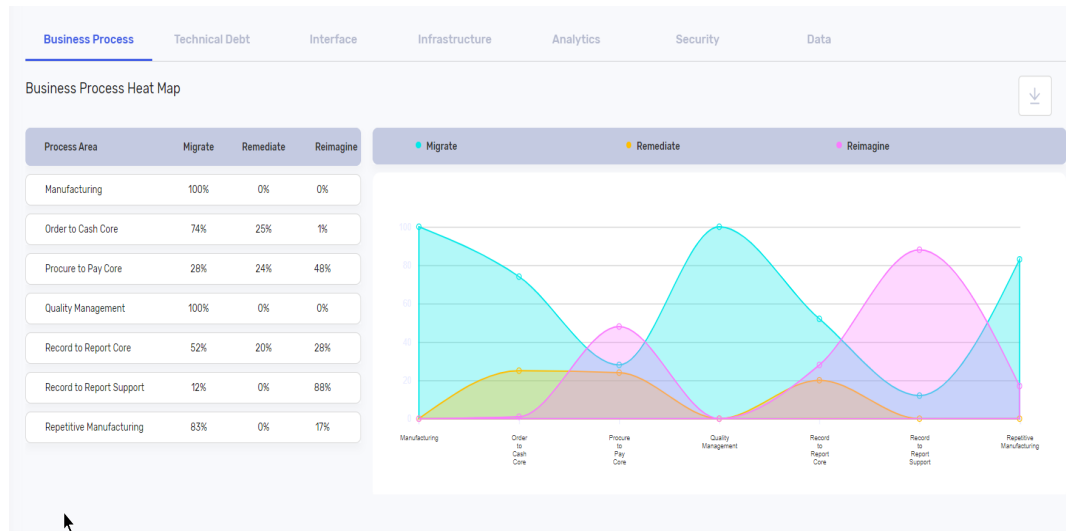


Continuous Process Innovations

Selective Transformation Analysis towards a Process Taxonomy Heatmap

We have a variety of Selective Transformation tool that use AI to analyze the current Business Suite system and we combine it with Process Mining Tools (eg. RISE Signavio) to look for areas of process optimization. Working with your business and functional teams across L1-L2-L3 process areas would result in a Transformation Heatmap

Selective Transformation Tools Example powered by AI for Analysis



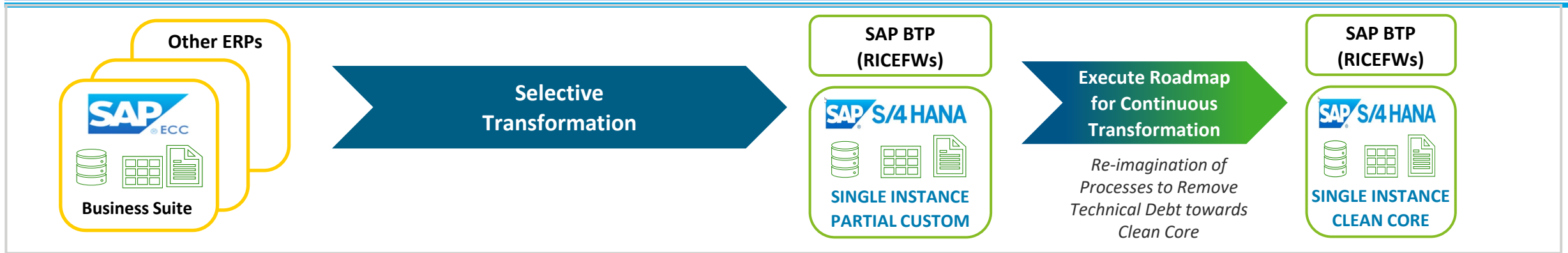
L1-L2-L3 Process Taxonomy Heatmap for Migrate vs. Transform

P-060 Procurement Contracts and RFQ (Non-Production Material)		P-070 Purchase Requisitions	P-080 Purchase Orders		P-090 Supplier Contracts		P-100 Supplier Consignment Stock	P-110 Subcontracting	
P-060-010 Aggregate Requirements/Demand	P-060-100 Choose Supplier (Non-prod)	P-070-010 Identify MRP Requirements	P-080-010 Release Scheduling Line From Scheduling Agreement	P-080-090 Monitor Order Status	P-080-190 Transmit Dunning Letter	P-090-010 Monitor Supplier Schedule Performance	P-090-100 Modify Service Agreements	P-100-010 Define Vendor/Material Consignment Parameters	P-110-010 Establish Requisition PO or Scheduling Agreement for Subcontracting
P-060-020 Develop Contract Requirements	P-060-110 Create Supplier Contract (Non-prod)	P-070-020 Identify Non-MRP Requirements	P-080-020 Create and Release Contract Order	P-080-100 Resolve Order Issues with Suppliers	P-080-200 Identify Requirements Affecting Procurement Card Usage	P-090-020 Monitor Supplier Cost Performance	P-090-110 Monitor Corrective Actions	P-100-020 Define Contract for Consignment Receipts	P-110-020 Create PO for Components to be Purchased & Delivered to Subcontractor
P-060-030 Identify Approved Suppliers	P-060-120 Create Schedule Agreement (Non-prod)	P-070-030 Determine if Item Exists as a Material Master	P-080-030 Create Plant-to-Plant Transfer Order	P-080-110 Modify Purchase Order	P-080-210 Create and Maintain Internal Catalogue	P-090-030 Monitor Supplier Technical Performance	P-090-120 Negotiate/Update Purchase Contract	P-100-030 Release Order to Refresh Stocks (by Customer)	P-110-030 Specify Component Materials & Quantities to be Provided to Subcontractors
P-060-040 Manage Tendering Process	P-060-130 Create Service Agreement (Non-prod)	P-070-040 Determine if Item is Already Ordered/Requested	P-080-035 Create Intercompany Plant-to-Plant Transfer Order	P-080-120 Cancel Original Purchase Order	P-080-220 Purchase Using Procurement Card	P-090-040 Monitor Reporting Requirements	P-090-130 Issue Letters of Intent	P-100-040 Release Order to Refresh Stocks (by Vendor)	P-110-040 Place Component Stock into Material Provided to Vendor Status
P-060-050 Create Supplier RFQ (Non-prod)	P-070-050 Create Requisition	P-080-040 Create and Process Purchase Orders	P-080-130 Select New Supplier	P-090-050 Identify Issues with Suppliers	P-090-140 Terminate Contract	P-100-050 Receive Deliveries into Inventory (Not Yet Owned)	P-110-050 Receive Product from Subcontractor Write-off Components Consumed		
P-060-060 Issue RFQ (Non-prod)	P-070-060 Convert from Planned Orders to Requisitions	P-080-050 Create and Process Purchase Orders	P-080-140 Verify Requirements and Terms with New Supplier	P-090-060 Identify Corrective Actions	P-090-150 Re-initiate Procurement	P-100-060 Vendor for Consumed Consignment Goods	P-110-060 Post Subsequent Adjustments of Component Stock Consumed		
P-060-070 Receive Quotations (Non-prod)	P-070-070 Perform Requisition Approval Process	P-080-060 Transmit Order to Supplier	P-080-150 Determine Alternate Materials and Approaches	P-090-070 Analyze Waiver		P-100-070 Calculate Consumed Consignment for Payment w/o Invoice	P-110-070 Process Subcontracting Invoice for Services		
P-060-080 Process Quotations (Non-prod)	P-070-080 Assign Requisition to Supplier	P-080-070 Receive Order Acknowledgement	P-080-160 Transmit Reminder Letter	P-090-080 Modify Supplier Contracts					
P-060-090 Negotiate with Supplier	P-070-090 Release Purchase Requisition	P-080-080 Process Order Acknowledgement	P-080-170 Receive Advance Shipping Notification (ASN)	P-090-090 Modify Schedule Agreements					
	P-070-100 Notify Appropriate Parties		P-080-180 Process Advance Shipping Notification (ASN)						



Selective Transformation to S/4HANA Cloud, Private Edition

How we use the various SAP + Deloitte components of SAP's RISE software bundle



Scan-Prioritize-Plan Current System: Develop a Migration-Transformation Heatmap and Plan using Deloitte's ST Tool



S/4HANA Cloud (Private): Migrate + Remediate ABAP Customizations from ECC to S/4HANA + Deloitte Pre-Configured Industry Solutions



Business Technology Platform (BTP): Re-imagine processes and develop RICEFWs using BTP Cloud extensibility



Potential for Additional Business Capabilities: Implement the foundation with Success Factors, Ariba, Concur, Logistics Business Network, and SAP Sustainability Control Tower + ESG foundation



Signavio + Custom Code Scans: Determine new initiatives to re-imagine processes to Clean the Core



Business Technology Platform (BTP): Continual transformation with re-imagination of process RICEFWs using BTP Cloud extensibility



S/4HANA Cloud: Remove customizations (technical debt) through Continual Transformation towards a Clean Core

Q&A & Discussions