

A Clean Core: the 'why' and the 'how'

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Speaker introduction



- ✓ 25 years of SAP experience in a career of 29 years in a variety of roles including SAP product development, delivery/advisory/consulting, pre-sales, & sales; currently work for the SAP S/4HANA Center of Excellence, North America
- ✓ Served nearly 100 clients globally & across multiple industry verticals including Public Sector, Utilities, Media, Manufacturing, Pharmaceuticals, Oil & Gas, & Hi-tech among others
- ✓ Areas of expertise include SAP Financials, Logistics/Supply Chain, Reporting & Analytics, Data Management & Governance, Cloud technologies, User Experience, & Project/Program Management
- ✓ Prolific thought leader: Published over 100 articles & white papers for SAP publications; written 5 SAP books; spoken at nearly 100 SAP conferences globally

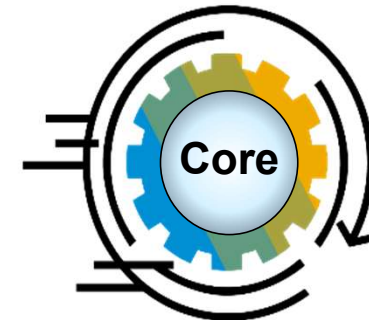
Agenda

- Key Concepts
- Why is a clean core necessary
- How to achieve a clean core

Clean



Clean means up-to-date, transparent, unmodified, consistent, efficient and cloud compliant.



The core describes the main aspects of an ERP system, namely extensibility, processes, data, integration and operation. Capabilities of the core depend on the implemented software-stack.

Do existing customers have a 'clean core'?

- Based on the concepts, very few existing SAP (ECC or S/4HANA on-premise) customers have a clean core
- Our observations on a 'dirty' core include:
 - Not on the latest enhancement package or release
 - Medium to large volume of customizations (WRICEF objects)
 - Modifications to SAP core code/functionality (aka core mods), especially in older versions (like SAP ECC & R/3)
 - Point-to-point integrations
 - Few decoupled 'extensions'
 - Data fragmentation, multiple versions of the truth

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Clean core – why (1)?



Rapid innovation

- Improve agility by creating distinguishing business models and scaling capabilities with the business
- Adapt to new versions with greater ease and consume innovations directly from SAP standard software releases
- Gain clear visibility into business process performance prioritizing innovations

Clean core – why (2)?



Better execution

- Make better decisions through increased data quality and availability
- Collaborate more meaningfully by using one version of the truth to break down siloed departments
- Optimize processes with new ways to connect people with projects throughout the business

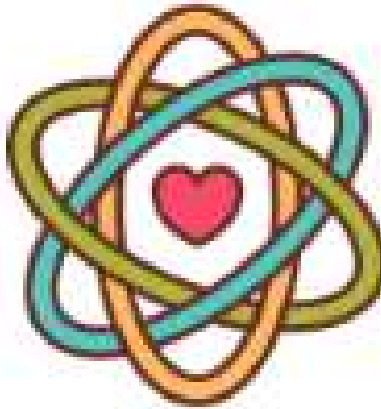
Clean core – why (3)?



Efficient Operations

- Minimize technical debt → build technical wealth
- Use more of your resources toward innovation, instead of maintenance
- Strengthen compliance with changing regulations and complex processes for tracking, auditing, and reporting
- Optimize security through up-to-date upgrades and the most-recent innovations

SAP & the clean core

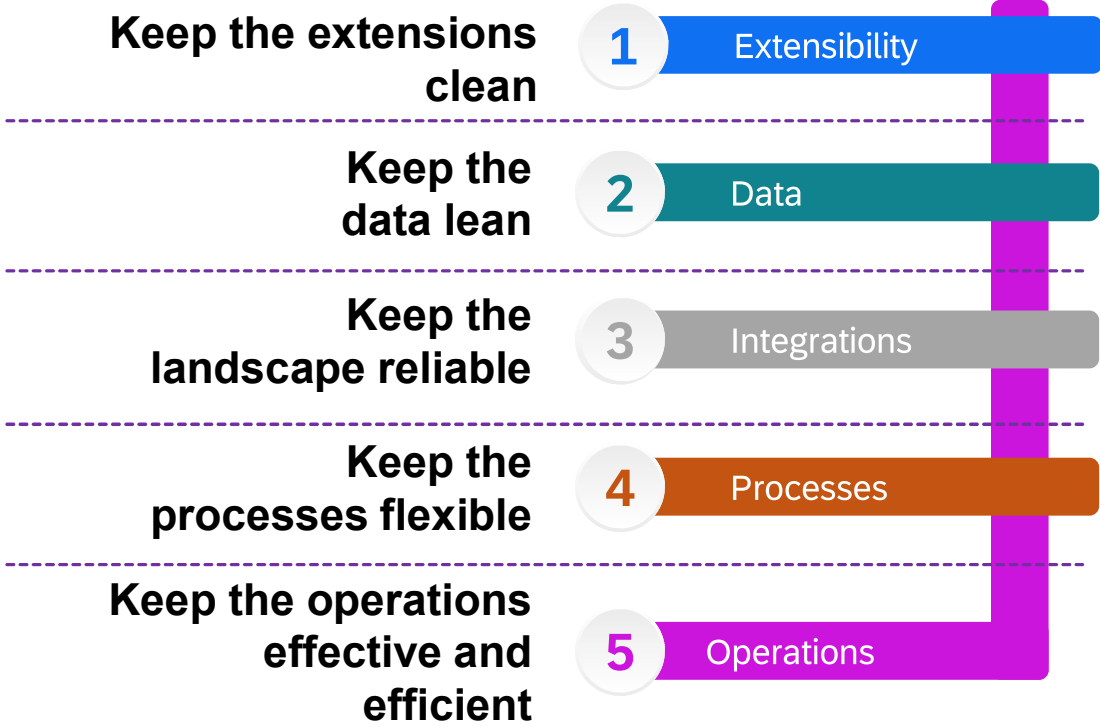


**SAP is committed to helping customers
achieve a clean core!!**

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How to keep the core clean



Keep the extensions clean

Key behaviors:

- ✦ Extensions should be **avoided** when possible
- ✦ Create **cloud compliant Extensions**, i.e. in a way that they would work in the cloud by setting up a **strong governance**
- ✦ **Custom extensions** do not break an upgrade and **upgrades** do not break an extension - separate extensions by leveraging released APIs
- ✦ Leverage the full capabilities of extensibility **on the stack** as well as side-by-side **with SAP BTP**
- ✦ Create **technical debt** only as the last resort



Keep the **extensions** clean

1 Extensibility

Keep the **data** lean

2 Data

Keep the **landscape** reliable

3 Integrations

Keep the **processes** flexible

4 Processes

Keep the **operations** effective and efficient

5 Operations

Keep the data clean



Key behaviors:

- ❖ **Modern** (configuration, master and transactional) **data requirements** are accuracy, completeness, consistency, timeliness, validity and uniqueness
- ❖ **Data volume** needs to be controlled in order to optimize memory and disk consumption
- ❖ Data should not contain **outdated, unused or redundant information**
- ❖ Personal master data must only be **stored with justifiable purposes**

Keep the **extensions** clean

1

Extensibility

Keep the **data** lean

2

Data

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Integrations

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Processes

Keep the **operations** effective and efficient

5

Operations



Keep the landscape reliable

Main Aspects:

- ✦ **Integrations shall be based on standard API's** (OData and SOAP)
- ✦ Side-by-side extensions should leverage **API Integration or S/4HANA Cloud SDK** by utilizing the tight coupling with **SAP Integration Suite**
- ✦ Loosely coupled integrations could be realized in an **Event-Driven Design** based on standard **Events**
- ✦ Avoid **traditional API's** (RFC and IDoc) and their related **classical extension options**
- ✦ Proper monitoring and error resolution capabilities can be realized by utilizing **SAP Application Interface Framework**

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Keep the processes reliable

Main Aspects:

- ✦ Business process design should be **close to SAP up-to-date standard capabilities** i.e. close to the shipped standard code-line
- ✦ **Mandatory extensions** should be documented, monitored and developed according to the **requirements for clean extensions**
- ✦ Organizations should be able to **trace the business process performance** based on a defined set of PPIs (Process Performance Indicators) and industry benchmarks

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Keep the operations effective and efficient

Main Aspects:

- ✦ The paradigm of keeping the core clean is integrated into the **end-to-end concept for operations**
- ✦ **Release management** should make up the foundation for a clean core
- ✦ **Housekeeping** activities which are in line with SAP best practices should be pursued and the distribution of roles and responsibilities that are agreed with SAP should be followed

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Clean core & S/4HANA deployments

- For Clean Core, the **best case scenario** describes an up-to-date system on the latest release, with cloud compliant extensions and integration, with optimal master data quality and with perfect process design
- **Greenfield**
 - Starting with a Clean Core and **stay clean** i.e. to **keep** a system updated and close to efficient standard processes, including modern extensibility and integration options as well as data governance; **Key enabler: S/4HANA Cloud, public edition**
- **Brownfield**
 - **Get AND keep clean** i.e. to **bring** a system closer to efficient standard processes, including the transformation from traditional custom code to modern extensibility, integration capabilities and data cleansing; **Key enabler: S/4HANA Cloud, private edition**

Clean core options with S/4HANA

Application

SAP S/4HANA Cloud, public edition

Ready-to-run cloud ERP that delivers the latest industry best practices and continuous innovation.

SAP S/4HANA Cloud, private edition

Tailored-to-fit cloud ERP that adapts to your organization's unique transformation.

Deployment Type

Greenfield

Brownfield

Commercial Framework

GROW with SAP
or
RISE with SAP

RISE with SAP

Key Takeaways

- Helping our customers attain or maintain a 'clean core' is a central & guiding principle of SAP
- A clean core enables customers to operate more efficiently, execute better, and be more innovative
- Clean core deals with multiple areas including extensions, data, integrations, processes, & operations → clean core doesn't just mean minimal or no customizations
- SAP provides paths and approaches to achieving a clean core – our RISE and GROW with SAP frameworks are key enablers

Questions?

For questions after this session, contact me at Anurag.barua@sap.com

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