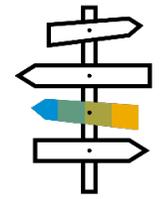


SAP® S/4HANA Roadmap to the Intelligent Enterprise

Savantis SAP S/4HANA Advisory Conversion + Implementation Services

Michael DiGiandomenico, CEO and President

Agenda & Introductions

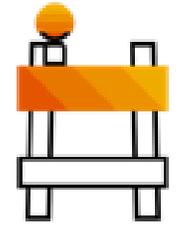


SAP S/4HANA System Transition Overview	10 mins.
Analyzing and Selecting the best-fit strategy to SAP S/4HANA	10 mins.
SAP S/4HANA Transition Case Study	10 mins.
Building a strategic plan for a robust SAP S/4HANA Discovery Phase	5 mins.
Questions and Answers	10 mins.



Michael DiGiandomenico
Chief Executive Officer & President

Avoiding common detours of adopting S/4HANA



SAP RIG Regional Implementation Group

The RIG is currently supporting 100+ S/4HANA transition projects. And there are only a handful of on-schedule, on-budget projects around the globe.

Business Issues



Unique roadmaps—Each SAP migration is unique due to customizations applied over time. There's no one single upgrade method that can be applied to all SAP migrations.



Business continuity — Business and system downtime with any transition option is unavoidable. Assess your company's tolerance to either extended cut-over outages or global deployment support early.



Data quality and security — Errors in data can quickly propagate across the SAP landscape. At the same time, data must be secure and comply with corporate and regulatory requirements.

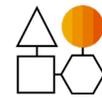


Limited resources — SAP experts versed in migrations are hard to find, and people with experience leading SAP transformations are even harder to find.

Technical Difficulties



Traceability and governance — Many businesses that run SAP are heavily regulated and must maintain end-to-end auditability, traceability and governance.



SAP technologies — SAP incorporates many proprietary technologies that require extensive technical knowledge to design, build, test and deploy.



Complex dependencies — The SAP landscape involves multiple applications, each with dependencies that can slow the software development process.



Diverse platforms — SAP modernizations must run on a variety of platforms, such as cloud and mobile devices.

Top 5 S/4HANA Conversion Challenges. Approximately one third of live clients underestimated the time, training, costs and customization involved in the S/4HANA transformation.

 **39%**

It took more time than expected

 **33%**

It required more training than expected

32% 

It costed more than expected

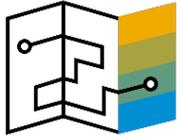
31% 

It required more customization

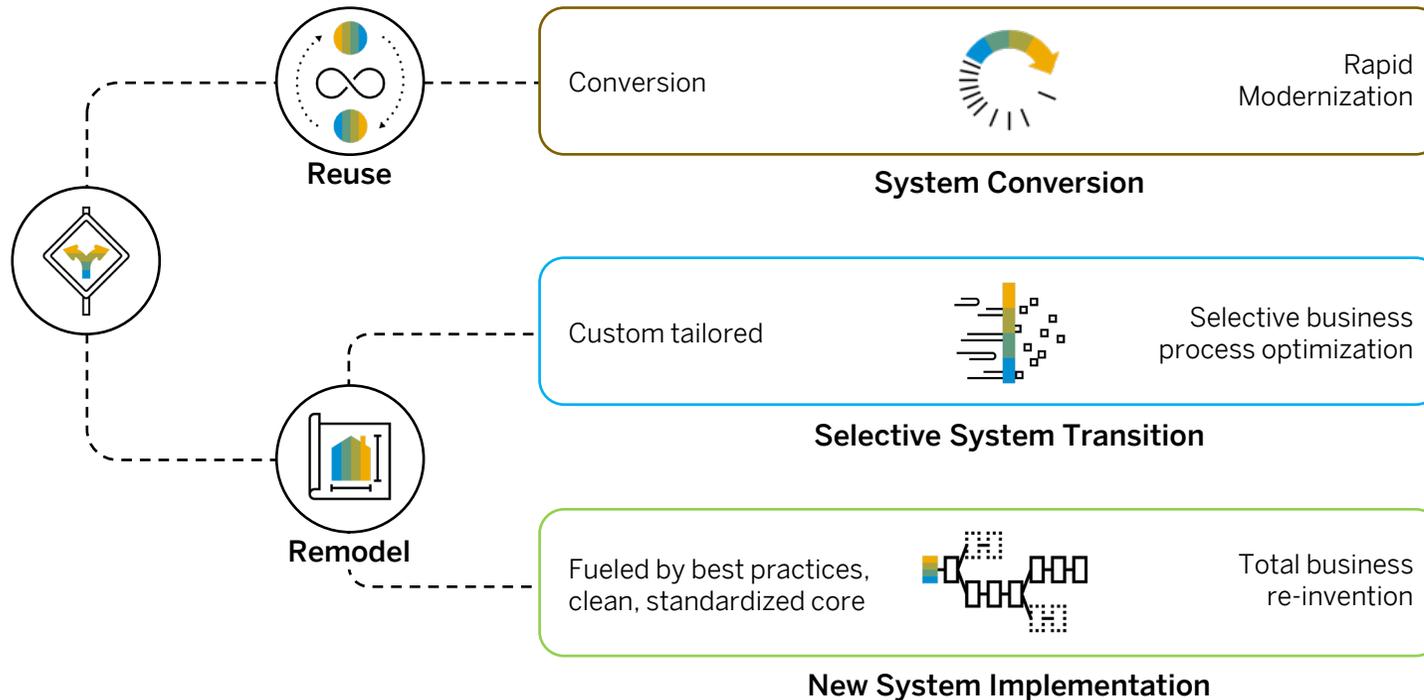
27% 

Difficulties integrating legacy systems

Plotting your course to the Intelligent Enterprise



Three Typical Paths to S/4HANA® Adoption

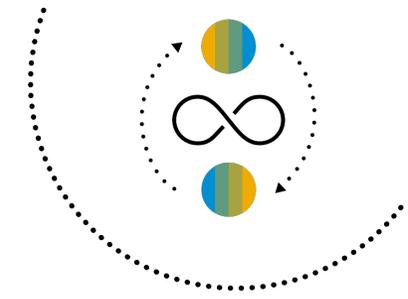


System Conversion. Update your enterprise core by converting your existing configured and customized deployment of SAP ERP ECC 6.x to SAP S/4HANA. This path can be accomplished on premise, or with a cloud hyperscaler such as Google Cloud, Amazon Web Services, or Microsoft Azure.

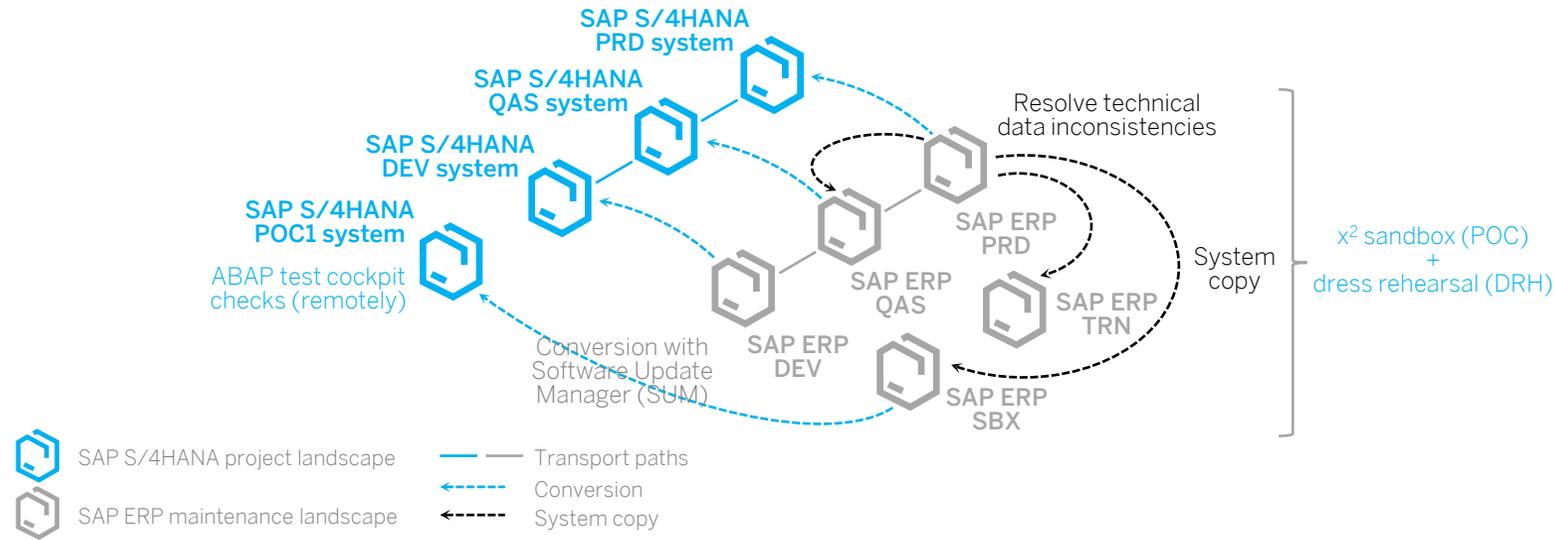
Selective Data Transition. This hybrid approach refers to more complex scenarios that go beyond the two standard options of system conversion and new implementation. It comprises options that increase the project's risk, effort, and complexity.

New Implementation. Choose this approach for getting a clean start along with an enterprise transformation. A new implementation can be performed on premise, in the cloud, or as a hybrid.

Reusing your configuration with a conversion



Conversion Cycles in a Three-System Landscape



- System conversion is a well-developed process supported by tools and utilities provided by SAP for analysis and execution.
- A system conversion preserves your configuration, historical data, business processes, and custom code.
- SAP S/4HANA and the in-memory database operates very differently than past versions of SAP ERP.
- A conversion is significantly more than an ‘upgrade’.
- Simplifications items are changes to core functionality in S/4HANA from that of older versions of SAP ERP 6.x that have optimized and simplified the vast solution code base that has proliferated in the last two decades.
- The SAP Fiori® user experience (UX) is another significant step forward in providing the business user communities access to SAP S/4HANA.

Remodeling based on a new implementation



Using SAP Best Practices industry templates as a foundation for the future state solution means applying a fit-to-standard approach instead of starting from scratch or trying to reengineer an older design that was based on limitations rather than innovation.



Adopt
>50%

SAP industry best practices template

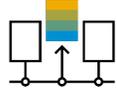
Adopt new S/4HANA business processes to renovate



Adjust
25%

SAP industry best practices template

Adjust new S/4HANA business process to localize



Add
15%

SAP industry best practices template

Add new S/4HANA business process to personalize



Innovate
10%

SAP industry best practices template

Innovate S/4HANA business process to differentiate

There are three business-driven criteria for when customers prefer new implementations over system conversions.

1. When the underlying SAP solution no longer supports the current or future business models of the organization. This requires renovating the SAP solution to align with the new business models of the organization.
2. When intense business process re-engineering is required, e.g., consolidating the core business functions or processes that support the business.
3. When customers have over-engineered and over customized. In this case moving to a new clean-core is the better choice that will drive cost-savings and new agility across the enterprise.

In either case, a new implementation provides the ability to:

- Build the new system with a clean-core based on SAP Best Practices
- Roll out the new solution using a legal entity, country or brand-based deployment strategy rather than a more risky "big-bang" approach
- More easily leverage SAP cloud solutions
- Improve business agility based on a new standardized core
- Reduce costs associated with running highly engineered and complex SAP custom code

Selective Data Transition is an alternative to the New Implementation approach



	SELECTIVE DATA TRANSITION STRATEGIES		NEW IMPLEMENTATION APPROACH	
<p>FULL REUSE</p> <p>LIMITED</p> <p>S/4 SIMPLIFICATION MANDATORY ITEMS</p>	<p>MAJORITY REUSE</p> <p>FOCUSED <30%</p> <p>S/4 SIMPLIFICATION MANDATORY ITEMS</p>	<p><50% REUSE</p> <p>MAJORITY >50%</p> <p>S/4 SIMPLIFICATION MANDATORY ITEMS</p>	<p>LIMITED</p> <p>FULL REDESIGN NET NEW BUILD</p> <p>S/4 SIMPLIFICATION MANDATORY ITEMS</p>	
<p>System Conversion</p> <p>A technical conversion of entire system including customizing, custom development and all data</p>	<p>Shell Conversion</p> <p>Reuse whole existing ERP customizing and custom development as baseline and selectively alter</p>	<p>Mix & Match</p> <p>Reuse partial existing ERP customizing and custom development with new design and customizing</p>	<p>New Implementation</p> <p>New best practice template-based implementation using Model Company fit-to-standard design and build approach</p>	
SYSTEM CONVERSION APPROACH				

SELECTIVE DATA TRANSITION

Selective Data Transition allows you to selectively re-use parts of your existing ERP solution while re-designing other parts simultaneously. Typically, this is done by application area, e.g., re-using the logistics configuration but re-designing the finance area. As shown in the diagram, a Shell Conversion is used when most of the solution and processes can be re-used. A Mix and Match strategy is used when the majority of the solution should be re-designed.

As its name implies, this approach involves transferring data from one or more existing ERP solutions to a new S/4HANA solution. The data selectively transferred can include:

- ABAP repository of objects and developments
- Configuration (customizing) data
- Master data
- Transaction data (open items and a time-slice of historical closed items, e.g., 2 years).

There are two common approaches to create a target system with Selective Data Transition. The Shell Conversion strategy and the Mix and Match approach. In a Shell Conversion, a shell copy of a production system is made without master and transaction data and is converted to SAP S/4HANA. In Mix and Match, a new S/4HANA install is created and then elements of the existing configuration and ABAP repository are transported or manually transferred. Both scenarios require data migration to follow including master data

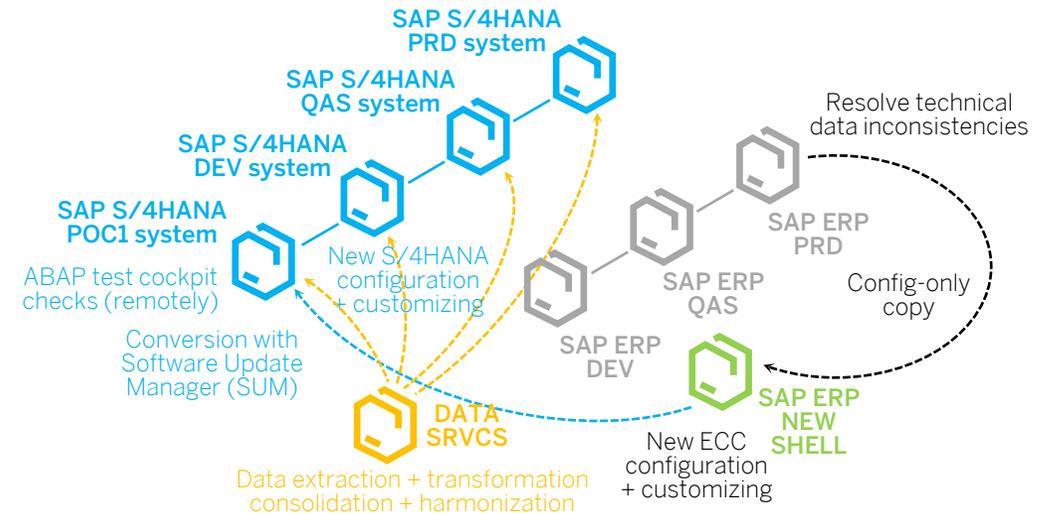
Reuse + Renovate = New S/4HANA Shell



If your existing SAP ERP 6.x system is relatively standard, still fits your company's business models and contains controllable custom code, you may choose to investigate an alternative approach to transition, called the Shell Approach.

In this scenario, you are seeking more immediate business value from the transition by reusing your assets in the source system and simultaneously renovating selective core business functionality by implementing from scratch in areas where you need immediate innovation to support differentiating capabilities.

1. Perform a new shell creation from your source SAP ERP 6.x system
2. Execute base customizing and configuration in the shell system
3. Execute a standard system conversion of the source shell system
4. Perform additional S/4HANA customizing and configuration changes to implement the differentiating capabilities.
5. Load harmonized master data, open items and historic data from the S/4HANA Migration Cockpit.

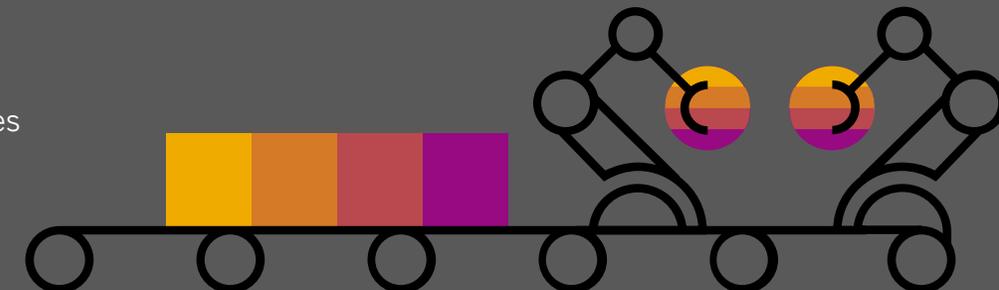


OPEN ITEMS

The term open items stands for financial open items, but it also includes balances, stock, open sales and purchase orders and other business objects. More generally, it refers to the initial dataset required to start business operations.

HISTORIC DATA

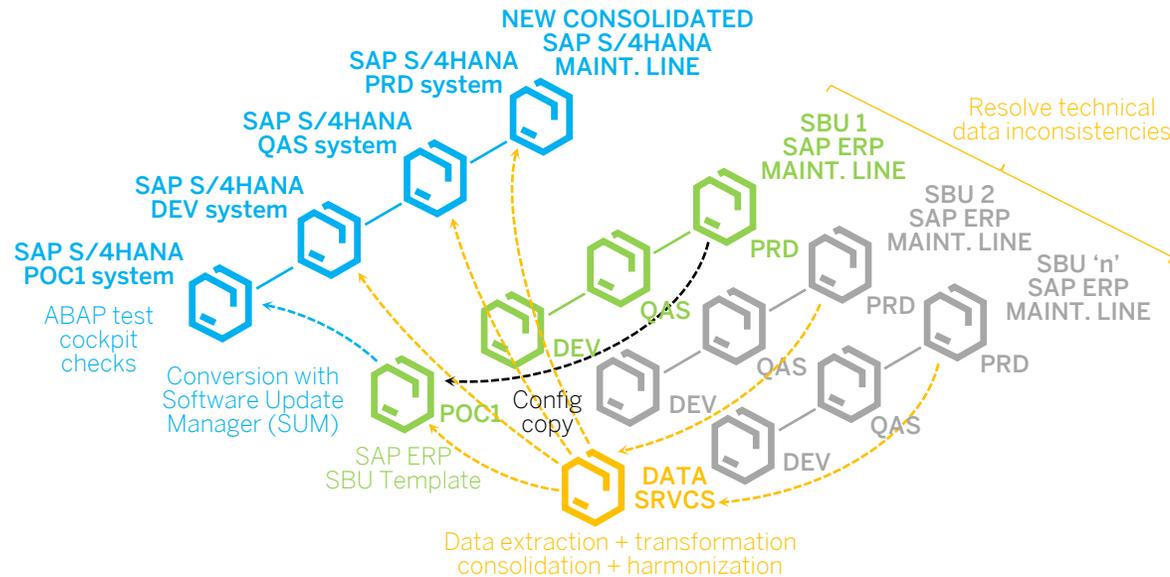
Historic data means completed and closed transactional data, e.g., fulfilled and fully billed sales orders, purchase orders and plant maintenance orders, as well as partially closed documents, for example, partially delivered sales orders.



Consolidating SAP landscapes

The primary business driver for a selective data transition approach is consolidating instances of SAP into a single platform that drives business process centralization and standardization most commonly found in MA&D.

Existing Source System Template Conversion + Data Harmonization



- Implementing a new SAP S/4HANA system based on an industry best practice solution followed by loading harmonized master data and open items from all source systems or,
- Converting one of the source systems that is a best-fit template for the enterprise and loading harmonized master data and open items from the other source system into the new consolidated instance (depicted above).

If you require historical data from numerous SAP ERP source systems, the selective data transition approach is your best fit option.

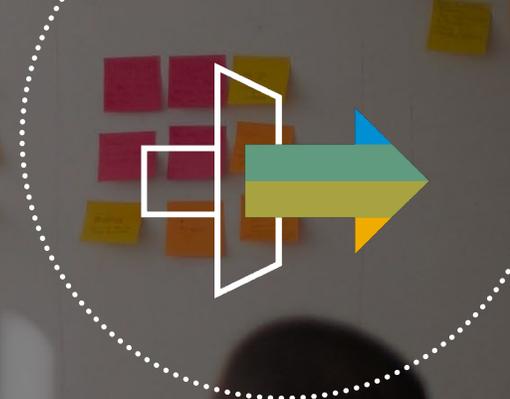
BUSINESS DRIVERS OF HISTORICAL DATA

In selective data transition programs, three guiding questions help to determine historic data conversion:

1. What data is absolutely required to start your business operations?
You need to have absolute clarity about what business objects you need and why.

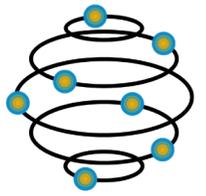
2. How well do you understand the mechanics of data migration?
SAP S/4HANA migration cockpit uses standard application logic to provision the data. The Software Update Manager (SUM) tool applies software vendor logic to convert the data in place during a system conversion.

3. Would you rather spend project budget on innovations or data migration? When migrating historic data, the extra cost comes not only from the specialized services you need, but also from extensive testing that is required for complex selective data transition scenarios.

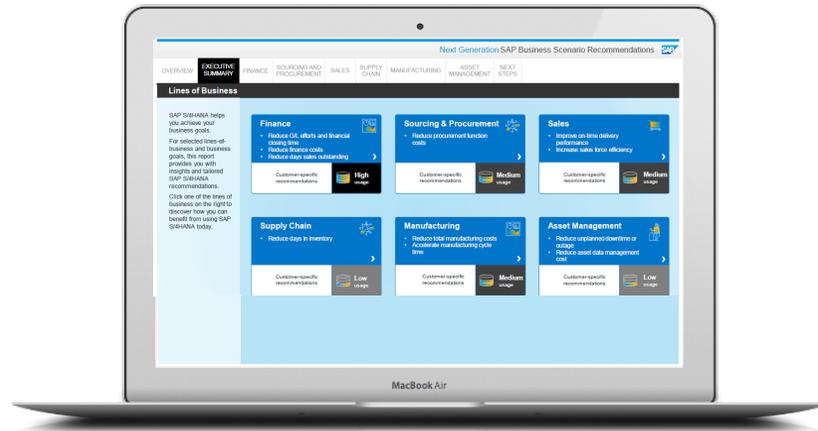


Analyzing and Selecting the best-fit strategy to SAP S/4HANA

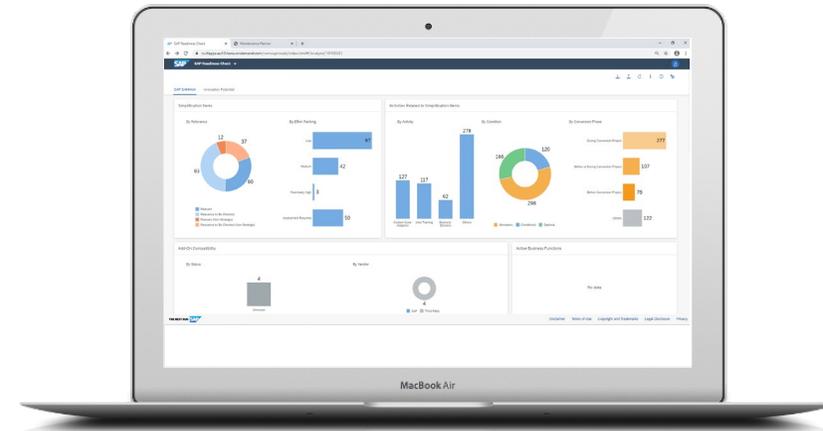
Modernizing your ERP to the intelligent core



You no longer need to wonder how SAP S/4HANA can benefit your company. By assessing the configuration and usage of your existing SAP software investment, these free, personalized tools increase the confidence you need to deliver a business case and technical deployment plan for SAP S/4HANA.



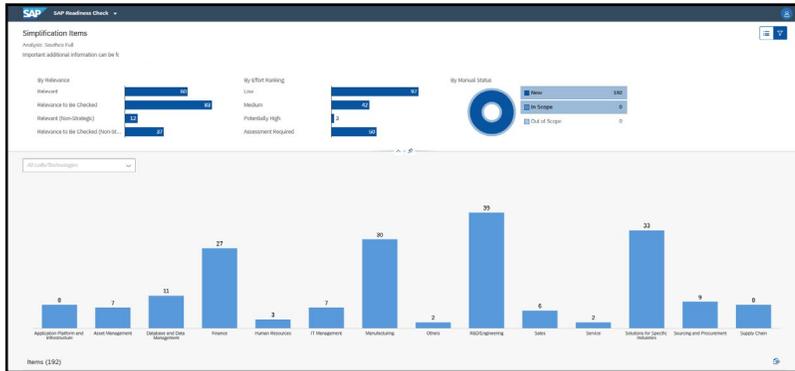
First, build your business case with SAP Business Scenario Recommendations. The service uses your SAP software usage data to identify business processes that can be transformed with SAP S/4HANA.



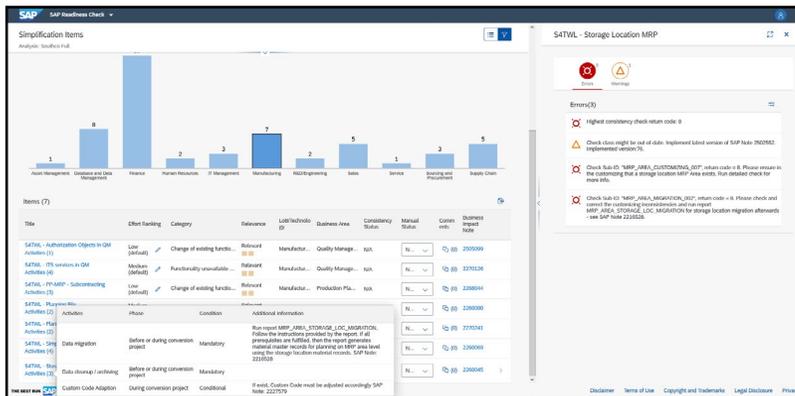
Then, you can plan your move with the SAP Readiness Check tool for SAP S/4HANA. Based on your usage and configuration data, the tool guides you through topics such as custom code adaption, add-on compatibility, sizing of SAP HANA, and recommended SAP Fiori® apps. You can plan your move to SAP S/4HANA with the immediate, personalized insights delivered through this tool.

Addressing simplification items

Simplification items per functional area provide the details for step-by-step remediation based on your system's specific configuration.



Title	Phase	Condition	Additional Information
S4FWL - ASSET ACCOUNTING	Business Decision	Optional	Decide about future ledger approach for asset accounting
S4FWL - ASSET ACCOUNTING	Phase Design / Blueprint	Mandatory	Create blueprint for required Asset Accounting configuration in SAP S/4HANA
S4FWL - ASSET ACCOUNTING	Customizing / Configuration	Mandatory	Perform customizing and configuration required for preparing the data migration and for the future asset accounting in SAP S/4HANA
S4FWL - ASSET ACCOUNTING	Custom Code Adaptation	Mandatory	For required custom code adaptation refer to simplification item SIZ_791_0A and SAP note 2225787
S4FWL - ASSET ACCOUNTING	Interface Adaptation	Mandatory	Adapt or replace obsolete or changed legacy data transfer methods
S4FWL - ASSET ACCOUNTING	Data cleanup / archiving	Optional	Reduce number of asset accounting documents to avoid unnecessary data error corrections and to enhance conversion efficiency
S4FWL - ASSET ACCOUNTING	Business Operations	Mandatory	Execute year-end and month-end closing activities
S4FWL - ASSET ACCOUNTING	Data correction	Mandatory	Check and correct inconsistent data which is relevant for the conversion
S4FWL - ASSET ACCOUNTING	Data migration	Mandatory	Perform data migration to new SAP S/4HANA data model
S4FWL - ASSET ACCOUNTING	User Training	Mandatory	Inform users about changes in Asset Accounting



Source Release	Target Release	Check	Application Component	Phase List	Target Software Component	Additional Notes
SAP ERP 6.0	Initial Shipment Stack					
SAP SFINANCE15 1503	Initial Shipment Stack					
SAP S/4HANA 1810	Initial Shipment Stack				SAP S/4HANA 1810	02.05.2017.FP

SIMPLIFICATION ITEMS

To enable SAP customers to better plan and estimate a conversion to SAP S/4HANA, SAP has created a "simplification list" where they have described the detailed functional changes from past versions of ERP to the new S/4HANA solution capabilities.

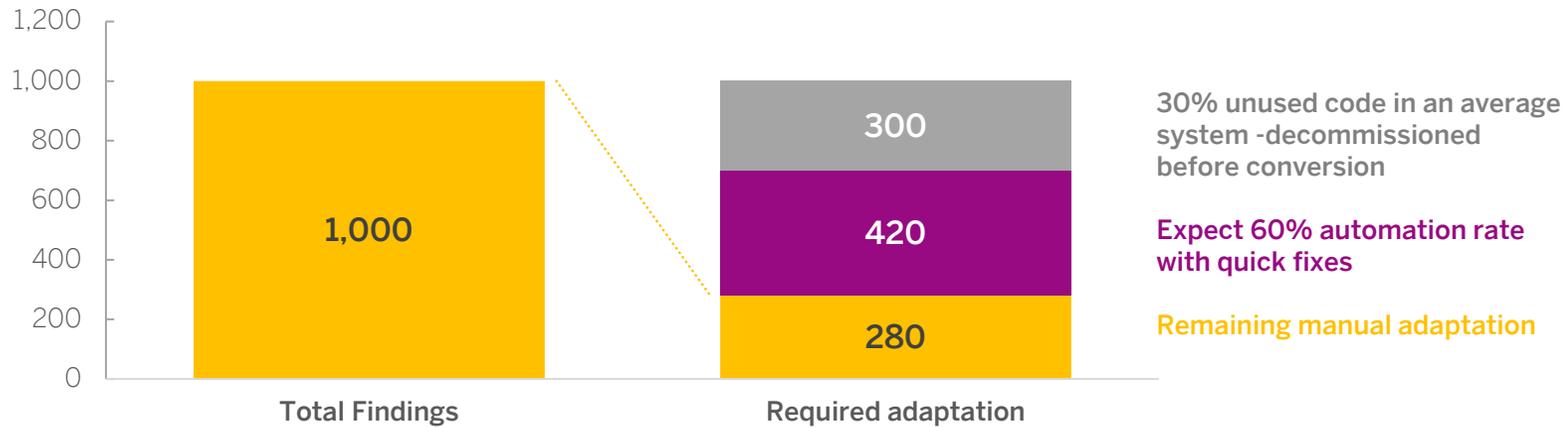
The simplification list is a collection of items that focus on what needs to be considered during a conversion project. The SAP Readiness Check for SAP S/4HANA displays the items that are relevant for your specific SAP ERP 6.x system configuration to SAP S/4HANA. The simplification items are identified according to factors such as transactions used, customizing, and tables. The simplification items are one of the most important means of preparing your move to SAP S/4HANA, and enable you to do the following:

- Display the S/4HANA simplification items that are relevant for your SAP ERP and reference related project activities to organize project efforts.
- Focus on the most important activities first, e.g., which business decisions are to be made and which tasks can be performed now on SAP ERP 6.0.
- Filter for mandatory and conditional activities to ease project planning and organize work by setting statuses.
- View an effort ranking of simplification items that is based on previous project experiences.



Guiding principles to custom code remediation

Exemplary Calculation for 1,000 Findings in Customer Code



Custom Code: Rethink and Clean Up, Not Just Rework

Over the past years, many long-term SAP customers have heavily extended and modified their SAP solutions. There are SAP ERP systems with a few million lines of custom code.

Take the transition as an opportunity to clean up your system. Put "clean core" and "zero modifications" on the list of your project's goals and ensure that all impacted custom code objects are either adapted or deleted during system conversion.

The custom code workstream should have these three major work packages:

- Remove unused code, and automate manual code
- Review modifications, clones, and implicit enhancements

Source: SAP and ASUG, Mapping Your Journey to SAP S/4HANA, March 2020

Removing Unused Code

In an average SAP ERP system, 30% to 60% of custom code is never executed in the production system. Use ABAP Call Monitor statistics and the "Custom Code Migration" SAP Fiori app to remove unused code upon conversion. This step is now technically integrated into the conversion process and makes the execution very easy. Keep collecting the data with usage procedural logging (UPL) if you already have it active. Alternatively, activate the ABAP Call Monitor and enable aggregation of statistics in the production system as soon as possible to have a reliable data set by the time of system conversion.

HIGHLIGHTS OF THE ABAP® PROGRAMMING LANGUAGE

- Simplified and enhanced ABAP® syntax with in-line declarations, advanced table operations, and JSON support
- Broader coverage of the SQL standard, code push-down support, and flexible consumption of core data services (CDS) modeling entities and roles
- SAP HANA® centric development with CDS views and code breakouts with ABAP-managed database procedures
- ABAP channels and daemons for real-time events, support for industrial IoT scenarios and machine-to-machine (M2M) communication

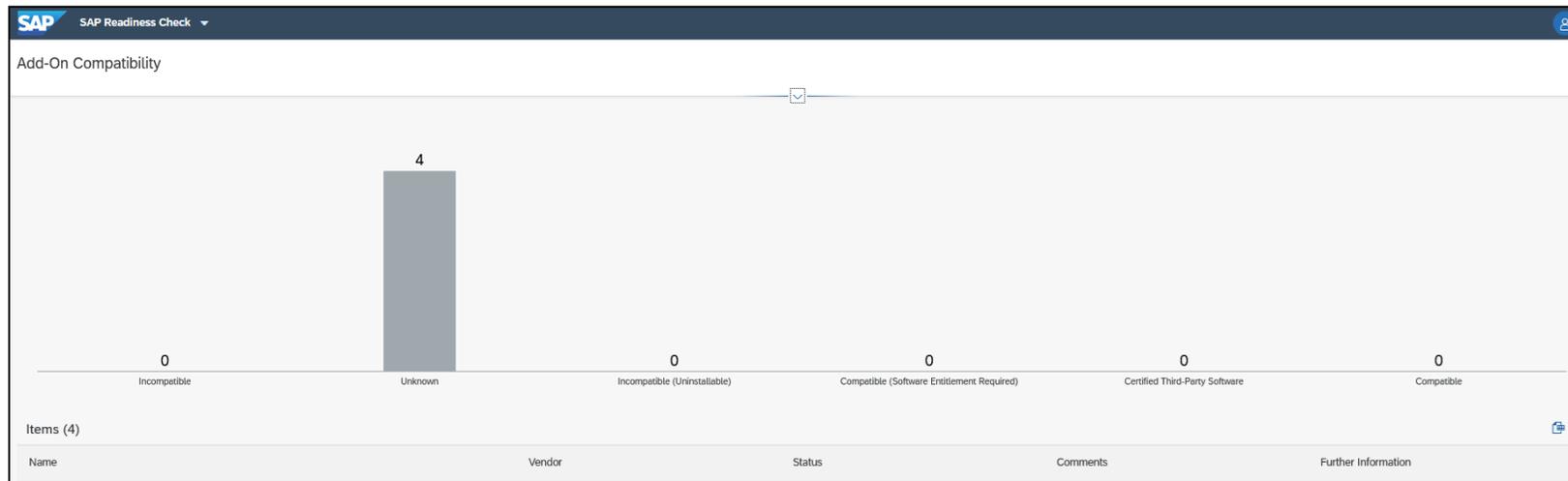
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JSON



SAP add-ons and partner system integration

Using the SAP Readiness Check 2.0 well in advance of the project start helps teams plan for remediating installed add-ons. The technical architecture team has access to the installed catalog of add-ons that will require additional answers to the following questions:

- Who is the add-on's vendor? Is it SAP or an independent third-party software vendor?
- Is the add-on's compatibility with SAP S/4HANA confirmed by the vendor (or certified by SAP), and if so, for which SAP S/4HANA releases?
- Is the add-on functionality still required?
- Is a corresponding functionality available in SAP S/4HANA?
- Is there an upgrade or uninstallation package available for this add-on?



SAP ADD-ONS

Compatibility of Add-Ons and Business Functions

Add-ons must be validated for compatibility with SAP S/4HANA before you can start a system conversion of your SAP ERP. The same applies for business functions. You can do the following:

- View the number and compatibility of existing add-ons and business functions.
- Manually select a compatibility category for third-party add-ons and add comments to listed items.

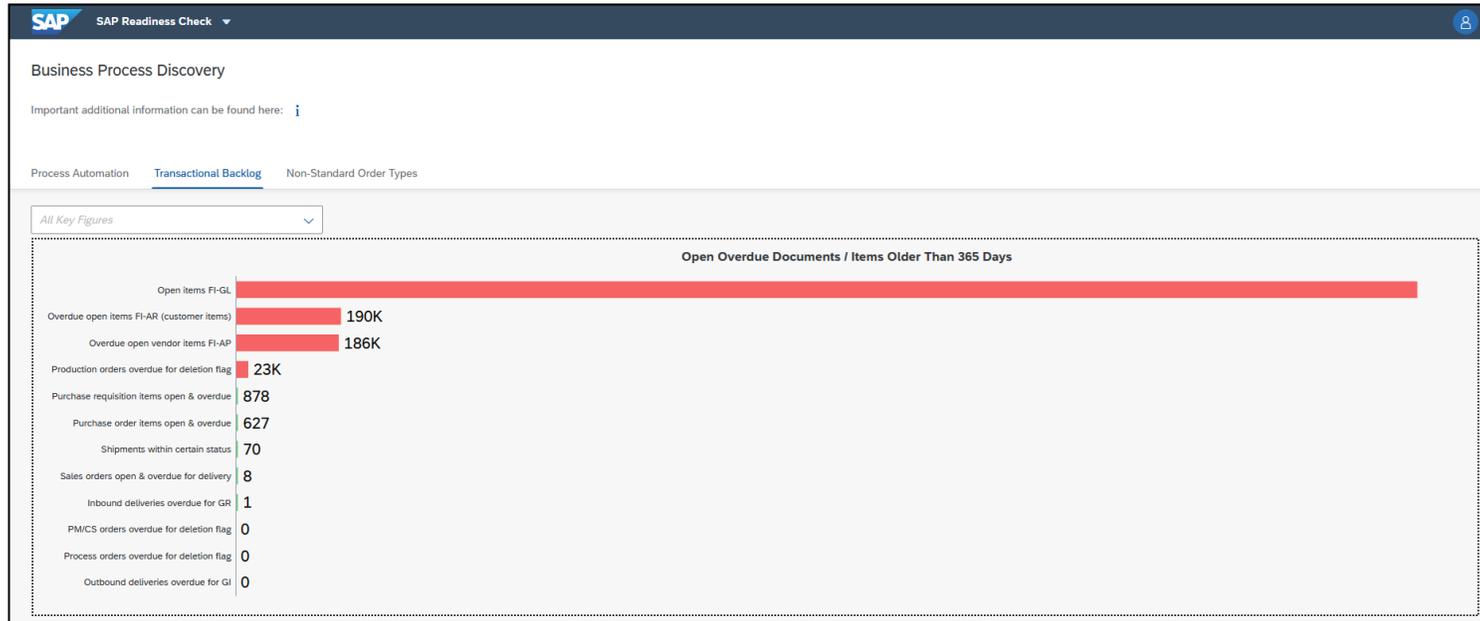
For the add-ons provided by SAP or sold through SAP's price list, you can request the current status and the compatible versions directly from SAP. For add-ons provided by other software vendors, you should establish contact with these providers and inform them about your plans to convert to SAP S/4HANA and ask for a compatible version. The sooner you do so, the more time the vendors will have to respond accordingly.

You can check the current certification status of your add-on in the Certified Solutions Directory. And depending on the answers to the questions above, formulate a plan about how to deal with each of the installed third-party add-ons.



Actioning data inconsistencies

The SAP S/4HANA Readiness Check 2.0 report provides analysis of your SAP ECC 6.x system readiness for S/4HANA conversion. The report contains data inconsistencies per functional area that must be remediated prior to S/4HANA conversion.



It is common for many SAP customers to have open items in their SAP ERP systems that span fiscal years in finance, sales and distribution, materials management and production planning. In addition to providing new features and functionality as well as technological advances, S/4HANA conversions also provide the opportunity to cleanse historic data and archive past fiscal year data to reduce large SAP ERP tables that have not been maintained. Additionally, data cleanup is the required prerequisite to data archiving, as open items cannot be archived and is critically important to new S/4HANA conversions. The new in-memory platform is sized by SAP HANA database size and places data in-memory for rapid retrieval and presentation to business users. When you embark on a long journey, you usually don't pack heavy!

DATA INCONSISTENCIES

Get a list of key figures for a selection of business process improvements of SAP solutions, for example, the number of overdue documents that can be closed and archived. Reducing unnecessary data and cleaning up potential issues smoothen the conversion to SAP S/4HANA. However, issues displayed here usually don't block the technical system conversion process. The following features are available:

- **Process automation:** Evaluates your process efficiency of back-office processes by making the degree of automation transparent when creating business documents.
- **Transactional backlog:** Provides an overview of old open and overdue business documents that must be worked on before they're archived and migrated to SAP S/4HANA. Additionally, if they are unnecessarily migrated, these key figures can also have an impact on SAP S/4HANA topics such as fast closing, MRP planning, and inventory optimization.
- **Nonstandard order types:** Enables you to understand your potential to reduce complexity and further harmonize or even standardize business processes. See how many different document types have been customized and whether they're used in the current business solution.



Transforming finance and data quality migration

Finance is one of the larger simplification improvements delivered by SAP S/4HANA that requires significant preparation, planning and execution in the conversion process. The expansive finance and controlling tables in SAP ERP 6.x have been significantly reduced and simplified to deliver business processing and run-time optimization. The below areas and activities are paramount to S/4HANA-enabled transformation.

New Configuration

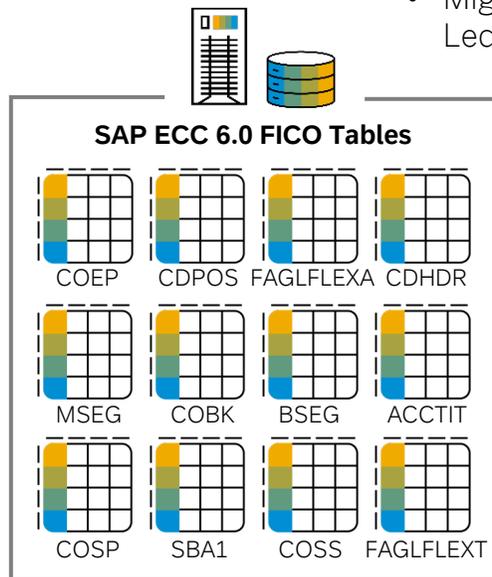
- General Ledger
- Accruals
- New Asset Accounting
- Controlling-COPA
- Material Ledger
- House Banks
- Credit Management-FSCM

Data Migration

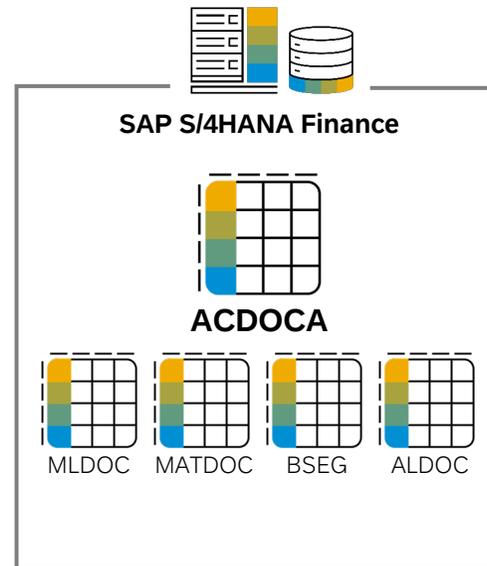
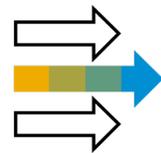
- Merge GL accounts and cost elements
- Enrich transactional data
- Migrate data into Unified Journal
- Migrate Material Ledger data
- Migrate Material Ledger order history
- Migrate aggregate deltas
- Run initial depreciation calculation
- Migrate General Ledger allocations
- Migrate House Banks
- Migrate Credit Management FSCM

Data Reconciliation

- Final Reconciliation, Consistency Check and Activation



Finance Data Migration



FINANCE

The SAP S/4HANA for central finance foundation solution has been explicitly designed for the needs of enterprises that have multiple ERP systems in their landscape, as well as a central finance and controlling department serving all business divisions. The capabilities of the solution make it a perfect fit for a divisional setup with operational finance on the divisional level, and central financial reporting and consolidation on the corporate level.

Architecturally, SAP S/4HANA for central finance foundation comes into the landscape as a new, additional SAP S/4HANA system that receives financial transactions replicated from other SAP and third-party systems. In a typical setup, multiple source systems are connected to an SAP Landscape Transformation Replication Server, which is connected to one SAP S/4HANA for central finance foundation system.

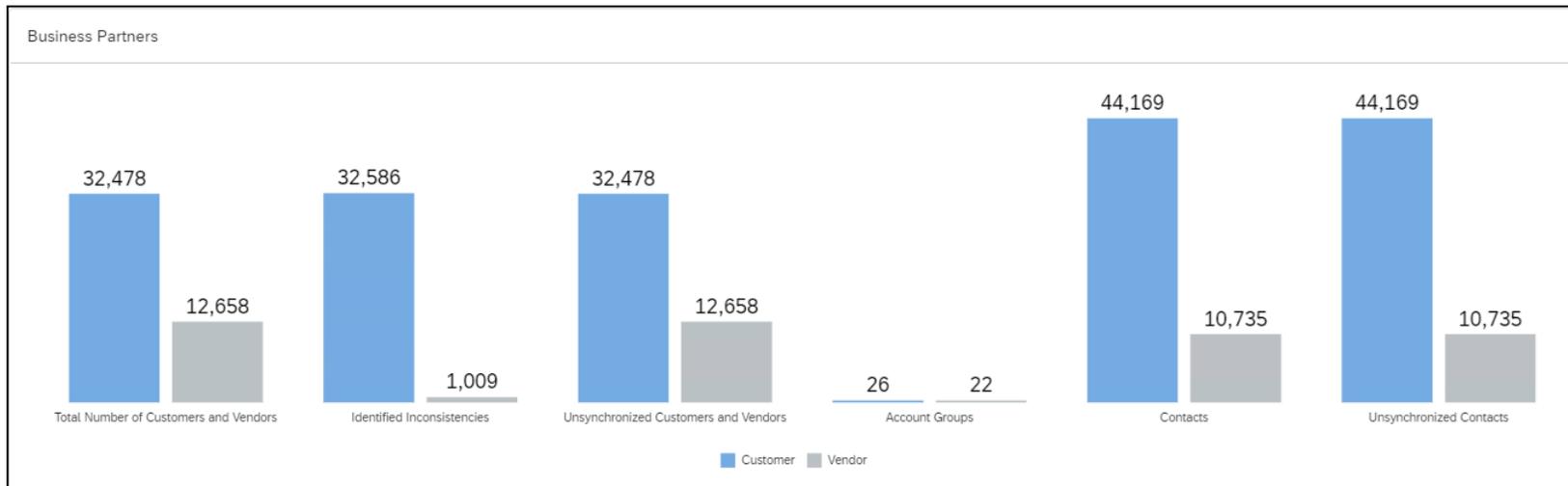
However, the perception of SAP S/4HANA for central finance foundation as a "first step" in a transition to SAP S/4HANA in just any landscape is misleading. In particular, companies with a single SAP ERP instance should retain their landscape design and focus on the standard options.



Converting to business partner CVI

Get an overview of the master data for your customers, vendors, and contacts that needs to be synchronized before your conversion to SAP S/4HANA. This topic indicates the expected efforts to activate and execute the Customer/Vendor Integration (CVI) in your SAP ERP system in order to convert your master data to SAP Business Partner in SAP S/4HANA. This topic enables you to see the following:

- The total number of your customers, vendors, and related contacts with the identified data quality issues (inconsistencies) in your master data
- The number of unsynchronized customers and vendors in the backlog for CVI in your SAP ERP system
- The number of unsynchronized contacts that need to be synchronized, together with the customers and vendors that are linked to the contacts
- The number of “Account Groups”, which indicates the degree of data complexity
- The number of customer-specific enhancements for the most important tables



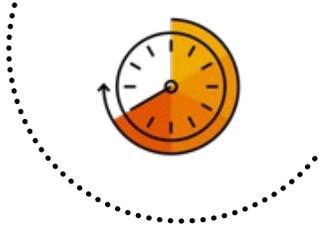
BUSINESS PARTNER CVI

Get an overview of the master data for your customers, vendors, and contacts that needs to be synchronized before your conversion to SAP S/4HANA. This topic indicates the expected efforts to activate and execute the Customer/ Vendor Integration (CVI) in your SAP ERP system in order to convert your master data to “Business Partner” in SAP S/4HANA. This enables you to see the following:

- The total number of your customers, vendors, and related contacts with the identified data quality issues (inconsistencies) in your master data
- The number of unsynchronized customers and vendors in backlog for CVI in your SAP ERP system
- The number of unsynchronized contacts that need to be synchronized, together with the customers and vendors that are linked to the contacts
- The number of “Account Groups” that indicate the degree of data complexity
- The number of customer-specific enhancements linked to your most important tables



Assessing business and system downtime early in the transition lifecycle



Phase	Work Packages	Timing
Technical AWS Cloud Migration Project	Preparation	XX hours
	EXPORT	
	Movement	
	IMPORT	
	Post processing step	
	Functional check	
	Client functional check	
SAP ECC Patching Project	Extraction	XX hours
	Configuration	
	Check	
	Pre-processing	
	Execution	
	Post-processing	
S/4HANA Conversion Functional Pre-Conversion	Run Readiness Checks	XX hours
	Apply SAP Notes/Man Config	
	Manual CVI Intervention	
	Run FI Reports for Validation	
	Validate 'Green' Readiness Checks	
S/4HANA Conversion	Extraction	XX hours
	Configuration	
	Check	
	Pre-processing	
	Execution	
	Post-processing	
ATC / Func. Config Transport Loading	ATC Custom Code Transports	XX hours
	Functional Team Config Transports	

Total Elapsed Time X days

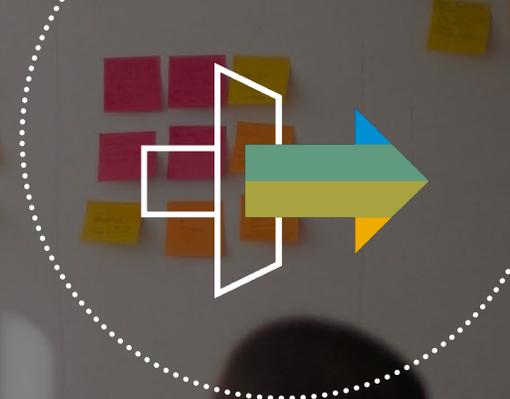
Sequential Activities

Phase	Work Packages	Timing
3 rd Party Partner Systems Enablement & Integration	B2B eCommerce	XX hours
	Partner System 1	
	Partner System 2	
	Partner System 3	
	Partner System 4	
	Partner System 5	
	Partner System 6	
Solution Manager 7.2 Enablement	Managed System Config System & Job Monitoring	XX hours
	Central User Administration	
Record-To-Report	Data Quality Review	XX hours
	Transaction & Balance Migration	
	Post Migration Validation	
Forecast-To-Produce	Data Quality Review	XX hours
	Transaction Validation	
	Key Development Validation	
Source-To-Pay	Data Quality Review	XX hours
	Transaction Validation	
	Key Development Validation	
Order-To-Cash	Data Quality Review	XX hours
	Transaction Validation	
	Key Development Validation	
CVI Setup	Set No. Ranges Intervals	XX hours
	Data Quality Review	
	Key Development Validation	

Total Elapsed Time XX hours

Concurrent Activities

Building a strategic plan for a robust SAP S/4HANA Discovery Phase



Asking the right questions is a good start

Depending on your adoption scenario, you may choose to deploy SAP S/4HANA by either reusing your existing system configuration or remodeling it with a selective transition or new implementation.



Do current business process configuration support your long-term strategy? Strategic redesign of the business processes suggests a new implementation.



Can you adopt SAP Industry Best Practices or will you reuse past customizations? A move to standardization brings agility, suggesting a new implementation.



Is your move to SAP S/4HANA driven by the business or IT? IT-sponsored projects are typically conversions which lay the foundation for incremental innovation projects driven by the business.



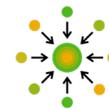
What is your preferred deployment approach, e.g., global big bang v. regional phased deployments? Understanding your organization's tolerance for another multi-year global deployment is a deciding factor on your ability to garner stakeholder support and the financial budget to deploy.



Can you convert from SAP ERP to SAP S/4HANA in a single step? Single-step conversion is possible for SAP ERP 6.x (any enhancement package) single-stack, unicode system. However, systems that don't fulfill this criteria have likely had little maintenance. If the system can't be converted in a single step, a new implementation is likely a better choice.



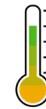
Do you require previous transactional data in the new system? The requirement to retain all data in the system is a very strong indication for conversion. Alternatively, consider a new implementation while re platforming your current SAP ERP data on commodity hardware or leveraging data retention solutions.



Are landscape consolidation and process harmonization key value drivers? Consider a new implementation and consolidate the required configuration and data into that new system.



Do you have a high or low number of interfaces to other systems (SAP and third-party)? The higher the number of interfaces, the stronger the case is for conversion.

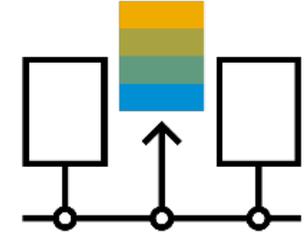


Can your company sustain a multiyear innovation plan with incremental innovations? If incremental innovation is part of your company's philosophy, a system conversion followed by innovative projects will lead to the desired outcome. If you are uncertain whether a multiyear innovation plan can be sustained, a new installation is the only chance to harvest the full value.

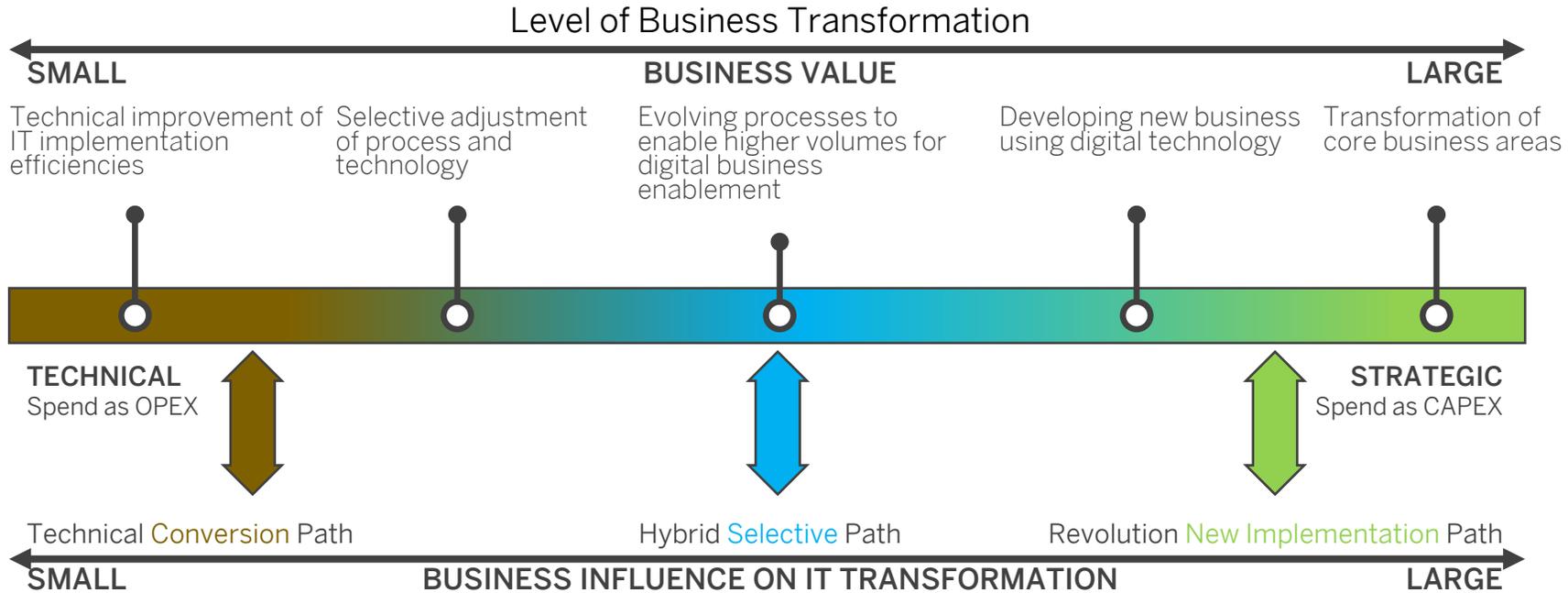
Source: SAP and ASUG, Mapping Your Journey to SAP S/4HANA, March 2020

Selecting your best-fit approach

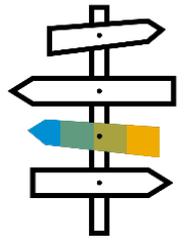
The way you plan and execute the SAP S/4HANA program will substantially influence your ability to adopt next-generation business processes and use the new capabilities of SAP® products.



GOALS & MOTIVATION OF AN SAP S/4HANA TRANSFORMATION



Comparing Transition Strategies

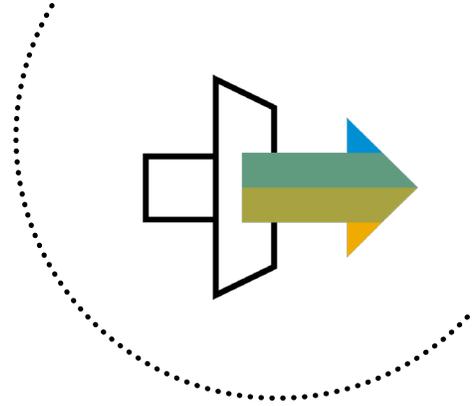


Selective Data Transition should be considered when organizations need to:

- Go live in phases (e.g., by country or business unit).
- Reduce re-implementation effort by re-using some application areas (e.g., logistics), while re-designing others (e.g., finance).
- Reduce risk of a global big bang go live.
- Split or merge existing SAP ERP instances. (e.g., carve-out application areas or companies and implement on a separate instance).
- Leave behind large amounts of old data to reduce the duration of conversions and cutovers. This is an alternative to doing a large data archiving project followed by a system conversion.

	System Conversion		Selective Data Transition		New Implementation
			Shell Conversion	Build from Scratch	
Process Reengineering	Simplification items adopted during project. Innovations performed after conversion.	Process changes possible in selected areas. Org structure changes possible.	Extensive changes possible in several functional area, including org structures.	Fundamental process re-design including org structures	
Data Cleansing	Optional archiving (probable) prior to the project. Data inconsistencies must be remediated and repaired.	Selection of active data. Cleansing on-the-fly possible.	Selection of active data. Cleansing on-the-fly possible.	New data construction, fully cleansed for new design and functional areas.	
Data Transformation	Only mandatory changes are adopted.	Structural and field mapping possible.	Structural and field mapping possible.	New data construction, fully cleansed for new design and functional areas.	
Phased Go Live	Full system conversion at time of go live. Phased deployments are not possible.	Possible and fully supported (per company code)	Possible and fully supported (per company code)	Possible and fully supported (per company code)	
Historical Data	Full production system transactional and master data conversion.	Org unit, functional area, time-based are options.	Org unit, functional area, time-based are options.	Only master data and open items are converted. Can be combined with certain SDT approaches/objects.	
System Split or Consolidation	Not supported.	For either split or consolidation scenarios.	For either split or consolidation scenarios.	For either split or consolidation scenarios.	

Preparing for a successful transition project



Wave 1

- 1** Explore SAP S/4HANA transition strategies, concepts and options
- 2** Develop a high-level discovery phase strategy and plan
- 3** Conduct SAP technical and business process solution assessment
- 4** Enable Solution Manager ALM processes and disciplines
- 5** Run and playback SAP Readiness Check including detailed simplification items and custom code assessment

Wave 2

- 6** Conduct master data and historical transactional data analyses*
- 7** Analyze functional area changes to org structures, processes, custom code, data and job roles
- 8** Assess data archiving potential to ready your company for in-memory*
- 9** Assess key partner system integrations and system add-ons
- 10** Understand transition deployment options and impacts

Wave 3

- 11** Curate all analyses and quantify the pros and cons of each transition strategy
- 12** Select the best-fit approach for your company
- 13** Build a transition proof-of-concept and perform digital innovation discovery sessions
- 14** Develop your business case and program charter for your selected option
- 15** Generate estimates to complete your chosen transition strategy and submit funding requests

* Key Discovery Phase analyses that will likely create the need for short-term projects prior to the formal kick-off of the transition program that address master data consolidation, transactional data cleansing and remediation, and data archiving.

Key Contacts



Michael DiGiandomenico

CEO and President
M. 610.220.1498
E. michael.digiandomenico@savantis.com



Michael Eash

Global VP – SAP S/4HANA + CX
M. 484.340.0594
E. michael.eash@savantis.com



William Sherry

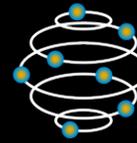
Global VP – SAP Cloud + Managed Services
M. 484.716.1103
E. william.sherry@savantis.com



Mark Dooling

Global Director – SAP S/4HANA + Supply Chain
M. 201.306.4461
E. mark.dooling@savantis.com

Savantis Solutions SAP Services



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SAP OMNICHANNEL CUSTOMER EXPERIENCE

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SAP Commerce Cloud
SAP Sales & Service Cloud
SAP Customer Data Cloud



SAP PREDICTIVE & AUGMENTED ANALYTICS

SAP Analytics Roadmapping + Advisory
SAP Analytics Cloud
SAP Data Warehouse Cloud
BW/4HANA

References & Acknowledgements

This document references excerpts from numerous SAP materials including past SAP sponsored ASUG materials, SAP Partner Portal resources, SAP blogs, SAP whitepapers and associated materials found in SAP methods and tools across the vast SAP ecosystem. Savantis wishes to thank all those at SAP, who work tirelessly to improve the SAP experience and serve the SAP customer base for their direct and indirect contributions that have made this document possible. We would also like to acknowledge our customers that have contributed to our base of knowledge that has made it possible for those that follow to walk the beaten path you have paved. And to all those SAP customers embarking on their SAP S/4HANA intelligent enterprise journey, your future awaits using the best products and solutions in the world!



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