

Strategically Transform Your Organization Using S/4HANA

LEVERAGING PEOPLE, PROCESS, DATA AND TECHNOLOGY

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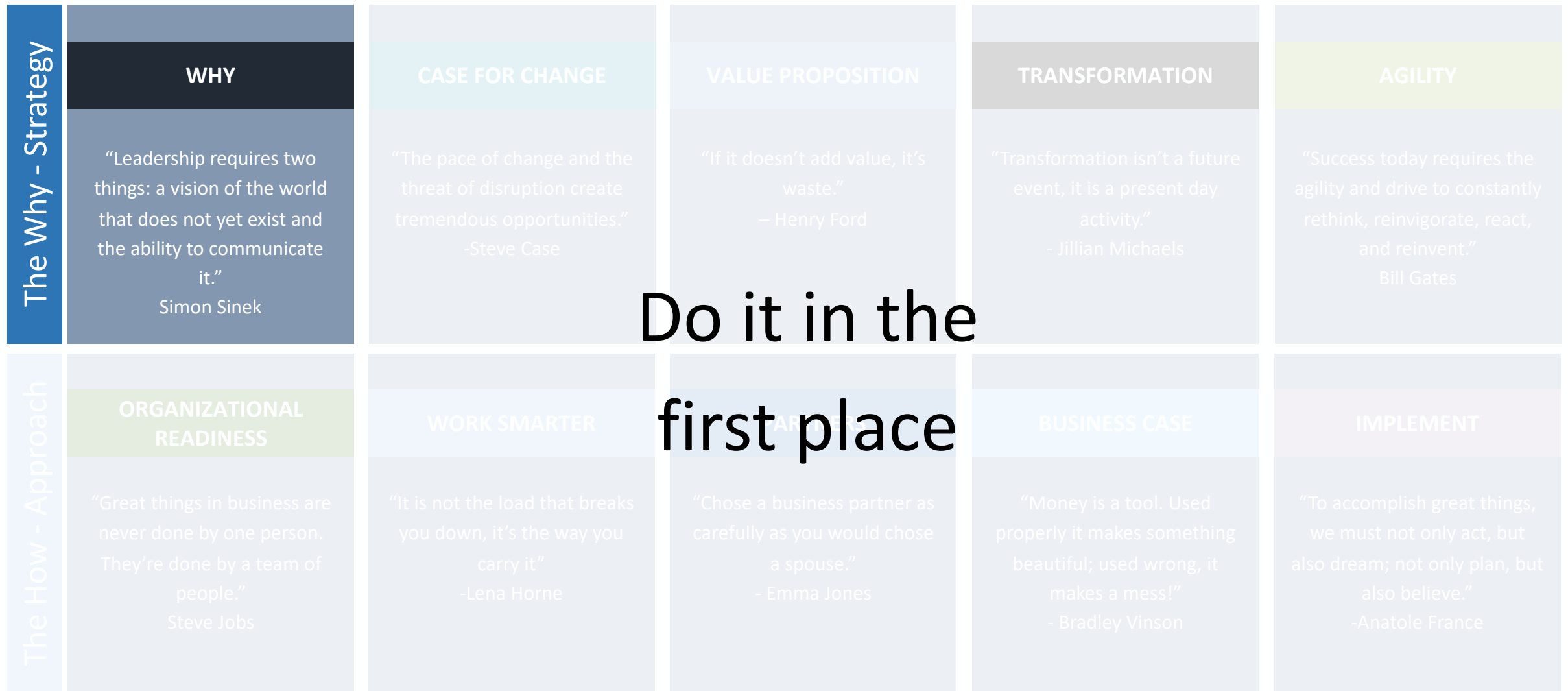
You are here! –Journey to the Intelligent Enterprise



Part 1: Strategically Transform your Business

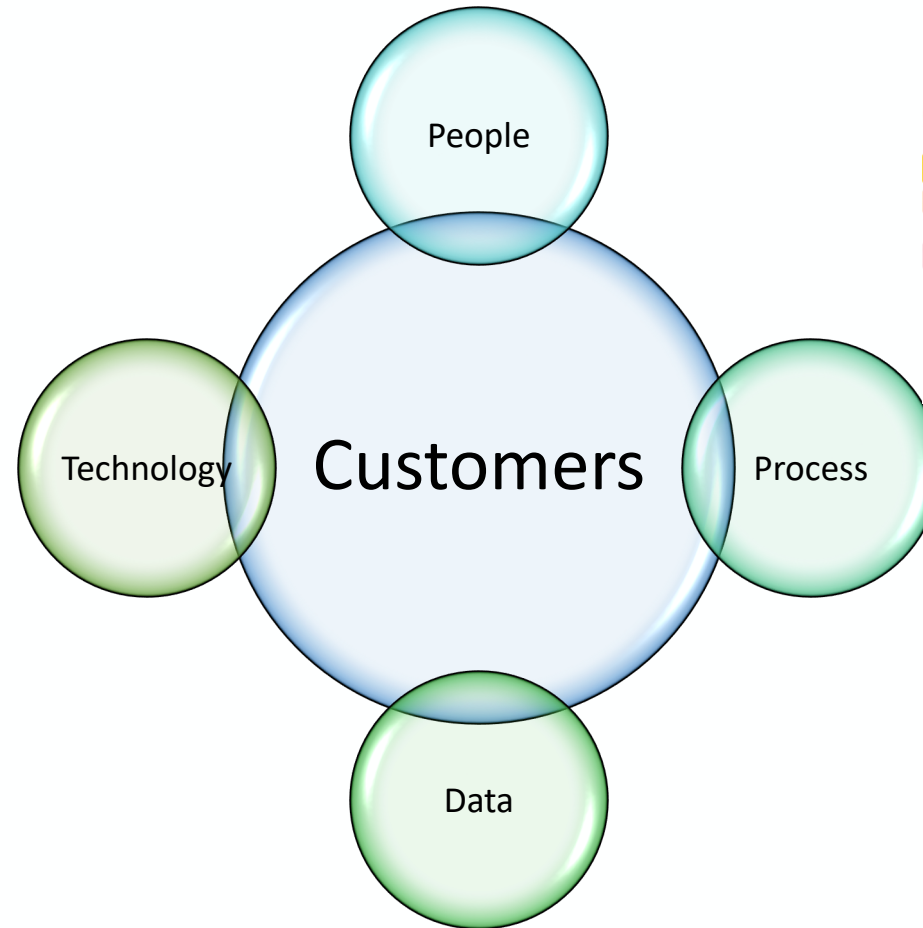
The Why - Strategy	WHY “Leadership requires two things: a vision of the world that does not yet exist and the ability to communicate it.” Simon Sinek	CASE FOR CHANGE “The pace of change and the threat of disruption creates tremendous opportunities.” -Steve Case	VALUE PROPOSITION “If it doesn’t add value, it’s waste.” – Henry Ford	TRANSFORMATION “Transformation isn’t a future event, it is a present day activity.” - Jillian Michaels	AGILITY “Success today requires the agility and drive to constantly rethink, reinvigorate, react, and reinvent.” Bill Gates
	ORGANIZATIONAL READINESS “Great things in business are never done by one person. They’re done by a team of people.” Steve Jobs	WORK SMARTER “It is not the load that breaks you down, it’s the way you carry it” -Lena Horne	PARTNERS “Chose a business partner as carefully as you would chose a spouse.” - Emma Jones	BUSINESS CASE “Money is a tool. Used properly it makes something beautiful; used wrong, it makes a mess!” - Bradley Vinson	PART 2: MOBILIZATION “To accomplish great things, we must not only act, but also dream; not only plan, but also believe.” -Anatole France

Part 1: Strategically Transform your Business



First start with why to drive ultimate business results

In order to be successful everyone needs to understand their why



Part 1: Strategically Transform your Business

The Why - Strategy	WHY	CASE FOR CHANGE	VALUE PROPOSITION	TRANSFORMATION	AGILITY
	"Leadership requires two things: a vision of the world that does not yet exist and the ability to communicate it." Simon Sinek	"The pace of change and the threat of disruption creates tremendous opportunities." -Steve Case	"If it doesn't add value, it's waste." - Henry Ford	"Transformation isn't a future event, it is a present day activity." - Jillian Michaels	"Success today requires the agility and drive to constantly rethink, reinvigorate, react, and reinvent." Bill Gates
	ORGANIZATIONAL READINESS	WORK SMARTER	PARTNERSHIP	FINANCIAL MANAGEMENT	INNOVATION
	"Great things in business are never done by one person. They're done by a team of people." Steve Jobs	"It is not the load that breaks you down, it's the way you carry it" -Lena Horne	"Chose a business partner as carefully as you would chose a spouse." - Emma Jones	"Money is a tool. Used properly, it is a wonderful beautiful, used wrong, it makes a mess!" - Bradley Vinson	"To accomplish great things, we must not only act, but also dream; not only plan, but also believe." -Anatole France

Do you have a
compelling case for
change

Do you understand your case for change

underlying business challenges may not always be visible



The non-intelligent enterprise



Slow Pace of Innovation

- “big bang” implementations
- Extensive customizations
- Maintenance of multiple systems
- Overhead



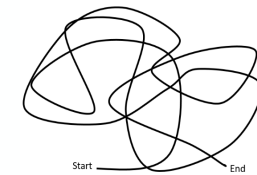
Over Reliance

- Complicated system landscapes
- Out dated legacy systems
- Manual Activity
- Institutional Knowledge
- Getting by



Overly Complicated

- Processes
- Poor Data Quality
- Limited insights
- Systems manage your business
- Too big to change



Fragmented Business Processes

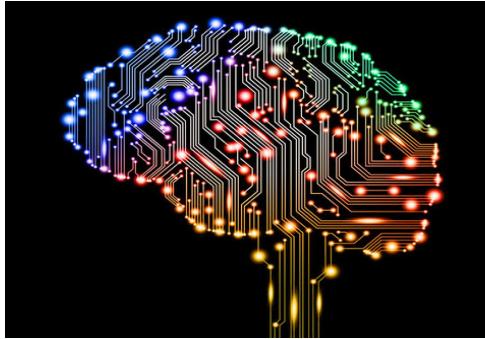
- Inconsistent Processes
- Lack of visibility
- Manual Task
- Work arounds
- Lack of ownership
- Poor quality

Part 1: Strategically Transform your Business

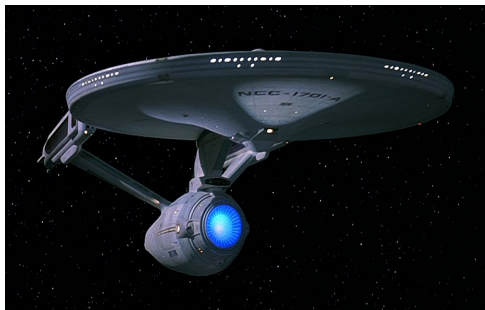
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What is your
value proposition

What does it mean to intelligently transform an enterprise



- in·tel·li·gent
 - **having good understanding** or a high mental capacity; quick to comprehend, as a persons or animals:
 - Displaying or characterized by **quickness of understanding**, sound thought, or good judgement
 - Having the **faculty of reasoning** and **understanding**; possessing intelligence:
 - Computers. Pertaining to the ability to do data processing locally; smart
- en·ter·prise
 - a **project undertaken or to be undertaken**, especially one that is important or difficult or that **requires boldness or energy**:
 - a plan for such a project
 - Participation or engagement in such a projects:
 - **Boldness or readiness** in undertaking; **adventurous spirit**; ingenuity.
 - A company organized for commercial purposes; business firm.



History of S/4HANA Database & Table Structures

redesigned data structures for new real-time requirements, big data and high throughput

SALES

	Document			Item	
	Header				
Sales Order	VBAK		>	VBAP	VAKPA VAPMA
Delivery	LIKP		>	LIPS	VLKPA LKPMA
Billing Document	VBRK		>	VBRP	VRKPA VRPMA
Status Info	VBUK			VBUP	
Conditions		KONV			VBOX
Document Flow		VBFA			

FINANCE

	Document			Totals			Indices		
	Header	Item							
GL, AR, AP	BKPF	BSEG	>	GLT0	KNC1	KNC3	BSIS	BSAS	BSIK
			>	LFC1	LFC3		BSID	BSAD	BSAK
New GL		FAGLF LEXA*	>	FAGLF LEXT*			FAGL BSIS	FAGL BSAS	
CO	COBK	COEP		COSS	COSP				
AA	ANEK	ANEP	ANEA	ANLC	ANLP				
ML	MLHD...	MLIT...		MLCD...	MCLR...		BSIM*	CKMI1*	

SAP Business Suite

MATERIAL VALUES

Valuation in MM or Valuation ML

Aggregates

Hybrid: Master Data
with Valuated Stock

History

ML
Valuation

MBEW	>	MBEWH	CKMLCR	MLPP	CKMLPP	CKMLPPWIP
EBEW	>	EBEWH	CKMLPP	MLCR	CKMLCR	CKMLKEPH
QBEW	>	QBEWH	MLHD	MLCRF	MLCD	CKMLMV004
OBEW	>	OBEWH	MLIT	MLKEPH	CKLMMV004	

MATERIAL QUANTITIES

Aggregates

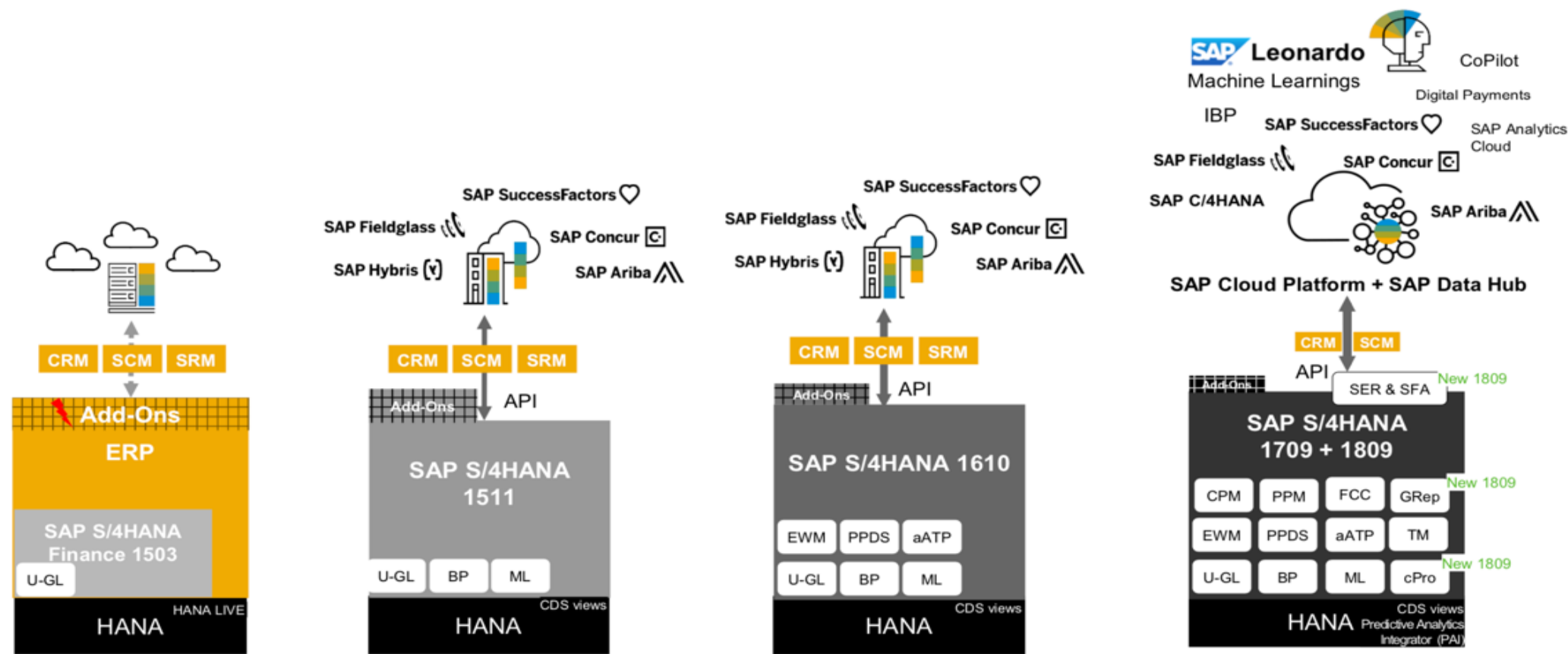
Stock Aggregates

History

Material Document		>	MSSA	MSSL	MSSQ	>	MSSAH	MSTBH	MSSQH
MKPF	MSEG	>	MSTE	MSTQ	MSTB	>	MSTEH	MSTQH	
Inventory Movements		Hybrid: Master Data with Stock Aggregates					>	MARCH	MARDH
			MCHB	MARC	MARD	MSKU	>	MSLBH	MCHBH
			MSKA	MKOL	MSPR	MSLB	>	MSKAH	MSKAH

S/4HANA has been simplified and advanced with each release a historical perspective is important since S/4HANA is not ECC





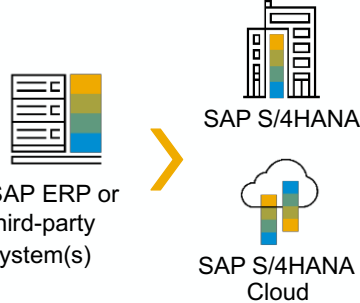
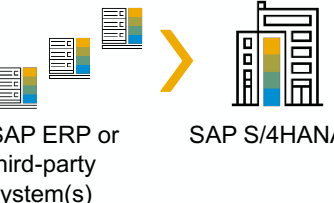
The evolution of SAP S/4HANA: Architecture

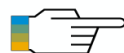


[Complete list of improvements and simplifications](#)

We have predefined set options for moving to SAP S/4HANA

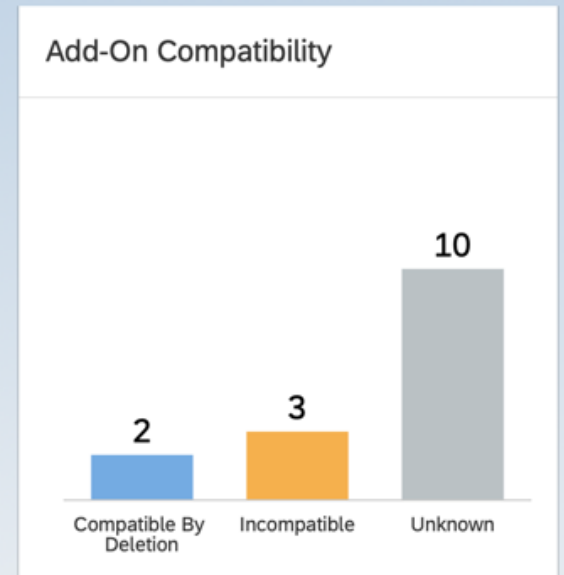
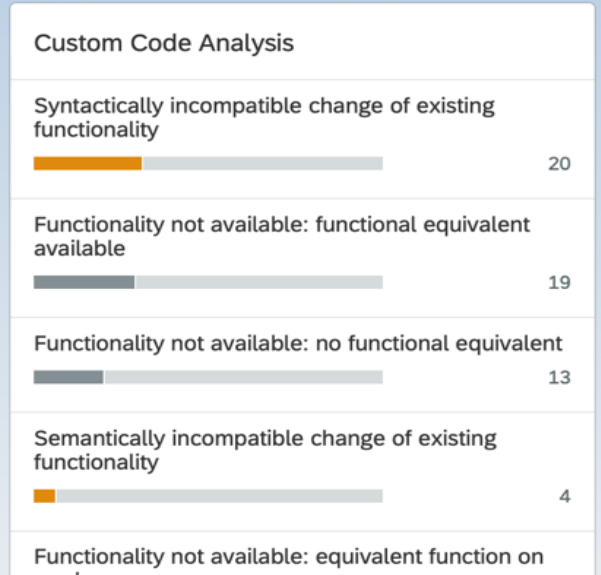
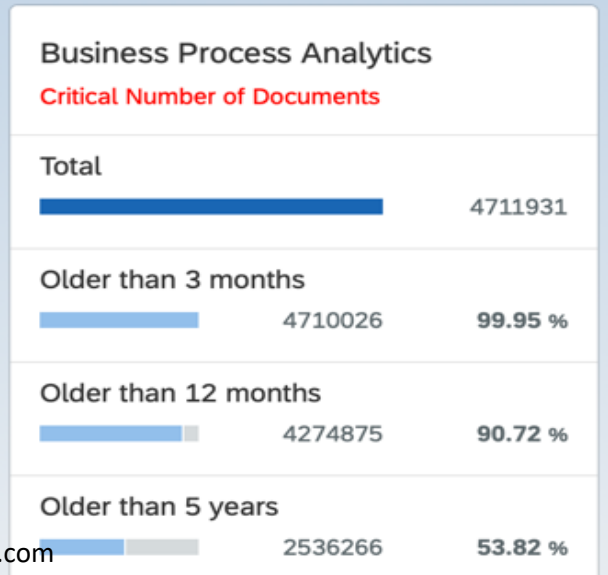
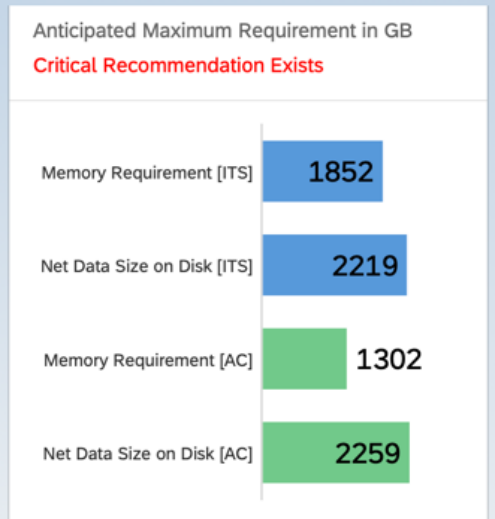
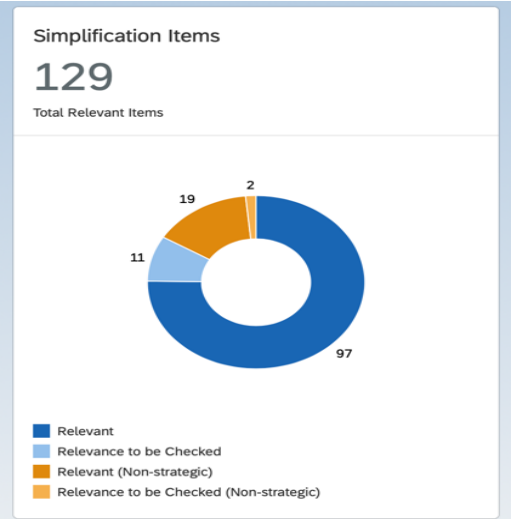
Some very colorful and optimized options exist to accelerate the move

Type	Approach	Available for	Purpose
Reusing by in-place conversion 	System conversion (Tool: Software Update Manager)	 SAP ERP system SAP S/4HANA	Bringing your business processes to the new platform <ul style="list-style-type: none"> A complete technical in-place conversion of an existing ERP software system in SAP Business Suite to SAP S/4HANA Adoption of new innovations at your speed
Reengineering with data migration  Standardized  Customer tailored	New implementation (Tool: SAP S/4HANA migration cockpit)	 SAP ERP or third-party system(s) SAP S/4HANA SAP S/4HANA Cloud	New implementation/reimplementation <ul style="list-style-type: none"> Reengineering and process simplification based on latest innovations Implementing innovative business processes with preconfigured content on a new platform Performing initial data load Retiring old landscape
	Landscape transformation (Customer-tailored service/consulting offering)	 SAP ERP or third-party system(s) SAP S/4HANA	Value-driven data migration to the new platform <ul style="list-style-type: none"> You need more than master data and open items, such as transactional data, complete or selected by a time slice Migrate a selection of data (such as by organizational units), or migrate data from more than one system, or migrate application-related data into an SAP S/4HANA-based solution landscape



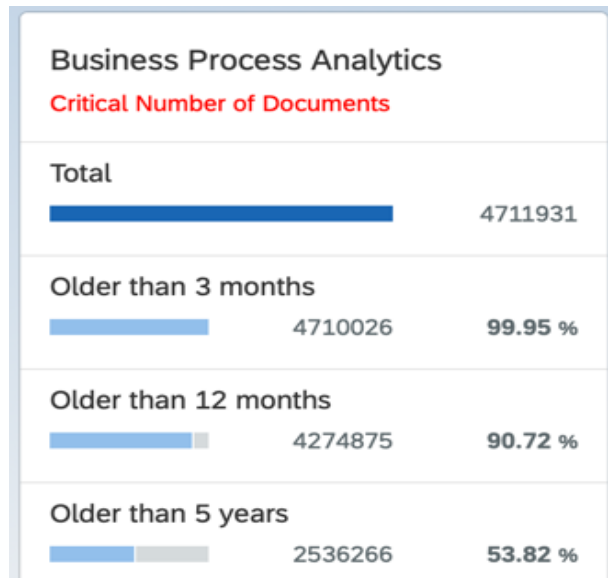
Set a strategy based on data and facts

feelings and emotions often influence Strategy negatively



This will not be a one time activity.. start with the end state in mind

Leaving the **bad or old** data behind might be the best decision you can make



According to the Data Dilemma Report, **12.5% of staff time is lost in data collection.** That's five hours a week in a 40-hour work week. ([CallCredit](#))

"Garbage in, garbage out" is especially true in ML. **"You can have machine learning without sophisticated algorithms, but not without good data."** ([Huffington Post](#))

Your data may not be apples to apples after business transformation

What benefits does an intelligent enterprise offer reimagined, redesigned and reduces complexity within your organization

- Next generation **business processes**
 - redefined business processes based on years of industry expertise with the power of the latest technology innovations.
- Fast, smart **data and analytics** to run the business
 - Real time data and analytics
 - Single Source of the truth
- Built in **automation** and **machine learning** capability
- Reimagined user interface - **FIORI**
- Hands-free conversation user experience, natural language processing - **Co-Pilot**
 - Digital-age, conversational **user experiences** such as digital assistants. Interact on a more human and social terms.
- Ability to rapidly consume new **innovation**



What makes S/4HANA uniquely unique



The toughest strategy decisions may feel less than optimal but provides the greatest long term benefit



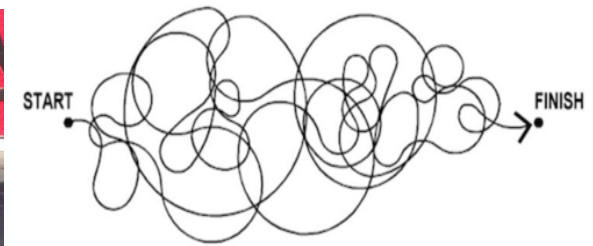
Upgrade



Years of Customizations



Unwinding Customizations



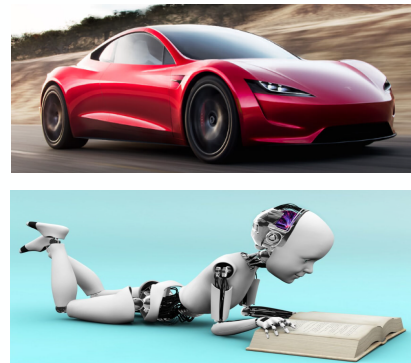
Transformation



New



Pre-Built Automation



Reimagined Processes



Advanced Analytics



Digital Innovation

Making the old new again has the potential to cover up the years of aging



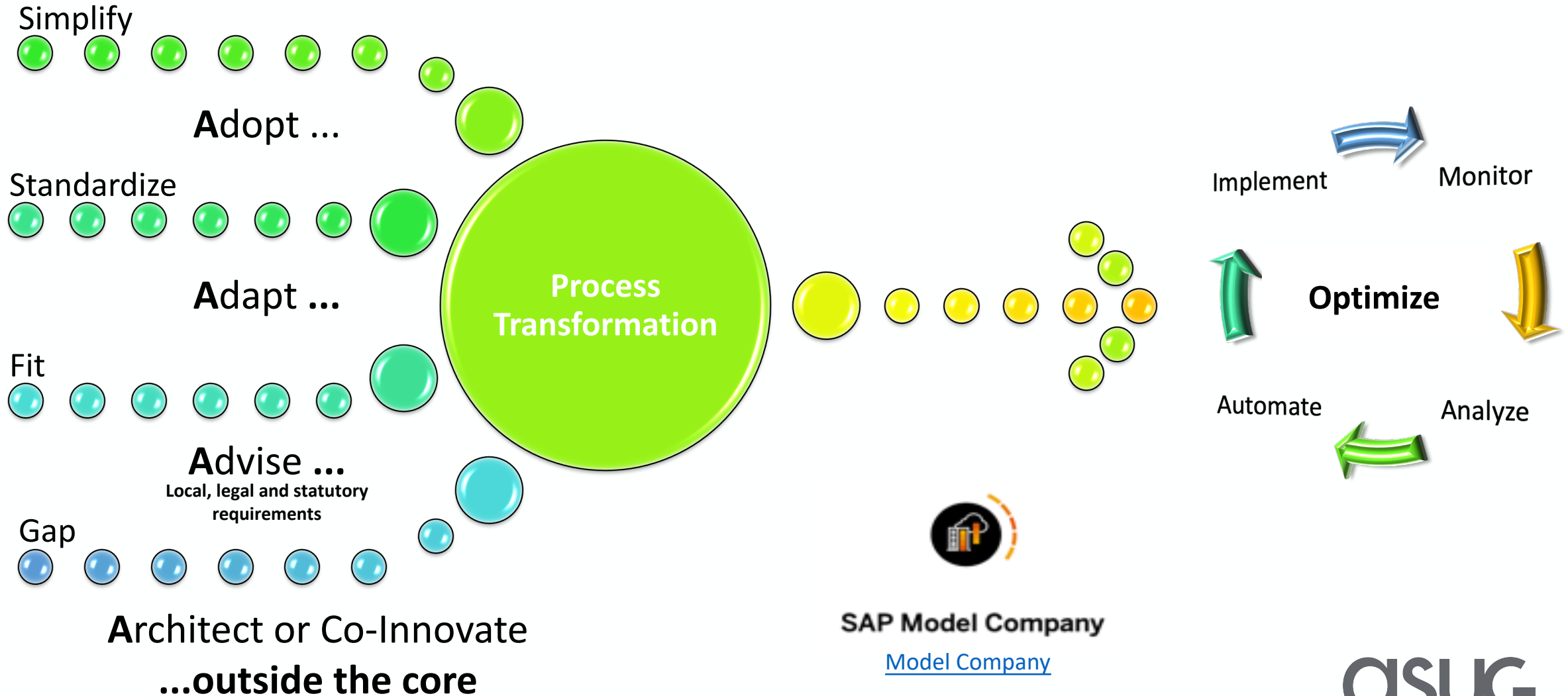
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Process standardization and optimization is the key to real transformation

Business transformation through best practice standardization

The value and boundaries of standardization helps to eliminate “Technical” and “Business” debt



Utilizing predefined industry best practice templates allows you to streamline and standardize your business

Browse Packages / SAP S/4HANA / Cloud / Download ☆

SAP Best Practices for SAP S/4HANA Cloud Germany

Overview **Solution Scope** Accelerators Find Out More

▼ Finance	Achieve excellence in financial management & accounting with regulatory compliance and improved margins. Achieve instantaneous financial insight at any time, from anywhere using best practices and machine learning automation, in place of excel.
> Accounting and Financial Close	Reduce cost and effort with fast, accurate, and compliant financial close
> Advanced Accounting and Financial Close	Advanced Accounting and Financial Close
> Advanced Financial Operations	Advanced Financial Operations
> Financial Operations	Manage accounts receivables and accounts payables in real-time
> Cost Management and Profitability Analysis	Plan and forecast more accurately with comprehensive management accounting and controlling

DETAILS



Task tutorials

Recorded tutorials demonstrating the process



Process flow (BPMN2)

A representation of the business process to show how the software works as standard, for displaying and editing in process modeling applications.



Test script

A procedure for testing the activated system according to the defined business process.



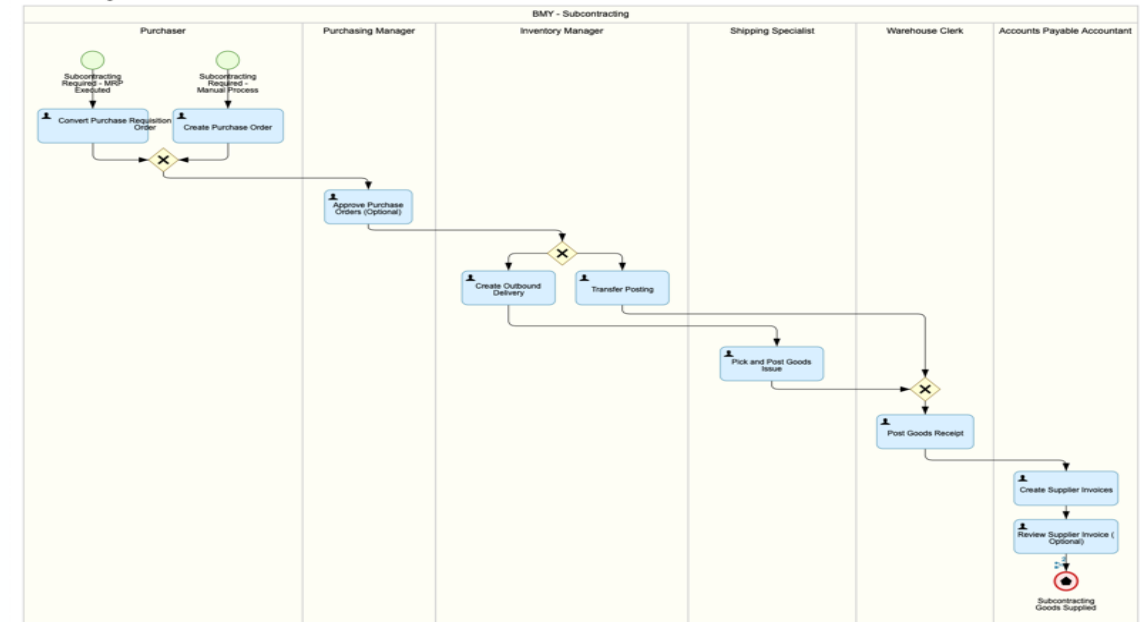
Process flow

A representation of the business process to show how the software works as standard.

Subcontracting (BMY)

This scope item supports the following processes:

Subcontracting



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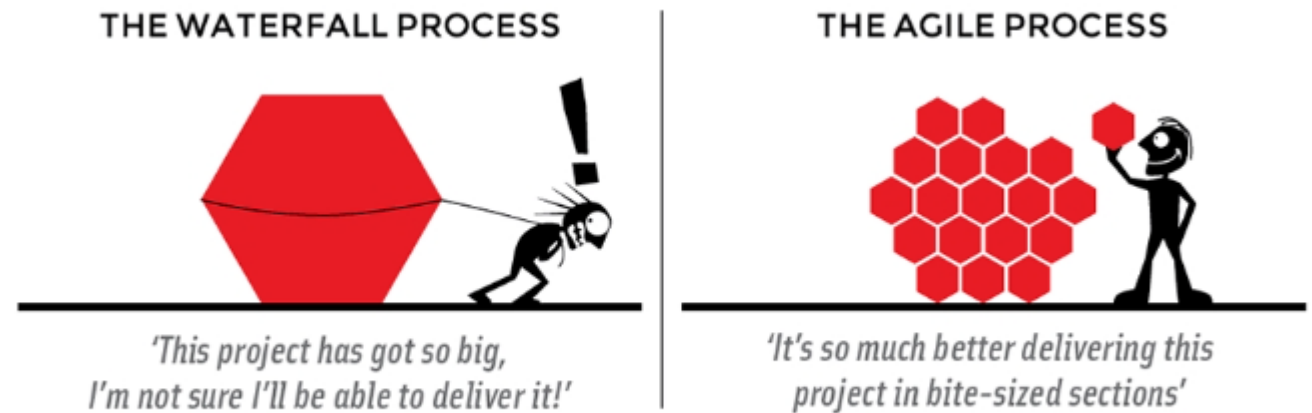
ASUG

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Agility allows you
to be and stay
competitive

What pace are you prepared to transform at



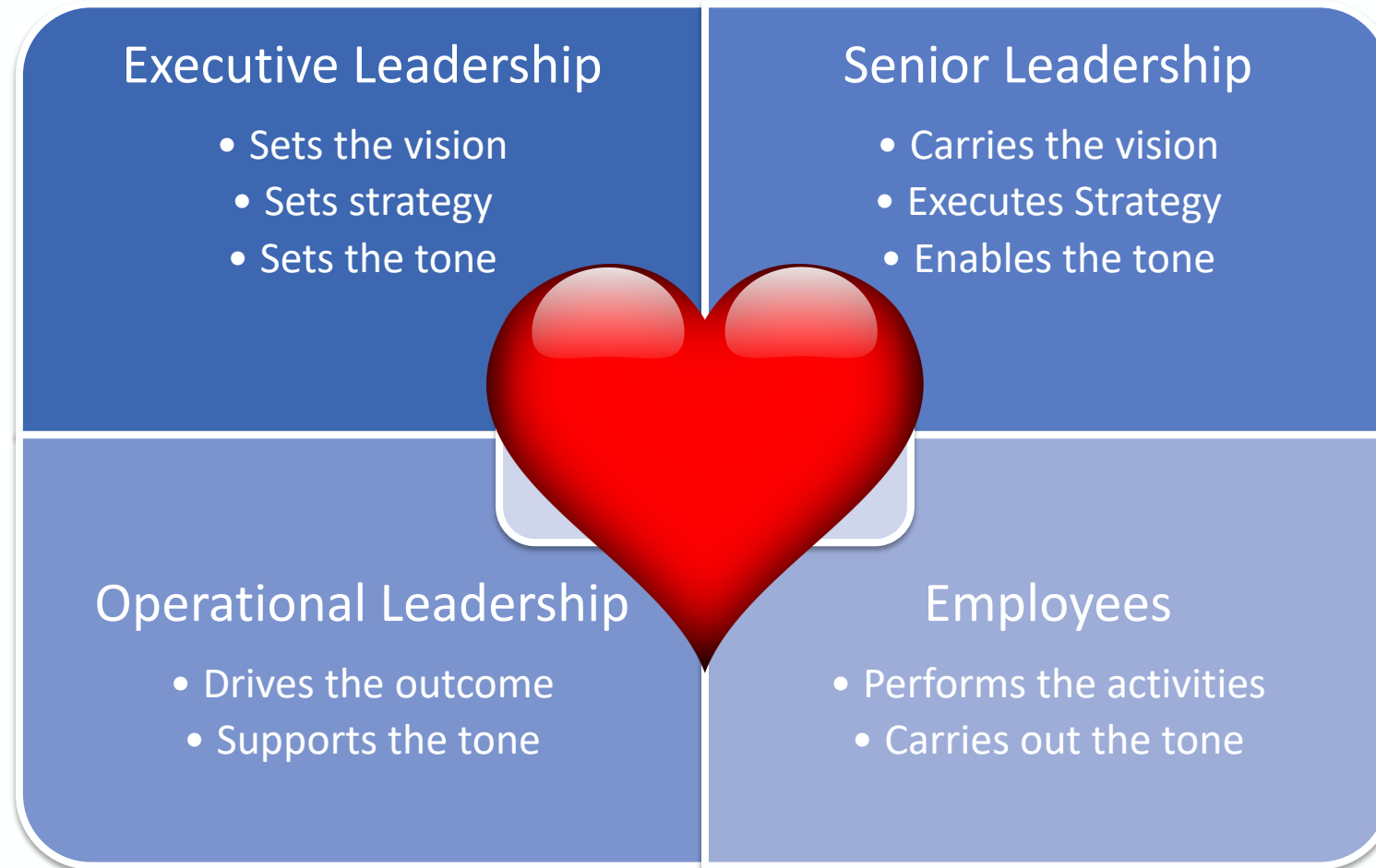
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Business lead efforts with the right technical support are more successful

Executive Leadership sets the strategy for transformation

the rest of the leadership team must support it and change agents drive it.

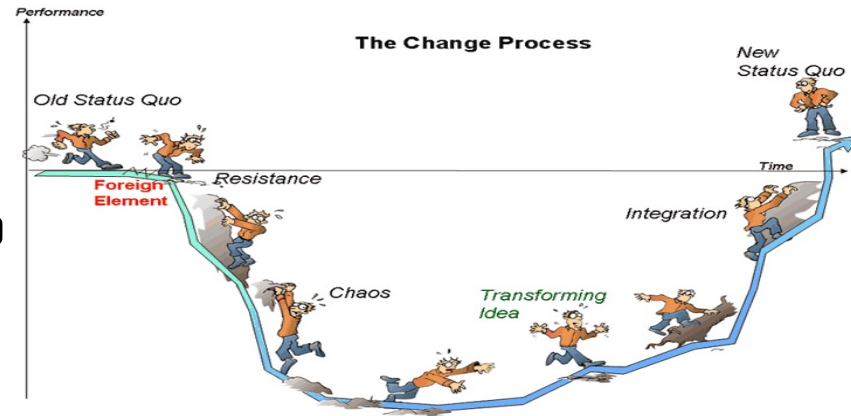


All stakeholders must have a seat at the table
Avoid treating S/4 as a technical upgrade, this is transformational



Do not under estimate the Human Impact

The fear of change and lack of communication often manifests itself into resistance



Automation will have a far-reaching impact on the global workforce.

Technical automation potential

~50%

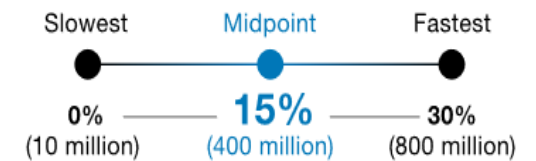
of current work activities are technically automatable by adapting currently demonstrated technologies

6 of 10

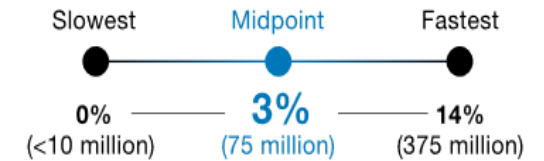
current occupations have more than 30% of activities that are technically automatable

Impact of adoption by 2030

Work potentially displaced by adoption of automation, by adoption scenario, % of workers (FTEs¹)



Workforce that could need to change occupational category, by adoption scenario,² % of workers (FTEs)



McKinsey&Company | Source: McKinsey Global Institute analysis

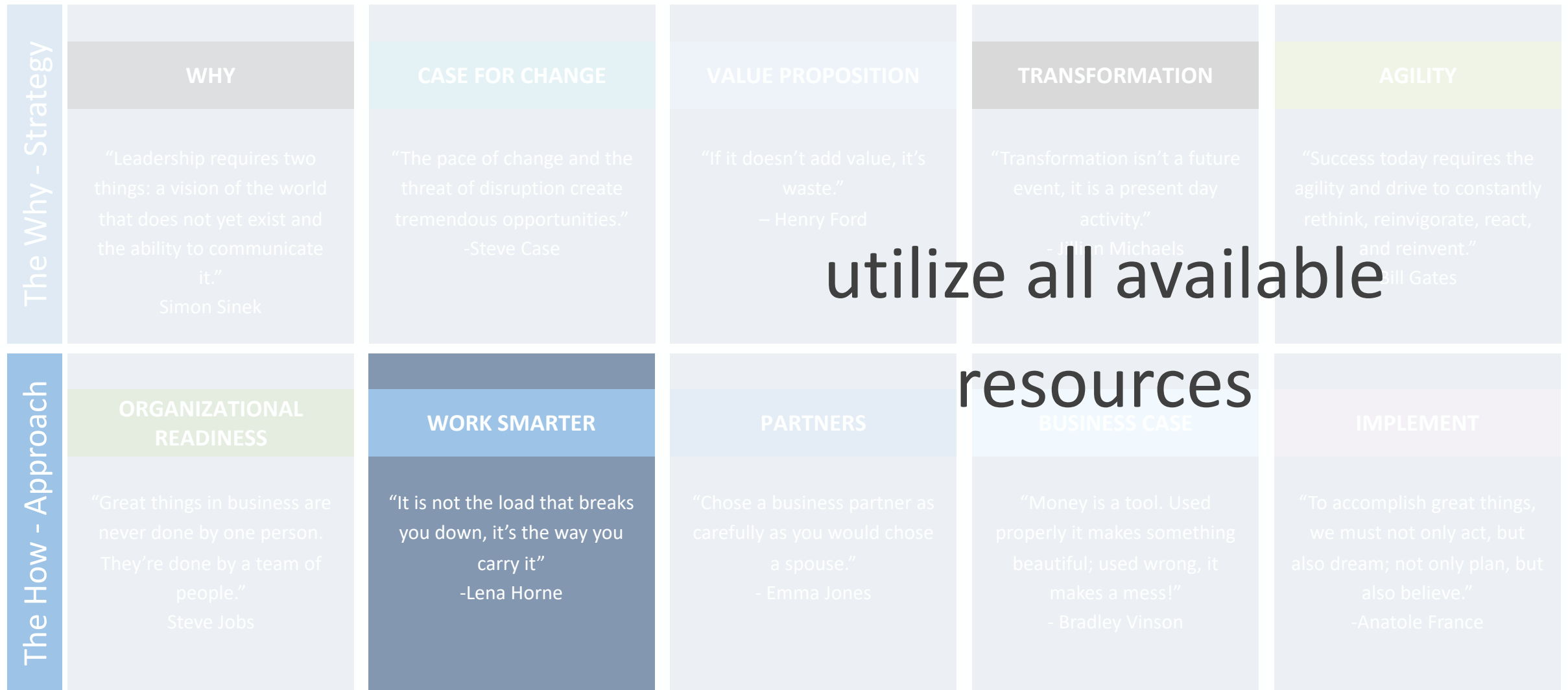
Establishing a Center of Excellence organization

prior to starting your journey will drive greater business value and sustainment

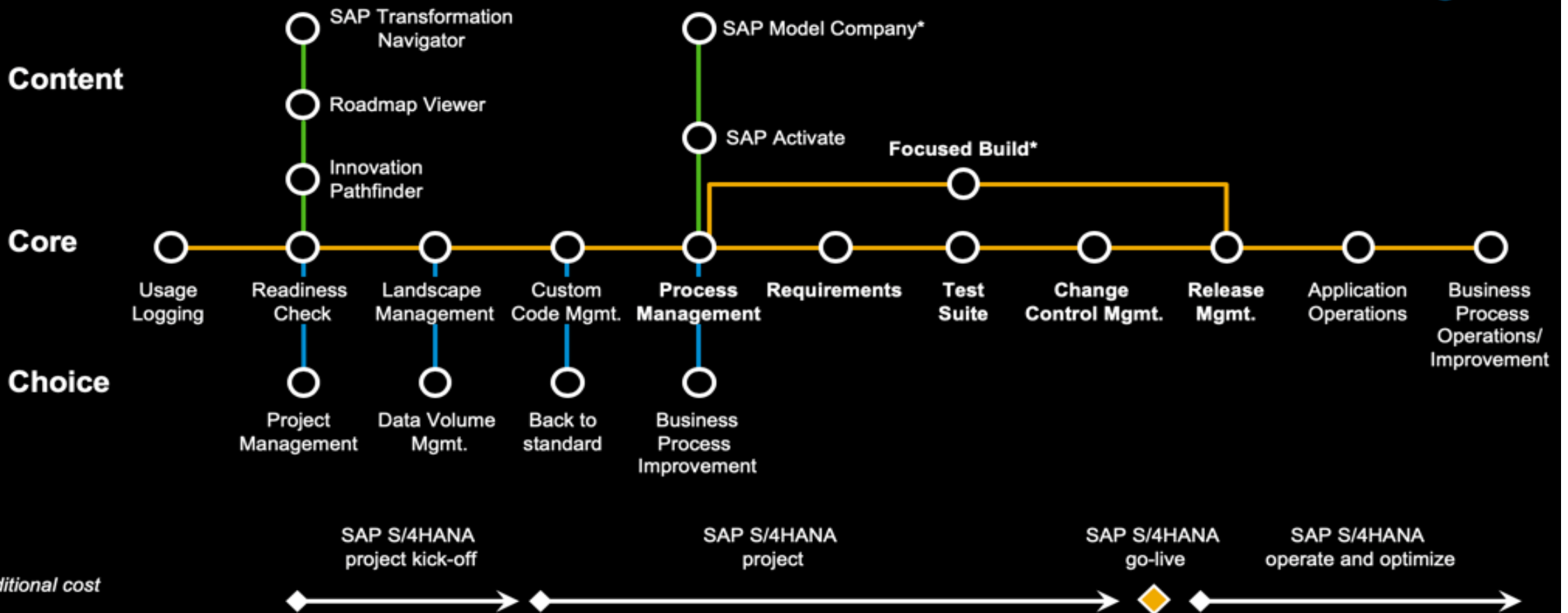


Transformation is not a singular activity it will need sustainment

Part 1: Strategically Transform your Business



How to implement SAP S/4HANA with SAP Solution Manager

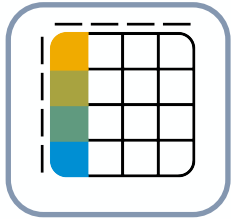


*additional cost

Prepare for your move utilize all available resources

rapid accelerators exist for a successful journey and you are not alone

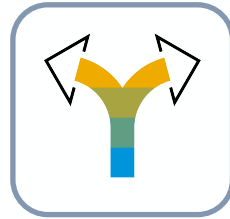
Discover



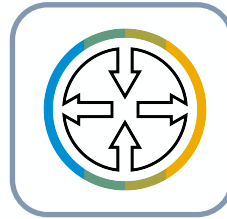
Build Your Business Case

- [SAP Transformation Navigator](#)
- [Business Scenario Recommendations \(BSR\)](#)
- [Solution Explorer](#)
- [SAP Fiori apps reference library](#)
- [Value Lifecycle Manager \(VLM\)](#)
- [SAP Best Practice Explorer](#)
- [SAP S/4HANA Trial](#)
- [Feature Scope description](#)

Determine



Prepare



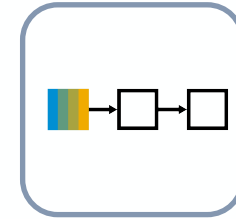
Adapt



Define Your Roadmap

- [SAP Readiness Check for SAP S/4HANA](#)
- [SAP Solution Manager 7.2](#)
- [Simplification Item Catalog](#)
- [Simplification Item Check](#)
- [Custom Code Lifecycle Management](#)
- [Code Inspector / Custom Code Migration Worklist](#)
- [Pre-Checks](#)
- [SAP Product Roadmaps](#)

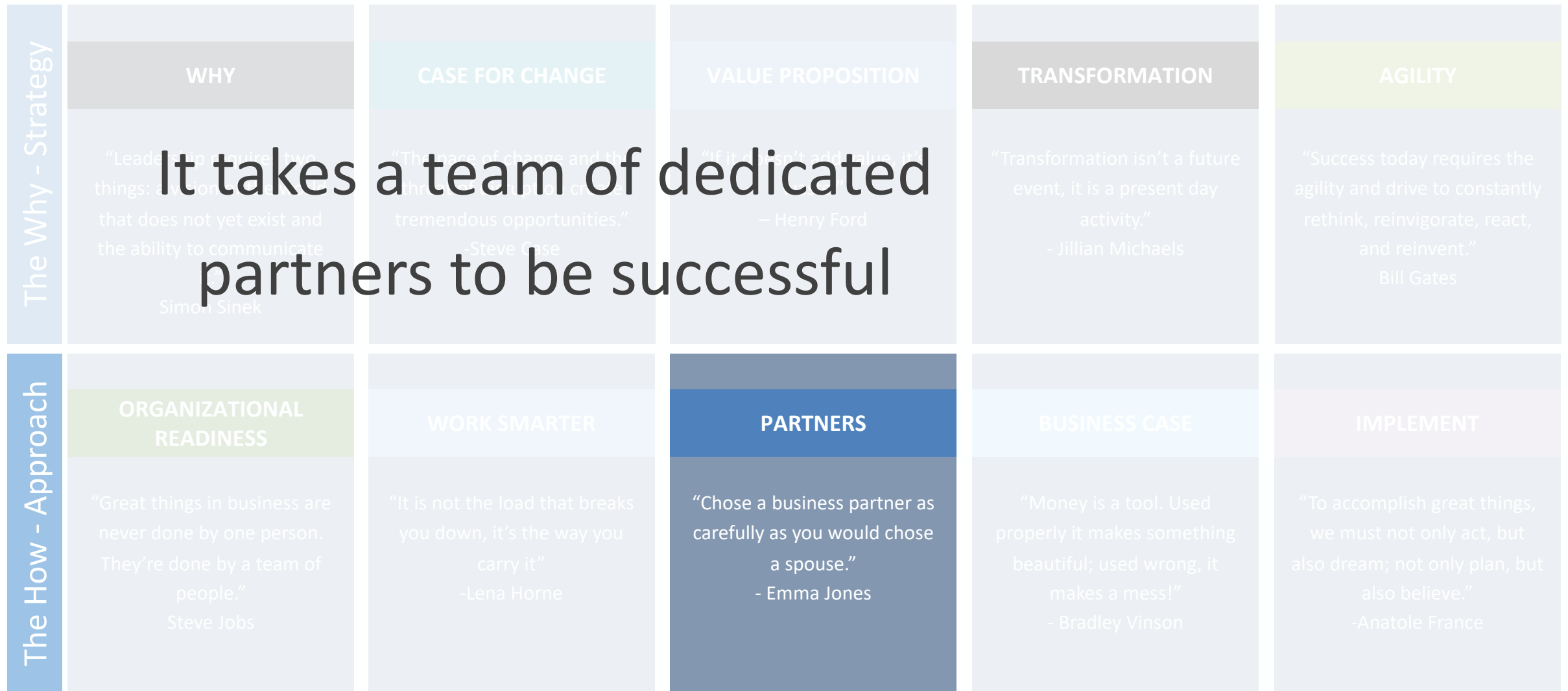
Migrate



Execute Your Move

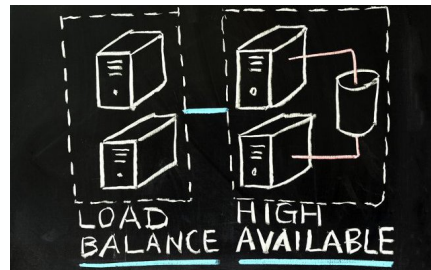
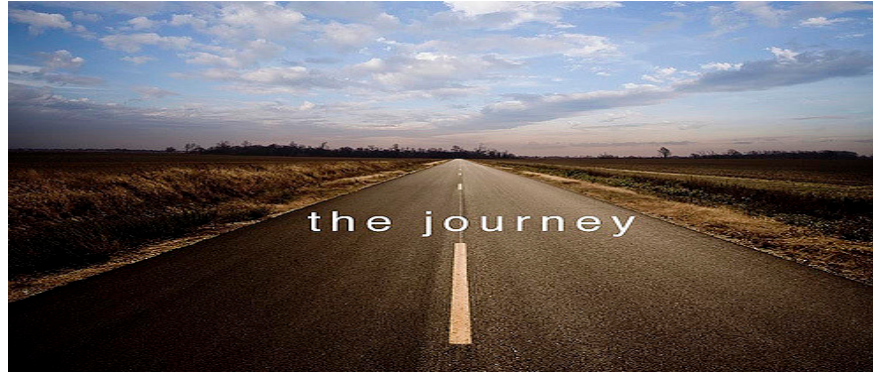
- [SAP Activate](#)
- [Maintenance Planner](#)
- [Migration Cockpit](#)
- [SAP Data Services with Rapid Data Migration content](#)
- [SAP Value Assurance Services](#)

Part 1: Strategically Transform your Business



It takes a team of dedicated partners to be successful

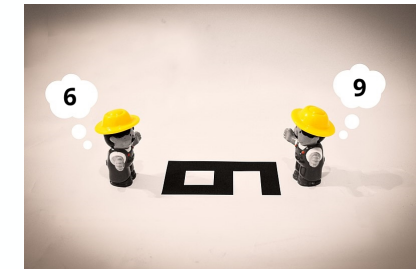
Find the right business partner(s) based on your needs
set clear expectations and align on a mutual reliance strategy



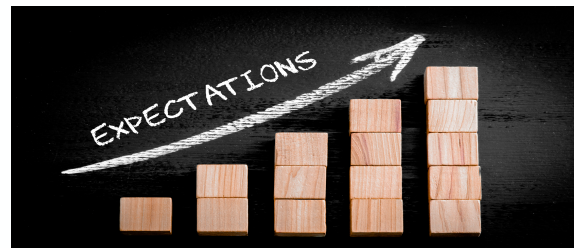
Do you have internal
bandwidth



Do you have internal
expertise



Do you need an external
perspective or support



Make a long lasting relationship based on transparency

Transformation programs can be reputation builders or breakers



Be Transparent

Don't ASSUME

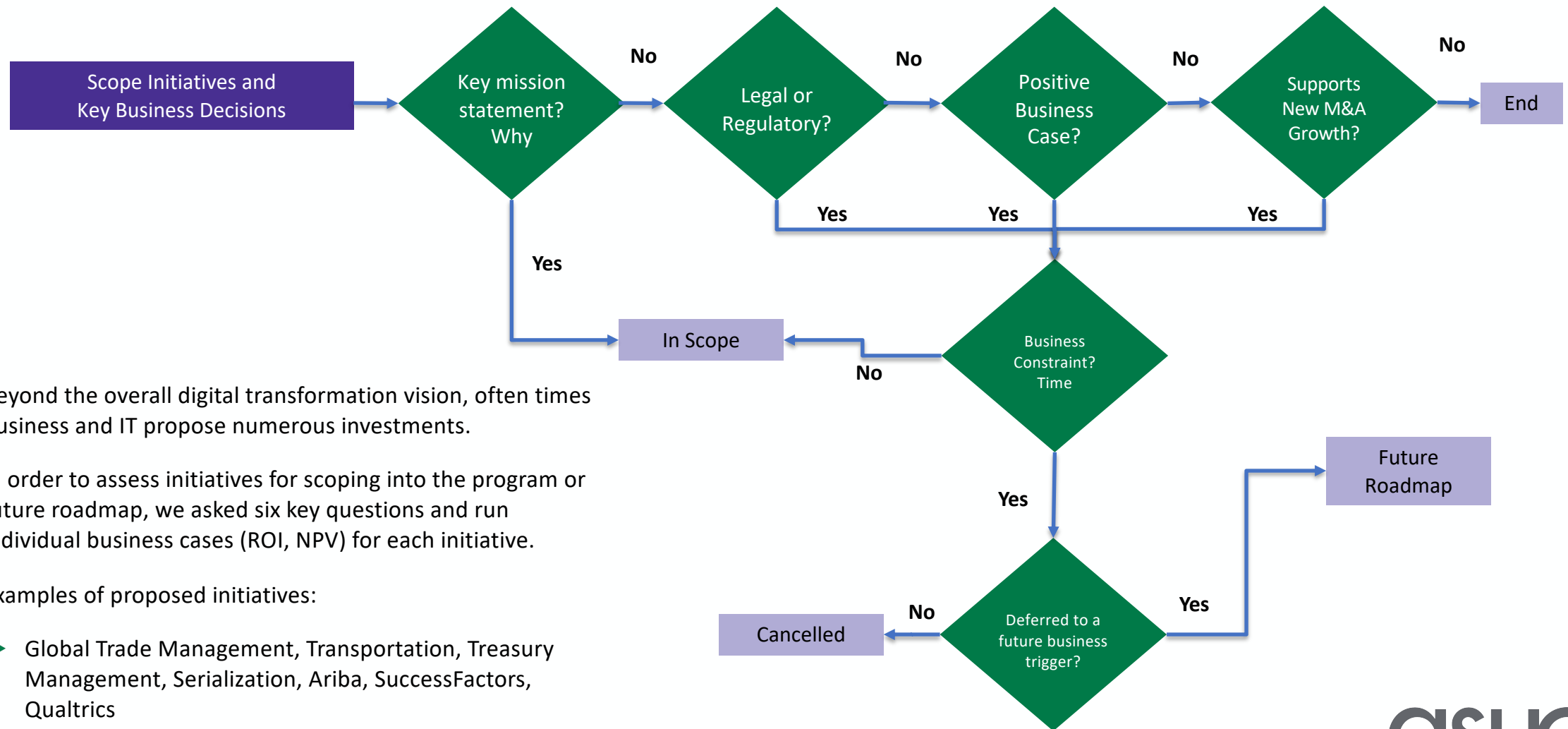
Success

Part 1: Strategically Transform your Business



Utilize a robust methodology to define program scope

Ensure business ownership and executive sponsorship



- ▶ Beyond the overall digital transformation vision, often times business and IT propose numerous investments.
- ▶ In order to assess initiatives for scoping into the program or future roadmap, we asked six key questions and run individual business cases (ROI, NPV) for each initiative.
- ▶ Examples of proposed initiatives:
 - ▶ Global Trade Management, Transportation, Treasury Management, Serialization, Ariba, SuccessFactors, Qualtrics

Define scope, protect and manage

Balance innovation with organizational maturity, foundational focus



Define

- Your scope
- Timeline (time fence)
- Team



Protect

- Your scope
- Timeline
- People



Manage

- Scope creep
- Timeline

You need a governance structure that is willing and empowered to just say “no”

Build a solid business case and gain Executive alignment



The Problem(s)

- Identify the real problem



The solution

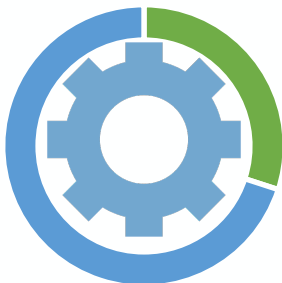
- Collaborate to find the solution
- Balance innovation with maturity



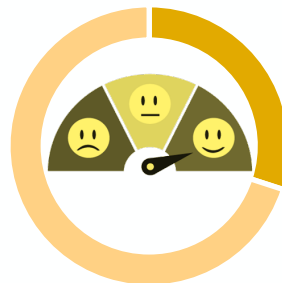
Business benefits

- Calculate tangible business benefits they may be qualitative or quantitative

30% Increased
efficiency



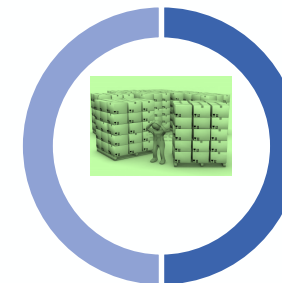
70% Improved
Customer Service



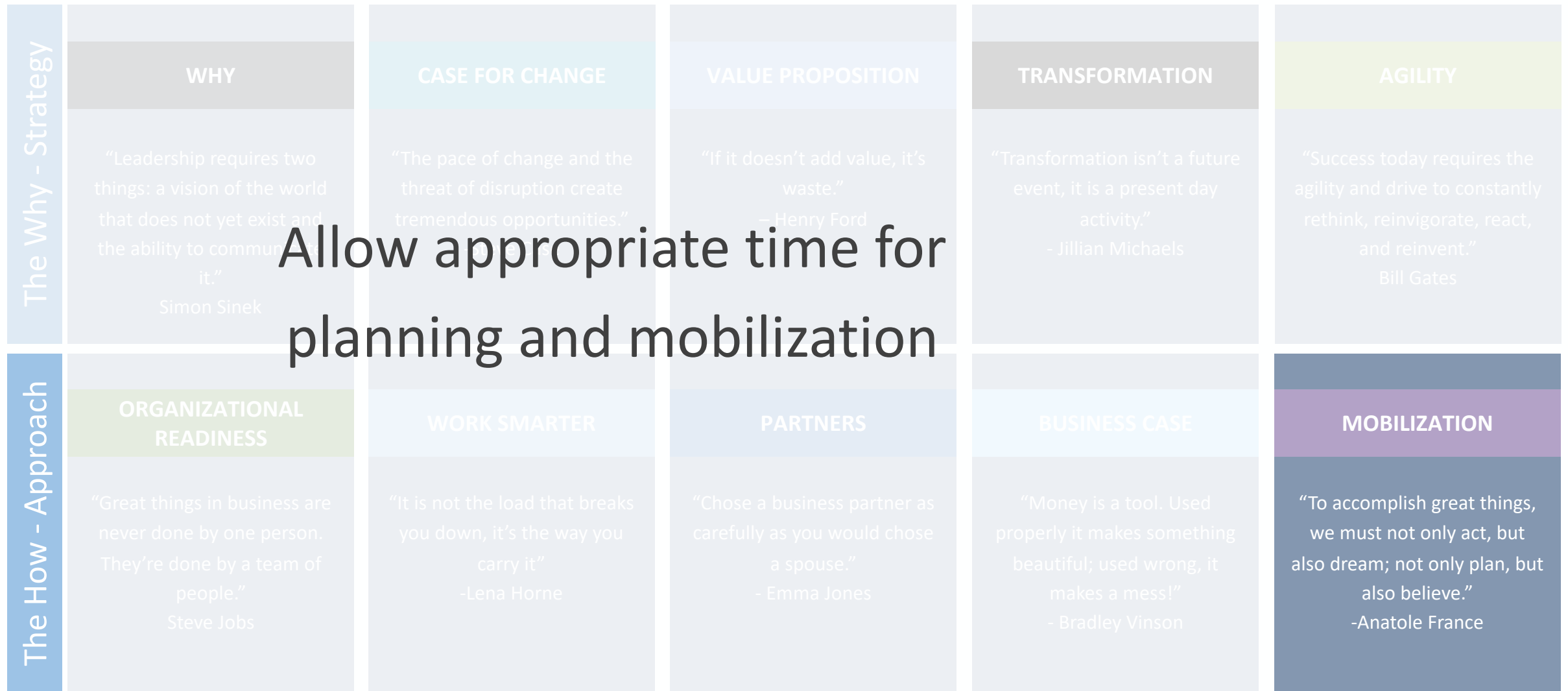
25% reduction in Total
Cost of Ownership



50% reduction in
Inventory



Part 1: Strategically Transform your Business



Appropriate planning and mobilization increases your success rate and will de-risk your program

SAP Readiness Check



BUSINESS OBJECTIVES

Business Model Innovation
Business Process Optimization
ERP Rapid Modernization

TRANSITION OPTIONS

New Implementation
System Conversion

DESTINATION OPTIONS

SAP S/4HANA Cloud
SAP S/4HANA including SAP HANA* Enterprise Cloud and hyperscalers

Business Scenario Recommendations for SAP S/4HANA



Build a solid business case



The Problem(s)

- Identify the real problem



The solution

- Collaborate to find the solution
- Balance innovation with maturity



Business benefits

- Calculate tangible business benefits they may be qualitative or quantitative

Part 2: Implement the intelligent enterprise

PLAN “A goal without a plan is just a wish.” Antoine de Saint-Exupéry	PMO “Talent wins games, but teamwork and intelligence win championships.” -Michael Jordan	TEAM “Finding good players is easy. Getting them to play as a team is another story.” Casey Stengel	PROTECT STANDARD “If you think of standardization as the best that you know today, but which is to be improved tomorrow; you get somewhere.” -Henry Ford	DATA “Garbage in.. Garbage out..”
TESTING “Doing the same thing over and over again expecting different results, is the definition of insanity.” Albert Einstein	TRAINING “The purpose of today’s training is to defeat yesterday’s understanding.” -Miyamoto Musashi	DOCUMENTATION “Documentation is a love letter that you write to your future self.” -Damian Conway	ORGANIZATIONAL READINESS “Good communication is the bridge between confusion and clarity.” -Nat Turner	RUN: PART 3 “However beautiful the strategy, you should occasionally look at the results.” Winston Churchill

Call to Action

- Determine your strategy
- Align your organization
- Plan your approach (Part 2)
- Join the Movement

sap.com/jointhemovement
[#jointhemovement](https://twitter.com/jointhemovement)

Q&A

let's
DISCUSS

