S/4HANA Adoption Starter
Your Transformation Plan 1.0 in 90 days

November 2018

CUSTOMER

THE BEST RUN **SAP**

Agenda – S/4HANA Adoption Starter

Motivation and Target Audience

Scope and 90 day schedule

Preparation and Registration

Overview of Deliverables

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S/4HANA Adoption Starter - Motivation

Digital Transformation is on everyone's agenda. SAP is committed to providing **clear guidance** and support for the customer design of the journey. This goes beyond a traditional IT-project and needs an equal attention to business aspects.

BUT

Today, customers feel that already the high level evaluation for a S/4HANA-centric landscape, requires a significant investment. In addition, offered tools and services are hard to sequence and align – self services are often not self explanatory.

Objective:

Pilot and scale a 90-day*, easy to consume format that helps customers to structure and assess their transformation. Cover Business, Technical as well as Transformation view and summarize in an **executive-ready Transformation Plan 1.0**

* elapsed time of customer engagement

S/4HANA Adoption Starter – Target Audience

Target group of customers:

- ERP installed base customers

- Not live on S/4HANA yet

- All customers with a valid SAP Support Agreement with no additional fees

- Direct and Indirect customers

- Indirect customers are requested to join with their reselling partners

- Customers may bring their SI partners as members of their project team

Timing and set-up:

- Available at no extra cost for active support customers*

- Ideal timing is evaluation or early planning phase (pre-license or at least pre-project)

- Time bound, structured process (details see 90 day schedule and modules)

- Combination of customer activity, 1:N SAP interaction and 1:1 sessions (details see 90 day schedule and modules)

- Intended scope will require several customer roles to be involved (details see Preparation & Registration)

Agenda – S/4HANA Adoption Starter

Motivation and Target Audience

Scope and 90 day schedule

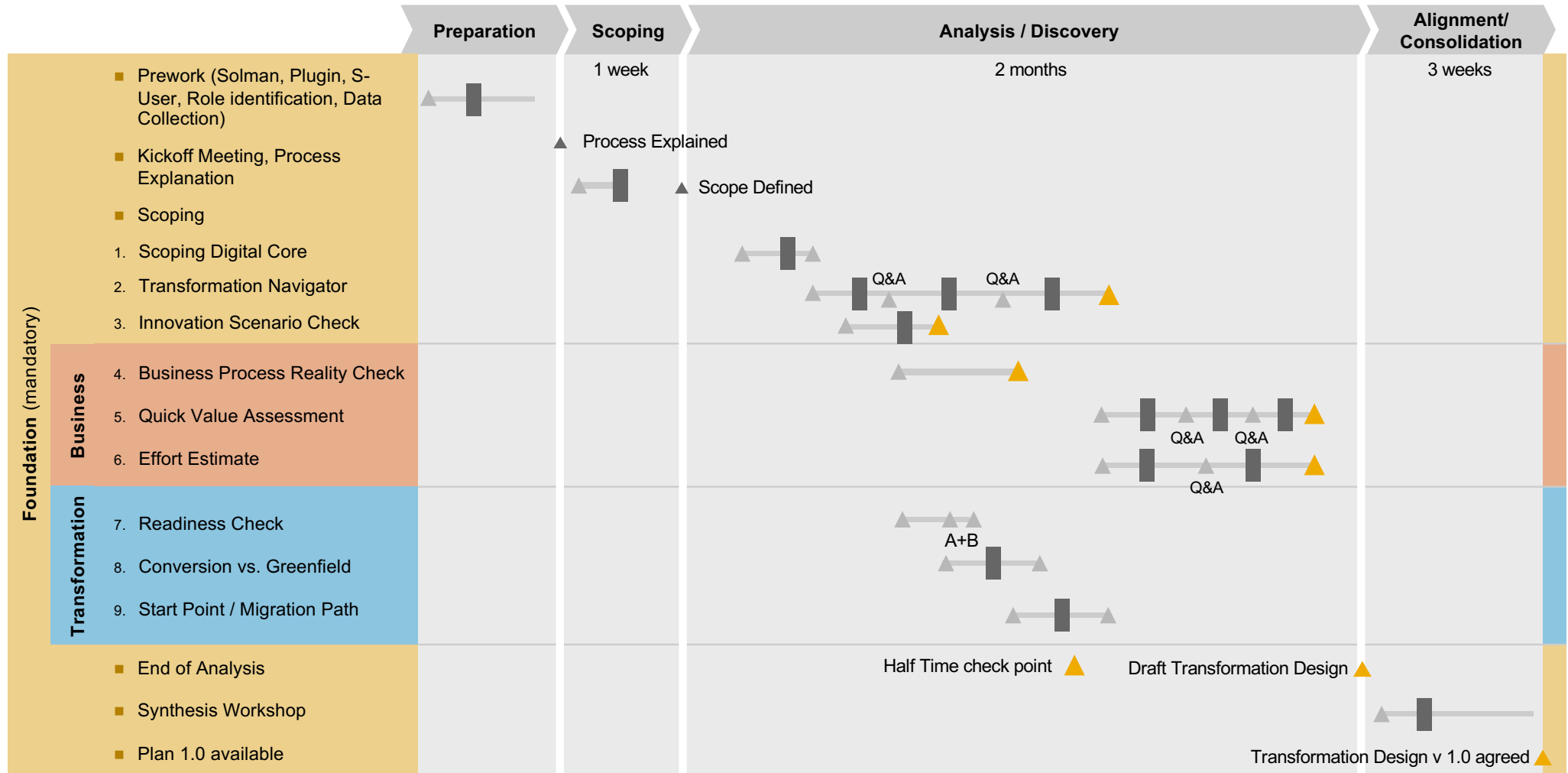Preparation and Registration

Overview of Deliverables

S/4HANA Adoption Starter – Scope & Packages

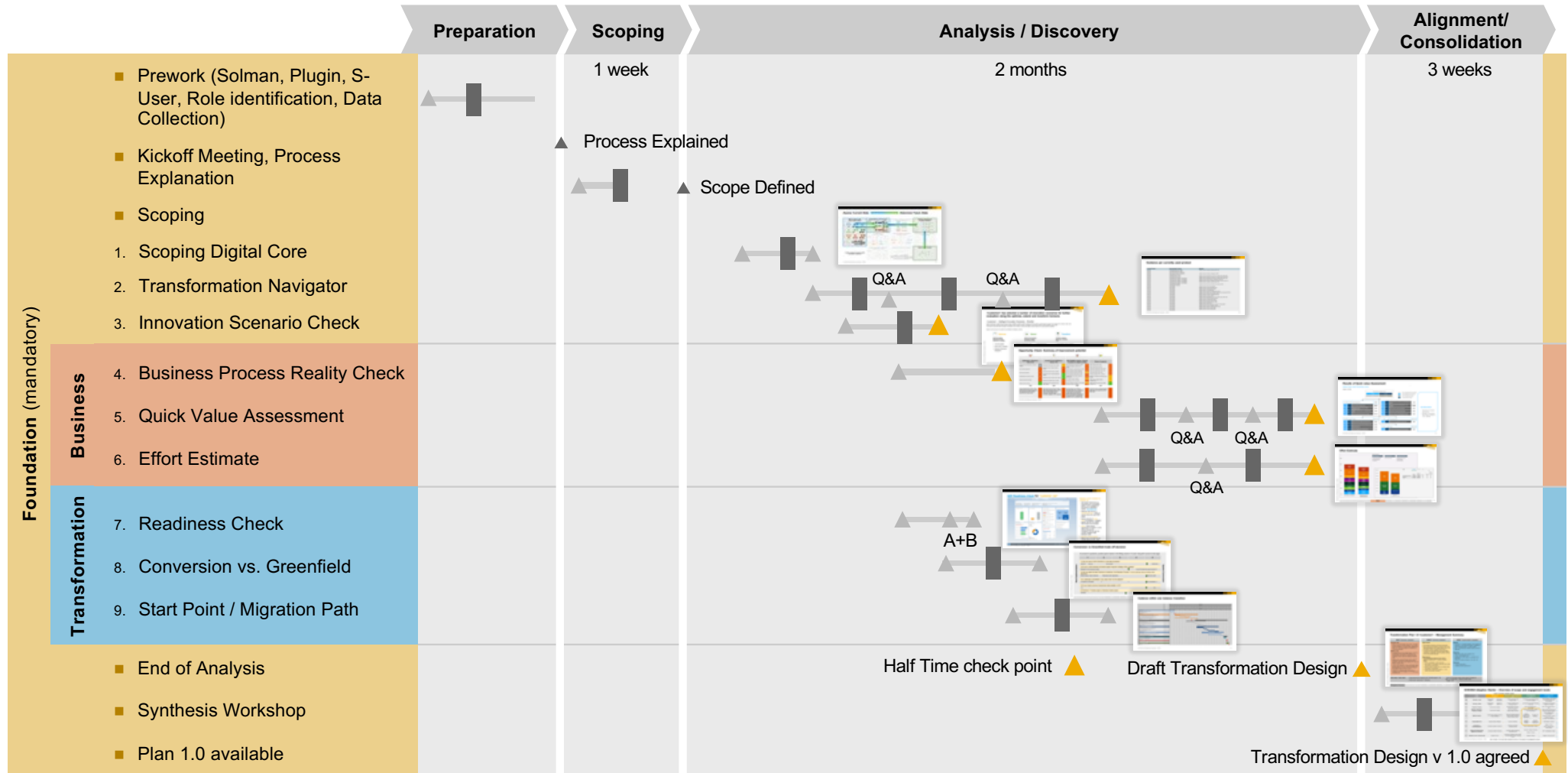|			Key answers to	Packages (Tools/Services applied)	
Why?	**Business view**	Innovation Case	■ Innovations ■ New Capabilities	**Foundation** (mandatory)	**Business** 4. Business Process Reality Check 5. Quick Value Assessment 6. Effort Estimate
		Efficiency Case	■ Value Driver & Aspiration ■ Benefit Case ■ Baseline + Potential ■ Effort Estimate	1. Scoping Digital Core	
What?	**Technical view**	Target Products	■ Target Architecture ■ Product Recommendation	2. Transformation Navigator	
		Target Instances	■ Consolidation Opportunities	3. Innovation Scenario Check	
How?	**Transformation view**	Sequence & Approach	■ Transitions and Approach ■ Start Point / Migration Path ■ Conversion vs. Greenfield ■ Readiness to start ■ Relevant Accelerators ■ Next Level Services to plan for		**Transformation** 7. Readiness Check 8. Conversion vs. Greenfield 9. Start Point / Migration Path

S/4HANA Adoption Starter – Scope & Packages

Foundation (mandatory)

Scope	How it works
1. **Scoping Digital Core** Current landscape and basic target architecture + instance consolidation candidate check	
2. **Transformation Navigator** All current products mapped to up-to-date SAP portfolio viewed from BOM, value driver and transition type persepctive	
3. **Innovation Scenario Check** 6 Innovative technologies (ML, IoT, BC, Analytics, Big Data, Data Intelligence) reg. optimize process steps, extend current proecesses and transform the business model	

Packages (Tools/Services applied)

Foundation (mandatory)

Business
4. <NewTool>
5. Quick Value Assessment
6. Effort Estimate

1. Scoping Digital Core

2. Transformation Navigator

3. Innovation Scenario Check

Transformation
7. Readiness Check
8. Conversion vs. Greenfield
9. Start Point / Migration Path

Business

Scope	How it works
4. **Business Process Reality Check** 30 pre-selected operational (system-based) KPIs	
5. **Quick Value Assessment** Value benchmark overall	
6. **Effort Estimate** 13 element TCO model (one time and recurring)	

Transformation

Scope	How it works
7. **Readiness Check** 10 technical areas checked e.g. modifications, simplifications, HW-sizing,...	
8. **Conversion vs. Greenfield** S/4 transition approach trade off evaluation	
9. **Start Point / Migration Path** Major product and instance transition sequencing	

S/4HANA Adoption Starter – 90-day schedule

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S/4HANA Adoption Starter – 90-day schedule

	Preparation	Scoping	Analysis / Discovery	Alignment/ Consolidation
		1 week	2 months	3 weeks

Foundation (mandatory)

- Prework (Solman, Plugin, S-User, Role identification, Data Collection)
- Kickoff Meeting, Process Explanation
- Scoping
1. Scoping Digital Core
2. Transformation Navigator
3. Innovation Scenario Check

Business

4. Business Process Reality Check
5. Quick Value Assessment
6. Effort Estimate

Transformation

7. Readiness Check
8. Conversion vs. Greenfield
9. Start Point / Migration Path

- End of Analysis
- Synthesis Workshop
- Plan 1.0 available

Process Explained
Scope Defined
Q&A   Q&A
Q&A   Q&A
Q&A
A+B
Half Time check point
Draft Transformation Design
Transformation Design v 1.0 agreed

Legend:
- 🟧 1:1 interaction between SAP and customer
- ⬜ 1:n interaction between SAP and customer
- ⬛ Customer only, SAP support on demand

S/4HANA Adoption Starter – Summary of Results

Why?	**Business view**	
What?	**Technical view**	
How?	**Transformation view**	

S/4 Adoption Starter – Summary of Results

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S/4HANA Adoption Starter – Preparation Checklist (1/2)

Prerequisite	Effort	Details
Customer role clarification and availability		
90-day coordinator	high (> 15 days)	Main counterpart for SAP, needs to coordinate all activities and pull in other roles where required
Executive sponsor	low (< 5 days)	Signoff-Instance of Transformation Design v1.0
Business Owner(s)	low (< 5 days)	Business Owners of LoB/Units in scope
Process Manager(s)	medium (<15 days)	Process Managers of Processes in scope
Controller	medium (<15 days)	For details required to do QVA and Project & Ongoing Effort Workshop
Enterprise Architect	medium (<15 days)	For overall view of current and recommended landscape
Landscape Operations (Run)	medium (<15 days)	Current usage of systems, instances etc.
Project/Program Manager (Build)	low (< 5 days)	Planning of Transformation, sequence etc.
Corporate Strategy	low (< 5 days)	for Innovation Topics in company scope/group scope
Innovation Manager	low (< 5 days)	for Innovation Topics in company scope/group scope

S/4HANA Adoption Starter – Preparation Checklist (2/2)

Prerequisite	Details
System setup	
System-Plugins installed for Readiness check	SAP Readiness Check for SAP S/4HANA. • Minimum release: SAP ERP 6.x EhP 0-8 on any database, SAP S/4HANA Finance (aka 1503/1605) • Notes to be implemented https://launchpad.support.sap.com/#/notes/0002310438 .
System-Plugins installed for Business Process Reality Check	ECC-System with ST-A/PI 01T
S-User available	S-User has access to all information relevant for planning scope
Information retrieval	
Depiction of current landscape available	PowerPoint, EA-Tool

MUST be fulfilled before you start!

If the Readiness Check and Business Process Reality Check are not working at the Kick-off, you cannot join the class and will be moved to the next class.

Next Classes

- 16.01.2019 Klasse 1 -EN

- 22.01.2019 Klasse 2 – DE

- 12.02.2019 Klasse 3 – EN

- 19.02.2019 Klasse 4 – DE

- 04.03.2019 Klasse 5 – US

- 12.03.2019 Klasse 6 – DE

- 18.03.2019 Klasse 7 – EN

Scoping form for <your company name>

☑ Foundation   ☑ Value and Business Case Package   ☑ Transition Package

Your Industry _____   Preferred Start Date _____

Readiness Check is working ☐   BPReality Check is working ☐   If possible, place me into a class with my industry peers: | Yes | No | | * |

Role	Name	E-Mail
90-day coordinator	Peter Mustermann	Peter.mustermann@company.com
Executive sponsor		
Business Owner(s)		
Process Manager(s)		
Controller		
Enterprise Architect		
Landscape Operations (Run)		
Project/Program Manager (Build)		
Corporate Strategy		
Innovation Manager		

Bold = recommended minimal set of involved roles or something similar   * does not matter to me.

S/4HANA Adoption Starter
Next Steps

Classes start 1-2 times every month depending on demand

Confirm your participation

Prepare the Preparation Checklist

Provide your contact details

For further questions and registration send a mail to:
S4HANA.Adoption.Starter@SAP.com

Agenda – S/4HANA Adoption Starter

Motivation and Target Audience

Scope and 90 day schedule

Preparation and Registration

Overview of Deliverables

Overview of Deliverables

Packages (Tools/Services applied)

Foundation (mandatory)

1. Scoping Digital Core

2. Transformation Navigator

3. Innovation Scenario Check

Business

4. Business Process Reality Check
5. Quick Value Assessment
6. Effort Estimate

Transformation

7. Readiness Check
8. Conversion vs. Greenfield
9. Start Point / Migration Path

Transformation Plan 1.0 <customer> - Management Summary

WHY? Business evaluation	WHAT? Technical evaluation	HOW? Transformation evaluation
Innovation Case ‣ Xxxx ‣ xxx	**Target Products** ‣ Xxxx ‣ xxx	**Sequencing** ‣ Xxxx ‣ xxx
Efficiency Case ‣ Xxxx ‣ xxx	**Target Instances** ‣ Xxxx ‣ xxx	**Approach** ‣ Xxxx ‣ xxx
		Project plan ‣ Xxxx ‣ xxx
Next steps / action items ‣ Xxxx ‣ xxx	‣ Xxxx ‣ xxx	‣ Xxxx ‣ xxx

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Business evaluation – Why?

Why = Innovation case + Efficiency case

- Industry innovation trends
- Relevant innovation scenarios
- Additional future capabilities
- Relevant value driver and aspiration
- Overall value summary
- Baselining result and tracking approach
- Effort estimate

Technical evaluation – What?

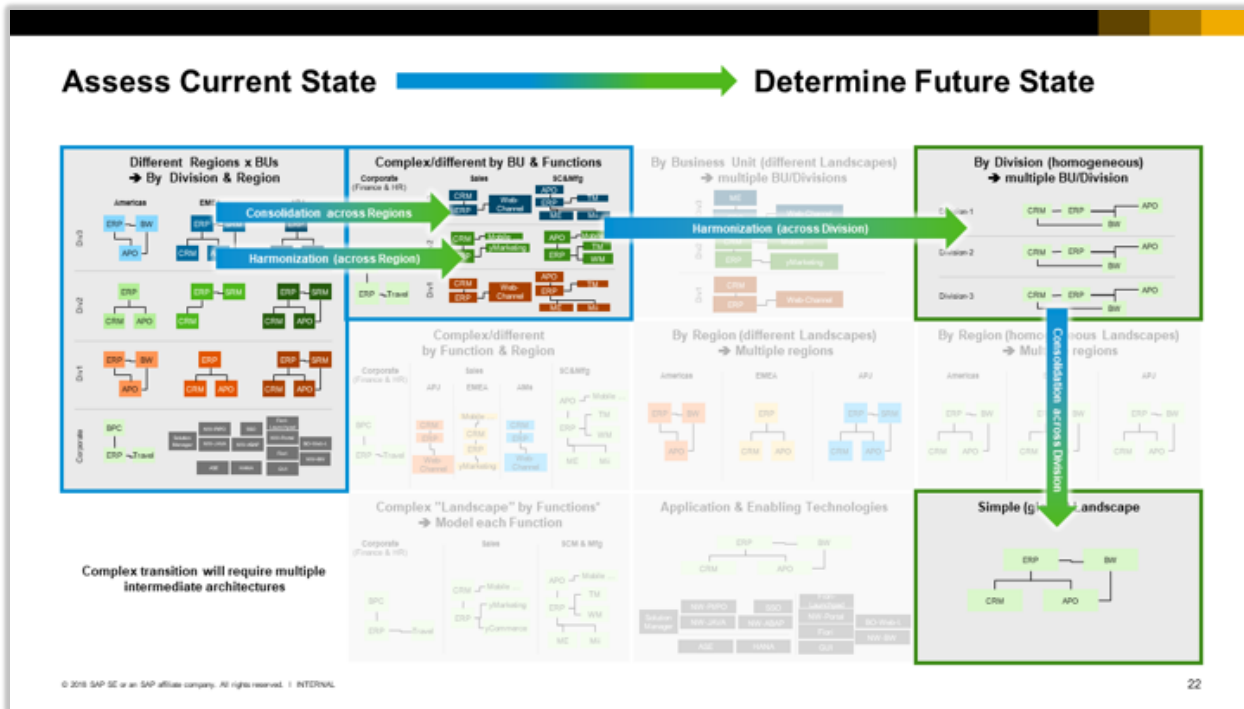### What: Target Products -> Target Instances

- Mid-term target architecture
- Scope-based product recommendations
- Definition of digital core
- Instance consolidation plan
- Backlog of technical preparation needs e.g. custom code, simplifications

Transformation evaluation – How?

How: Approach + Sequencing => Project plan

- Conversion vs. Greenfield
- Single step vs. Multi-step
- Alignement with business requirements e.g. downtime
- Sequencing of product transitions
- Sequencing of instance transitions
- Cadence within one instance transition
- Overall phasing
- Remaining in-depth analysis
- Detailed work schedule for phase 1

1. Scoping the Digital Core

Assess Current State → Determine Future State

Different Regions x BUs → By Division & Region

Consolidation across Regions
Harmonization (across Region)

Complex/different by BU & Functions

By Business Unit (different Landscapes) → multiple BU/Divisions

By Division (homogeneous) → multiple BU/Division

Harmonization (across Division)

Complex/different by Function & Region

By Region (different Landscapes) → Multiple regions

By Region (homogeneous Landscapes) → Multiple regions

Consolidation across Division

Complex "Landscape" by Functions" → Model each Function

Application & Enabling Technologies

Simple (global) Landscape

Complex transition will require multiple intermediate architectures

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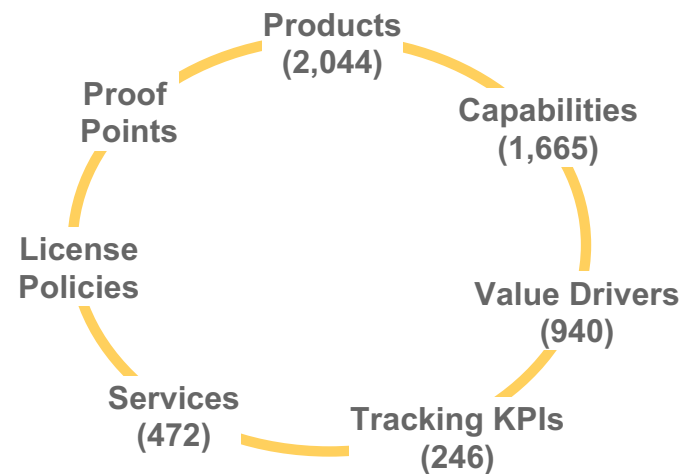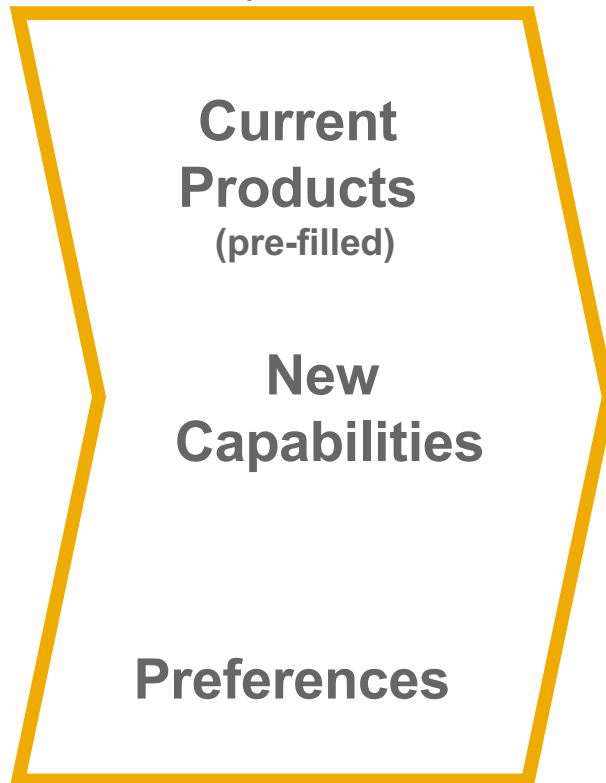|		Keep in or move to core	Connected or in core	Outside of digital core	Consume as SaaS
			X		
		X			X
		X			
		X			X (Planning)
		X			
					X
					X
			X		
		X	X		
	Finances	X			
	HR				X
	…				
Build	IoT			X	X
	Mobile			X	
	Pricing	X			

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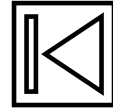
2. Transformation Navigator

Customer input

Current Products
(pre-filled)

New Capabilities

Preferences

SAP Transformation Navigator
Clear Guidance to Live Business

Products
(2,044)

Capabilities
(1,665)

Proof Points

Value Drivers
(940)

License Policies

Tracking KPIs
(246)

Services
(472)

Customer deliverables

Recommended Products

Tailored Guides
Business, Technology, Transformation

3. Innovation Scenario check

SAP Leonardo intelligent technologies optimize, extend, and transform the business

Industrial Manufacturing Intelligent Scenarios

The SAP Leonardo intelligent technologies are embedded in the business core and industry applications to optimize and extend business processes. Companies can also use them together with innovation services to build and assemble next-generation business processes. For Industrial Machinery & Components companies, SAP supports 35+ intelligent scenarios to optimize, extend and transform their business. Below are a few highlighted ones which will be further explained on subsequent pages.

Optimize existing processes for more efficiency or reliability

- Service ticket intelligence
- Remote condition monitoring of assets
- Machine learning-powered solution configuration
- Industry 4.0 manufacturing performance management
- …

Extend current business processes beyond efficiency gains to capture new sources of value

- Predictive maintenance and service
- Collaborative Digital Twin management
- New digital services through an IoT platform
- Additive manufacturing
- …

Transform the company's value chain or business model

- Pay for Outcome
- Data monetization based on asset information
- …

SAP Leonardo applications optimize business processes

Optimizing business processes results in achieving the same business outcome more efficiently and reliably. We begin with scrutinizing current practices: What can be automated using machine learning? How can we make processes aware of the real world by connecting them to the things around them? How do we give people the right analytical tools to make sense of vast amounts of data and to handle exceptions?

Service ticket intelligence	Remote condition monitoring of assets	Machine learning-powered solution configuration	Industry 4.0 manufacturing performance management
Labor-intensive and slow resolution of customer service tickets	Reactive service processes and high service efforts	Complex processes for selling individualized solutions	Lacking transparency of complex manufacturing networks
SAP Service Ticket Intelligence efficiently processes inbound e-mails, calls, and other channel interactions like social media posts. It automatically determines classifications, routing, and responses.	SAP Cloud Platform IoT Services and SAP Predictive Maintenance and Service enable companies to connect, remotely monitor their customers' machines and react to issues in realtime	Data Driven Guided Selling and Configuration will leverage historical data and machine learning to simplify the quotation process for configurable products and solutions.	SAP Digital Manufacturing Insights enables key stakeholders of manufacturing operations to take tactical and strategic decisions that help companies achieve best in class manufacturing performance.
▸ Increased productivity ▸ Higher customer satisfaction	▸ Increased overall equipment efficiency ▸ Reduced service efforts and costs	▸ Better win rates ▸ Reduced quotation efforts	▸ Faster insights to action ▸ Improved manufacturing performance

Optimize

Hoerbiger monitors their customers' remote wellhead compression units. Service technicians only need to travel to the asset when a maintenance is required, based on live insights in the assets' operational status. Service tickets are being generated automatically, and operating hours are transferred for pay-per-use billing.

Mitsubishi Electric connects customers shop-floor equipment with SAP solutions using SAP Leonardo IoT technologies. With that, Mitsubishi both helps customers improving their manufacturing performance and optimizes own aftermarket service processes.

Ohtake Noodle Machine help their customers improve the quality and consistency of noodles they manufacture. Through innovation with SAP Leonardo and advanced analytics, Ohtake is innovating with new approaches such as remote monitoring of production and maintenance of machines.

4. Business Process Reality Check

Why

You consider moving from SAP ECC to SAP S/4 HANA. You want transparency on:
- How to improve working capital
- In which areas to increase automation rates, reduce transactional backlog, and get rid of non-standard order types

What

A short report highlighting the potential in each of abovementioned 4 areas based on the measurements in the system – plus an overview of what to do with the results moving forward

How

~30 out-of-the-box key figures are executed remotely in your productive SAP ECC system. The output of this report should provide a scoping for potential future Business Process Improvement activities.

Who

The measurement serves both business and IT - bring along the process owners in the line of business as well as module owners in the application departments

5. Quick Value Assessment - Build an Outside-In Benefits Case

- **Concept:** A **Quick Value Assessment (QVA)** enables you to rapidly create an estimate of business improvement aligned to scope
- **Result:** The assessment calculates potential benefit estimates for process / sub-processes or even specific SAP solutions.
- **Approach:** Company provides minimal financial information and system automatically calculates outside-in benefits based on benchmarks, assumptions. Company can fine tune benefits if needed
- **Customer Roles:** Business Owners, Controller to help with any P&L data required

✓ Business value framework defined

✓ Value drivers automatically included

✓ Monetary benefits estimated instantly

Please note that the QVA deliverable is high level in nature and to have an early discussion on value. It does not include an ROI analysis or cost information as this would require much deeper involvement from the customer.

6. Effort Estimate
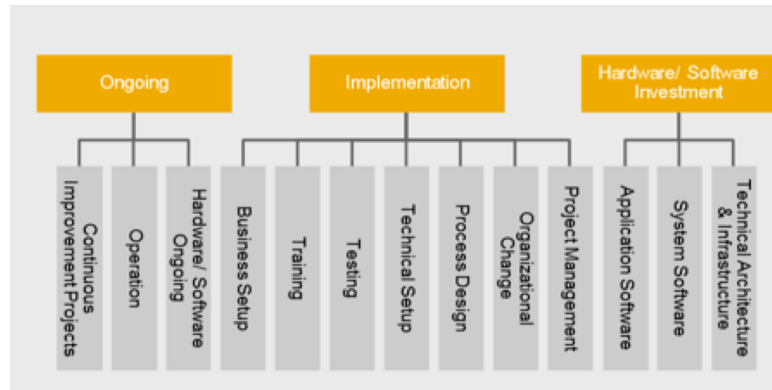
**Total Cost of Ownership(TCO)-Modell**

13 Cost categories covering

- Full life cycle of deployed software
  - Hardware/Software investment
  - Implementation
  - Ongoing effort
- Internal and external cost

**Proven methodology to Analyze TCO**

Key questions to answer:

- What are the implication for ongoing operations?
- What ere the accelerator helping me to reduce implementation effort in comparison to former "traditional" implementations?
- What ere the implications from an Hardware/Software cost perspective?
- Top-down effort estimate vs. bottom-up calculation
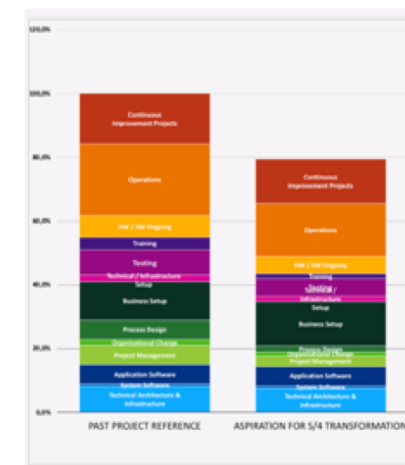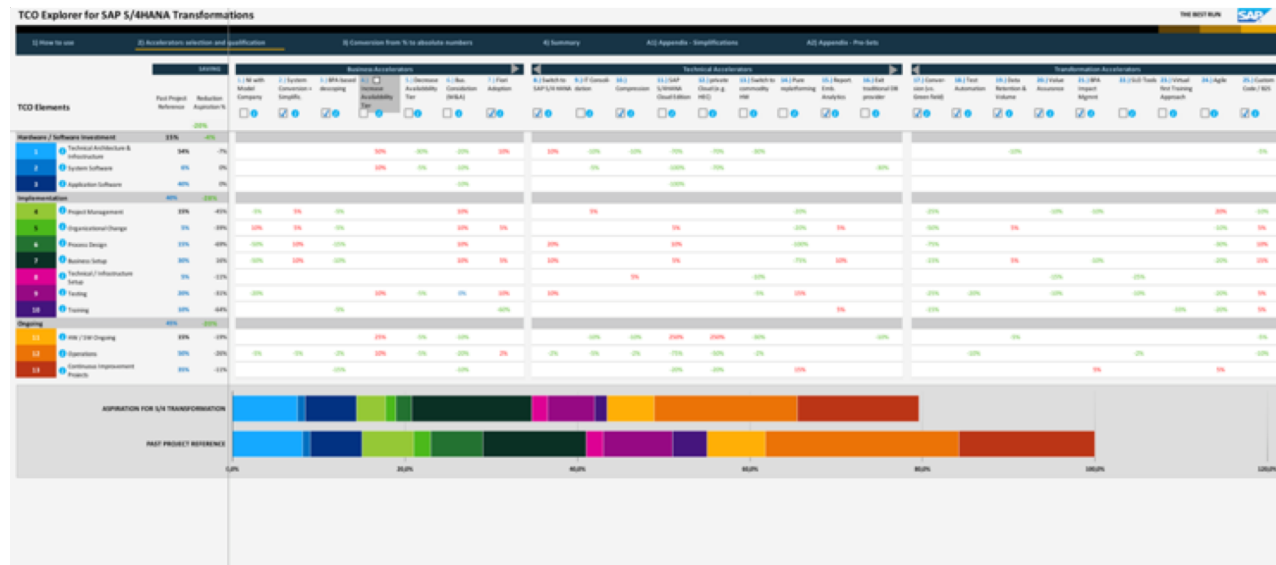
7. Readiness check

- Readiness Check to assess the technical preparation needs
- Self-service provides a dashboard with full drill down capability
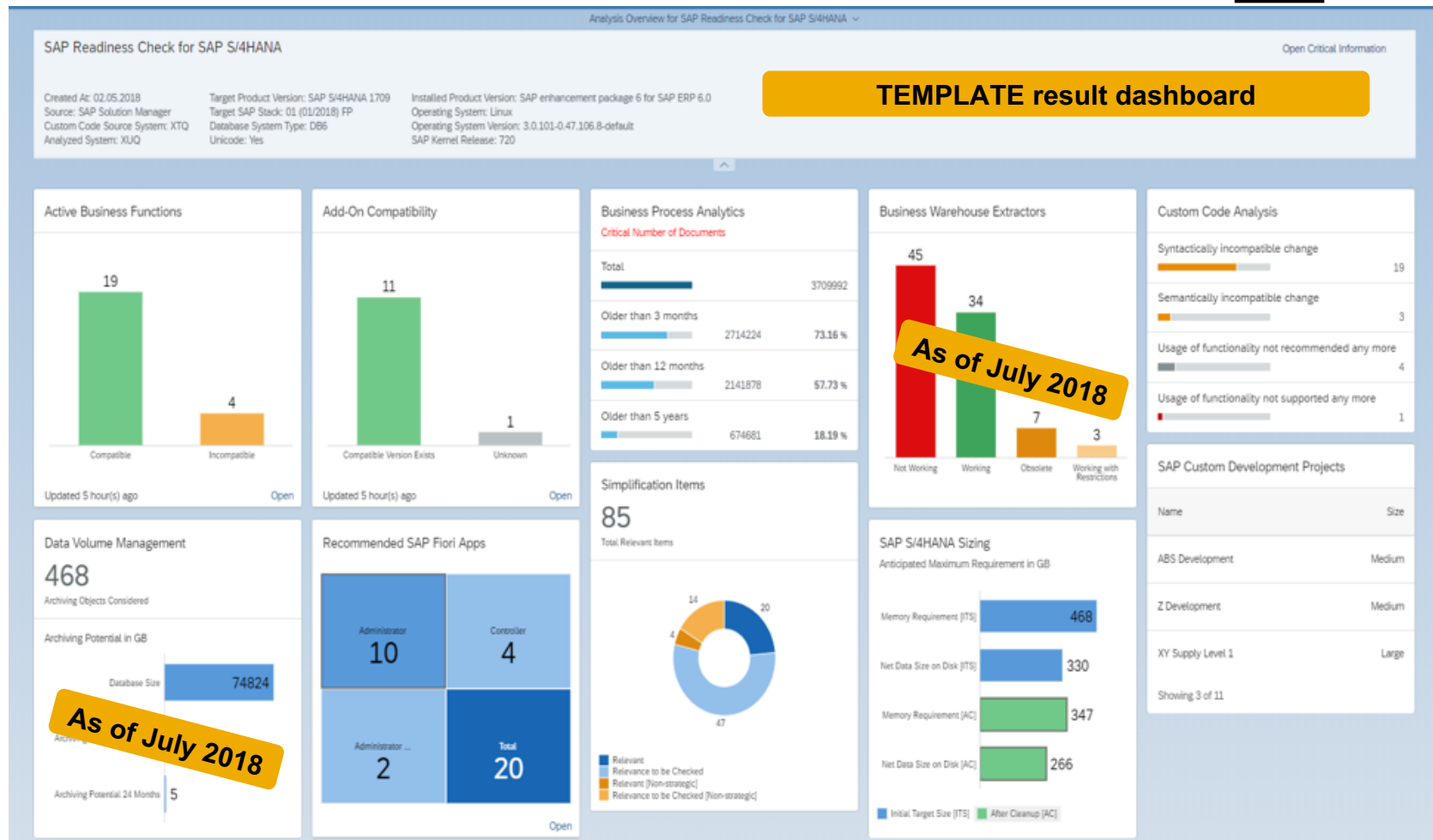
8. Conversion vs. Greenfield Approach

Conversion vs Greenfield trade off decision

As answer to questions, position green marker in the fitting column (1-5) and bring all 6 scores to next page

New Implementation ← → **System Conversion**

	1	2	3	4	5
1) Can you move to SAP S/4HANA in a one-step procedure?					
	<ECC 6.X OLD_GL	⬆ Non-Unicode			>=ECC 6.0X
2) Do your current business processes support long-term strategy of the company?					
	Redesign of core business processes	⬆			Current Processes are a good long term fit
3) Can you adopt the Best Practices to modernize Core Business Process? Or are you planning to take over existing custom applications?					
	Model Company / Back to Standard	Redevelop Custom Applications ⬆			Take over custom
4) Is Landscape consolidation a key value driver for S/4 adoption?					
	4+ systems to ⬆ consolidate	3	2		No Consolidation 1:1
5) Do you require previous transactional data available in S/4?					
	No ⬆				Yes
6) Technical / IT funded project or Business funded project					
	Business ⬆				IT

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9. Start Point Determination/ Migration Path

Accelerate time to value!
Where to start? Should you roll out Europe or US first? Which system to convert first?
This is especially relevant when planning multi-year company wide transformations where accelerating ROI realization is key.

Why : Where to start is the most common question in an S/4 transformation project. Value first? EU, APJ or US first? Cloud first? MDG? System consolidation? CFIN?

What : Based on a discovery workshop we will determine which direction fits your specific company needs and requirements. A roadmap will be drafted how Level 2 and 3 services (continues data collection and improvement workshops) could support you to confirm high level recommendations.

How : Company key goals are critical in determining which direction is best. We will sit with you to help determine which direction is best for your specific situation by analyzing your specific goals for S/4 adoption. Additionally we will discuss how other companies in similar situations have attacked the problem.

Who : IT leaders with deep understanding of the source environments. Enterprise Architects and Business leaders with the vision of with your 2020 company goals.

S/4 Adoption Starter – Summary of Results

Beyond S/4HANA Adoption Starter – Overview of engagement levels

Scope of S/4HANA Adoption Starter

#	Topic Definition	Self service Level 0		Outside-in expert guidance Level 1	Joint Planning Level 2		Joint Execution Level 3
1a	Trafo Case – Value	Transformation Navigator **1**	Quick Value Assessment **2**	Outside in Business Case based on QVA **7**	Full Business Case & Benchmarking w/ customer validation **12**		Value realization service (BPA & Process Improvement and Benchmarking) **19**
1b	Trafo Case – Effort	Transformation Navigator **1**	Explore S/4 HANA TCO **3**	Develop S/4 HANA Project & Operation Effort **8**	Joint Business Case with ROM Build & Run Costs **28**		Joint Business Case tracking Validate cost changes **20**
2	Baseline & Tracking	Transformation Navigator **1**		Business Process Reality Check incl. Improvement heat map **9**	BPA Process Improvement – Plan & Build **14**		BPA + Process Improvement – Run **21**
3	Alignment IT-Business – Functional coverage	Transformation Navigator **1**		Discovery Workshop + Industry Golden Document **10**	Value & Implementation Strategy incl. Fit Gap Analysis **15**		Model Company based process model with mapped deviations **22**
4	Digital Innovations	Transformation Navigator based on Product Roadmap **1**		Discovery Workshop based on Industry Golden Document & proposed Digital Priorities **10**	Value & Implementation Strategy incl. Fit Gap Analysis **15**	Innovation DT Workshop **16**	Model Company based implementation **22** Leonardo innovation services **23** Innovation Program execution if SAP portfolio fit **24**
5	Scoping Digital Core	Design principles whitepaper **4**		Discovery Workshop **10**	Innovation Strategy & Roadmap **17**	Technical Architecture & Infrastructure **18**	Data Migration Execution **25**
6	Conversion vs. Greenfield approach	6-Question evaluation framework **1**		6-Question Framework, consumed via DW **10**	Value & Implementation Strategy **15**		Migration Factory **26** Model Company based implementation **22**
7	Starting point Determination/ Migration Path Selection	5 principles startpoint framework **5**		5 principle startpoint framework consumed via DW **10**	Innovation Strategy & Roadmap; **17** Migration Planning **13**		VAP – Data Migration Design **27**
8	Readiness to start / necessary prep	Readiness Check **6**		Discussion of Readiness Check results + recommendation by SAP consumed via EGI **11**	Migration Planning **13**		Migration Factory and VAP **27**

Note: Numbers 1-28 inside Table indicate the Service or Tool applied in the engagement process.