Building an SAP S/4HANA Business Case

Derek Prior

Resulting IT

Derek Prior

Non-Executive Director, Resulting

- Former Gartner Research Director specializing in SAP operations, COE, architecture, S/4HANA, HANA, IaaS, Solution Manager and support issues

- 17 years at Hewlett-Packard

- 19 years at Gartner and AMR Research: ERP team

- Has spoken at many SAP and SAP User Group conferences around the world

- 1973 - BSc (Tech), Sheffield University: Chemical Engineering

- 1976 – PhD: **Pollutant Minimization From Staged Blue Flame Combustion**

Interests
Family, Environment/Sustainability, fly fishing, Cayman, home automation, DIY, drones and other nice toys ☺ ☺ ☺

Resulting

- Founded in 2004 by former PwC / IBM Head of SAP Application Outsourcing. UK based and privately owned.

- Leadership team are all former Big 4 Directors (KPMG, EY, PwC) plus a former Gartner SAP Research Director as non-exec.

- Independent "Business Side" ERP Consultancy with a specialism in SAP but expertise across ERP solutions.

- Research led – invest in understanding the SAP ecosystem with a view to improving the success of SAP programmes.

- In addition to consultancy, we have a number of technology solutions that underpin our services.

- Ranked in the Northern Tech Awards fastest 100 growing Tech companies 4 years in a row.

- Shortlisted for the National Technology Awards 2019.

The backdrop...

- SAP has never been cheap to implement and run.
    - SAP ERP life cycle planning is a clear best practice: 20 years? 30?
    - Amortise implementation costs over a 10 year lifespan
    - Add on Opex costs of running & improving an SAP solution.
    - But don't forget major upgrade costs

- SAP skills are getting more scarce and more expensive.
    - Ageing workforce
    - S/4 actual experience?
    - Brexit impact + **COVID-19**
    - So how good is your **SAP COE**?

- SAP programmes show notoriously bad ROI.
    - Poor benefits realisation
    - Poor adoption
    - Offshoring to save money just made things worse

Growth

Strategic Objectives

| M&A | New Markets | New Channels | Integrated Processes | Operational & Financial Performance |

ERP Strategy

Business Outcomes

| Revenue Growth | Purchasing Efficiency | Inventory Reduction | Customer Retention | Decision Making |

- ERP investment must link to Business Objectives & Business Outcomes

- So, ERP Strategy is directly linked to Business Strategy

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Executive Summary

Demand

Business Context

Business Processes

Control

ERP Principals

IT Governance

ERP Benefits Realization

Instance Strategy

Supply

ERP Services

ERP Architecture
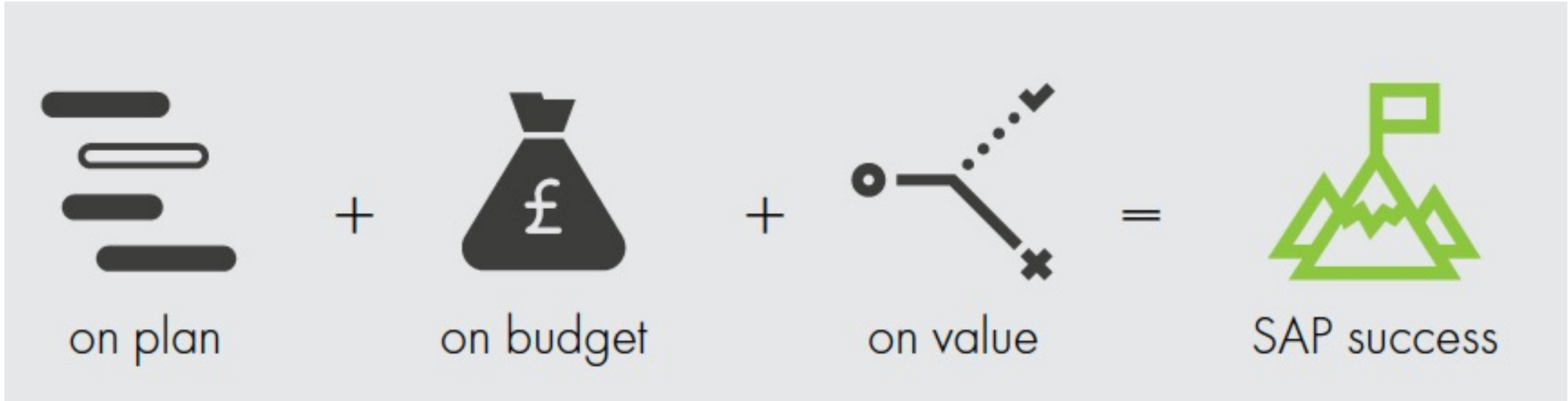
ERP Organization

ERP Vendor Strategy

ERP Success Factors

ERP Risk Factors

- "SAP" is not an ERP Strategy

- (Or any other ERP Vendor)

- How business exploits SAP over the ERP life cycle is what really matters

- You need a real ERP Strategy

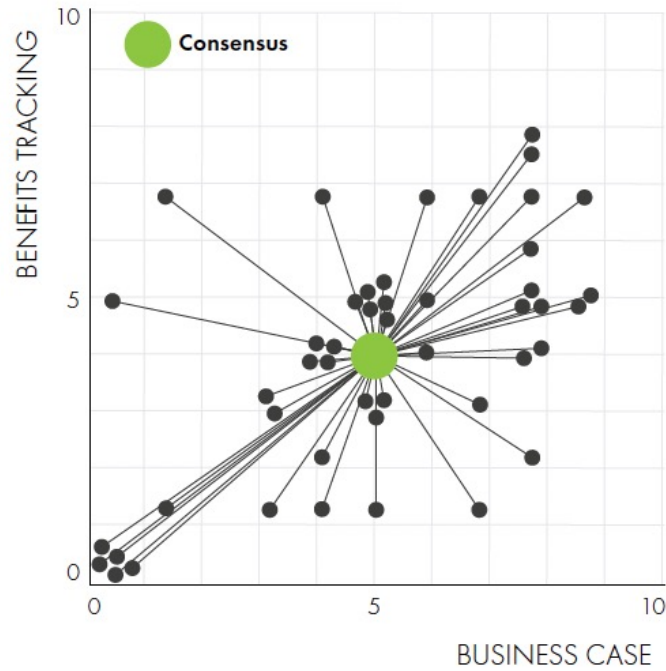on plan + on budget + on value = SAP success

The SAP program kept to the original delivery plan

The SAP program kept to the original delivery plan

The SAP program kept to the original delivery plan

How would you rate your SAP business cases and benefits tracking?

www.resulting-it.com/SAPS4Research

SAP S/4 HANA

Business Case

- SAP tools not so hot (BSR, T Navigator, Inn'n Pathfinder)
- But, lots of new ERP functionality in **SAP S/4 HANA**
- And, new "clever stuff: AI, ML, Predictive Analytics **SAP S/4 HANA**
- Detailed business value and cost/benefit analysis
- Is there a solid **ROI**/**NPV**? (maybe not…)

- Detailed SAP tools for Brownfield/Bluefield migration
- Phase 1: technical ECC migration to S/4, minimising risk
- Phase 2: implement the new functionality with business value in your Business Case
- Measure the business value achieved

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ERP Strategy

What's your business strategy?

Exec Alignment

What does your leadership want from your ERP solution?

ERP Playbook

What are you going to build, when and what will it enable for the business?

Resulting brought many years of industry and product expertise but uniquely a very creative and agile approach to the challenge. The result was a polished, professional and compelling 'Playbook' that was pivotal to us successfully achieving the level of buy-in and sponsorship required for the transformation journey ahead.

Martin Lea - Head of SAP
NSG Pilkingtons

BPOC

What are your (important) business processes?
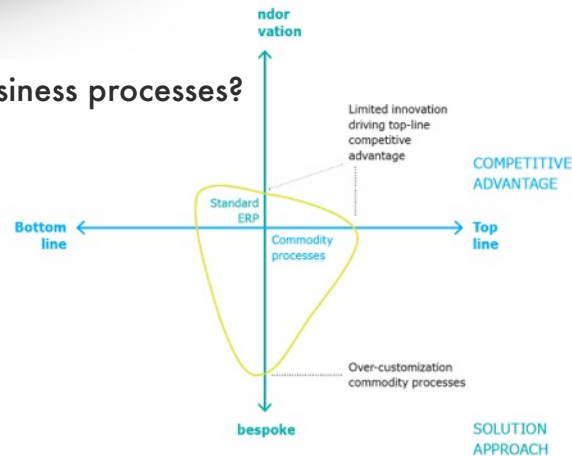
What does S/4HANA even do?

Fusion Graph

Business Case

What will we get as a result?

What will it take to get that?

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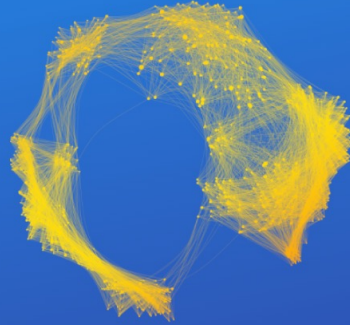
SAP S/4HANA and ECC Content

Visualize what's new and different in each version of ECC and S/4HANA with direct links to SAP's online material.

Import customer ECC usage logs (STO3n) and visualize how S/4 maps to their current SAP usage to establish a data driven Business Case.
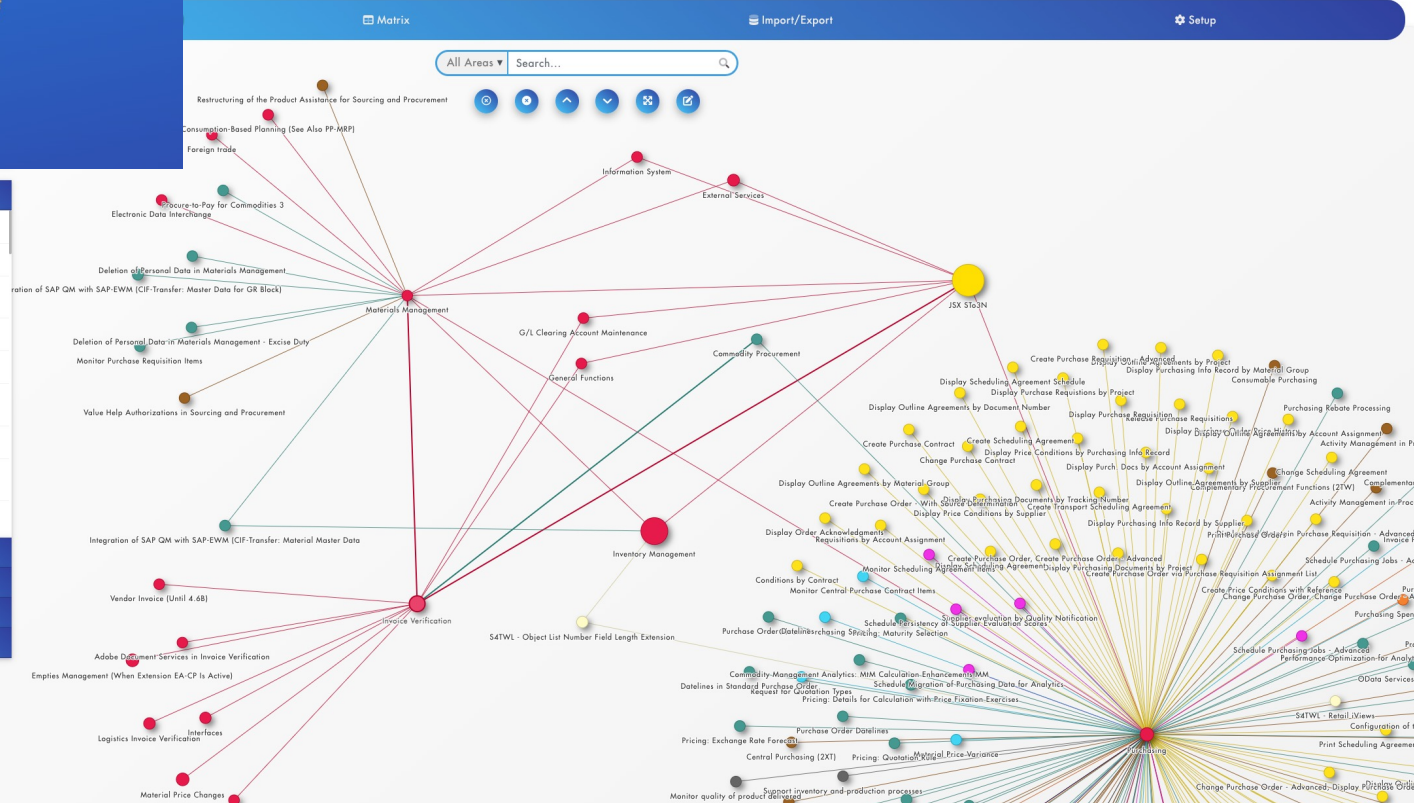
Fully featured roadmapping tool and digital twin built on a Knowledge Graph.

Business Process Improvement

Implement

Improvement Projects

Build

KPIs

Optimise

KPIs

On Value

Business Case

Continuous improvement loop

Measure:
- KPI differences
- Business value

Software tools
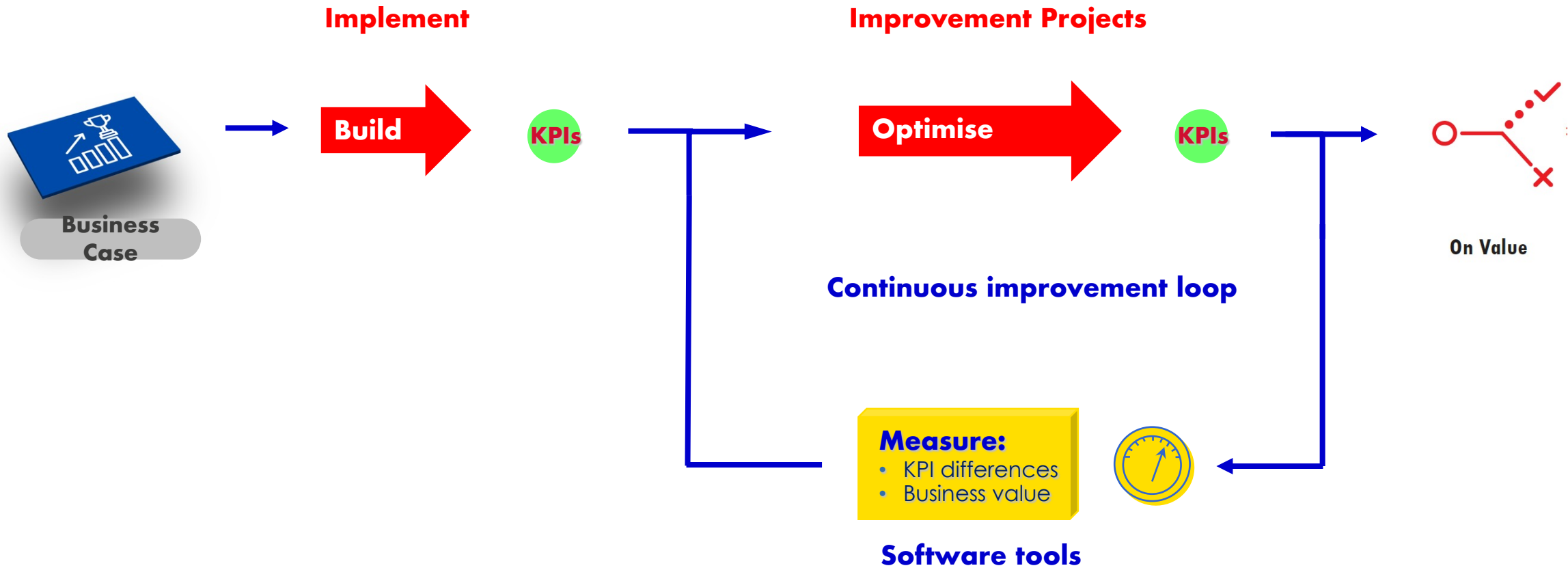
(Stolen from: Process Control engineers)

Resulting

- Is your **ERP Strategy** in 2020 in line with your Business Strategy?
- Everything has changed, review your SAP COE model
- SAP skills and your business processes are key
- Become expert in Business Value measurement to be On Value and do real Business Process Improvement
- Call Resulting if we can help, remote services for:
  - Developing a winning ERP Strategy
  - Maximising your **SAP COE** effectiveness
  - Developing a real **S/4HANA Business Case**
  - Measuring Business Value from SAP

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SAP S/4 HANA

Business Case

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RISE with SAP: What's really included?

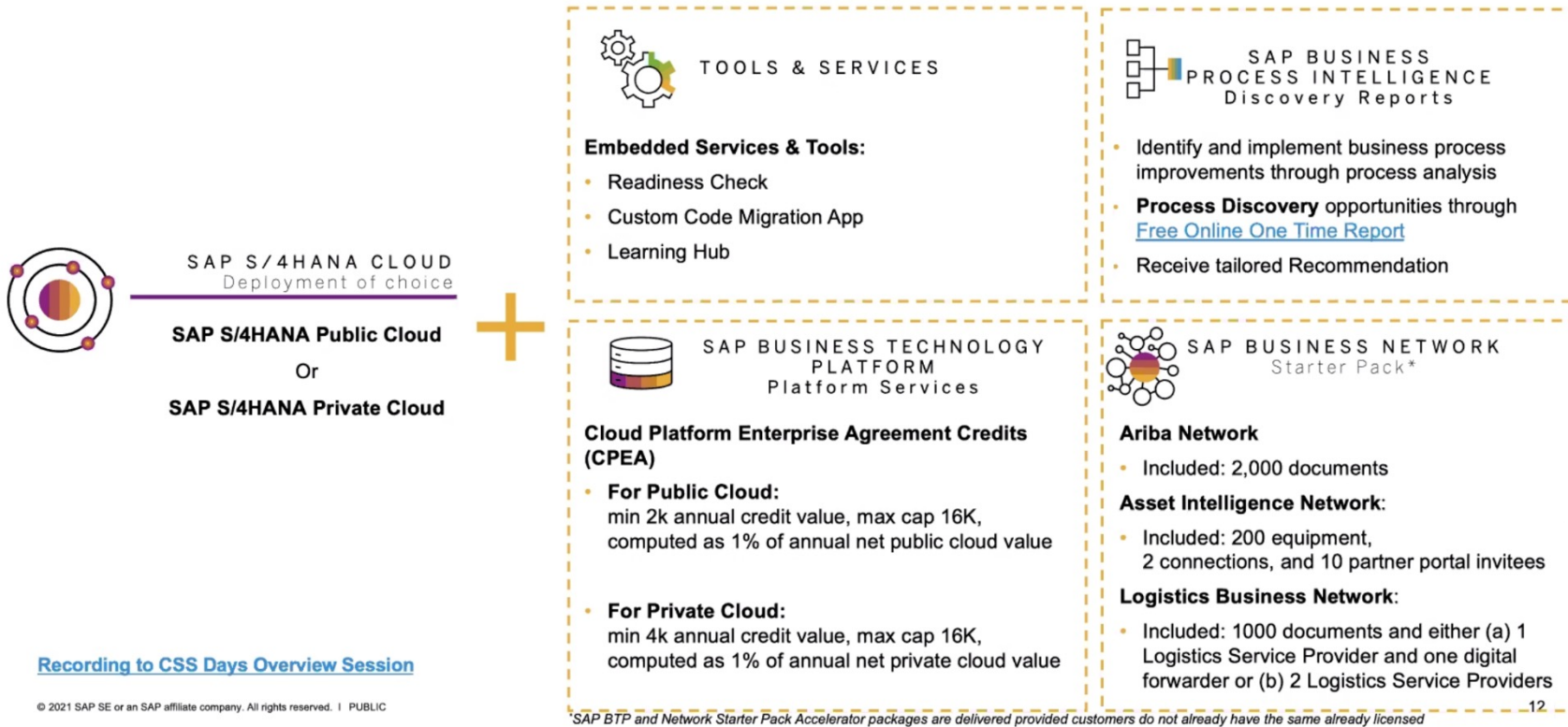All components included in RISE with SAP offering

SAP S/4HANA CLOUD
Deployment of choice

SAP S/4HANA Public Cloud
Or
SAP S/4HANA Private Cloud

Recording to CSS Days Overview Session

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TOOLS & SERVICES

Embedded Services & Tools:
- Readiness Check
- Custom Code Migration App
- Learning Hub

SAP BUSINESS PROCESS INTELLIGENCE
Discovery Reports

- Identify and implement business process improvements through process analysis
- **Process Discovery** opportunities through Free Online One Time Report
- Receive tailored Recommendation

SAP BUSINESS TECHNOLOGY PLATFORM
Platform Services

Cloud Platform Enterprise Agreement Credits (CPEA)

- **For Public Cloud:**
  min 2k annual credit value, max cap 16K, computed as 1% of annual net public cloud value

- **For Private Cloud:**
  min 4k annual credit value, max cap 16K, computed as 1% of annual net private cloud value

SAP BUSINESS NETWORK
Starter Pack*

Ariba Network
- Included: 2,000 documents

Asset Intelligence Network:
- Included: 200 equipment, 2 connections, and 10 partner portal invitees

Logistics Business Network:
- Included: 1000 documents and either (a) 1 Logistics Service Provider and one digital forwarder or (b) 2 Logistics Service Providers

*SAP BTP and Network Starter Pack Accelerator packages are delivered provided customers do not already have the same already licensed

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Derek's Blog on RISE:

SAP RISE – How high will it take you? (resulting-it.com)

SAP S/4HANA Cloud, Private Edition: SAP-Provided Scope

QUICK Time to Value

Separate Contract

Separate Contract

Advisory & Implementation Services

Application Management Services

Governance & Security

Governance & Security

SAP S/4HANA Private Cloud

Governance & Security

1 **Software + Support**

2 **Infrastructure Management**

3 **Technical Managed Services**

amazon web services   Google Cloud

Azure

SLA & Support

SIMPLE Commercial Construct

1 Functional Scope:

Include in Enterprise Management license:

- SAP Software + Enterprise Support
- SAP S/4HANA Enterprise Management (On-premise)
- Cloud Connectors: SAP Ariba, SAP SuccessFactors, SAP Concur, SAP IBP
- SAP Adobe Document Services for printing

Upsell packages & partner add-ons:

- Many SAP S/4HANA LoB and Industry Add-Ons available
- Wide List of SAP Partner Add-Ons (see next slide)

2 Infrastructure Management:

- Low TCO
- Highest Flexibility
- Best scalability option
- Availability
- Data Center Availability

3 Technical Managed Services:

- High Availability and Business Continuity
- SLA: 99,7% for productive system, 95% for non-productive systems
- Services described by Roles and Responsibilities matrix
- Technical System Operations
- Technical Landscape Deployment
- Technical Upgrade installation
- 24*7 service delivery for PRD, 24*5 for non-PRD
- Setup of RFC connections

*honor Embrace program until June

Resulting

- Review your **ERP Strategy** and **S/4HANA Business Case**
- Decide: are you "**Big ERP**" or "**Small ERP**"?
- Decide: your S/4HANA destination:
  - "**Big ERP**" choices:
  - S/4HANA On Prem, own Data Centre?
  - S/4HANA On Prem, Private Cloud?
  - S/4HANA On Prem, Public Cloud, AWS?
  - "**Small ERP**" choices:
  - S/4HANA Private Cloud + RISE?
  - S/4HANA Public Cloud + AWS + RISE?
- Do your <u>own</u> 5 year TCO calculations
- Measure all SAP license usage and shelf-ware
- Assess the commercial value of SAP RISE very carefully

Business Case

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SAP Customer Success Research

The DNA behind successful
ERP programmes

Resulting **it**