The Path to S/4HANA:
Transition Scenarios and Best Practices

SAP Run Simple

Overview Transition Scenarios

Transition to SAP S/4HANA

Three different approaches to move to SAP S/4HANA

System Conversion

SAP ERP System → SAP S/4HANA (SAP S/4HANA On-Premise)

Bring your business processes to the new platform
- A complete technical in-place conversion of an existing SAP Business Suite ERP system to SAP S/4HANA.
- Adopt new innovations at your speed

New Implementation

SAP ERP or Third-party System → SAP S/4HANA On-Premise / SAP S/4HANA Cloud

New implementation / re-implementation

Reengineering and process simplification based on latest innovations
- Implement innovative business processes with best-practice content on a new platform
- Perform initial data load
- Retire old landscape

Landscape Transformation

ERP System Region A
ERP System Region B
ERP System Region C
→ SAP S/4HANA On-Premise (SAP S/4HANA)

Value driven data migration to the new platform

e.g. consolidation of current SAP Business Suite landscape into one global SAP S/4HANA system or selective data migration based on legal entities

SCN Blog: How to find my path to SAP S/4HANA

The SAP S/4HANA family and transition paths

SAP Business Suite
(e.g. BS7i2013)

SAP S/4HANA family

New implementation only!

S/4HANA Cloud

SAP ERP System
(on AnyDB)

or
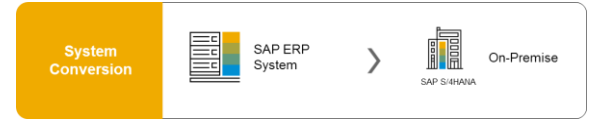
SAP ERP System
(on SAP HANA)

SAP S/4HANA Finance
1503, 1605

SAP S/4HANA
(On-Premise)

System Conversion
New Implementation
Landscape Transformation
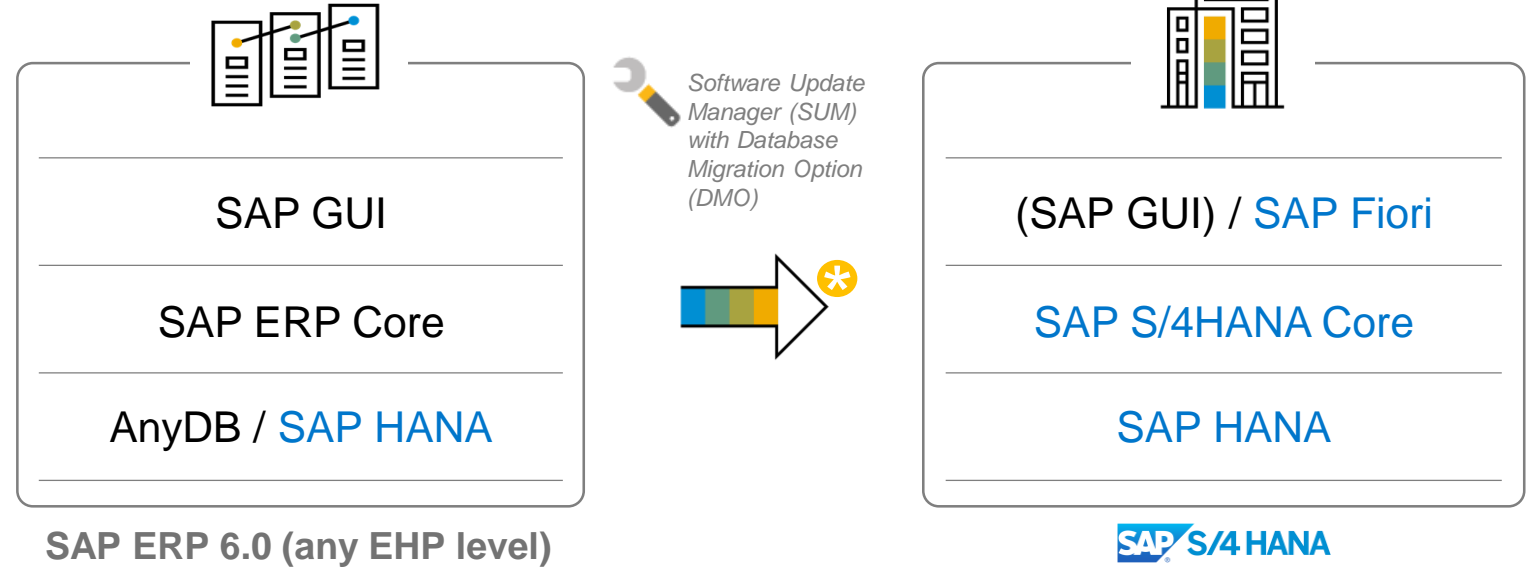
Transition to SAP S/4HANA
System Conversion

Scenario description

A complete technical in-place conversion of an existing SAP Business Suite ERP system to
SAP S/4HANA (Database, SAP NetWeaver *and* Application transition in one step).

Why would you choose this option?

- Bring your existing business processes to the new platform.

- Keep your investment in custom code

- Mitigate the risk and investment of a big bang conversion project by reducing the scope of the transition project to a pure technical conversion project, and adopt new innovations at your speed at a later point of time and in a phased approach.
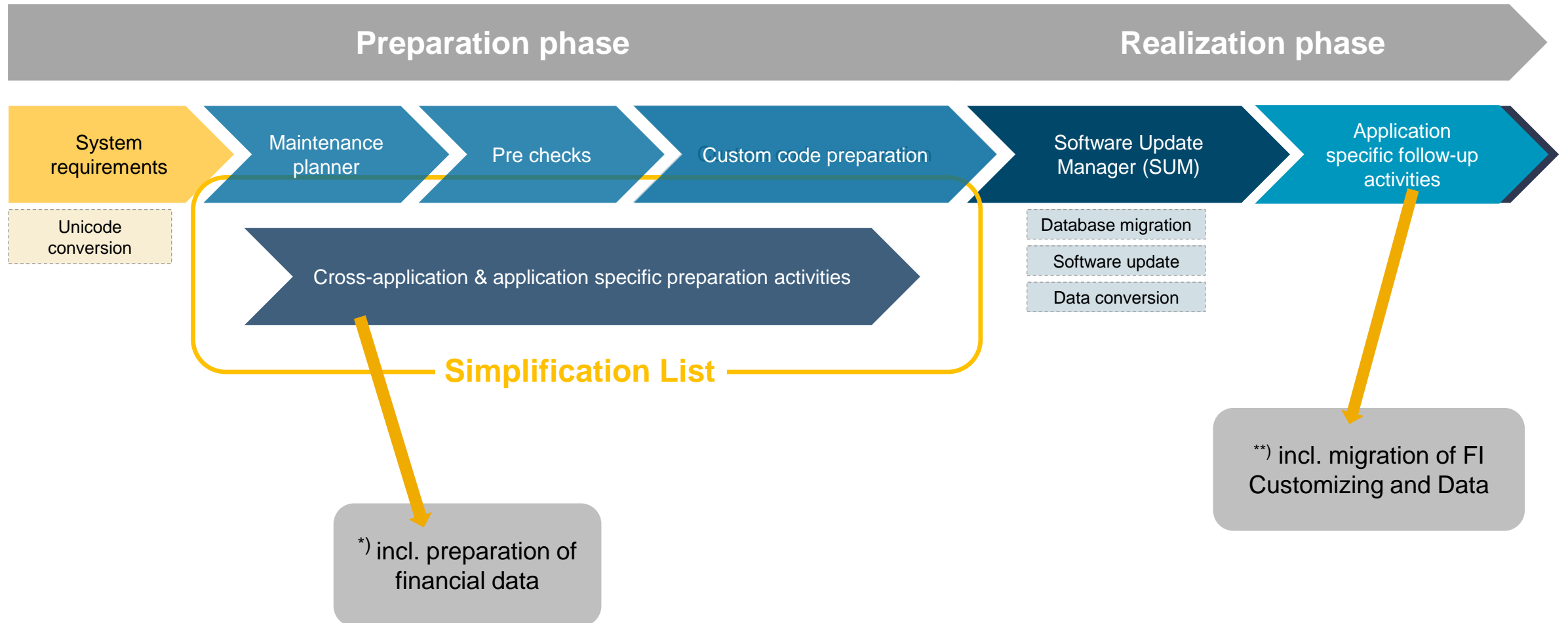
SAP GUI
SAP ERP Core
AnyDB / SAP HANA

SAP ERP 6.0 (any EHP level)

Software Update Manager (SUM) with Database Migration Option (DMO)

(SAP GUI) / SAP Fiori
SAP S/4HANA Core
SAP HANA

SAP S/4 HANA

What	How
✳ In-place technical conversion	tool-based technical conversion process of a SAP Business Suite ERP system to SAP S/4 HANA using SAP Software Update manager (SUM); Downtime minimizing options available

SAP S/4HANA system conversion
Overview technical process steps

Preparation phase **Realization phase**

| System requirements | Maintenance planner | Pre checks | Custom code preparation | Software Update Manager (SUM) | Application specific follow-up activities |

Unicode conversion

Cross-application & application specific preparation activities

Database migration

Software update

Data conversion

Simplification List

*) incl. preparation of financial data

**) incl. migration of FI Customizing and Data

Summary: Recommended Preparation for a System Conversion Project

- Run the **maintenance planner** (https://apps.support.sap.com/sap/support/mp) early to confirm that your SAP ERP system (including SAP and partner add-ons) can technically be converted to SAP S/4HANA.

- Explore in the **simplification list** (http://help.sap.com/s4hana_op_1610 -> Simplification List) which of the functionalities relevant for you have changed. The simplification list is also available in XLS format, see note 2313884.

- Start early to **clean up your customer and vendor data** in your current SAP ERP system in preparation for the Business Partner and Customer/Vendor Integration (CVI) in SAP S/4HANA. Further info in the simplification list.

- Check your **custom code** and optimize it for SAP S/4HANA. Further info on help.sap.com

Transition to SAP S/4HANA
New Implementation

Scenario description

New implementation of SAP S/4HANA, e.g. for customers migrating a legacy system, also known as "greenfield" approach.
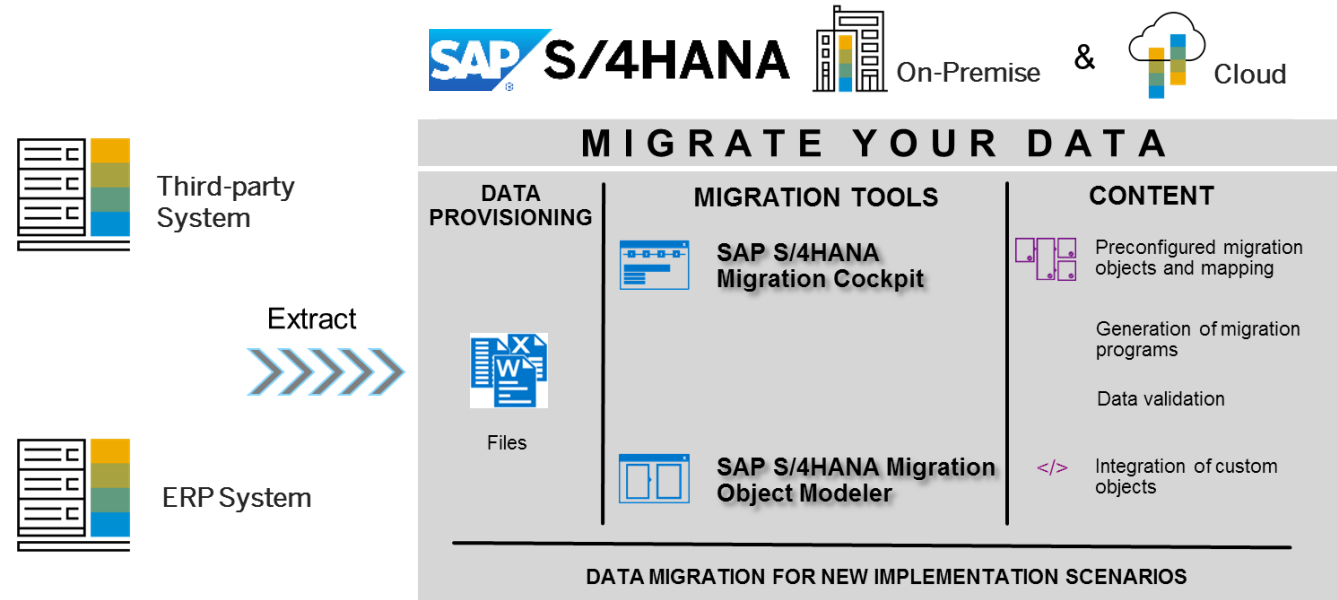
Why would you choose this option?

Customers planning to migrate

- A non-SAP / 3rd-part legacy system,
- A good option for a SAP System, which may be
  - Of an older release and/or
  - Is highly customized/modified and/or
  - Does not meet the system requirements for a technical system conversion

Benefits for the customer are

- Reengineering and process simplification based on pre-configured business processes
- Rapid adoption of new innovations in a standardized manner

MIGRATE YOUR DATA

DATA PROVISIONING	MIGRATION TOOLS	CONTENT
Files	SAP S/4HANA Migration Cockpit	Preconfigured migration objects and mapping
	SAP S/4HANA Migration Object Modeler	Generation of migration programs
		Data validation
		Integration of custom objects

DATA MIGRATION FOR NEW IMPLEMENTATION SCENARIOS

Steps	How
Install SAP S/4HANA	Software Provisioning Manager
Initial data load from source system	• **SAP S/4HANA Migration Cockpit** • **SAP Data Services (SAP DS)** **both with best practice migration content**

Transition to SAP S/4HANA
Landscape Transformation

Scenario description

Customers who want to **consolidate** their landscape or to **selectively transform** data into a SAP S/4HANA system.

Why would you choose this option?

- <u>Value-based migration</u>: selective data transformation allows a phased approach focusing the first SAP S/4HANA migration phase on parts of the business with highest ROI and lowest TCI
- <u>Agility</u>: stay on current business processes but move gradually to SAP S/4HANA innovations → Move to SAP S/4HANA at your own pace
- <u>TCO reduction</u>: system and landscape consolidation with harmonized/simplified processes and unified master data lead to lower cost of operations

SAP Business Suite

Legacy

M I G R A T E   Y O U R   D A T A

select – transform on the fly - insert

SAP S/4HANA

On-Premise

Technical migration on table level using pre-configured LT transformation solutions

Consolidation	System Merge of multiple source systems into one SAP S/4HANA system or transfer of clients into existing SAP S/4HANA system (build-up multiple client system)
Selective Data Transformation	Migration of business units/single entities such as company code
	Re-platforming scenarios, e.g. PP/DS

Real-time reposting

Implementation of central finance *	Real-time reposting of financial transactions into Central Finance instance, e.g. to enable centralized reporting using SAP S/4HANA (synchronization of systems / side-car scenario)

*) SAP S/4HANA for central finance foundation (Central Finance)

The Landscape Transformation option migrates data into SAP S/4HANA systems

The pre-configured Landscape Transformation Scenarios:

- can migrate data

- into newly implemented SAP S/4HANA target systems

- as well as into systems created via system conversion procedure,

- before or after they are handed over to operations,

- and independent if they are foreseen for productive use or not.

- can complement the other SAP S/4HANA transition options

<u>Note</u>: SAP Landscape Transformation scenarios are supported within SAP S/4HANA Value Assurance engagements. The transformation solutions mentioned for technical transformation are not generally released.

<u>Note 2:</u> SAP is ready to discuss and support data migration requirements beyond the pre-configured use cases. Refer to the data migration services in the Activate phases prepare and explore for details.
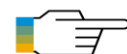
[Transition to S/4HANA Roadmap Viewer](#)

Best Practices & Q&A

Actual findings from customer projects & recommendations

- The **average project duration** (project start to go-live) **is approx. 8-11 months**

- **System conversion projects are in average shorter than new implementation projects**
  - → System conversion is apparently often chosen for doing a ‚technical uplift' to the SAP S/4HANA platform, intensive adoption of new SAP S/4HANA applications and Fiori UI Technology is not necessarily in the conversion project focus and will be often addressed in follow-up projects (big bang projects are less often).

- The **share of customers choosing the system conversion path is increasing rapidly**:
  - • 2015: 25% → 2016: 39% → 2017 to date: 83%

- **SAP S/4HANA Finance (Add-On) and SAP S/4HANA projects have pretty much the same project duration**
  - → In general a two step approach by moving to SAP S/4HANA via SAP S/4HANA Finance does not make sense

- **Starting with a Central Finance Setup to start a step-by-step or process-by-process transition to SAP S/4HANA for one or many SAP systems is not recommended.**
  - → The objective of Central Finance is to enable a centralized corporate financial reporting, taking data from various source systems into account.
  - → Customers wishing to move to SAP S/4HANA and to simplify their SAP landscape, should better consider the standard transition scenarios. SAP offers tailored services as part of the SAP S/4HANA Value Assurance portfolio to properly plan the digital transformation.

- What is (the benefit of) a **phased approach**?
  - • Phased move to SAP S/4HANA by organization units (company code- / client-wise → LT Scenario), vs.
  - • System conversion approach with scope limited to adapt currently running business processes to SAP S/4HANA

- For SAP ERP on any DB customers a two step approach via **SAP ERP on HANA has in general no significant benefits** (individual exceptions may make sense in case of for non-Unicode systems & for SAP ERP Systems releases < SAP ERP 6.0)

Migration to SAP S/4HANA – the earlier the better

SAP product development

SAP S/4 HANA

big gap

Migration efforts
- Product development
- Intensity in use

Small gap

SAP ERP on HANA

today   **2025**   **time**
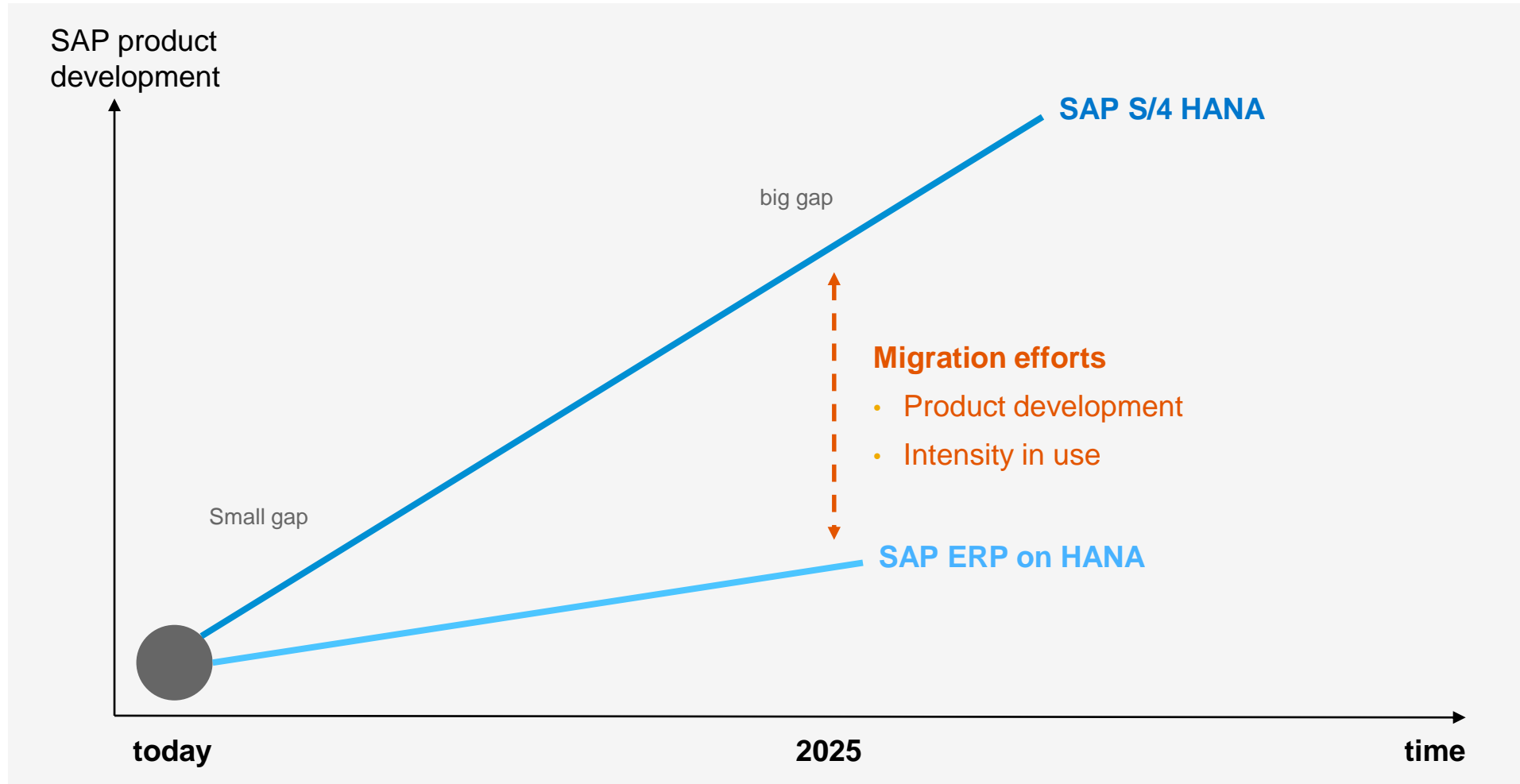
Functional scope: illustrative evolution of S/4HANA overtaking ECC 6 scope

ECC 6

any DB & SAP HANA

ECC 6

any DB & SAP HANA

ECC 6

any DB & SAP HANA

ECC 6

any DB & SAP HANA

ECC 6

any DB & SAP HANA

Innovation scenarios (eg. Leonardo portfolio) not available for ECC landscape

2015   2016   2017   ······   2025

S/4HANA

1503

Initial shipment

S/4HANA Finance re-designed

S/4HANA

1511

Material Management &
Operations re-designed

Initial Industry-to-Core release

S/4HANA

1610

Industry Coverage

S/4HANA functionally
Increased Fiori app availability
superior to ECC
Extended functionality unification

S/4HANA

1709

Special Industry processes

Fiori Co-Pilot and Apps library

Foundation for CRM back to core

S/4HANA

25xx

16

SAP S/4HANA
Key Innovation Evolution

SAP S/4HANA, on-premise edition 1511

- Industry to core
  - Discrete Industries and Mill Products (DIMP) -
- Effective Order Management and Billing
- Efficient Procurement
- Accelerated Material Requirements Planning
- Real-time Inventory Management and Material Valuation

SAP S/4HANA 1610

- Oil and Gas with SAP S/4HANA
- Industry to core – Retail
- Consistent SAP Fiori User Experience
- Optimized Portfolio and Project Management
- Embedded Software in Product Development
- Entire SAP S/4HANA Finance Scope included
- Plan to Produce in ONE System (Production Planning and Detailed Scheduling – PP/DS)
- Embedded SAP Extended Warehouse Management
- Integrated Quality Management
- advanced Available to Promise (aATP)

SAP S/4HANA 1709 *

- Commodity Management
- Sales – Electronic and Digital Payments
- GRC – Legal Control and Export Classification
- Projects support with Migration Cockpit and Migration Object Modeler
- Consumer Products – Catch Weight Management
- SAP S/4HANA Central Master Data
- Finance – Machine Learning for automation capability
- QM – Manage usage decisions and Analytics for Quantitative Results
- EAM – Report and Repair Malfunction
- PLM – Visual Manufacturing Planner and Recipe Management
- Maximize Fiori Experience with SAP Fiori Overview Pages
- Predictive Analytics as a system of intelligence - Contract Consumption in Procurement -
- Embedded Transportation Management
- Demand Driven Manufacturing
- Manufacturing Extension for Complex Assembly Industries
- Advance Variant Configuration

Project timelines view: SoH is not a head start for S/4HANA later

2017	2018	2019	2020	2021	2022	2023	2024	2025

S/4HANA stabilisation

S/4HANA go-live — You are now a digital enterprise

S/4HANA Conversion project

S/4HANA Conversion project start

S/4HANA License investment

SoH stabilisation & improvements

SoH go-live

SoH Migration project

SoH Migration project start

HANA License investment

no access to digital core innovations
additional project budget needed within 5 years after upgrade to SoH
organisational change management

Investing in SoH now and S4HANA later will double the effort (and money) needed compared to investing in a S/4HANA Conversion project now and keeping the system up-to-date

S/4HANA Update

S/4HANA operational improvements

S/4HANA stabilisation

S/4HANA go-live — You are now a digital enterprise

S/4HANA Conversion project

S/4HANA Conversion project start

S/4HANA License investment

◆ S/4HANA Updates (non-mandatory)

SAP S/4HANA – Manage All Parts Properly

Customers choose their own path

- Diversity of drivers – in all cases deployment of SAP S/4HANA causes impact

Attention to change management topics, relevant for customers but also implementation partners

- S/4HANA is **not** ERP6.0
- **Knowledge transfer** is a key element
- Involve relevant stakeholders right from the beginning: decision makers, key users, project leads, partners, etc.

Simplification means change

Fiori User Experience

Simplifications

Technical Prerequisites

Transition Approach

SAP S/4 HANA
Projects

Tools, Methodology

Technologies, Configuration, Extensibility
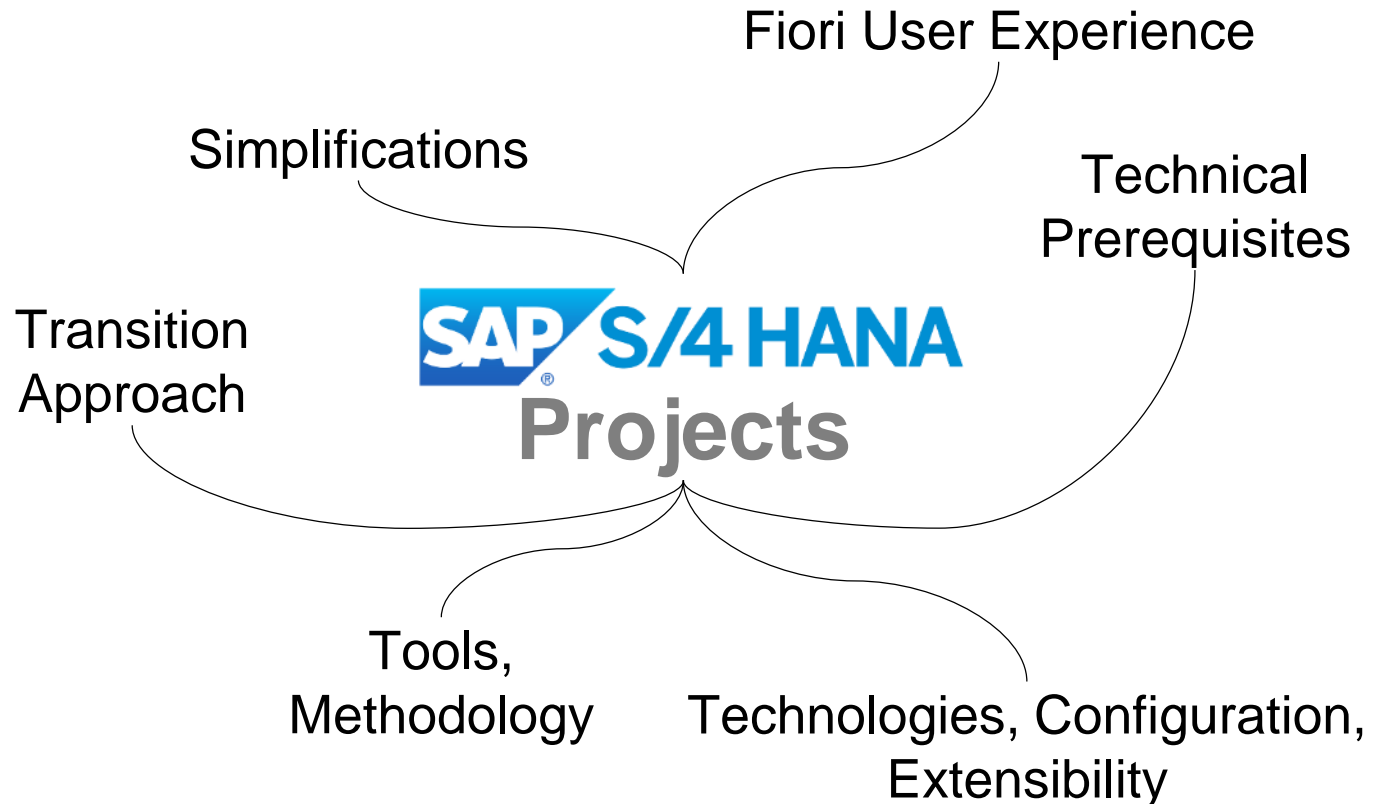
SAP S/4HANA – Summary of Project Learnings and Success Factors

Project Preparation and Setup

- Start early
- Tailored up-skilling to understand boundaries and tools
- Set focus, assess impact, include business
- Understand the impact from the Simplification List
- Consider Fiori in every SAP S/4HANA roadmap
- Do the homework (specifically in the case of system conversions)

Project Planning & Execution

- Familiarize with "top simplification items" (i.e. Business Partner, etc.)
- Exploration resp. sandbox conversions to optimize execution
- Demo early to key users to discuss value and change

Start today, not tomorrow!

Thank you.

Diana Todorova
SAP S/4HANA Presales Expert, SAP SEE

_____

APPENDIX

Where to go for more information

Discover SAP S/4HANA

SAP S/4HANA Trials
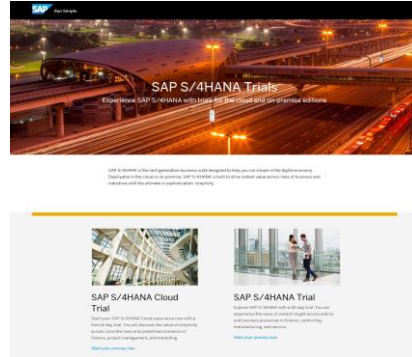
SAP S/4HANA Release Info
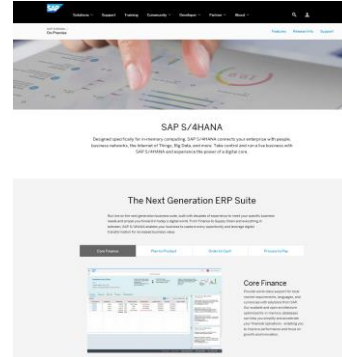
SAP S/4HANA Roadmaps
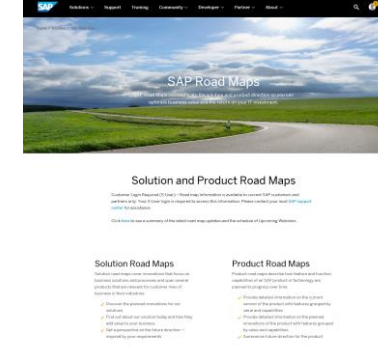
SAP Help Portal
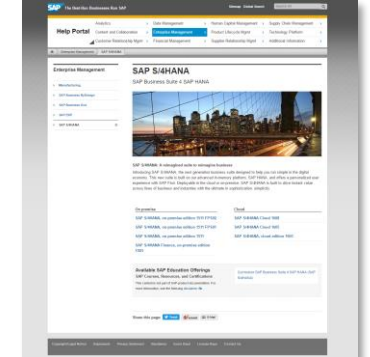
Join the SAP S/4HANA Community
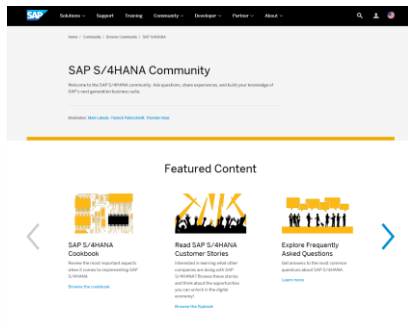
S/4HANA Cookbook

SAP S/4HANA FAQ
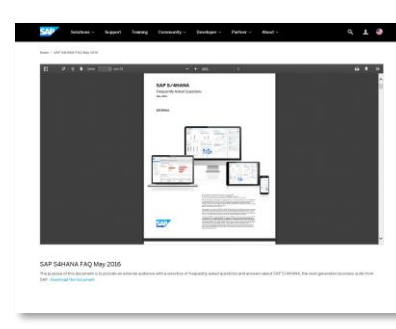
Choose your Path to SAP S/4HANA
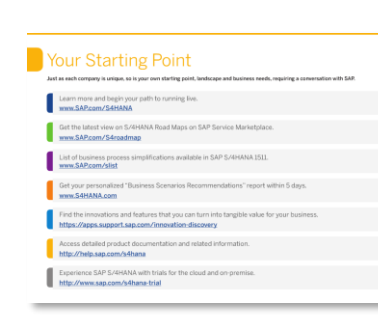
SAP Learning Hub
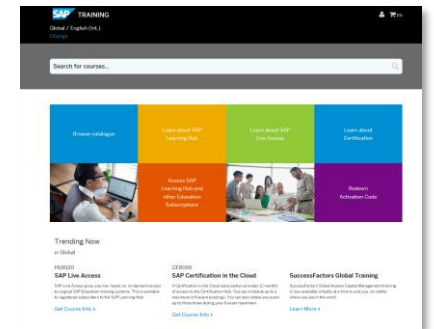
SAP S/4HANA
Check out the following links for more information

You can find the "What's New" and the "Feature Scope Description" with the entire information concerning the SAP S/4HANA 1610 FPS02 delivery on the SAP HELP Page.

👉 [Follow this link to the Book](#)

👉 http://help.sap.com/s4hana

Information about SAP S/4HANA 1709

Innovation Discovery

SAP S/4HANA Road Maps

☞ Follow this link to the Innovation Discovery

☞ Follow this link to SAP Road Maps

System Conversion

Maintenance Planner [Blog](#)

Pre-checks [Blog](#)

Custom Code Migration [Worklist](#)