Transition to SAP S/4HANA
Lessons Learned by the S/4HANA Regional Implementation Group

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Agenda

- How can S/4HANA Customer Care and the Regional Implementation Group help you?
- How many organizations have already moved to S/4HANA?
- How is S/4HANA different from SAP ERP?
- How to transition to S/4HANA?
- What are lessons learned and recommended immediate next steps?
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S/4HANA Customer Care and RIG Team

Who are we?
- Global team of 100+ S/4HANA experts representing the SAP development organization

What do we do?
- Help customers to successfully prepare and execute their S/4HANA projects
- Share S/4HANA knowledge with the ecosystem, e.g. via blogs and events

Collaborative working
- Complementary to consulting and Value Assurance services
SAP S/4HANA Customer Care Program – continuing in 2020!
850+ projects successfully supported with a Project Coach and a RIG* Expert.

NEW IN 2020

Early start possible for selected system conversion projects

WHY should I move?

6 MONTHS BEFORE PROJECT START

HOW should I move?

PROJECT START

PROJECT GO-LIVE

(*) RIG = Regional Implementation Group
The S/4HANA Customer Care Program will help to make your SAP S/4HANA go-live project a success by offering:

- A named **Project Coach** serving as a remote contact to share best practices and collect feedback.
- A named **Development Angel** from the Regional Implementation Group (RIG) facilitating the access to the SAP S/4HANA development organization.

The offer is free of charge. To apply please send an e-mail to **S4H_Customer_Care@sap.com**.

Enrollment is currently open for active go-live projects implementing SAP S/4HANA 1909 or SAP Integrated Business Planning for Supply Chain.

Focus is on existing SAP ERP customers who transition to SAP S/4HANA, as well as customers implementing EWM, TM, PEO and IBP, and are willing to act as a reference.

The program support will commence with the start of your go-live project(*) and end one month after your first Go-Live, but latest after 12 months.

(*) On an exceptional basis, an early start is possible for system conversion projects with an application around six months prior to project start.

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**Legend**

- **EWM** = SAP S/4HANA Supply Chain for extended warehouse management
- **TM** = SAP S/4HANA Supply Chain for transportation management
- **PEO** = SAP S/4HANA Manufacturing for production engineering and operations
- **IBP** = SAP Integrated Business Planning for Supply Chain
Roles & Tasks

**Customer/Partner**

- **Project Contact**
  - Member of the customer’s project team, typically the Customer / Partner project lead
  - Joins the regular interaction with the Project Coach
  - After the successful completion of the project, provides feedback to SAP (based on a one-page feedback template) and supports the customer’s participation in the SAP reference program

**SAP**

- **Project Coach**
  - Works in unison with customer and partner resources on the project to ensure successful project implementation
  - Runs a regular and proactive interaction with the project team
  - Works with the Development Angel for critical issue resolution
  - Shares product related information and learnings from other projects
  - Ensures SAP management visibility of project status on a regular base
  - Engages for customer feedback and reference activities

- **Development Angel**
  - Technical or functional S/4HANA subject matter expert, acting within a network of experts from the S/4HANA Regional Implementation Group (RIG) and facilitating the access to the SAP S/4HANA development organization
  - Provides guidance & follow up on product related questions
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Evolution of S/4HANA Projects

<table>
<thead>
<tr>
<th>Supported by Customer Care</th>
<th>Total</th>
<th>Active</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>852</td>
<td>197</td>
</tr>
</tbody>
</table>

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Average Project Duration

The vast majority of S/4HANA customers went live in **10-12 months**.

The project duration is largely determined by customer complexity (degree of change) and implementing partner tools / methodologies.
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5 key takeaways

1. is a **new product** and the next generation business suite designed for the digital economy

2. is **architected solely for SAP HANA** for massive innovations and simplifications

3. is designed with **SAP Fiori** UX for any role and for instant insight-to-action on any device

4. is offered in two editions: **on premise and cloud** – for real choice

5. is **non-disruptive to deploy** and source of unique business and IT value for customers
SAP S/4HANA Database & Table Structures
prepares your data structures for new real-time requirements, big data and high throughput

SAP Business Suite

Sales
- Header
  - Sales Order
  - Delivery
- Item
  - Status Info
  - Conditions
- Document Flow
  - VBFA (simplified)
  - PRCD_ELEMENTS (new)

Indices
- VBAP
- LIPS
- VRBP
- VRKP
- VAPMA
- VAKPA
- VLKP
- LKPMA
- VRPMA

Material Values
- Valuation in MM
  - MBEWH
  - EBEWH
  - OBEWH
- Valuation in ML
  - MBEWH
  - EBEWH
  - OBEWH

Finance
- Header
  - GL, AR, AP
    - BSEG
    - BKPF
    - FAGL
    - LFC1
    - KNC1
- Item
  - New GL
    - FAGL
    - FAGLF
    - FAGL
    - LFC1
    - KNC1

Material Quantities
- Aggregates
  - Stock Aggregates
    - MSQA
    - MSQS
    - MSTA
    - MSTR
- History
  - Inventory movements
    - MCHB
    - MARC
  - Hybrid: Master Data with Stock Aggregates
    - MKOLH
    - MKOH

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SAP S/4HANA (On-Premise) Release Strategy
Definition of deliveries and possible adoption paths
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## Transition to SAP S/4HANA
Different transition paths to move to SAP S/4HANA

<table>
<thead>
<tr>
<th>Type</th>
<th>Approach</th>
<th>Available for</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reusing by in-place conversion</td>
<td><strong>System conversion</strong></td>
<td><img src="image" alt="SAP ERP system" /> ➔ <img src="image" alt="SAP S/4HANA" /></td>
<td><strong>Bringing your business processes to the new platform</strong>&lt;br&gt;- A complete technical in-place conversion of an existing SAP ERP software system to SAP S/4HANA&lt;br&gt;- Adoption of new innovations at your speed</td>
</tr>
<tr>
<td>Reengineering with data migration</td>
<td><strong>New implementation</strong></td>
<td>![SAP ERP or third-party system(s)] ➔ <img src="image" alt="SAP S/4HANA Cloud" /></td>
<td><strong>New implementation/Re-Implementation</strong>&lt;br&gt;- Reengineering and process simplification based on latest innovations&lt;br&gt;- Implementing innovative business processes with preconfigured content on a new platform&lt;br&gt;- Performing initial data load&lt;br&gt;- Retiring old landscape</td>
</tr>
<tr>
<td></td>
<td><strong>Selective Data Transition</strong></td>
<td>![SAP ERP or third-party system(s)] ➔ <img src="image" alt="SAP S/4HANA" /></td>
<td><strong>Value-driven data migration to the new platform</strong>&lt;br&gt;- You need more than master data and open items, such as transactional data, complete or selected by a time slice&lt;br&gt;- 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</td>
</tr>
</tbody>
</table>
A system conversion is technically feasible from SAP ERP 6.0 and above. An interim transition to ERP on HANA is not required and not recommended.
S/4HANA Projects by project type for ERP customers

- Re-implementation: 46%
- Conversion: 54%
Comparing the Paths to SAP S/4HANA
Criteria influencing the choice of the transition scenario

- **Future Readiness**
  - System Conversion: Current system supports today's and future master data & org structure requirements
  - Re-implementation: You seek to fundamentally redesign master data & org structures

- **Current System Perception**
  - System Conversion: Key asset
  - Re-implementation: Innovation blocker

- **(Perceived) Data Quality**
  - System Conversion: Good
  - Re-implementation: Bad

- **Custom Code**
  - System Conversion: Well maintained
  - Re-implementation: Outdated

- **Release Level**
  - System Conversion: SAP ERP 6.0 and above
  - Re-implementation: Below SAP ERP 6.0

- **Historical Data**
  - System Conversion: Need to keep historical data
  - Re-implementation: No need to keep historical data
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Lessons Learned to prepare your S/4HANA project

- Run the **SAP Readiness Check** to get fast and early insights for your S/4HANA project.
- Look into **Fiori** quick wins. Avoid the temptation to continue only with SAPGUI!
- Consider related SAP solution portfolio changes.
- Plan long-term, not just limited to the initial transition projects. Innovations can be implemented in a later phase.
- Leverage the many enablement Options such as **OpenSAP**.
Additional recommendations for your system conversion project

Consider as many conversion cycles as needed

A System Conversion to S/4HANA is more than a Technical Upgrade

Evaluate the different downtime optimization options
Final recommendation for your S/4HANA project

Leverage the support that SAP provides through S/4HANA Customer Care
Thank you.

Contact information:

Arne Schmidthals
Global Head of S/4HANA RIG
arine.schmidthals@sap.com
Run the **SAP Readiness Check** to get fast and early insights for your S/4HANA project.
SAP Readiness Check 2.0 for SAP S/4HANA On Premise

What’s new?
- New and improved analyses to prepare you even better for SAP S/4HANA
- New interactive Dashboard
- New authorization concept
- New design based on SAP Fiori 3.0

Benefits for our customers
- Even better project preparation due to extended functional coverage
- Interactive features let you organize preparation work more efficiently
- Easy access to results for your preferred implementation partner, by enabling you to provide & control access inside SAP Readiness Check
Look into **Fiori** quick wins.

Avoid the temptation to continue only with SAPGUI!
SAP Fiori is THE user interface for SAP S/4HANA. It will allow the Customer to have the same User Experience in all SAP Products (planned). SAP GUI focus on customizing and some expert user cases.
Consider related SAP solution portfolio changes
Consider related SAP solution portfolio changes - Examples

<table>
<thead>
<tr>
<th>SAP ERP code line</th>
<th>SAP S/4HANA code line</th>
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<tbody>
<tr>
<td>LE-WM</td>
<td>LE-WM C</td>
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<td>LE-TRA</td>
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<thead>
<tr>
<th>SAP APO</th>
<th>SAP S/4HANA code line</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP/DS</td>
<td>Embedded PP/DS</td>
</tr>
<tr>
<td>gATP</td>
<td>Advanced ATP</td>
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</table>

Check the Compatibility Scope Matrix and the Simplification List. It is recommended to start the project with the strategic solutions, but if not possible, Compatibility Scope will be available until 2025.
Plan long-term, not just limited to the initial transition projects. Innovations can be implemented in a later phase.
Manage the Pace of Change from ERP to SAP S/4HANA

INNOVATION ADOPTION

SAP ERP
Any DB

S/4HANA with GUI
introduce only required changes as the foundation for innovation

S/4HANA
Technical Conversion

Showcase Innovations
e.g. Fiori Launchpad + initial Business Role(s)

S/4HANA
Grow Fiori coverage across more business roles

S/4HANA
Add more Intelligent Enterprise capabilities
e.g. Machine Learning & SAP CoPilot

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Leverage the many enablement Options such as OpenSAP
OpenSAP Course: Key topics in a System Conversion to S/4HANA

https://open.sap.com/courses/s4h14

Also recommended:

System conversion to S/4HANA
https://open.sap.com/courses/s4h11-1/

Key functional topics in a system conversion to SAP S/4HANA
https://open.sap.com/courses/s4h15
Consider as many conversion cycles as needed
Recommended conversion cycles
Multiple Sandbox Iterations

The typical customer executes 2 – 5 sandbox iterations
A System Conversion to S/4HANA is more than a Technical Upgrade
A System Conversion to S/4HANA is more than a Technical Upgrade

**Logistics:**
E.g. Business partner synchronization using CVI

**Finance:**
E.g. Consistency checks of Transactional data before FI migration

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**Additional scope**
(E.g. New Credit Management, Settlement Management)
- Customize the new functionality
- Adjust your roles accordingly
- Test the solution
- Train final users

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**User experience**
- Define the apps to be activated
- Activate Fiori apps
- Assign the front-end roles
- Test the process through Fiori

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**Preparation**
Configure CVI in your SAP ERP system for the synchronization of all existing customers and vendors.

**Synchronization**
Synchronize business partners for all existing customers and vendors.

**Conversion**
Convert the system from SAP ERP to SAP S/4HANA

**Post conversion**
Synchronize CVI in your SAP S/4HANA system for the synchronization of all existing customers and vendors.

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Do not underestimate the effort needed for:

- Testing (functional experts)
- Change management

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Evaluate the different downtime optimization options
3 Approaches for System Conversion to SAP S/4HANA

- **Standard approach**
  using Software update Manager (SUM) with several optimizations

- **Downtime-optimized Conversion approach**
  uses SUM as well, and reduces downtime by moving data conversion partly to uptime

- **Near-Zero Downtime Technology approach**
  allows further reduction of downtime based on a consulting service project (aka NZDT)

<table>
<thead>
<tr>
<th>Approach</th>
<th>Path:</th>
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</tr>
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<tbody>
<tr>
<td>Standard</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Downtime-Optimized Conversion</td>
<td></td>
<td></td>
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<tr>
<td>NZDT</td>
<td></td>
<td>piloted</td>
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Decision about approach depends on several factors and should be taken after a migration planning workshop together with SAP.