



4 SAP S/4HANA Myths Dispelled Through a Proven Road Map

ASUG

Capgemini 

A Road Trip to SAP S/4HANA

Implementing SAP S/4HANA requires the same mindset as going on a road trip: A strong vision with solid planning is the key to an efficient and painless journey. And, even though you might have carefully planned every aspect of your trip, there could be shortcuts, detours, or roadblocks you will have to navigate to reach your destination.

Who's on the Journey with You

On a road trip, you'll want to travel with the right people who can contribute to different legs of the journey. And you'll want to be sure you are compatible with who's in the car. The friends and family you bring with you will share experiences that you'll remember for a lifetime.

Moving to SAP S/4HANA means you're transitioning to a state-of-the-art system that will act as your company's digital core for years to come. You'll want the right colleagues and external technology providers to help you engineer the platform and achieve the innovation needed to transform your business.

Learn from the First Movers

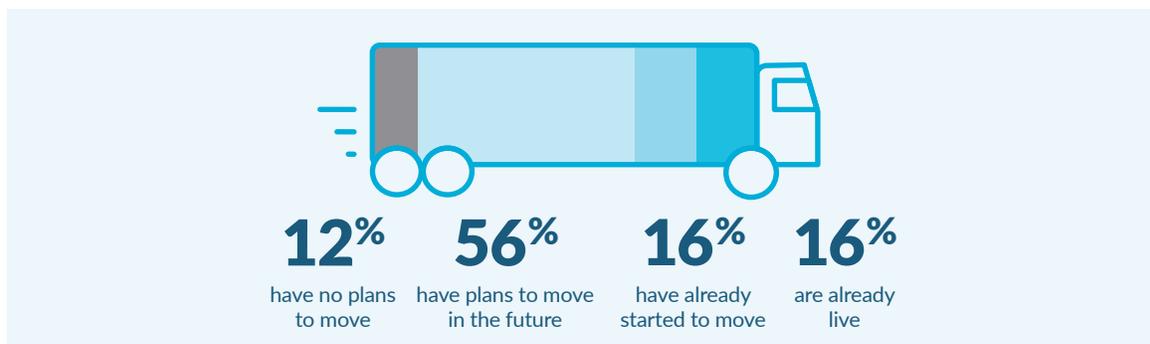
ASUG research conducted a survey with Capgemini in early 2019 to identify the key factors related to an SAP S/4HANA transition. The goal was to talk to both ASUG members who have implemented SAP S/4HANA and those who plan to do so in the future. Our research aimed to separate myth from fact about SAP S/4HANA transitions by understanding the key benefits and challenges that SAP customers who have started their journey are experiencing. What we learned from your peers can help you avoid pain points and unplanned diversions in your projects.

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On the Road to the Technology of the Future

With so many implementations planned over the next few years, SAP customers are looking for help and information they can use to make the shift from older ERP systems. Based on ASUG's 2019 State of the Community research, we know that almost a third of customers are live or on the road to implementing SAP S/4HANA. More than half (56%) of ASUG members, though, still are planning this transition. Almost all of these transitions will occur within the next five years (Figure 1), and many are system conversions from SAP ECC. In the collective hunger for this information about SAP S/4HANA, customers could be inclined to jump to conclusions about the platform without knowing the whole truth about an SAP S/4HANA migration.

Figure 1: The Move to SAP S/4HANA



Source: ASUG 2019 State of the Community research, December 2018

Live Customers Dispel Common Myths

The research ASUG conducted with Capgemini will help keep conclusions about SAP S/4HANA grounded in reality. By surveying both current and future SAP S/4HANA customers, we were able to uncover four common myths that our data proves to be untrue.

1 Myth: There is no measurable ROI for SAP S/4HANA.

It would be easy to assume that measurable ROI could be months or years away, given the length of time it takes to complete a typical migration and the level of complexity involved. While there might be some truth to that, the belief that there is no ROI for SAP S/4HANA is a myth.

We asked current users which benefits they were hoping to receive as part of their deployment and where they were seeing a measurable level of success. The results were highly correlated. Improved performance (74%) and faster access to analytics (65%) were the most sought-after benefits from SAP S/4HANA. These also are the two areas where users reported the most measurable success, with 43% seeing improved performance and 39% experiencing faster access to analytics (Figure 2). While an idea like improved performance can mean different things within different organizations, the returns adopters are getting from their SAP S/4HANA systems are definitive.

Figure 2: Benefits Realized by SAP S/4HANA Adopters



Source: ASUG research, February 2019

This is good news for future customers because these are the same benefits they are saying they want. Fifty-nine percent of these customers hope to improve performance, and 57% want faster access to analytics. There's also a strong desire among this audience to optimize business practices (58%)—which means there's more good news. Current SAP S/4HANA customers are seeing measurable progress (39%) there, too. These figures, along with the 52% interested in better setting their organizations up to introduce new technology, speak to the agility of SAP S/4HANA in accommodating business innovation. This preparation for future innovation is one of the most important elements of a compelling business case for SAP S/4HANA.

What you should do: This is a great opportunity for both current and future customers to benchmark and optimize existing processes to maximize the value of SAP S/4HANA for their businesses. You also can use this opportunity to understand how your organization compares with other businesses and the KPIs they have put in place.

If you are not already doing this, the results of this exercise should give you ammunition to go back to your internal team and external technology providers to clarify expectations for what success with SAP S/4HANA should look like. If you are not satisfied with your results, you can hire additional or new support that can provide you better outcomes.

For future customers, this is information you can use to build a business case for making a transition. The quickest way to defuse concerns about a product is to show its value. The data in this study should encourage executive leadership that quick wins with SAP S/4HANA are attainable. This makes the investment more palatable. It also could result in making your organization more open to changing timelines, personnel, and project scopes to allow for the deployment process to begin.

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2 Myth: SAP S/4HANA implementations can't be completed on schedule.

The complexity involved in getting your business ready for SAP S/4HANA is not a myth. Almost 2 in 5 (39%) of those who have completed their SAP S/4HANA transitions agreed that their implementation was more complex than they expected. Although some might jump to the conclusion that a complex migration means a project didn't stay within its scope or timeline, the truth is that customers who have completed these projects did not find scheduling to be a serious issue. Only 13% of these implementations fell behind their timelines (Figure 3), and none of these projects were delayed longer than six months. Thinking back to the road trip analogy, you might plan your route and estimate your time of arrival, but that doesn't account for traffic, detours, or slowdowns you encounter along the way. But today, there's GPS technology that uses real-time traffic data to predict how long it will take to arrive at your destination, so you can more accurately predict your journey.

Figure 3: Are SAP S/4HANA Projects Staying on Schedule?



Source: ASUG research, February 2019

What you should do: Even though many projects stay on track, complexity is an issue that you cannot ignore. A detailed assessment prior to starting the journey will be key to providing insight on the proper schedule your team should build. Consider aspects like master data harmonization, custom code retrofitting, any add-ons you wish to include as part of the transition, and components that are no longer supported within SAP S/4HANA but may be available in a different form.

As you're building a business case and project plan, you also should make sure to pad your schedule in case of unexpected hitches such as technological challenges, loss of personnel, or the discovery of data issues. The best way to get executive buy-in for future projects is to make sure major transitions like SAP S/4HANA run smoothly, show consistent progress, and finish in a timely manner.

Also, it's important to look for ways to give your staff the time they need and/or hire experienced external help to assist them. There are plenty of opportunities to take advantage of support that will allow you to simplify your core and bring in innovations quickly to harness the power of your data and the newest SAP technologies.

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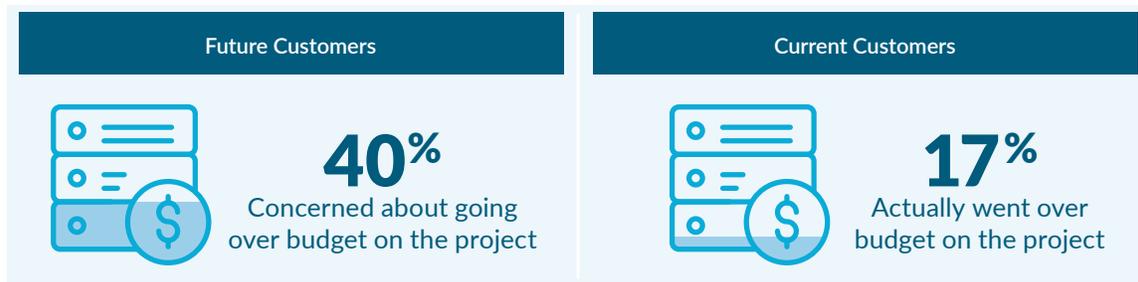
Myth: Staying on budget is a significant challenge when executing an SAP S/4HANA transition.

It's no surprise that a business case for an SAP S/4HANA migration will include cost modeling. Venturing down this road, however, has kept some customers from completing a business case. A lack of financial resources is a significant barrier for 34% of future SAP S/4HANA users who report that this hurdle has kept them from implementing the new system. Although the initial investment might be cost prohibitive for some, fears about unplanned costs related to a migration are overblown.

Our research shows that 40% of future SAP S/4HANA customers have concerns about going over budget on their SAP S/4HANA projects. Among customers who already have made the transition, we found that only 17% said their projects actually cost more than they had planned to spend (Figure 4).

What you should do: Companies that make detailed plans will have the most realistic expectations of what they will spend on a migration. Just as you would research travel websites to help you find the best places to eat or stay along your road trip, you can learn from the customers who already have migrated. You also can take advantage of the resources ASUG provides, including face-to-face events, networking, and training opportunities, as well as from the network of third-party providers that specialize in supporting transitions like these.

Figure 4: Concerns About SAP S/4HANA that Don't Match Reality



Source: ASUG research, February 2019

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Myth: Most companies are properly staffed to handle an SAP S/4HANA migration.

Only 43% of customers planning their SAP S/4HANA transition said they believe a lack of skills on their staff is a significant concern. Only 10% of future adopters identified finding a vendor to assist with implementation as a hurdle. This suggests that many are planning to stick with the staffing status quo when doing their SAP S/4HANA projects. This is like taking a road trip where you are the only driver. You'll get there eventually, but it will take you a lot longer than if you have backup drivers to help.

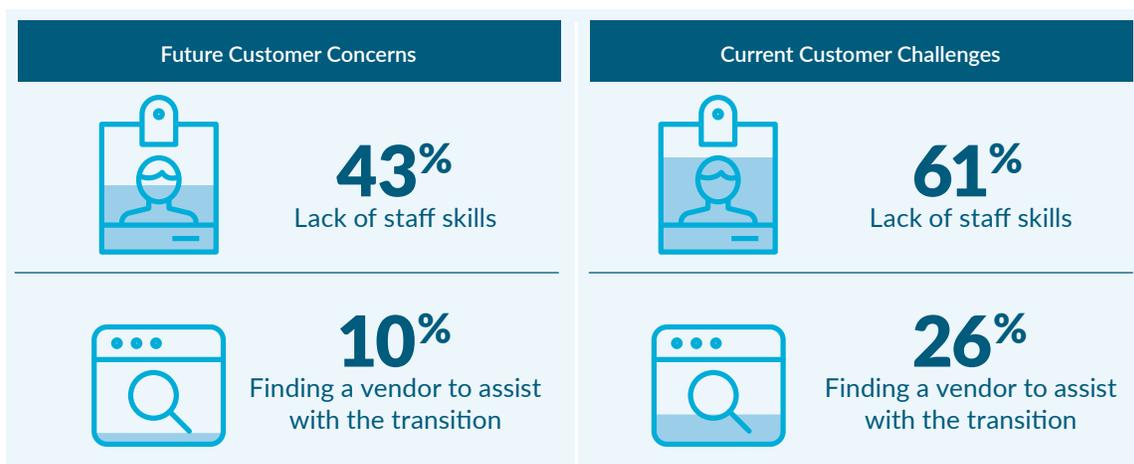
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According to businesses that have moved to SAP S/4HANA, sticking with your current staffing arrangements is a risky plan. A lack of skills was the number one issue (Figure 5) reported by these customers when asked about the challenges they faced during an implementation. In fact, 61% identified this as a challenge they encountered, a number significantly higher than the 43% of future migrators who are worried about this. Assistance from system integrators or technology providers is another underestimated area, as 26% of current SAP S/4HANA users reported this as a problem versus the 10% of future users who are expecting this to be an issue.

Keep in mind that these third-party providers are able to help not only with the implementation but also in the early stages of running SAP S/4HANA at full speed. Having the right skills available to you will help you deliver the ROI from SAP S/4HANA faster and more effectively, positioning your team to prove it has achieved success.

What you should do: Don't be one of these customers who misjudges whether the right skill sets are available. As the 2025 cutoff date for SAP ECC support approaches, resources will become scarce. This means that companies that wait to invest in additional support could be forced to pay premiums for it. It also could mean that these companies are left with below-optimal assistance or, worse, without support entirely. Now is the time to start making plans to bring on extra talent, both through full-time staff and third-party solution providers, to help the existing team before, during, and after this journey.

Figure 5: Staffing Challenges for SAP S/4HANA Migrations



Source: ASUG research, February 2019

How to Choose the Right Partners for Your Journey

If you do look for outside help, you can evaluate partners on the basis of their SAP S/4HANA-certified resources, prior expertise with SAP S/4HANA projects, tool sets for migration and, most importantly, their ability to drive innovation using cloud platforms and the products within SAP's Intelligent Enterprise suite. While migration is the first aspect of the journey, the full ROI comes from the innovations that can be built around SAP S/4HANA's core and connection to the cloud.

One other potential option is to handle your migration in multiple stages. This puts less strain on resources from within the company as you go through this transformation journey and gives you

the best chance to ensure its success. Many companies that already have completed their SAP S/4HANA migration have done this and used the initial phases to make modifications to their later phases, which are often more complex. Doing your due diligence early means you have a better chance at being prepared for whatever twists and turns your trip on the road to SAP S/4HANA takes.

Building Your Travel List

This road trip is just around the corner for many businesses. With so many customers on the SAP S/4HANA highway, resources will be difficult to find. Preparing now—mapping your journey, planning the most strategic stops, aligning your vision with your partners—is critical to navigating around unforeseen construction and avoiding slowdowns. If you identify what's myth and what's reality about an SAP S/4HANA transition and plan for proper support, you can experience an amazing ride that's memorable for all the best reasons.



About ASUG

Founded in 1991, Americas' SAP Users' Group (ASUG) is the world's largest SAP user group, serving 2,300-plus businesses via company-wide memberships. ASUG's mission is to help people and organizations get the most value from their investments in SAP technology. The Chicago-based organization accomplishes this by connecting and educating people through in-person and virtual events, delivering customer feedback to SAP, and advocating for its members. Find additional information at <https://www.asug.com/about>



About Capgemini

A global leader in consulting, technology services, and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital technology, and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of over 200,000 team members in more than 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion.

