

Keep the Best – Transform the Rest: How to Harmonize Finance On Your Way Towards a Global SAP S/4HANA

Joerg Kaschytza — Dec 2, 2021

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Since 26 years Joerg is supporting worldwide leading corporations on their path to internationalization, standardization and harmonization of processes, organization and SAP system landscapes. Benefit from his experience how to define roadmaps for Business and IT Transformation. Within SNP he is acting as Global Executive Advisor for SAP Transformations.

What We'll Cover Today

How to plan the harmonization of Finance towards a global SAP S/4HANA

- Keep goals & objectives digestible
- Identify the right planning prerequisites
- Use software based analyses for fact based planning

How to do the Finance harmonization towards a global SAP S/4HANA

- Options to move SAP S/4HANA
- Harmonization potentials
- Acceleration possibilities

Customer Case – how to achieve a Finance transformation on SAP S/4HANA

- Learn how a global SAP customer has undergone a complex transformation program to SAP S/4HANA
- Project planning for a wave based Go-live approach
- What has been achieved

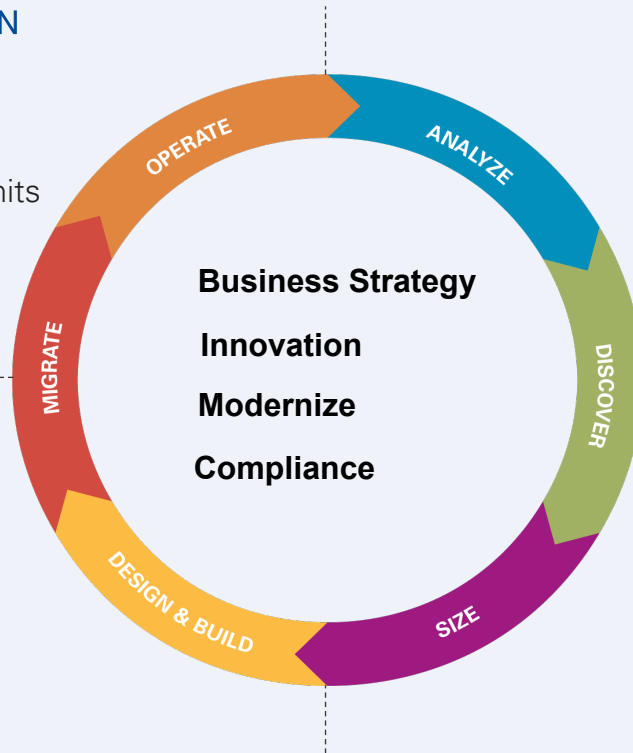
Key Business and IT Drivers continuously influencing SAP System Architectures

BUSINESS TRANSFORMATION

- Mergers and acquisitions
- Divestitures
- Restructuring of business units
- Reorganization of business models

TECHNOLOGY INNOVATION

- SAP HANA® platform
- SAP S/4HANA®
- New cloud solutions
- DWH modernization



IT OPTIMIZATION

- Landscape consolidation
- Data harmonization
- Upgrades
- Risk and compliance

CLOUD MIGRATION

- SAP RISE
- Microsoft Azure
- AWS Cloud
- Google Cloud
- IBM Cloud
- Hybrid: on prem & cloud

How to plan the harmonization of Finance towards a global SAP S/4HANA



Typical Goal Matrix of SAP Customers towards SAP S/4HANA

Standardization



Maximize use of S/4HANA standard technology by definition of

- Harmonized end-to-end process standards based on new technology
- Standards for related master data models and management
- Reduction of custom development to a required minimum

Simplification



Leverage benefits & use of simplified S/4HANA data model by

- Simplification of functions and process flows
- Increase of usability and leverage usage across devices
- Modernization of user interfaces

Acceleration



Make use of all S/4HANA acceleration opportunities, e.g. by

- Elimination of periodic reconciliation steps (soft / fast close in finance)
- Using simulations of business options and predictive functions
- Further increasing automation

Transparency



Create maximum transparency by

- Instant and central view on relevant information
- Reduce external data warehousing to minimum
- Integrated planning and simulation options

An evolutionary roadmap accelerates projects



IT TRANSFORMATION

BUSINESS TRANSFORMATION

Upgrade or cleansing of SAP ERP structures:

- **Upgrade** of infrastructure / applications
- **ERP system consolidation** with defined ERP structures and ERP governance, e.g. for a „One Global Template Strategy“

Cleansing of data base:

- **Merger/Carve-out** of reporting structures, company codes, cost areas, segments, profit center structures
- **Clearing of data and reporting structures**, e.g. CoA, master data for customer and vendors, old data stocks, archives (irrelevant or double), document types, and other

Process optimization and improvements:

- **Accounting**
Parallel Ledger with IFRS, Local GAAP, Tax, master data (SSoT), consolidation
- **Controlling**
Profit Center / segment structures, unique global KPIs
- **Closing processes** (Fast Close and SAP Cockpit)
- **New functions** ECC, S/4 (Fiori, Big Data analyses), automated workflows, digitalization

Consolidation of structures:

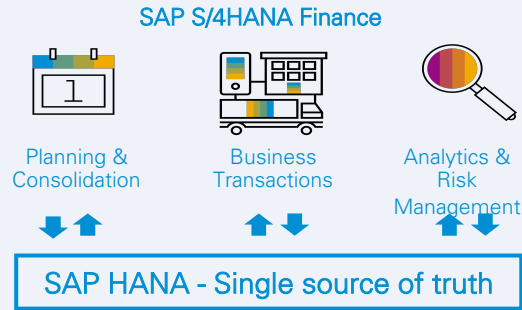
- **Shared Services for support processes**, e.g. accounting, HR, FSCM, investment & asset management)
- **Master Data Management**
Chart of Accounts, customer, vendors, material
- **Sales organization**
- **Enabler for digitization**
Front- / back-end platforms (B2B, B2C, production and stock disposition and planning) and automated workflows through all processes

Global Process Owner for E2E Best practice processes:

- **Unique core and support processes** for every business model
- **Change from functional to E2E Process organization (BPMO)**
E2E organization ↔ functional/ regional organization
- **Further digitization aspects**

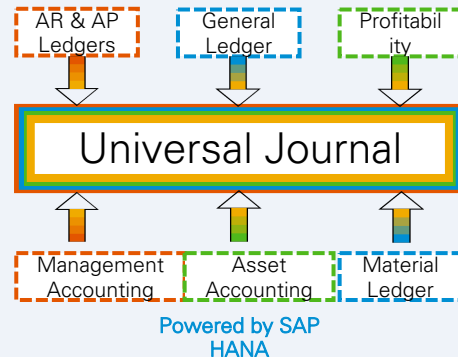
Finance Optimization Potentials with SAP S/4HANA

Single Source of Truth



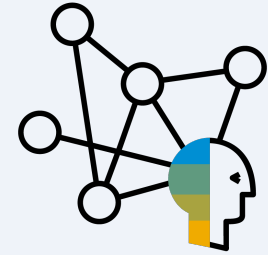
- One platform for prediction, transactions and analytics
- Removal of data silos and batch-processes
- Real-time analysis and drill-down
- Embedded risk monitoring and controls

Optimized Accounting



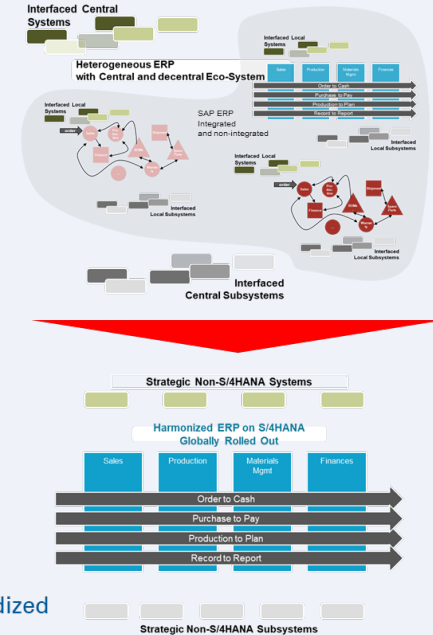
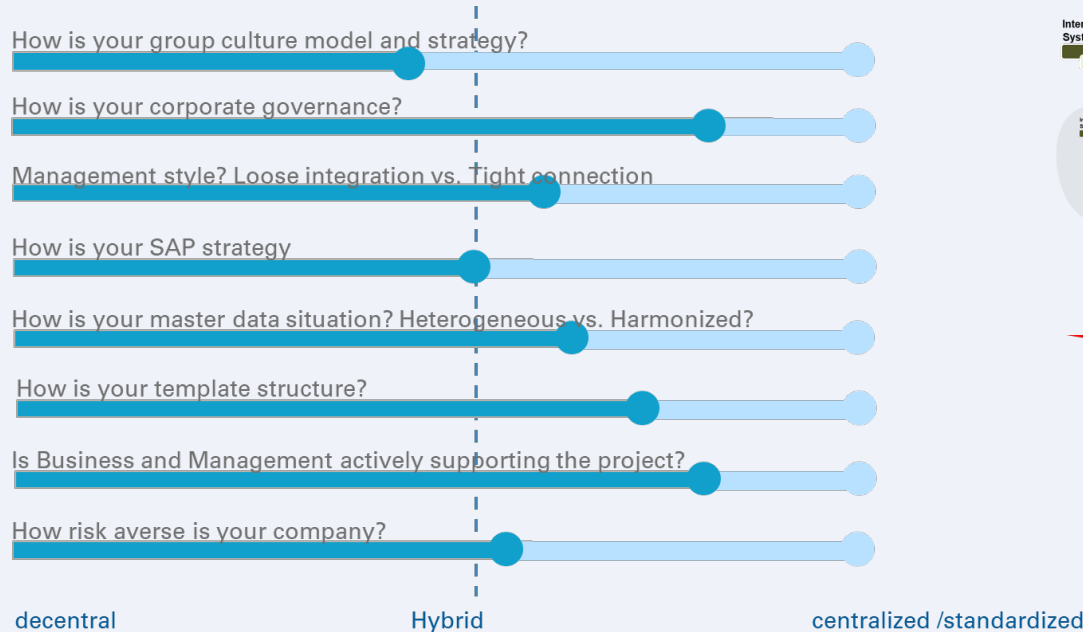
- One universal journal for financial and management accounting
- Automatic reconciliation
- On-the-fly aggregation

Intelligence



- Intelligent Finance Applications
 - Machine Learning
 - Predictive analytics
 - Cross company integration
- Digital Age UX
 - Business Content Awareness
 - Natural UX
 - Digital Assistant

Identify the Planning Prerequisites to define and evaluate the appropriate scenarios



Identify the Planning Prerequisites to define and evaluate the appropriate scenarios

SAP-Structure	Data and Processes	Functional Topics	IT-Architecture
Client Structure 1:1 Migration ▶ Implementation "One-Client System" Implementation "Two-Client System"	Chart of Accounts 1:1 Migration ▶ Harmonization	User Interfaces Keep GUI as much as possible ▶ Selective use Fiori, where benefits identified Full Fiori usage	IT-Architecture ERP Implementation Cloud Service ▶ On Premise
Company Codes 1:1 Migration ▶ Harmonization according to real Legal Entities	Historical Data Full History Migration Migration of open projects+ open items (OI) ▶ Mig. of open proj+ OI+ n FY	Custom Code Handling 1:1 Migration & Remediation Selectively, depending on Strategy / Requirement ▶ Priority: „Back to SAP Standard“	IT-Architecture BW Introduction of Embedded BW ▶ Standalone BW
Controlling Areas 1:1 Migration ▶ Harmonization	Data Cleansing Cred./Deb. 1:1 Migration ▶ By Relevance, eliminate Duplicates	Other Cust. Specific e.g. Consolidation ... Other	Data-Archiving ▶ Keep historical data in current ERP ▶ Setup of SAP-Standard-Archiving in Target System Optimization
Operating Concern ▶ 1:1 Migration Harmonization	Business Partner Numbering Independ. BP number for current Cred. / Deb.. BP Number per Deb. as leading Number ▶ New integrated BP Numbering Logic	Reporting Strategy (BW, ERP) Max. historical data in ERP for Simulations ▶ Apply BW/4HANA	Document-Archiving Tbd.

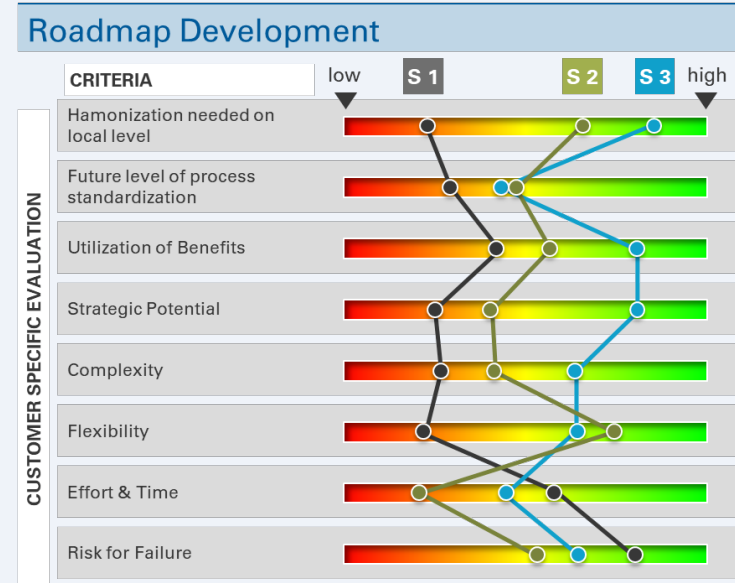
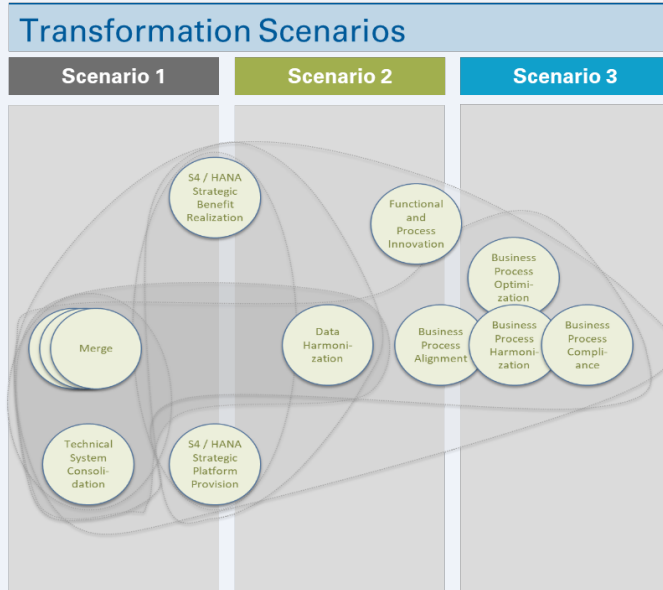
Add / Adjust Topics (Customer Specific), e.g.

- Business Partner Impl. Strat.
- Number Ranges future Model etc.

Most of these Decisions to be taken
will have Impact on Major Direction
and/or on Details of the Future Data Migration

Criteria Definition to evaluate Transformation Scenarios

Customers have to take decision which way to S4/HANA or other Transformation targets is the best fit for their specific need. SNP delivers guidance and decision support by structured assessments.



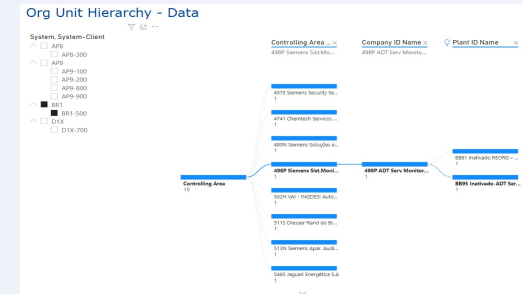
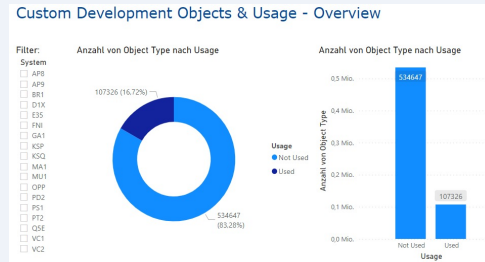
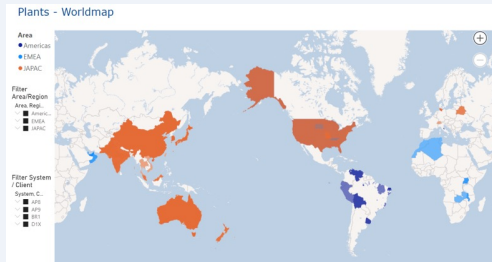
Use software based analyses to plan and design faster and with higher acceptance

- Getting a Scope Overview - get & assess big picture
- Identify Risks, get Insight into Important Details - fact based planning

Overview

Benefit from comprehensive and structured Analysis
to achieve an Effective Planning and high Design Quality

Detail



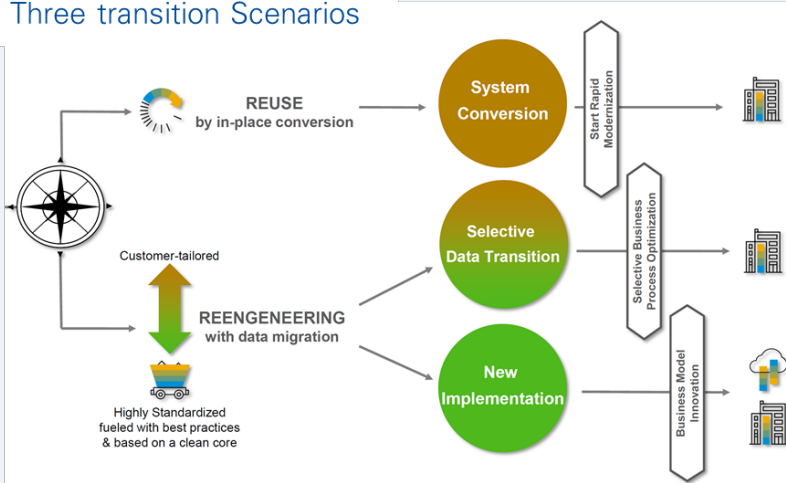
How to do the Finance harmonization towards a global SAP S/4HANA



Is it possible to keep the best, transform the rest?

Where are the options to move to SAP S/4HANA?

Introduction to Data Migration Three transition Scenarios



SNP View: Customers have more options



Brownfield - All Old processes and data converted.

Bluefield Advantage

- Customer can choose best balance between old & new.
- No longer a binary decision between two extremes!

Greenfield - Completely New Implementation with no or selective historical data.

Source:
[SAP S/4HANA Migration Cockpit - Migrate your Data to SAP S/4HANA](#)

Options to start Finance Transformation

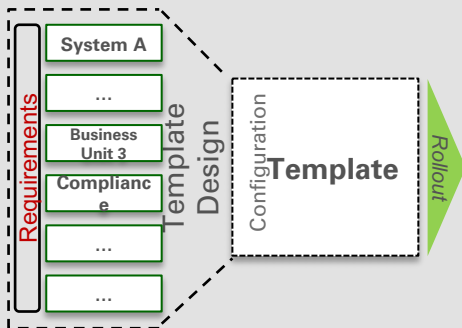
Greenfield

No boundaries

Start from scratch, no focus on „re-use“

- New system to be set up
- Data model to be optimized / harmonized
- Business processes to be re-engineered
- Decision making process time consuming
- Lots of players involved
- High effort for change management
- Project realization time consuming
- Effort often underestimated
- Historical data typically not overtaken

„Greenfield“ - Start from Scratch



BLUEFIELD™

Benefits of Greenfield + Selective Re-Use

Design Flexibility

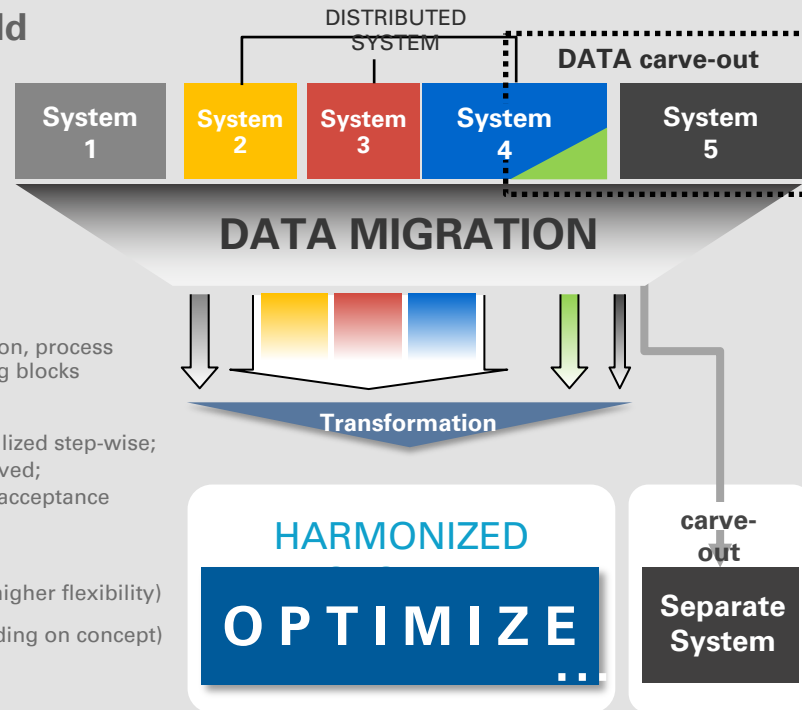
Effort reduction

Faster implementation

- Consolidation, data harmonization, process optimization as modular building blocks
- Clear focus of building blocks
- Changes can be tailored and realized step-wise; smaller number of players involved; lower effort for change mgmt. / acceptance

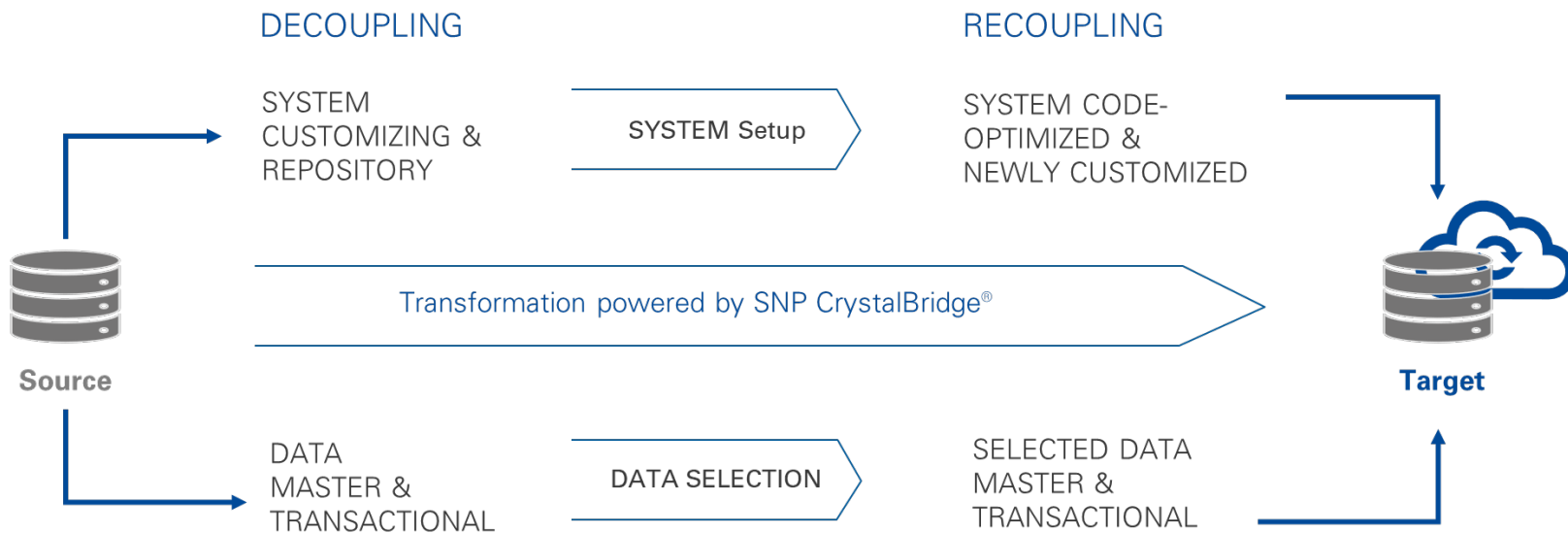
Specifics of SNP Approach:

- Migration on DB-Level (faster / higher flexibility)
- Historical data available (depending on concept)



De-coupling enables SNP data migration also for Greenfield approach.

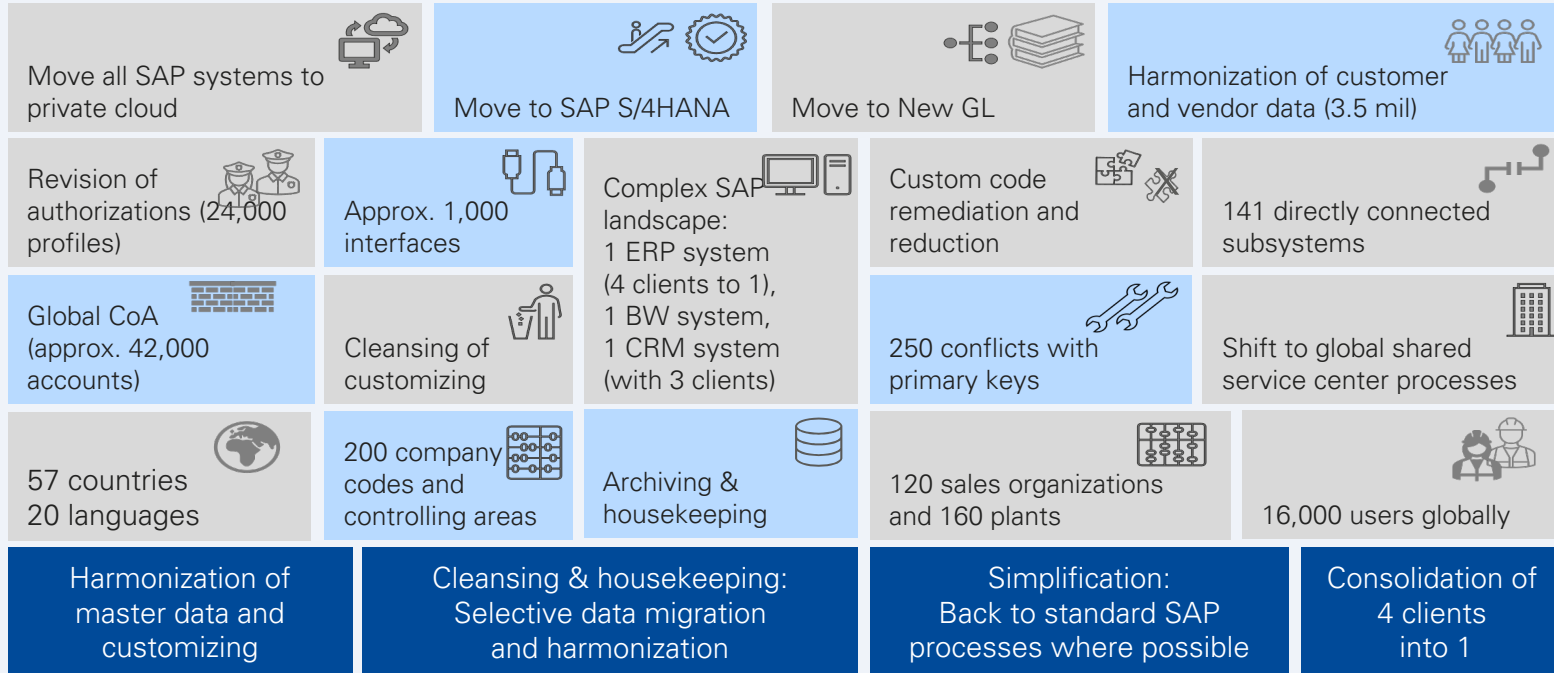
Focus on a clean core first, then adapt and migrate the data according to standardized mapping rules.



Customer Case – how to achieve a Finance transformation on SAP S/4HANA

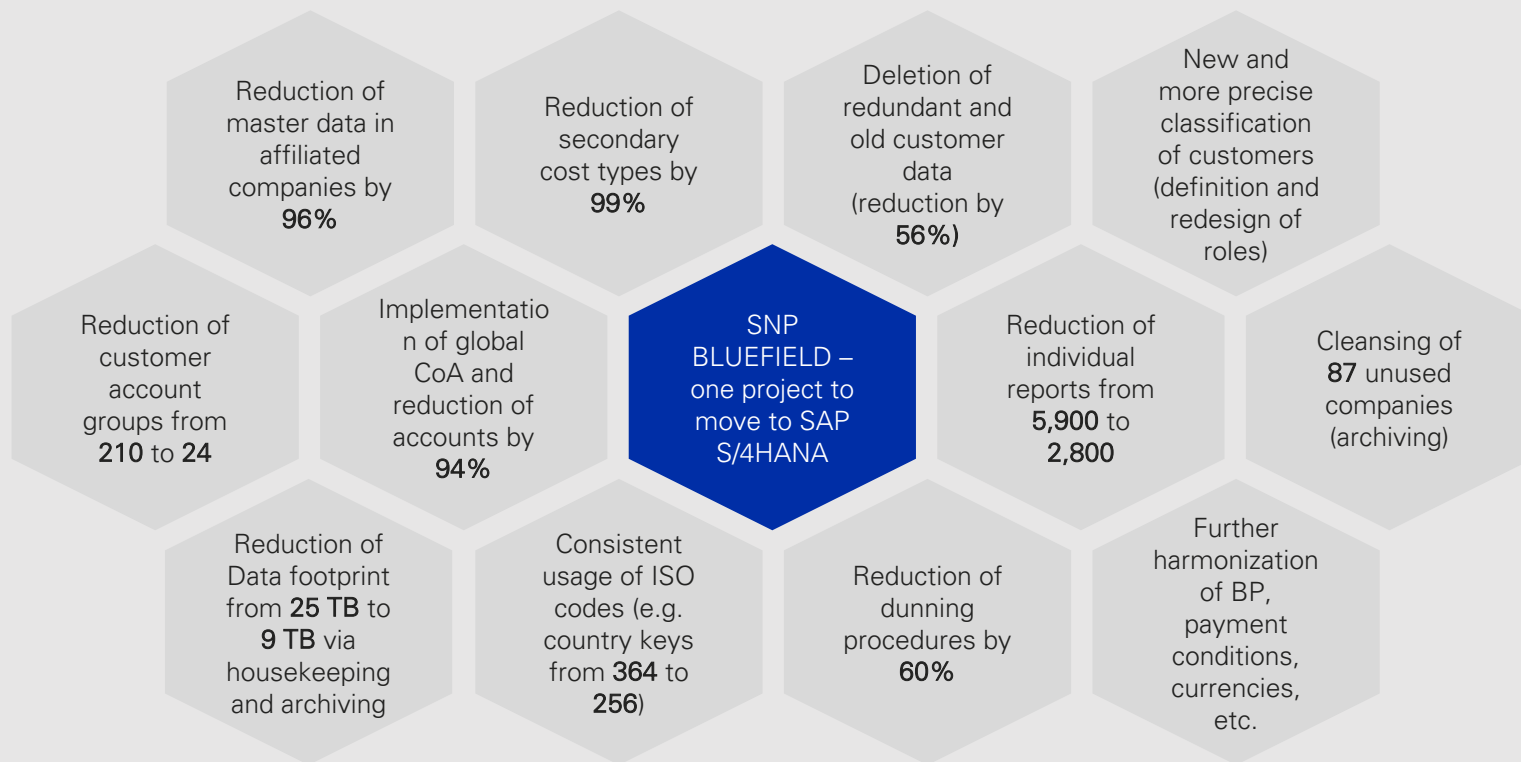


Customer Example: Global Consolidation & Harmonization to S4 (1/3)

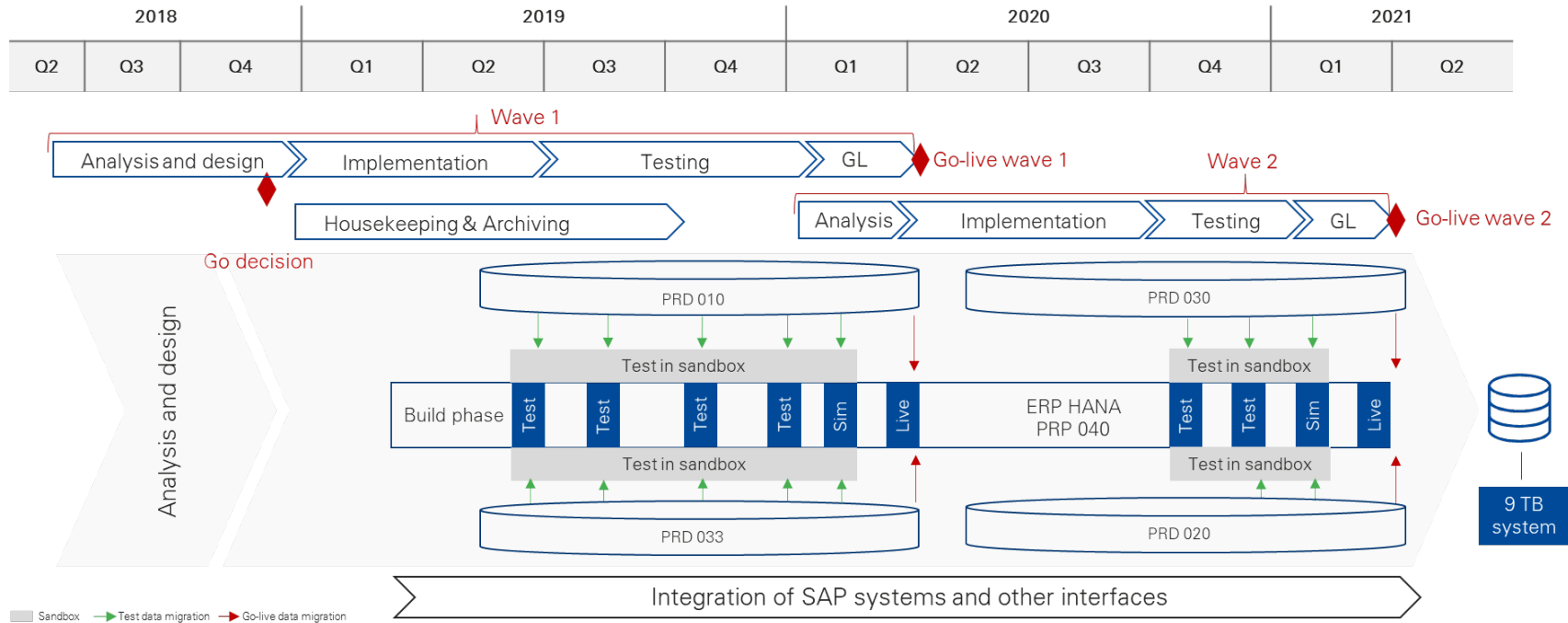


Customer Example: BLUEFIELD Creates Added Value for All Stakeholders (2/3)

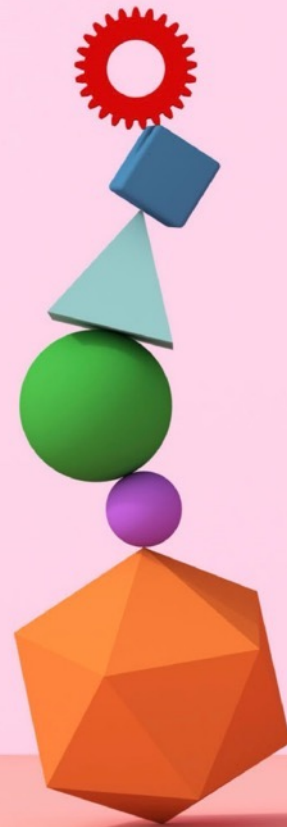
SNP's BLUEFIELD approach provides significant improvements for IT and business operations



Customer Example: BLUEFIELD Significantly Accelerates the Path to S/4HANA – in this case by 60 % (3/3)

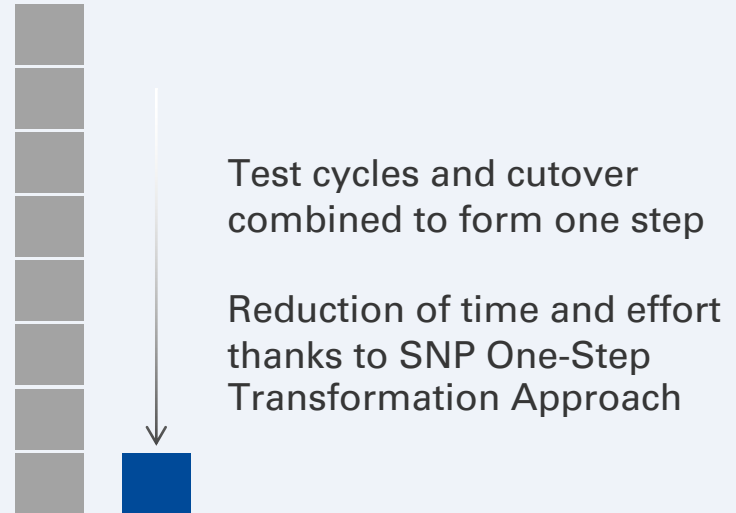


Wrap Up



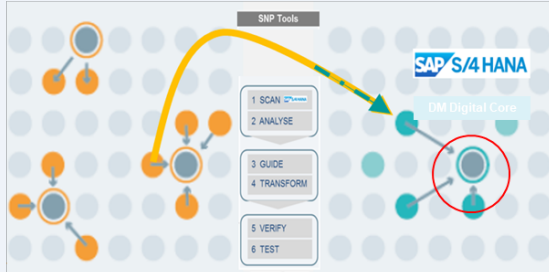
Achieve your transformation goals in a reduced number of projects to gain speed – the risk does not increase significantly

1. Project: Carve-out or split
2. Project: Chart of accounts harmonization
3. Project: System upgrade
4. Project: Consolidation
5. Project: New General Ledger (New GL)
6. Project: Reorganization
7. Project: Move to the cloud
8. Project: System merge

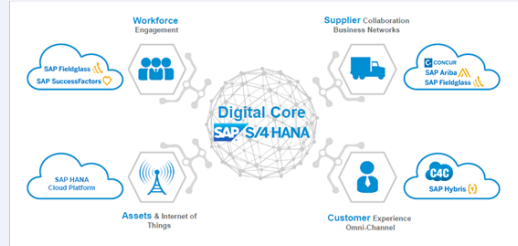


An evolutionary roadmap accelerates projects

1. Build SAP Digital Core



2. Enable New SAP Applications



3. Unlock Strategic Potentials



Solid Foundation / "Housekeeping"

Stable and integrated ECC Core

- Renovated Data Structure
- Adjusted SAP Org. Model if necessary
- Applied Group Standards
- ERP, CRM, SCM, SRM and PLM co-deployed
- Custom Development back to Standard
- Standardized & Harmonized Processes
- New Functionality (S/4HANA)
- New Reporting Technology
- Better Performance
- Modern Look & Feel (Fiori)

Available "State of the Art" Apps

Hybrid Cloud Model

- Business Technology Platform
- Strategic coding
- Concur
- Fieldglass
- Hybris
- Success Factors
- ...

New Business Models / base: Big Data, IoT etc.

Potentials of New Business Models

- App-Style (like AMAZON)
- App-Integration
- Big Data – Data Warehouse modernization
- Hybrid Cloud Model
- Integration of Internet of Things
- KI and Machine Learning
- Mobile
- Simulation of Future Business Behaviour

Slide Title

1

Your Business – Your Data

Your data strategy is
your key to your digital
transformation and
your trusted business
asset

2

On your journey to S4

Classify and evaluate
your necessary degree
of change of system
landscape and
business model

3

Now is the right time to start..

To determine your
holistic transformation
strategy

Where to Find More Information

- <https://www.mrbluefield.com/en>
- Find excellent insights on this blog how to start complex business & IT transformations for Finance, SAP S/4HANA, M&A, etc..

THANK YOU

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