

SA Power Networks journey to S/4HANA and continuous evolution beyond go-live

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Acknowledgement of Country

SA Power Networks acknowledges the multiple Traditional Owners of the lands that host the South Australian electricity network and their connections to land, sea and community. We would also like to pay our respects to Elders past and present, and acknowledge that these are living cultures.



Agenda

1

About SA Power Networks

2

Path to S/4HANA and beyond

3

Determining the migration approach / project scope

4

Program structure and governance model

5

Custom code remediation and UX approach

6

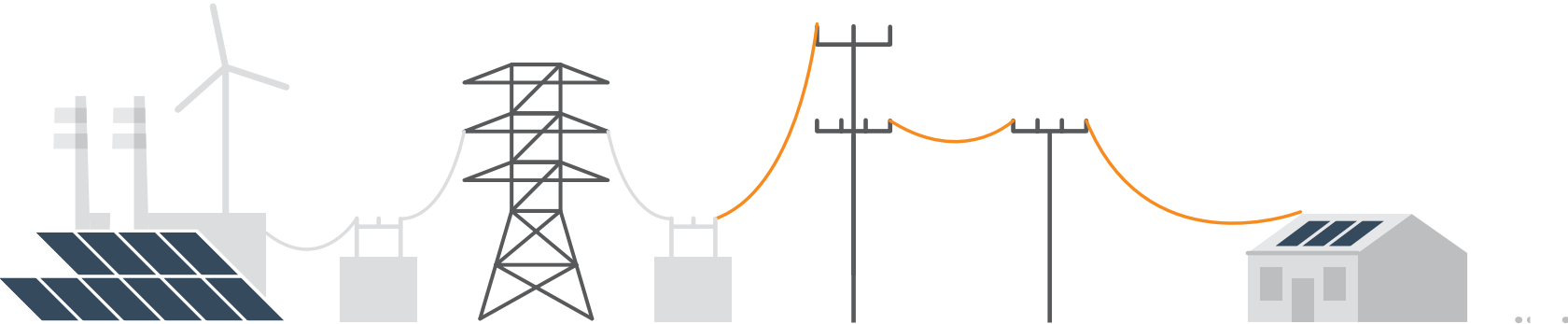
Lessons Learnt

7

Our journey since go-live and what's next

About SA Power Networks

Sole distributor in South Australia	Supply South Australia's 1.7 million population	2,200 employees in more than 30 sites across the state	Peak demand 3,145MW	Network coverage over 178,000km²	Oldest network assets in the NEM
	Supplying 900,000 homes and businesses	600 apprenticeships since 2003	Electricity distributed 9,636GWh	Route length around 89,000km	



South Australian electricity supply chain

Generation Gas, wind and solar Generate electricity	Transmission ElectraNet Carry electricity long distances	Distribution SA Power Networks Carry electricity to and from customers	Retailers Bill customers for all the costs in getting electricity to their home or business
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Digital & Data Strategy 2021–2025

Building the next-generation digital utility

Trusted data driving decisions



A step-change in insight and data-driven decision making

Enabling a safe, reliable network and sustainable business

Digitally-enabled work practices



Using technology to simplify, standardise and automate our end-to-end business processes

Providing good customer outcomes whilst keeping operating costs down

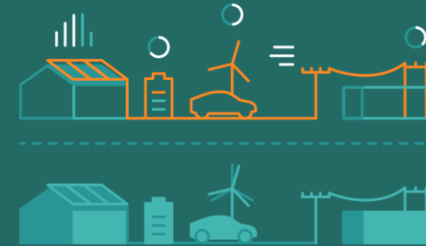
People-focused technology



Easy-to-use technology that enables safe and efficient work and great user experiences

Supporting a high-performing workforce and engaged customers

Enabling the future energy platform



Enriching the foundational capabilities of the distribution system operator

Driving the digital transformation of energy services

Growth through innovation and insight



Digital and data capabilities that drive growth and business innovation

Maximise the growth and innovation opportunities

Efficient and reliable core systems



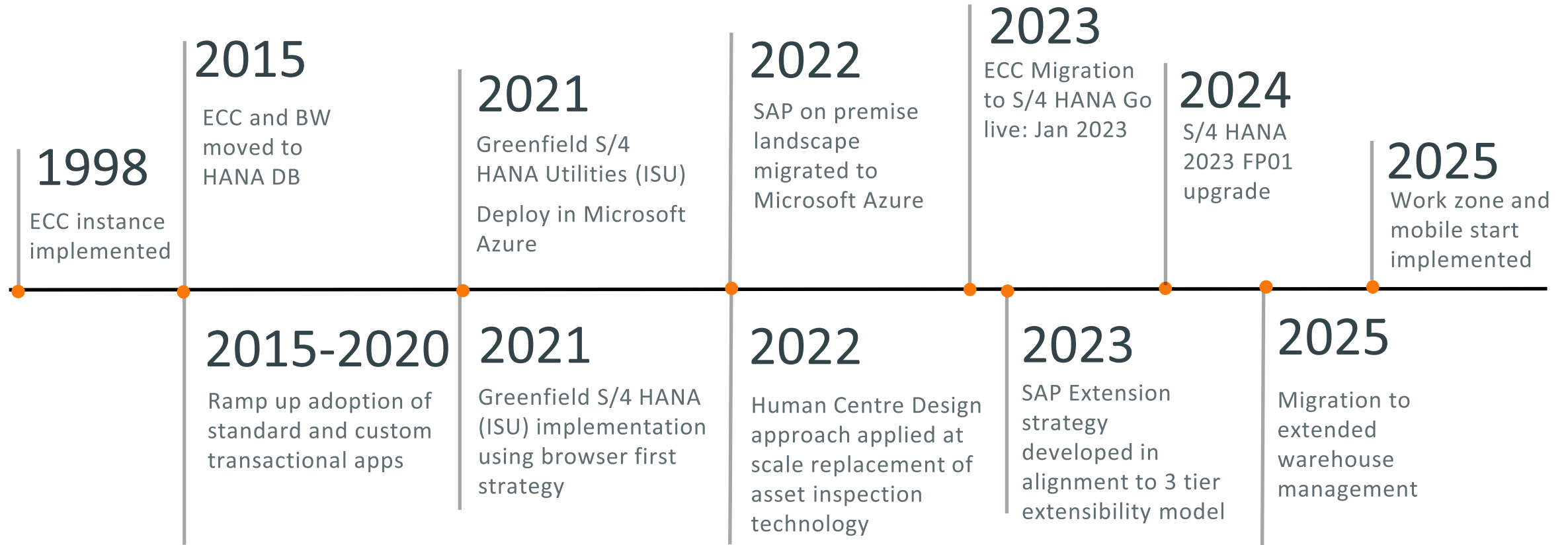
Secure, resilient systems and data



People skilled to succeed in the digital world

An evolved IT operating model

SAP Landscape Journey – Path to S/4HANA and beyond



Focus of this presentation

Determine migration path and program shape

Determine path to value

- **58 value opportunities identified** across core processes fed into SA Power Networks SAP roadmap
- **Appetite** for migration of core **finance and operational procurement roles to Fiori**
- Strategies developed to guide transformation (UX / Analytics / Data Volume Management)
- Deep dive into a subset of foundational finance opportunities identified.

Determine path to value

Determine migration approach

- Assessed dependencies, business appetite and business readiness for value opportunities
- Selected **brownfield migration** over Selective Data Transition (SDT) based on analysis of value opportunities dependency on approach
- Opted for an **iterative approach to ongoing transformation** post go-live.

Determine path to value

Determine migration approach

Determine delivery shape

- Identified and **analysed all custom code** which would require remediation
- Program implementation plan incorporating **full regression testing**, and well as progressive, structured conversion of ECC environments to S/4HANA
- Transition **12 finance and operational procurement user personas to Fiori** user experience

Program Summary

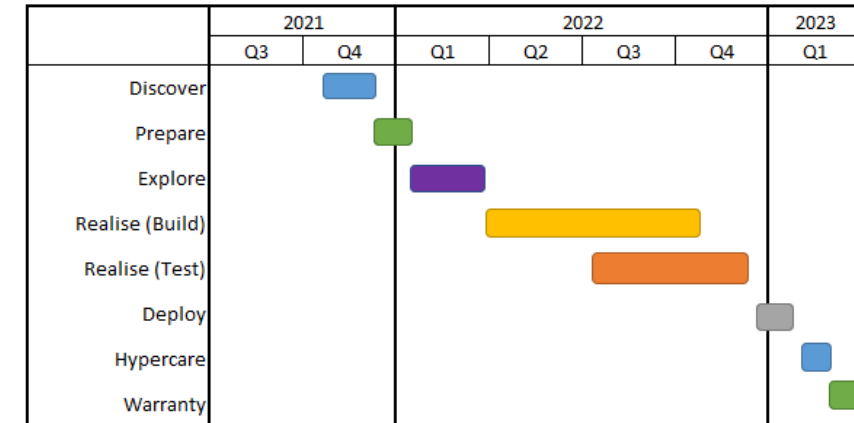
Overview

- Completed a brownfield upgrade from **ECC6 to S/4HANA**
- Used SAP Activate for the Program
- Delivered **on budget** and **7 weeks** behind original schedule baseline
- **1,200+ custom code changes** made
- Introduced **~200 new Fiori apps**
- **2,500 SIT** test cases
- **4-day cutover**

Change / Cutover

- 43 training sessions held, **98% attendance, 85% positive feedback**
- The cutover was completed over a **109-hour period** included **2,000+ steps**
- Required the reconnection of **237 interfaces**
- The system was **fully operational** from start of business on 30 Jan
- **No transactions were lost** as part of the cutover

Timeline



Post Go-Live

- The system has been **stable post implementation**
- A few go-live issues, within expectations
- By the end of **Hypercare** one high, 9 Medium, 28 low issues
- Rate of new incidents **back to BAU levels** by the end of Hypercare

Governance model

Project delivers outcome within budget and organisational risk is managed

Steering Committee

Project alignment and focus managed with one team mentality across all stakeholders

Project Control Board

SAP solutions are aligned to architectural principles and SA Power Networks standards

SAP Solution Design Authority

Maintain trust in data by ensuring organisation wide perspective is considered

Data governance



Steering Committee:

- 3x GM's including CFO and CIO, SAP, EY



Project Control Board

- Weekly governance meeting with cross section of roles stakeholders across customer, vendor and SI



SAP Solution Design Authority

- Endorsement of key strategies, architectural principles, architectural design decisions including recording of technical debt



Data Owners and Data Governance Forum

- Endorsement of key data decisions
- Examples business partner conversion, treatment of finance defects

Technical delivery approach

Environment Management

Change freeze will have considerable impact on organisation's ability to deliver change through migration project

Our approach:



Environment manager onboarded to the project



Weekly change board established to review requested changes in BAU



Progressive change freeze from soft to hard around key project dates



Fortnightly IT delivery meeting between impacted projects

Custom Code Remediation

The earlier you start on custom code identification and house keeping the easier the task will be.

Our approach:



S/4 HANA compliance (where possible) included in code review process 18 months prior



Impacted "used" code grouped based on priorities and business processes



Remediated code delivered in sprints based on priorities and ability to test business processes



Unused code flagged on deletion transport. Extended monitoring with plan to delete

Fiori Deployment

Challenges in a conversion:

Change Management:

- Large user base
- Change management
- Comfortable userbase in SAP GUI with ECC mindset

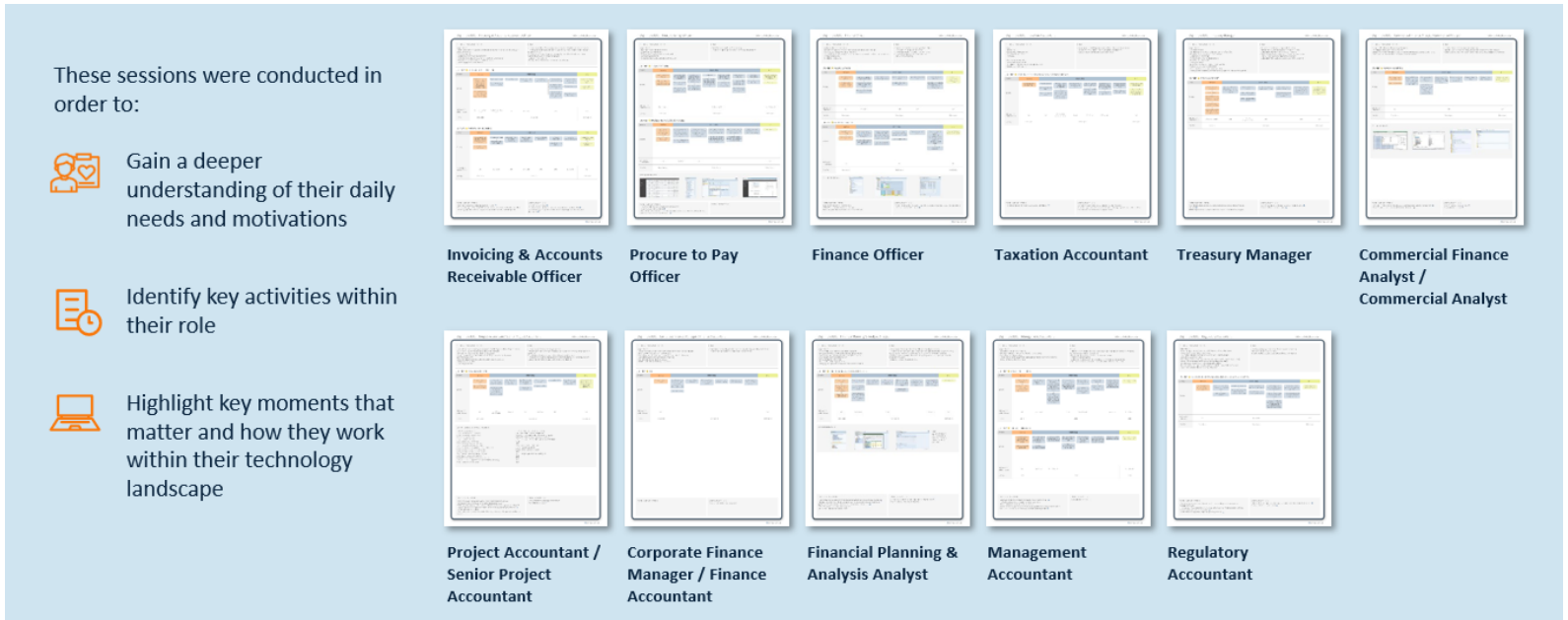
Small optimisation window:

- Nature of conversion is a smaller window for change
- How much do you bite off in initial conversion
- Iterative approach vs Big Bang

Technical complexity

- Technical debt footprint
 - Custom applications
 - Organic growth of security model

Iterative roll out of Fiori: Initial scope on finance and operational procurement



Focused effort on

- ✓ Developing **UX strategy** and **early socialisation**
- ✓ Iterative approach required to ensure quality is maintained and **change management implications are manageable with project timeline**
- ✓ Manage expectations regarding iterative roll out. **Sell the future but align expectations**
- ✓ Developed a set of **user personas to support Fiori Launch Pad design and app selection** for processes and user groups within initial deployment

Challenges and recommendations

1

UX Discovery needed to be earlier:

- De-scoped many Fiori apps due to dependencies (i.e lean services)
- Missed implication on Fiori launchpad layout using subsets of standard roles and missed supporting GUI transactions
- Acknowledged lack of LSMW support in S/4HANA too late



Earlier validation of in scope Fiori apps with a greater focus on depth over breadth

2

Finance reporting challenge: Cost object assignment missing in non-leading ledger for converted data which resulted in a 7-week project delay. Additional statistical postings available in ACDOCA which is not aligned to SA Power Networks reporting requirements

- Late discovery due to delay in BW testing which surfaced the larger issue
- Custom CDS view and multi-dimensional report required to harmonise the data (enrich with cost object assignment and filter out statistical postings)



Front load early validation of reporting at the transactional level

3

Isolated performance issues: S/4HANA 2021 introduced new functionality which updates in real time the planning table (ACDOCP) during the cost calculation of maintenance orders. This resulted in performance overheads during updates.



Look out for emerging issues if taking the latest release.

Keys to our success

1

Get Foundations Right : Spend the time to clearly define the scope, get executive buy in and do the diligence on your SI partner.

2

Governance Model: Include all involved and clear accountability.

3

One Team: Success will depend on the people making the decisions and doing the work. Create a culture of all working together towards a common goal.

4

Strong resources: Supplemented delivery team with strong internal resources in the right areas

5

SAP involvement: Utilised quality assurances services in targeted areas and participation in the customer care program



Our Journey since go-live



REVIEW AND OPTIMISE FIORI USER EXPERIENCE IN FINANCE

- Take optimisation and learnings into Fiori roll out framework
 - Importance of user research
 - Ensure enterprise search is being leveraged
 - Identify a Fiori champion in the business role/area
 - Repeatable framework to ensure consistent quality
- New custom search and overview apps within P2P integrated within standard apps via app-to-app navigation



DEVELOP CLEAN CORE STRATEGY & INOVATION FOUNDATION

- Establish development/extension strategy
- Upskill in new extension patterns. Mindset shift required
- Establish SAP BTP Foundry foundation and operating model
- Migration of portals on SAP BTP (Neo) to SAP BTP (Foundry)



ADDRESS COMPATABILITY SCOPE ITEMS

- Discovery and scoping for warehouse management migration to extended warehouse management
- Determine implications within time management and time evaluation in the move to HCM for S/4HANA

Clean "er" core approach

You're investing in the long game not the short game, hence a clear strategy with management buy in required

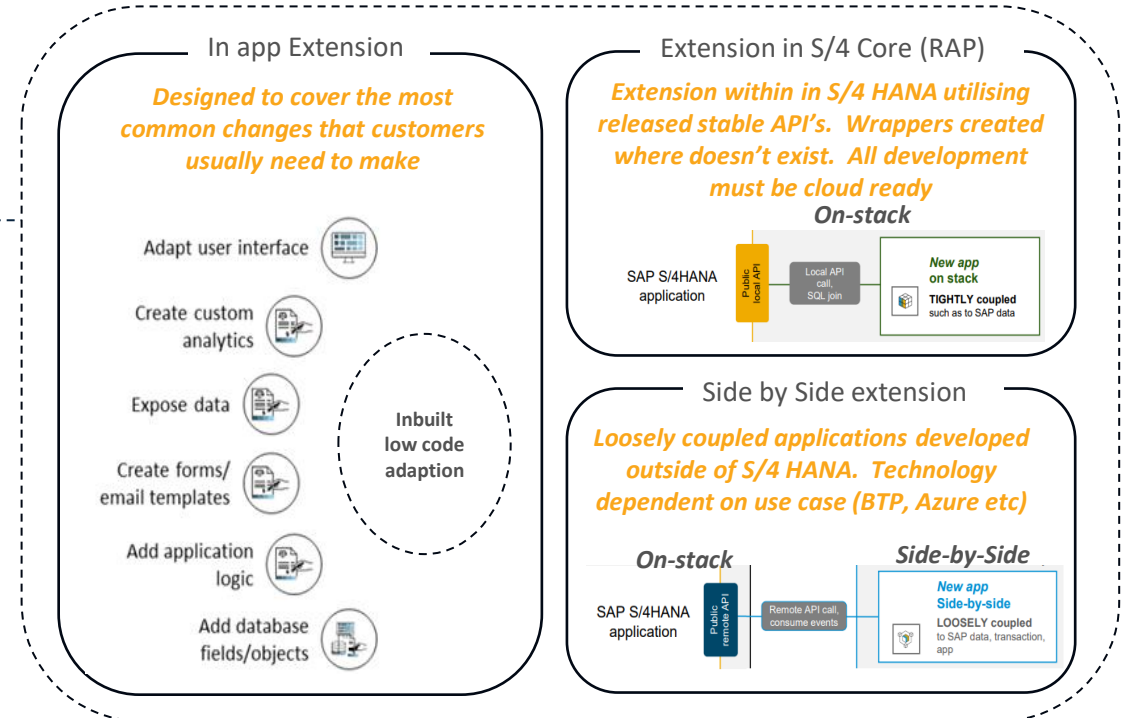
How do we ensure alignment to strategy?

Solution Design Authority

- *Is there a standard solution available?*
- *Ensure the correct architectural pattern is used?*

Clean core automated checks

- *Automated checks for compliance with ABAP cloud standards*



Focused effort on

- ✓ Strategy endorsed at SAP Solution Design Authority
- ✓ Development standards updated
- ✓ Code review process and transport release enforces compliance
- ✓ Pragmatic approach to minor changes in existing solutions that aren't compliant.
- ✓ Proactively looking at opportunities to reduce technical debt



Journey doesn't end

Transformation only starts with your S/4HANA go live....



LEVERAGE INTELLIGENT SCENARIOS WITHIN FINANCE

- Integrated machine learning use cases to drive automation
- Situation handling scenarios applicable to finance



S/4HANA 2023 FP01 UPGRADE

- S/4HANA upgrade across both our S/4 HANA instances
- Actively work with the business on opportunities to leverage new capabilities in new release



COMPATABILITY SCOPE AND MATURING CAPABILITIES

- Complete extended warehouse management transition
- Review maturity of lean/complex services
- Plan transition from Customer service to S/4HANA Service



CONTINUE MODERNISATION OF USER EXPERIENCE

- Work zone and Mobile Start implementation planned
- Progressive roll out of Fiori to all users and processes
- Explore Cloud Application Programming (CAP) use cases



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