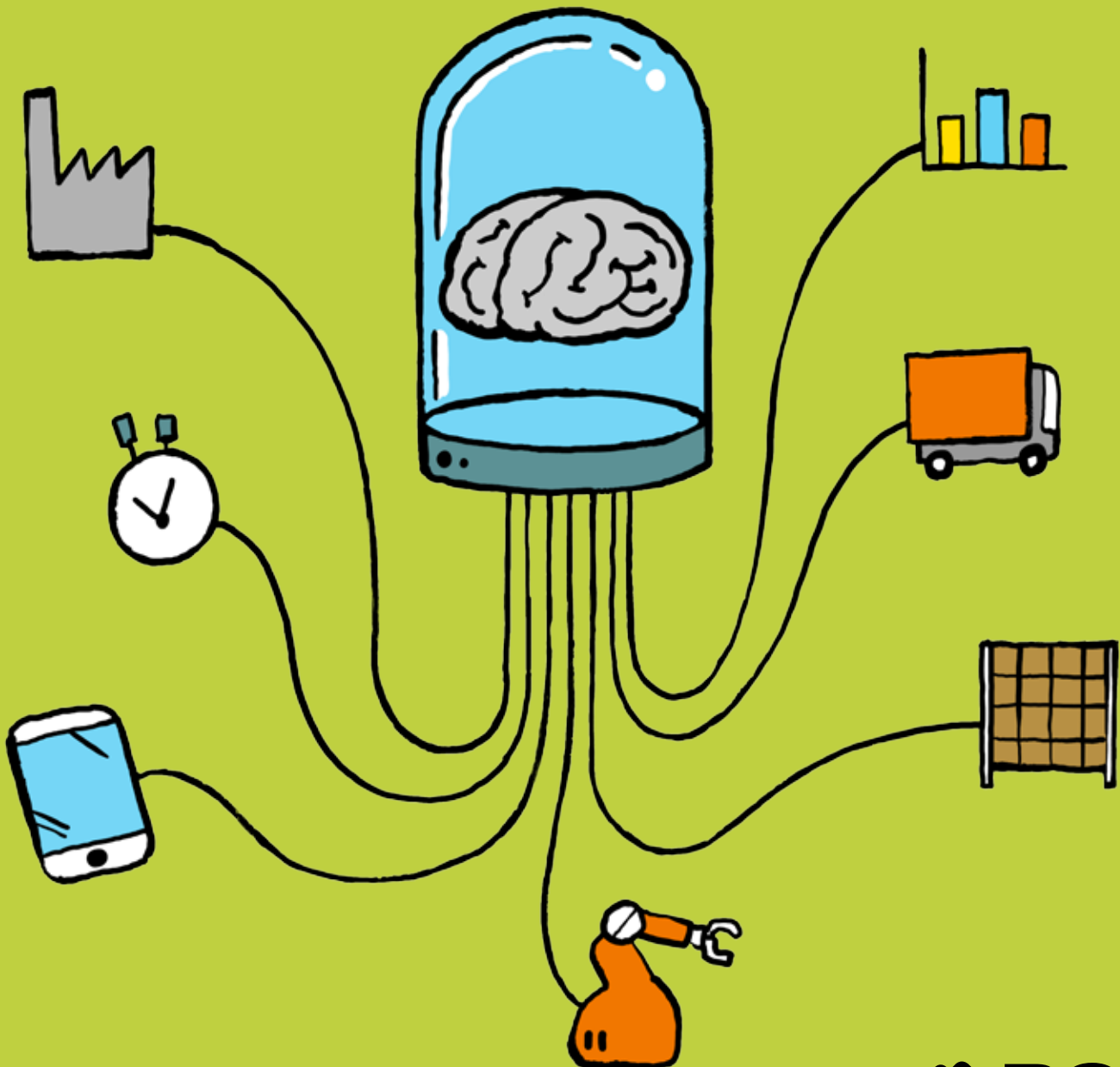


SAP S/4HANA

Digital Core for Smart Decisions



ROI DIALOG OVERVIEW – ISSUE 53

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Digital transformation will not happen by itself, even with SAP S/4HANA

The real-time S/4HANA ERP suite is not an upgrade, rather the migration of a completely new product line. This will have a major impact on the IT landscape and business processes in companies.

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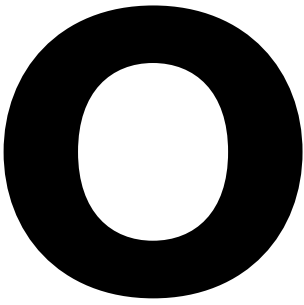
With SAP S/4HANA, HENSOLDT Optronics has a real-time overview of data critical to its success

The practical example of HENSOLDT Optronics illustrates how single-stage migration to HANA and S/4HANA Finance became a win-win situation for all involved.

FAR-REACHING IMPACT ON THE IT LANDSCAPE

Digital transformation will not happen by itself, even with SAP S/4HANA

By Hans-Georg Scheibe, Executive Board member, ROI Management Consulting AG



One person in the "March for Science" in April attracted much laughter and attention by going on the demonstration in a Tyrannosaurus rex costume – holding a sign in his dinosaur claws saying "I didn't believe in climate change either". This might also be a useful metaphor for companies, urging them to step up to the plate and change the convenient principle that you should "never change a running system".

Things liven up when outside influences generate an "adapt or die" situation, thereby preprogramming a change of course. Millions of SAP users around the globe are currently coming to terms with a watershed of this kind. SAP is

launching the SAP S/4HANA real-time ERP suite as the successor to its current core product, the SAP Business Suite. This is not an upgrade, rather a migration to a completely new product line – with a corresponding impact on a company's entire IT landscape.

Companies have "no alternative" to this transition, in that the system only runs on HANA and users of older SAP have no choice but to change. SAP benefits from this move in two specific ways, in particular. Firstly, this technologically sophisticated product puts a lot of pressure on their principal competitor, Oracle. Secondly, SAP is "motivating" clients with older systems to make the change by increasing its maintenance fees by 30 percent. The only remaining alternative would be to change the entire ERP system – which would be even more expensive overall and would entail potentially serious risks to processes.

Business Migration Required

If you cannot avoid the cost, you should make the most of the advantages.

the other hand, it provides an excellent basis for successfully managing digital transformation.

However, this change will not happen by itself. Even S/4HANA cannot realize potential at the touch of a button. Therefore, it is important not to focus solely on the technical aspects of migration for a successful transition to S/4HANA. Rather, we should take a three-stage business migration approach.

The starting point is the installation of a local or cloud-based SAP S/4HANA system with industry-specific best practice processes – say for scenarios, such as the simulation of alternative supply routes to improve responsiveness in supply chain management. At the same time, potential must be analyzed by monitoring actual processes and undertaking a fit/gap analysis of the industry-specific S/4HANA template. The results represent clearly defined approaches for improvement and an initial S/4HANA prototype that flags up future working methods. Moreover, the cost/benefits, time schedule and risks can be established and summarized in a decision-making template.

Lastly, the S/4HANA introductory project is launched. At this stage, employees' expertise should play a key role, which, in turn, necessitates a previously initiated change process involving all users. Technological benefits, such as intuitive dashboards or the retrieval of information in real time, do not identify error sources or shorten lead times – future responsibility for this will still lie with people, using new technological tools to creatively further enhance processes. So would the dinosaurs have survived if they had had system integration? Let's discuss this with SAP AG at the next available opportunity!

"It is important not to focus solely on the technical aspects of migration for a successful transition to S/4HANA."

And the good news is that there are benefits in abundance! As this issue of DIALOG shows, migration to S/4HANA impressively smooths the way for strategy, operations management, IT and business processes to become more integrated than ever before. On the one hand, this throws up completely new possibilities for improving performance, while on

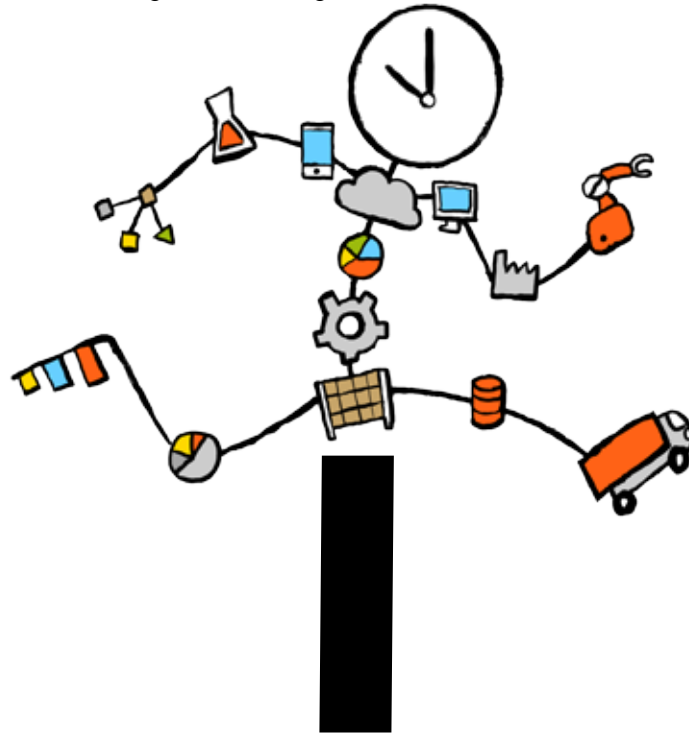


Hans-Georg Scheibe,
Executive Board member,
ROI Management
Consulting AG

SYSTEMS TAKE A LEAP INTO THE FUTURE

Pointers for a successful change to SAP S/4HANA

By Ulrich Krieg, Partner, ROI Management Consulting AG



Ulrich Krieg,
Partner,
ROI Management
Consulting AG

Imagine you are in a conference, discussing which interfaces in the value network could be linked even more efficiently – to make customers' requirements a reality even faster through rapid prototyping, for example, or to draft new plans for logistics processes for a new central warehouse, etc. Quietly, your colleague SARAH keeps enriching the discussion with minor corrections: "Please note that waterways in the Xuhan region are impassable every four days on average from April to May because of heavy rainfall." "No, this profit and loss figure for May does not include the management accounting figures. I have set them out for you in this chart." However, in this case SARAH isn't an especially industrious PA, but a software robot which – in milliseconds during the discussion – collates the necessary information, or compares your plans with forecast data from the company network and the internet.

Real-Time Advances in Digital Transformation

Is this pie in the sky? By no means: the technological basis for a scenario like this has been in place for a long time, and is even already established in some companies. The next generation of the SAP Business Suite, SAP S/4HANA, claims to be the "digital core" of IT architecture, and as such to encourage consistent digitization of processes by companies. The most important feature of this software is its ability to process complex requests for any kind of information in the blink of an eye. How-

ever, unlike conventional ERP systems, S/4HANA does not aggregate data in advance, preventing losses of information. Not only does this enhance innovation, it also leads to more focused, more effective handling of ever-growing volumes of data. We can all speculate as to whether algorithm-based

The speed of analysis can be increased by a factor from 10 to 250,000.

software robots or voice-controlled AI apps, such as Amazon's Alexa, will add a virtual assistant to the monitor's dashboard in future. But one thing is certain: S/4HANA can play a key role in the successful digitization of companies in two ways:

Real-time advance 1: Technology

In SAP S/4HANA, all data is stored in the main memory. Therefore, with an in-memory platform, the system works three to seven times faster and the data throughput can grow by a factor of 50 thanks to parallel processing. The speed of analysis can therefore be increased by a factor from 10 to 250,000, depending on usage. This is an enormous advantage, for example, when planning capacity and work sequences of complex production processes across all plants.

Moreover, S/4HANA opens the door to new ways of handling large volumes of data from ERP systems. By changing to SAP S/4HANA, an ERP system with a volume of 600 gigabytes, for instance, would gradually shrink to just 42 gigabytes. If current and historic data are then separated, the entire system takes up a mere 8.4 gigabytes and will fit on a modern smartphone.

Real-time advance 2: Process Acceleration

For many years, the worst "pain" of digitization suffered by companies has been the repeated reorganization of work and communication processes: growing numbers of information sources – e.g. ERP systems, Embedded Business Warehouses, ABAP reports and Excel files – give rise to media disconnects that generate errors, render vital data non-transparent and therefore slow down decision-making. However, rapid and clear visualization of key figures is an essential tool for executives at all levels of a company, if processes are to become more efficient. Finance and management accounting departments need access to KPIs, sales forecasts and project cash flows, while warehouse management, production planning and detailed scheduling need to perform real-time analyses of material requirements, sales figures and results.

In future, by using specific modules, SAP S/4HANA will ensure rapid data analysis based on the very latest – to the second – S/4HANA data resources, not outdated infor-

mation from yesterday's interim tables or aggregates. What's more, some work steps can be dispensed with completely, or their duration dramatically reduced (see Graph 1 "The SAP S/4HANA universe").

Beyond Technology – Developing Digitization Expertise

In future, thanks to Industry 4.0 and the IoT (Internet of Things), machines, business partners and customers can be more closely integrated in company processes – and therefore in SAP systems. So the prospects for getting started on the road to digitization are good. But as long as these processes are not controlled by some super AI system, it is still up to the user to use the advantages of the new technology correctly.

Instead of managing data, it is all about shaping information.

This makes it even more important not to confront employees with a "finished", ready-implemented system, but to involve them in building this system right from the start. After all, S/4HANA demands a new mentality for handling software: instead of managing data, it is all about shaping information.

Therefore, in addition to technical service, when integrating SAP S/4HANA it is crucial to build up expertise on the new (process) options – for instance, transforming processes to make them real-time capable. Furthermore, it makes sense to evaluate the possibilities offered by the system to reduce lead times, shape new business processes, conduct feasibility studies (POCs), or develop prototypes and migration concepts. Ideally, S/4HANA brings the IT thoroughly up to date, at the same time as significantly enhancing the company's operational excellence and innovativeness.

Additionally, the change to S/4HANA ushers in new challenges that demand appropriate expertise. They include setting up IoT scenarios (e.g. integrating sensors, defining and backing up the relevant data), making SAP landscapes secure, and developing company-wide data models. What's more, in future it will be necessary to orchestrate hybrid IT landscapes comprising on-premise, cloud-based, non-SAP and SAP components, ABAP code and in-house developments. This task should not be entrusted to the IT department alone, but to a team of decision-makers, who have an overview of all the company's relevant data sources and can therefore make sure the "digital core" of SAP S/4HANA is working with the right information.

THE SAP S/4HANA UNIVERSE

SAP S/4HANA is intended to enable companies to focus on the digital economy. For the change from old IT worlds into a new SAP S/4HANA universe, different solutions are available. We present six central applications that industrial companies should know:

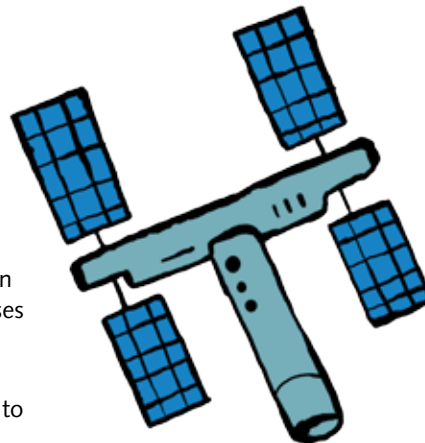
S/4HANA R&D

Key Capabilities

- Enabling a multidisciplinary product definition
- What-if analyses and iterative design processes
- Real-time multilevel BOM exploration

Benefits

- Achieving transparency and real-time access to product information across disciplines and throughout the product lifecycle
- Making better design decisions using SAP HANA analytics
- Executing engineering changes with full knowledge of downstream costs



S/4HANA MANUFACTURING

Key Capabilities

- Identifying and prioritizing most critical material issues, options, and consequences
- Faster execution provides more current and accurate view of material situation
- Providing enterprise-wide visibility across supply, production, inventory, and demand

Benefits

- Faster reaction to demand changes
- Reducing manufacturing costs and stock-outs
- Lower inventory and safety stocks

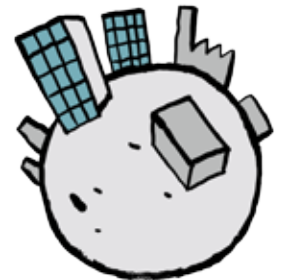
S/4HANA ASSET MANAGEMENT

Key Capabilities

- Simulating of maintenance strategies with respect to cost, risk, and performance
- Predicting and preventing downtime by analyzing data generated by machines and sensors along with business data
- Proactively controlling risks and preventing incidents by leveraging analysis, simulation, and prediction techniques

Benefits

- Real-time insight into asset performance to make timely, relevant decisions
- Combined evaluation of information technology (IT) and operational technology (OT) data
- One common view of process risks related to employees, assets, or the environment





S/4HANA Finance

Key Capabilities

- Ensure one source of the truth for finance and operational data
- Real-time oversight into finance processes, finance and managerial accounting results
- Prediction, simulation and what-if analysis for continuous finance and business planning

Benefits

- Enterprise-wide consistency and minimized errors need for reconciliation
- Instant insight to enable timely and relevant decisions, with no lag time
- Evaluation of the financial implications of strategic business decisions



S/4HANA Sourcing & Procurement

Key Capabilities

- Securing many-to-many networked collaboration with trading partners
- Consumer-grade usability and mobility
- Full source-to-pay processes, including spend analysis, sourcing, contract management, supplier management, procurement, invoice management, and payables management

Benefits

- Increased profitability derived from employee compliance and sustainable cost savings
- Effortless user experiences with unprecedented transparency into spend, enabling companies to Run Simple
- Reduced total cost of ownership (TCO) due to less data replication, reduced effort for system setup and operation, and reduced data footprint



S/4HANA SUPPLY CHAIN

Key Capabilities

- Mastering uncertainty – supporting supply and operations planning cycles with real-time data and what-if scenarios
- Being demand-driven – sensing short-term demand, responding quickly with fast planning, replanning, and simulation
- Responding efficiently – real-time and adaptive freight planning, truck visibility, and warehouse automation

Benefits

- Higher inventory turns and revenues, reduced stock-outs, and revenue loss
- Higher on-time delivery, reduced order lead times, using inventory more efficiently as a better buffer against uncertainty
- Reduced warehouse and transportation spend, improved flexibility, and lower customer order cycle times

"STRUCTURE FOLLOWS STRATEGY"

The introduction of SAP S/4HANA: its implications and opportunities for corporate strategy

Interview with Prof. Dr. Andreas Pasckert and Prof. Dr. Peter Gordon Rötzel, professors at the Aschaffenburg University of Applied Sciences

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DIALOG: According to a survey by the German IT-Onlinemagazin, 76 percent of companies are currently investing in S/4HANA because SAP technology fits in with their corporate strategy. However, only half this many businesses see specific economic benefits from this move. What's your opinion? Is SAP migration a necessity or an advantage?

PROF. PASCKERT: This question is typical of the disconnect between strategic and operative management. Traditionally, strategic investments are used to establish long-term blueprints for success and competitive advantages – and this is also true of the new possibilities offered by S/4HANA. In terms of operative management, on the other hand, the key challenge lies in finding actual economic benefits.

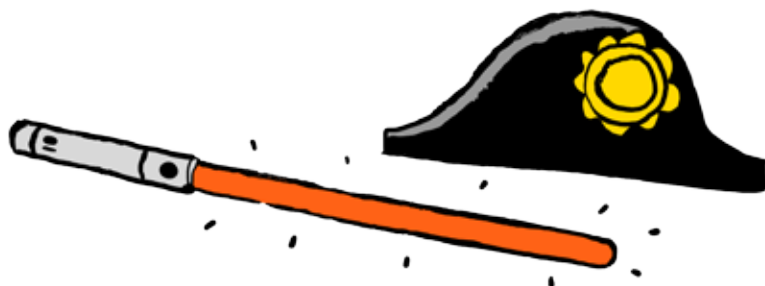
PROF. RÖTZEL: The actual opportunities and risks of S/4HANA migration for every company can only be assessed on an individual basis, and only outlined, at best, for whole industries. SAP S/4HANA offers very many opportunities for long-term success blueprints and com-



petitive advantages. However, to achieve this, senior management needs to firmly incorporate it in long-term corporate strategy, and in a digitization strategy based on this. I see a trade-off here between early migration – with the resulting advantages of being a first mover – and later migration. This decision may be driven by possible competitive disadvantages through not having S/4HANA, for example. However, it is clearly up to senior management to find a solution to this trade-off.

DIALOG: Companies hope digitization will bring many improvements, making them more flexible, more independent, more decentralized, more individual and more efficient. How can a change to SAP S/4HANA help meet these expectations?

PROF. RÖTZEL: The backbone of digitization is a successful digitization strategy combined with state-of-the-art information technology. What the above aspirations all have in common is that they demand a great deal from the appliance. Operational implementation typically demands greatly increased efficiency, particularly in terms of data analysis and back-end processes.



PROF. PASCKERT: S/4HANA can provide the fundamental information infrastructure for a digitization strategy, enabling huge quantities of data to be processed in a very short time. It works by online analytical processing (OLAP) and online transaction processing (OLTP) taking place simultaneously on an in-memory database. In an ideal scenario, this enables real-time data analysis of customer requirements, with immediate implementation in the form of individualized products. Market trends can therefore be predicted at an early stage, and customers' wishes made reality straight away.

PROF. RÖTZEL: User requirements of this kind did not just emerge with digitization or the market launch of S/4HANA. Typical IT challenges, such as increasing process efficiency, reducing operating costs and lowering complexity over the long term, while simultaneously improving handling, have long been burning issues for CIOs and IT managers. And we must not forget the general environment in the company or that compatibility problems can rapidly arise between machines and the new IT platform.

"Migration to S/4HANA offers strategic opportunities to rethink entire business processes and whole areas of business."

DIALOG: *What mistakes do companies make when implementing or migrating to SAP S/4HANA and how can they be nipped in the bud?*

PROF. RÖTZEL: Regarding S/4HANA primarily as a technical means to further automate production processes is to think in the extreme short term, far removed from a long-term digitization strategy. Rather, migration to S/4HANA offers strategic opportunities to rethink entire business processes and whole areas of business. It is vital to choose the right service provider, who will provide meaningful support for the migration strategy and often contribute expertise that can be lacking, particularly in small to medium-sized companies.

PROF. PASCKERT: In view of the high cost, the huge organizational upheaval, and introductory and transition periods that can last months or even years, being tied to a service provider who does not fit the company's specific requirements can even jeopardize its entire existence. We need to bear in mind that a large number of companies discontinue migration projects before they are completed. In addition, a significant percentage of migration projects end up costing considerably more time and money than was initially calculated. To shed light on this, we are researching the success factors in our current survey (see www.surveymonkey.de/r/SAP-2017R). We aim to find out exactly what these specific requirements for IT service providers are where HANA and S/4HANA are concerned. Based on this knowledge, we can then help companies to find and select a suitable service provider.

DIALOG: *How do companies avoid failing to exploit the full capabilities of SAP S/4HANA – in the development of new business models, for instance?*

PROF. RÖTZEL: In many companies, the fundamental structure behind their processes has existed for decades. They are successful in these areas, and this is where the profit margins are achieved for future developments. This brings them advantages in terms of learning and specialization. When introducing SAP S/4HANA, companies need to base their digitization strategy on their long-term corporate strategy. The principle of "structure follows strategy" applies here, and SAP S/4HANA should also be regarded as part of this "structure". →



Prof. Dr. Peter Gordon Rötzel,
Aschaffenburg University



Prof. Dr. Andreas Pasckert,
Aschaffenburg University

When introducing S/4HANA, a company also needs to consider future areas of development or business models that are entirely new to them. There is a clear trade-off between the flexibility to continue developing new business models, on the one hand, and the efficiency of the SAP system, on the other. Briefly, we recommend that the Management Board, in particular, keeps an eye on possible strategic options, and examines how they would be impacted by the introduction of SAP S/4HANA.

DIALOG: *In the manufacturing industry and logistics, cyber-physical systems (CPS) are the "ideal goal" of Industry 4.0 strategies. How does SAP S/4HANA support the integration of "intelligent" machines, and how can they be managed in combination with the human workforce?*

"Collaboration between humans and machines offers greater opportunities for creating jobs than scrapping them."

PROF. PASCKERT: Combining OLAP and OLPT on an in-memory platform can provide a basis for a cyber-physical system. OLAP enables large volumes of data from the internet, customer systems and other data sources to be analyzed. Ideally, this allows companies to determine demand and (imminent) customer requirements in real time.

On the other hand, OLPT enables a link between the appliance and the person, and with intelligent, informational, mechanical, electronic and software components, to be subsequently created. This can then be used to flag up new market requirements in real time, for example, and to satisfy them through individualized products.

PROF. RÖTZEL: However, employee acceptance and motivation are an essential but often overlooked issue here. As is the case

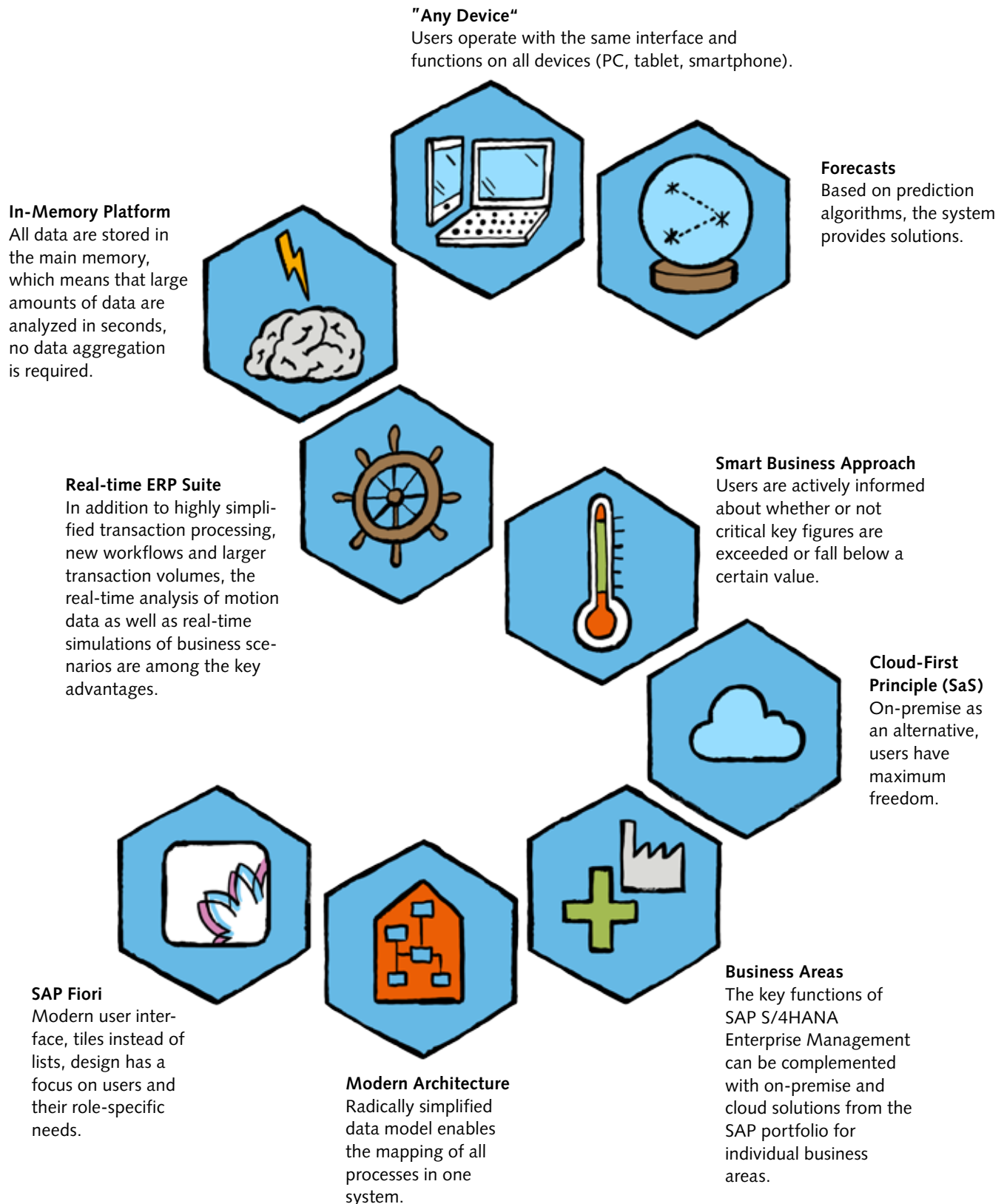
when migrations happen too quickly, "internal resistance" can quickly form. Meaningful communication and good change management are important for countering this, as collaboration between humans and machines offers greater opportunities for creating jobs than scrapping them.

About the interviewees

Prof. Dr. Pasckert and Prof. Dr. Rötzel, LL.M., lecture and conduct research in the field of management information systems, with a particular focus on the successful migration of ERP systems and enhanced efficiency through the digitization of processes. Prof. Dr. Pasckert specializes in the design of business processes, while Prof. Dr. Rötzel concentrates his research on the efficient design of management information systems against the background of big data and information overload.

S/4HANA: PUTTING IT SIMPLY

Regarding SAP, the S in the product name stands for SIMPLE, but what does that mean specifically for the users?



SUPPORT FOR BULK DATA STORAGE

What SAP S/4HANA migration means for the company

Interview with Thomas Popp, Managing Partner of Q²factory GmbH

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DIALOG: *Mr. Popp, many companies simply see migration to SAP S/4 HANA as yet another complex job on the CIO's to-do list. Do you share this opinion?*

Thomas Popp: Absolutely not. The CIO is undoubtedly the first port of call, but in this case the task is not solely his responsibility. S/4HANA has the potential not just to bring about technological improvements to the IT infrastructure – the dramatically different system capabilities it offers are nothing less than a paradigm shift. Business processes can assume an interdisciplinary structure that extends along communication and decision-making paths, from the individual employee all the way to the management board. For the CIO, this is not so much a job he has to do, but rather a completely new look at his role and his scope to maneuver. Instead of IT being driven by business, for the first time it now has the chance to run the business. To put it bluntly, in the age of Industry 4.0 and the IoT, this is his duty. The challenge for business is to understand the new capabilities of IT and to design new business scenarios based on this.

DIALOG: *What challenges can SAP S/4 HANA overcome in industrial IT system landscapes?*

TP: Above all, those that enable

a more direct solution to the requirements of operative business. In recent decades IT tended to limp along behind industrial requirements, partly because the stringency of the process and functional requirements imposed by the various departments was often beyond the capabilities of the software. System landscapes became increasingly complex and difficult to manage. Many companies developed their own additional creations where customizing no longer sufficed.

All these components then had to be integrated, frequently a very time-consuming process. This gave rise to the problem of redundant data storage, with the replication of data throughout the system landscape – for instance synchronizing customer master data in the ERP and CRM systems and only collecting it once. S/4HANA completely eliminates this long-winded and error-prone procedure. Furthermore, S/4HANA can cope with the requirements of mobile applications and bulk data storage, which set the scene for the IIoT (Industrial Internet of Things) with detailed sensor data or the company's social internet channels around the clock.

DIALOG: *What should companies do if they want to develop business models heading towards an IIoT?*

TP:

Above all, they should see the world through the eyes of their customers – or their machines and systems. Simple IIoT devices can monitor their own performance, enabling preventive maintenance. One possibility is to integrate HANA into the ERP system so that it can monitor all IIoT bulk data and initiate maintenance jobs from a cell phone app. However, this analysis can also be au-

tomatically linked to a customer order or serial number, which opens the door to business models in which the main focus is not on the machine or product itself, but on its use. Similarly, S/4HANA can be used to create a dashboard, which displays all Twitter sentiments about the company grouped by customer segment. For a marketing manager, this is worth its weight in gold.



Thomas Popp,
Managing Partner of
Q²factory GmbH

About Q²factory GmbH

Q²factory is an independent, privately owned small IT consulting firm that is managed by its founders and shareholders. For over 20 years, Q²factory has provided expert and reliable support in the evaluation and management of strategic and operative business, and the implementation of business requirements. Q²factory's services cover strategic consulting, process implementation, and cross-process application consulting for SAP products. You can find further information at www.q2factory.de/en/

SUPREME COMMAND IN A "BUSINESS WAR ROOM"

With SAP S/4HANA, HENSOLDT Optronics has a real-time overview of data critical to its success

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For many years, generals leading their troops into battle on the field are now only to be found in history books. Today, the critical phases of a war are directed from what are known as 'war rooms', high-tech command centers in which all the digital information concerning forces on land, air and sea converge. What the foot soldier spies through his night vision goggles can be observed there in real time on the monitor, as can high-resolution aerial surveillance images or sonar measurements from submarines.

A significant part of the high-performance technology required for this is developed by HENSOLDT Optronics GmbH, based in Oberkochen, Germany. The company contributes to the success of security and surveillance missions with premium sensors, radar systems, optical equipment and electronic protection systems and has a "war room" of its own to do so. This is where it gathers the principal KPIs of its business activities, enabling executives to rapidly make decisions on concrete measures or strategic changes. The company made sure it was technologically ready for this two years ago by implementing a SAP S/4HANA platform.

Setting Sights on Precise Targets: The Road to S/4HANA

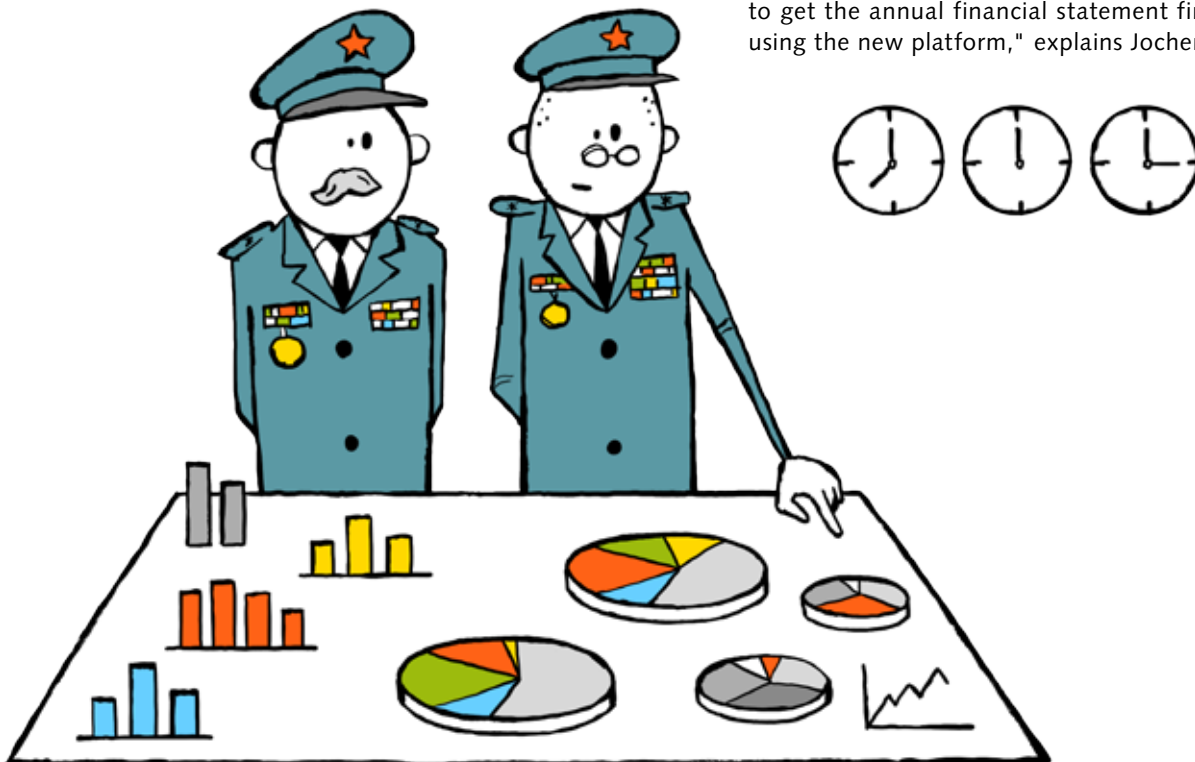
When HENSOLDT – then still known as Airbus DS Optronics – launched this project in May 2015, its primary objective, as a growing company in a highly competitive market, was greater agility and faster reaction times. One major challenge was to accelerate the creation of financial reports, at the time still being done manually and taking up to three days. The vital key figures were largely already out of date at planning meetings, which really put the brakes on the management's decision-making ability. The SAP S/4HANA platform was intended to remedy this, and, moreover, the responsible project team was already familiar with SAP ERP. The platform's real-time applications promised much greater transparency of the company's data and KPIs. A further aim was to eliminate inconsistencies between forecasts and actual data, and to establish more efficient finance and accounting processes. Furthermore, at that time reporting was still based on different sources, including an Embedded Business Warehouse (BW), ABAP reports and Excel files, and consequently ad hoc reports and data visualization were unobtainable.

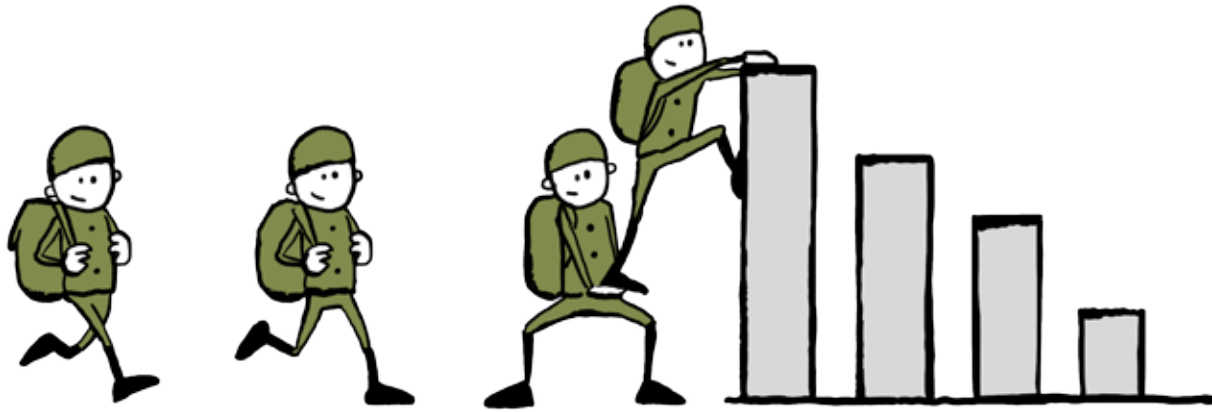


Jochen Scheuerer,
Head of Information Technology,
HENSOLDT Optronics GmbH

"We had already introduced war rooms to various business and product divisions in the last quarter of 2014, where business unit managers and management and accounting decision-makers could observe and control projects with precision. However, this could not work using Excel worksheets and PowerPoints – a reporting process using several formats across different levels of the hierarchy slowed down our decision-making ability, instead of enhancing it. And then new information kept pouring in. We therefore wanted to implement a system as quickly as possible, which would at least provide up-to-date KPIs for the day in question, and could then be sent to the management on the fly," explains Jochen Scheuerer, Head of Information Technology at HENSOLDT Optronics GmbH. "Single-stage migration to HANA and S/4HANA Finance was the ideal route to achieve this, as it would be a win-win situation for all involved. Organizationally speaking, this was a flagship project for Finance, and therefore independent from all other company departments. From the point of view of IT, our approach minimized the risk, because we did not have to take into account the company's entire system landscape."

The project team defined ambitious implementation targets: from the initial workshops in May, it was to be only five months until the precisely scheduled go-live date of November 15, when the first real-time data was to reach the war room – naturally with no losses of time or quality. "Given that we have 450 integrated users and another 50 planned at three sites in two countries, the timetable was certainly tight, but also achievable. Ultimately, we wanted to create the first month's report for November live in the system and to get the annual financial statement finished in four days using the new platform," explains Jochen Scheuerer.





Tracking Radar for Migration Hurdles: Teamwork by the Book

An important success factor during implementation was close collaboration with the SAP project team, which was also responsible for project management. During the migration phase, which lasted several weeks, the involved parties met several times a day, and the department received intensive support from IT. For its part, the department was willing to perform iterative and short-term testing alongside its everyday business. Thanks among other things to the excellent cooperation between these motivated teams, they succeeded in rapidly overcoming this project's greatest challenge: during the first practice run, they realized that more than 300 hotfixes had to be eradicated to trim down the system for the HANA migration.

"With our relatively small project team of 15, this was a major hurdle at which many companies would buckle. But we got to grips with this issue very quickly. Apart from the good teamwork, the SAP cookbook was also a huge help in finding the right solutions for rapidly eliminating errors." Using this as a guide, during the second migration four weeks later, the team had cut the number of hotfix messages from around 300 to just five. Finally, on the third migration, the application ran perfectly without problems. In terms of IT, the implementation benefited from the fact that the ERP system had already been updated with the necessary expansion package at this time, so relatively little time was spent on SPAU/SPDD.

"We highly recommend three migration attempts before final migration to minimize the risks. Moreover, in our case we found three elements key to successful system migration. Firstly, you need a partner who already has the necessary expertise – both with regard to technology and the business processes to be integrated. Secondly, always do the same things in the same way, using the same setup. This is especially the case if you need to ensure comparability between the old system and the new in terms of custom code – i.e. all the scripts have to run as they did before. Thirdly, it is vital to find a balance between the gradual growth of project tasks and flexibility, so that new and sensible adjustments can be made to fit in with everyday business."

Milestone Reached: A Digitized End-to-End Process

On the go-live date on November 15, the executives in the war room could access all the necessary KPIs in real time, but also celebrate completion of their project on time, on budget and on quality. As the costs were considerably below the budget originally estimated, the project team was even able to integrate SAP Fiori as well. This provides HENSOLDT management accountants with the figures they need in discussions with customers and partners, any time, any place. Workflows at this level have also improved dramatically, as now binding statements can be made immediately, and orders rapidly given the go ahead.

"The project has brought us much closer to a completely digitized, end-to-end overall process. When it comes to decision-making, in particular, the new system has, without doubt, generated added value to the company as a whole – and not just in the war room. However, in the war room real-time reporting without Business Warehouse is obviously a vital resource that enables us to respond to new market requirements with greater agility," concludes Jochen Scheuerer.

About HENSOLDT

HENSOLDT develops premium sensors for security and surveillance missions. With over one hundred years of experience in high-performance technology, the company leads the global market in missile warning systems and submarine periscopes. Furthermore, HENSOLDT also has a solid presence in the radar systems, optical equipment and electronic protection systems market.

The company has its roots in Airbus' work in defense electronics. In 2017, it became a spin-off of the Airbus Group, and has now established itself on the market together with the former Airbus DS Optronics under the brand name HENSOLDT. HENSOLDT has approximately 4,000 employees and records annual sales of around EUR 1 billion. Further information can be found at www.hensoldt.net

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