SUPREME COMMAND IN A "BUSINESS WAR ROOM"

With SAP S4/HANA, 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 The vital key figures were largely already out of date at planning meetings, which really put the brakes on the management's decision-making ability.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.
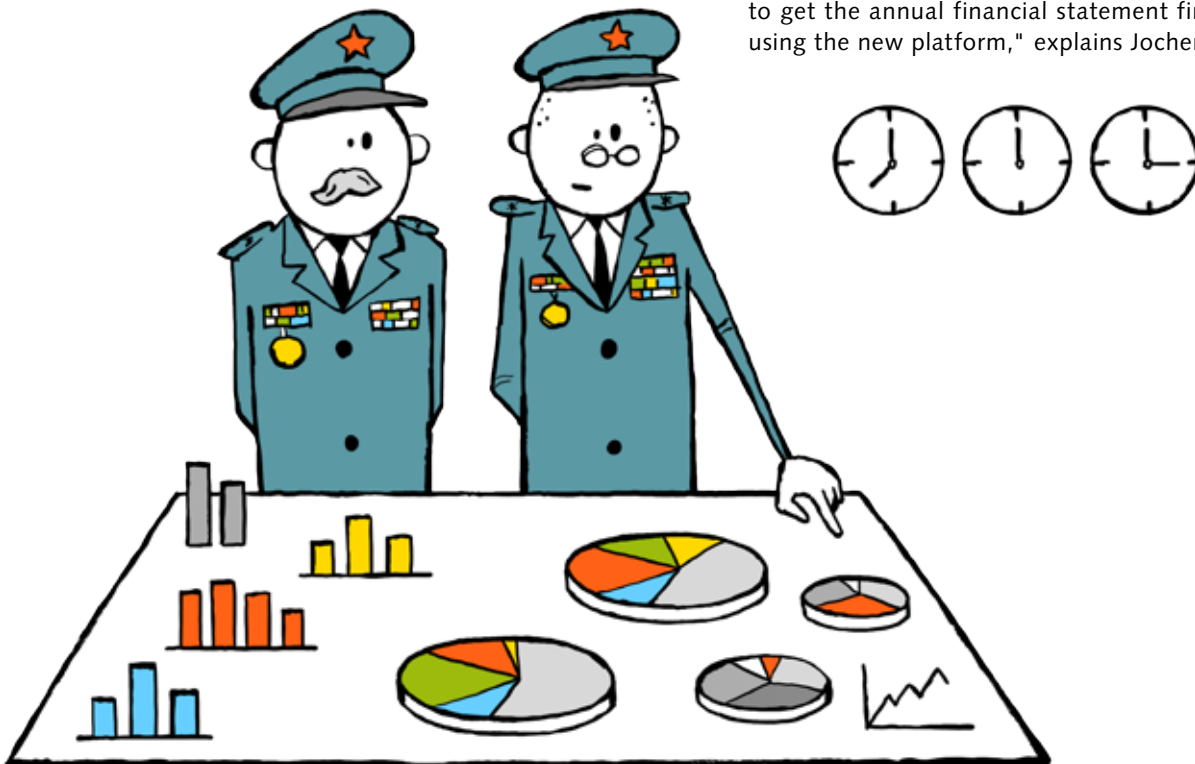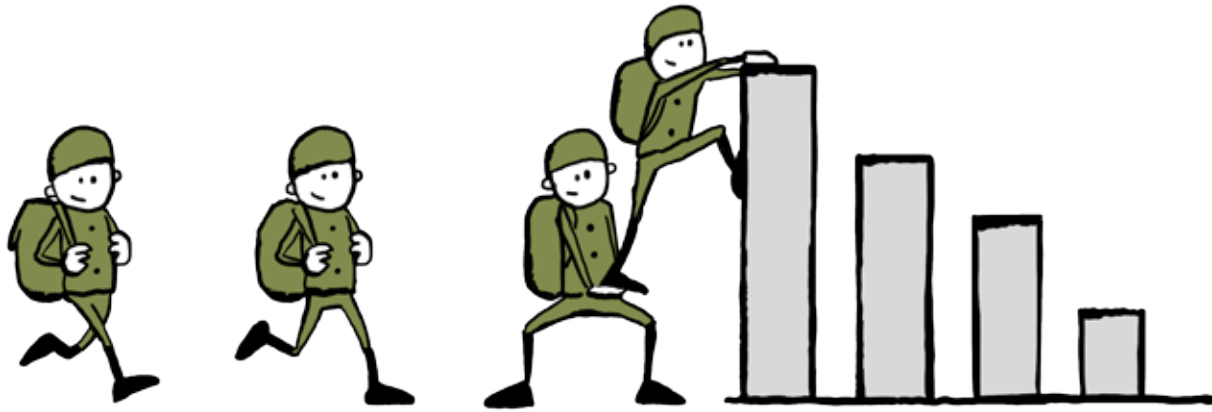
**Tracking Radar for Migration Hurdles:
Teamwork by the Book**

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**