



Maximizing Business Value through SAP S/4HANA Migration

White Paper

Introduction

SAP S/4 HANA is the new direction for SAP's 300,000 customers across 190 countries. With 2025 as the sunset timeline for ECC, SAP S/4HANA offers the next-generation business suite and nucleus around which businesses can operate all their processes in real time to enable successful business outcomes.

SAP announced the release of its next generation ERP system SAP S/4HANA as their “biggest launch in 23 years, if not in the entire history of the company”. Remember that over four decades, ERP (enterprise resource planning) software has been the core of SAP. SAP S/4HANA, its 4th ERP suite, is quickly becoming SAP's most successful ERP system.

What makes SAP S/4HANA Stand Out from Previous Generations of SAP ECC?

SAP S/4HANA's key differentiator is its architecture which is a contrast from the classic relational database. It operates in-memory with data stored in columns. This enables faster, near to real-time analytics and compute capabilities.

Stepping away from merely recording data, SAP/S4HANA focuses on providing end users with active decision support in real time, that is data-driven and takes into consideration both internal and external sources of data. On the flip side, ECC can run on an Oracle, DB2 or some other database but S/4 HANA runs only on a HANA database. The decreased number of tables in a HANA system reduces the data footprint drastically. By 2020, at least 35% of SAP ERP clients will be running one or more functional modules of SAP S/4HANA.

Why Make the Move to SAP S4/HANA?

SAP S/4HANA is positioned as the digital core of the 'digital enterprise' and the strategic way forward for organizations with an existing SAP landscape. By 2025, SAP will no longer support its existing ERP business suite. This will require users to move to the HANA in-memory platform. SAP S/4HANA adoption between 2021 and 2023 could increase the implementation costs as the availability of skilled resources are scarce.

Moreover, in 2025, SAP will officially end support for SAP ECC6, the core enterprise resource planning (ERP) Central Component of its product. This leaves businesses with less than six years to migrate to SAP S/4HANA.

Why is this Crucial?

The move from ECC to SAP S/4HANA will undoubtedly be a big, yet logical step. The difference between ECC to SAP S/4HANA could be best explained using examples of cache memory and main memory.

Cache is a smaller and faster memory which stores copies of the data that is fetched frequently from Main Memory locations. The time taken to fetch the data from both memories differs significantly. Let's take a system where you can reduce the data fetch speed, resulting in better performance. That is HANA database for you. The HANA database, coupled with the SAP GUI in the form Fiori and UI5 is the most crucial part of SAP S/4HANA.

The restructured flat data model has reduced the data footprint needed to run an SAP ERP application. Practically, this provides faster access to data reports and an even improved development lead times.

On Premise vs. Cloud: Choosing the Right Path

SAP S/4HANA comes in two versions: SAP S/4HANA On-Premises and SAP S/4HANA Cloud Version. For starters, SAP S/4HANA on-premise is the ERP business suite based on the SAP HANA in-memory database.

SAP S/4HANA Cloud is the SaaS version of S/4HANA. With a SaaS deployment, your users can take advantage of the same on-premise S/4HANA's functionality, excluding the hardware, databases or IT staff. SAP S/4HANA's on-premise edition, on the other hand, is best for enterprises in an industry that require a multitude of functionalities with a high degree of customization. Typically, these are large organizations with very well-established processes.

The SAP S/4HANA cloud edition suits best for companies that need a highly agile solution that covers their core business processes. It offers more flexibility and a faster innovation cycle (quarterly as opposed to yearly). This works for businesses that are constantly evolving and need a platform that can grow with them.

Benefits of SAP S/4 HANA

1. Ease of Use

SAP Fiori's UI is designed to be highly intuitive, personalized, responsive, and simple. This enables users to prompt questions and access required details, regardless of device or deployment.

Fiori 2.0 offers a modern design for an innovative User Experience. This enables users to easily access Overview Pages, Work Lists and List Reports. This allows an organization to evolve and drive new revenues, connect with customers on a deeper level, use the capabilities of IoT and Big Data.

Moreover, they can mine relevant insights from any data real-time, supporting quick decision-making.

2. Real-time Analytics

The combination of IMC technology and the hybrid transaction/analytical processing (HTAP) architecture of S/4HANA mean that analytics can be performed in real time on transaction data. This is instead of extracting data to a separate instance of SAP Business Warehouse or other data warehouse platform.

The processing power of the IMC platform means that forecasts and simulations can be run in real time against large volumes of transaction data, something that is not possible with traditional relational architectures. The HANA IMDBMS technology includes predictive analytic algorithms (the Predictive Analytics Library), which are being leveraged by the S/4HANA product developers.

3. Cost Effectiveness

The SAP S/4HANA Finance module is the latest solution for the CFO office. It provides support in several finance areas as part of an integrated ERP environment: financial planning and analysis, accounting and period close, treasury and financial risk management, collaborative finance operations and enterprise risk and compliance management.

Apart from the functional benefits, it needs less maintenance and development due to a simplified data model. Most importantly your IT landscape is primed for planned SAP innovations.

4. Increased Performance

S/4HANA offers enhanced performance by helping you to plan, execute, and generate reports based on live data. This also involves triggering period

closing and providing improved predictions. It enables you to provide better service for customer-centric applications.

Moreover, end-to-end analytics helps you understand every aspect of your business at a granular level, so that you can steer your business in the right direction, real-time.

CIO magazine, in its Tricentis survey covering 848 SAP project leaders to assess enterprises' top SAP transformation priorities and testing challenges for the next 2 year, focused on 3 core questions: What are your top 3 SAP priorities? What do you think will be the top testing challenges for SAP environments? And, what is your general prognosis for SAP test automation?

Here are Some Key Findings:

- 1) SAP S/4HANA is the top SAP initiative, followed by agile adoption for SAP projects and moving SAP workloads to the cloud. We believe the emphasis on these interrelated transformations is largely driven by organizations making SAP S/4HANA the centerpiece of the “intelligent enterprise.”
- 2) The top 3 testing challenges are end-to-end testing (SAP apps and beyond), S/4HANA testing, and moving from manual to automated testing. Again, these top 3 concerns are closely related. As companies migrate to SAP S/4HANA, they connect it to all the applications, devices, and users involved in transactions that promote digital transformation. This has a positive impact in terms of the testing speed.
- 3) For respondents who already migrated to S/4HANA, end-to-end testing and automated testing remain the top 2 concerns, but migration from legacy testing tools rises from #6 to #3. This suggests a fact that many organizations don't find their legacy testing tools ideal for new and rapidly-changing environment.

4) A staggering 76% of respondents predicted that test automation would become increasingly important for organizations using S/4HANA. In addition to this, 88% believe that automation remains as a priority or will become a greater priority in the next 2 years.”

SAP S/4HANA is the best ERP framework for your enterprise journey ahead in the markets of 2020 and beyond. SAP delivers an exclusive product suite in conjunction with the new customer-facing applications. The SAP HANA Cloud platform supports seamless execution of extensions, so that the other products or applications can be operated effectively.

Consider these four factors when you make your move to SAP S/4HANA:

- Ease of Use
- Real-time Analytics
- Increased Performance and Cost Effectiveness

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About Applexus

Applexus Technologies (Applexus) is the global technology leader offering business consulting and SAP services to transform customers through digital innovation. We specialize in advisory, migration, implementation, and management of SAP S/4HANA and BW/4HANA solutions. Applexus delivers transformational business solutions for a marquee list of clients spanning retail, fashion, and consumer products industries. Applexus operates out of centers in North America, the United Kingdom, the Middle East, and India. For more information, visit us online at www.applexus.com.

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