

SAP S/4HANA

Mapping Your Journey to SAP S/4HANA®

A Practical Guide for Senior IT Leadership

February 2020





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Highlights FEBRUARY 2020 UPDATE

- What is the meaning of greenfield, brownfield, and bluefield? See the sidebar on page 7.
- In February 2020, SAP extended the mainstream maintenance of the core SAP® Business Suite 7 applications until the end of 2027, followed by optional extended maintenance until the end of 2030. Read more in the section "Doesn't Mitigate Risk: Upgrading to EHP 8 First" on page 12.
- You can plan for the conversion of your SAP ERP with embedded HCM to SAP S/4HANA® now – without the pressure to decide on the available architectural options for HCM, including payroll functionality. Read more in the section "HCM On-Premise Option for SAP S/4HANA" on page 14.
- Read a new case study in the section "Selective Data Transitions" on page 17.

- SAP has created a comprehensive set of recommendations on how to resolve the most frequent data inconsistencies. See the section "Take Care of Your Financial Data" on page 42.
- Learn about "conversion factories" in the section "Leverage the Strength of the SAP Ecosystem" on page 55.
- Learn about the new features of the SAP Readiness Check tool for SAP S/4HANA on page 62.
- A blog on how to optimize downtime in standard conversions is available on page 67.
- The "Custom Code Migration" app is now available on SAP Cloud Platform. Read more about this on page 70.
- SAP S/4HANA migration cockpit now offers a direct transfer option. See page 74 for details.



Check here for the online version of the latest updates.







Foreword by DSAG

DSAG appreciates this guide to support decision-makers in our community as they forge their future strategies. It addresses many of the questions SAP customers face when planning their SAP S/4HANA® transformation projects. We at DSAG, in recent years, have raised many similar questions, such as "What preparatory measures are required prior to moving to SAP S/4HANA?", "How do we decide between a new implementation and a conversion?", and more.

While in the past SAP has provided answers and assistance to customers for some of these questions, step-by-step guidelines on how companies should prepare for their SAP S/4HANA projects were not available.

Therefore, we support SAP's initiatives to assist their customers in the move to SAP S/4HANA, in particular the SAP S/4HANA Adoption Starter Engagement, developed and successfully launched in collaboration with DSAG, as well as the wider SAP S/4HANA Movement program. We see this guide as a valuable reference for SAP customers on their journey to SAP S/4HANA.

Ralf Peters

Executive Board Member of DSAG Responsible for Application Portfolio

Foreword by ASUG

Thank you to SAP for putting together this "must-read" document for customers exploring the migration to SAP S/4HANA.

In so many ways, the move to SAP S/4HANA is reminiscent of the 1990s when organizations transformed themselves from MRP and siloed applications, to the pioneering world of ERP. Back then, the amount of information and guidance that was available was limited – but change needed to occur.

Today, the infusion of change and technology into our business processes and enterprises is staggering – and accelerating. Much of this was simply never conceived when many of our existing ERP systems were first put into productive use.

Our world is changing. Progress is accelerating. And the ERP of yesteryear simply cannot keep pace. It is time to move forward to the next generation of ERP – SAP S/4HANA. This document is your catalyst for conversation. Whether building your business case, evaluating how to structure your project, or considering the technology options that are available to you today, this guide is a great resource for you. Along with ASUG and the rest of the global user group community, SAP has brought the "best of the best" forward.

We encourage you to read on – and let us know how you decide to proceed forward so that we can share your learnings with others. This is what makes our user group network so powerful and impactful to the SAP customer base.

ASUG



Introduction

THE WAY TO THE INTELLIGENT ENTERPRISE

SAP has long been an undisputed market leader in the ERP space. Today, we are excited to see how SAP S/4HANA helps companies around the world to become intelligent enterprises. As hundreds of new SAP S/4HANA systems go live every month, we see more and more customers asking us for guidance on how to start the **journey to the new digital core**. That's why we decided to write this paper as a very practical, condensed, down-to-earth guide for executives, project managers, decision-makers, and senior IT leadership.

The guide has been composed by members of SAP product teams, subject-matter experts, and consultants - in collaboration with ASUG (Americas' SAP User Group) and DSAG (the German-speaking SAP User Group) - to share with you the combined experience from over 5,000 projects we have seen so far. It has three parts. "Part One" is dedicated to the key decisions to be made when planning your approach to your SAP S/4HANA transition. "Part Two" covers the pivotal elements of a successful project setup. And "Part Three" provides you with the most essential technology knowledge. This guide is not about our product. It's about you, our customers, and the challenges you face, the decisions you have to make, your aspirations, and your success.

Today, one can hardly imagine running a business without an ERP system. Yet interestingly enough, an ERP has become such a commodity that its value often gets overlooked while the "total cost of implementation" and "total cost of ownership" dominate discussions. In the same way, we don't regard roads and bridges as valuable assets until we find ourselves in a place without any.

Like any other infrastructure, an ERP ages and accumulates complexity with the ever-increasing intensity of integration, data volumes, change requests, and work-arounds. At the same time, the business processes designed around the technology limitations of the past keep standing

in the way of new best practices that can be implemented much more efficiently with the new technologies. All that, in combination, leads to a point where you have to take the next evolutionary step.

For many customers, SAP S/4HANA transition programs start with a debate on how to approach the project and what options to consider. Most of them swiftly come to the conclusion that the company's vision, readiness to change, and ability to manage these changes play a much bigger role than any technology aspects. We couldn't agree more.

Irrespective of your chosen transition option, the way you set up and manage your project will determine your ability to turn SAP's innovations into your company's advantage. It will also decide if, in a few years from now, your new system will become subject to yet another "back-to-standard" program – or if it will provide the business agility and speed to outplay the competition through the full automation of business processes; user experience based on voice, vision, and messaging; analytics on new data types; and new levels of insights.

They say experience is the enemy of innovation. It takes rigor and stamina to focus on and leverage the new opportunities. We sincerely hope that the following chapters will help keep you on track throughout your journey to the new digital core.

Part One

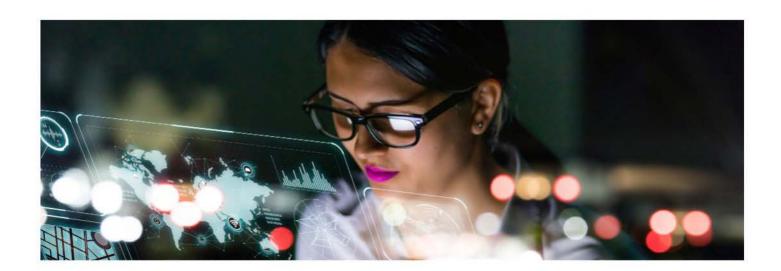
STRATEGIC CHOICES

KEY TAKEAWAYS

"Part One" of this paper guides you through the key decisions you must make when planning your approach to the SAP S/4HANA transition. In summary, it focuses on the following points:

- The way you plan and execute the SAP S/4HANA program will substantially influence your ability to adopt next-generation business processes and use the new capabilities of SAP® products.
- Customers of the SAP ERP application must decide between system conversion and new implementation. There are eight main considerations that determine this choice.
- Selective data transitions encompass a variety of scenarios that go beyond the standard options. All these require specialized services by the SAP Digital Business Services organization or specialized SAP partners and often entail more effort and cost compared to the standard options.
- One-step is the preferred scenario for conversions.

- After a conversion, you have to plan for an innovation phase.
- Using SAP Model Company services as a baseline for system design in new implementations helps to establish a fit-to-standard and clean-core-by-design mind-set.
- The SAP S/4HANA for central finance foundation solution is a perfect fit for companies in which a central financial department is a key component of the current or future business and enterprise architecture. However, the perception of SAP S/4HANA for central finance foundation as a "first stepping stone" in a transition to SAP S/4HANA in just any landscape is misleading.
- SAP S/4HANA Cloud supports a number of scenarios for a two-tier architecture.
- For customers who plan to continue using their SAP ERP Human Capital Management (SAP ERP HCM) solution for the foreseeable future, SAP plans to offer a new on-premise HCM option.



CHOOSING BETWEEN SYSTEM CONVERSION AND NEW IMPLEMENTATION

The way you plan and execute the SAP S/4HANA program will substantially influence your ability to adopt next-generation business processes and use the new capabilities of SAP products. Needless to say, making the right choices here is of paramount importance.

With a **new implementation**, you build a new SAP S/4HANA system and either cut over to the new system (the so-called "big bang" scenario) or migrate the individual business units sequentially from your legacy SAP ERP application to the new system ("a phased rollout").

With a **system conversion**, you turn your existing SAP ERP system into an SAP S/4HANA system. Technically, the system conversion is a one-step procedure with a single downtime that is comprised of the following:

- For SAP ERP on any database: a database migration to SAP HANA 2.0 (a new database system)
- A conversion of the data from the SAP ERP data model to the SAP S/4HANA data model
- A software upgrade, that is, replacing SAP ERP application code with SAP S/4HANA application code

For SAP ERP powered by SAP HANA, transition to SAP S/4HANA is an in-place upgrade. It also requires an upgrade from SAP HANA 1.0 to SAP HANA 2.0 as an extra step.

Our records over the past three years show that the vast majority of SAP ERP customers decide either on conversion or on new implementation – in almost equal parts. About 5% choose other options because of their specific situations and requirements (see section on "Selective Data Transitions" for more details). In the end, there is no right or wrong. Each customer needs to choose the option that best allows them to continuously adopt SAP innovations in the future.

In practice, we have seen that the choice between conversion and new implementation is largely determined by the eight considerations identified in Figure 1. Not all of them may be equally important in every case. However, they help you understand the essential trade-offs.

GREENFIELD? BROWNFIELD? BLUEFIELD?

Don't be confused by the rainbow of colors that some IT service providers use when referring to the various transition paths to SAP S/4HANA. For example, they may refer to "greenfield" for new implementations, "brownfield" for system conversions, or "bluefield" for selective data transitions. But these definitions are not always clear cut. When you hear such color-coded terms, ask your conversion partner to confirm their definition so you know exactly what they mean and how this translates to the standard SAP terms.

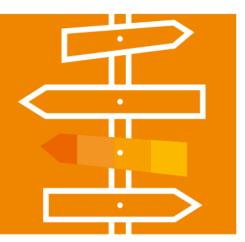




Figure 1: Key Considerations Influencing System Conversion Versus New Implementation



Do current business processes support your long-term strategy?

Strategic redesign of the business processes suggests a **new implementation**.



Can you adopt SAP® Best Practices packages or will you retain past customizations?

A move to standardization brings agility, suggesting a **new implementation**.



Is your move to SAP S/4HANA® driven by the business or IT?

IT-sponsored projects are typically **conversions** to SAP S/4HANA, which lay the foundation for incremental innovation projects driven by the business.



Can you convert from the SAP ERP application to SAP S/4HANA in a single step?

Single-step **conversion** is possible for SAP ERP 6.x (any enhancement package) single-stack, Unicode systems. Systems that don't fulfill these criteria have likely experienced little maintenance in the past years. If the system can't be converted in a single step, a new implementation is likely a better choice.



Do you require previous transactional data in the new system?

The requirement to retain **all** data in the system is a very strong indication for **conversion**. Alternatively, consider a **new implementation** while replatforming your current SAP ERP data on commodity hardware or leveraging data retention solutions.



Are landscape consolidation and process harmonization key value drivers?

Consider a **new implementation** and consolidate the required configuration and data into that new system.



Do you have a high or low number of interfaces to other systems (SAP and third-party)?

The higher the number of interfaces, the stronger the case is for **conversion**.



Can your company sustain a multiyear innovation plan with incremental innovations?

If incremental innovation is part of your company's philosophy, **a system conversion** followed by innovative projects will lead to the desired outcome. If you are uncertain whether a multiyear innovation plan can be sustained, **a new installation** is the only chance to harvest the full value.

Do Current Business Processes Support Your Long-Term Strategy?

If your long-term strategy implies the need for business process redesign in the business areas considered key to strategic growth, or the ones expected to deliver substantial cost savings, this is a strong indication for a new implementation.

If your SAP ERP system today takes no advantage of best practices or relies on dated functionality (for instance, business areas instead of profit center accounting), a new implementation is a better choice. Likewise, if you run an oversized, overcomplicated, historically grown system, a new implementation is a more attractive option.

Can You Adopt SAP Best Practices Packages or Will You Retain Past Customizations?

Do you plan to make extensive use of SAP Best Practices packages and SAP Model Company services? If so, a new implementation is a better choice.

By contrast, if you see your custom enhancements and modifications as a major asset supporting your company's unique way of operating and intend to preserve them, a conversion is a more attractive option for you.

Is Your Move to SAP S/4HANA Driven by the Business or by IT?

It's virtually impossible to start a business transformation out of an IT project. IT-sponsored projects are typically system conversions that lay the foundation for later innovation projects driven by the business.

Can You Convert from the SAP ERP application to SAP S/4HANA in a Single Step?

Technically, single-step conversion is possible for SAP ERP 6.0 (any enhancement package) single-stack, Unicode systems; database and OS-level restrictions may apply. Systems that don't fulfill these criteria have likely experienced little maintenance in the past years. In practice, systems with dated software release levels may require somewhat more effort than the ones recently updated.

If the system can't be converted technically in a single step, a new implementation is a better choice, because the combined cost of an upgrade to SAP ERP 6.0 or a Unicode upgrade followed by a conversion to SAP S/4HANA would be prohibitively high. Moreover, combining two upgrades in a single downtime will most probably exceed the maximum system outage your business can afford.



The second factor to consider here is your rollout strategy. If you plan to roll out the system on a company-code-by-company-code basis, then a new implementation approach is a better option. However, if this rollout strategy is a precaution rather than a hard constraint, you should take into account the implied cost of integrating the old and new system landscape, such as for intercompany scenarios, master data synchronization, and consolidation. Often, putting more attention on testing is a far more effective risk mitigation strategy.

Do You Require Previous Transactional Data in the New System?

When choosing between conversion and new implementation, the requirement to retain **all** data in the system is a very strong indication for a system conversion. The first response is often, "Yes, we do need all data in the new system." However, you should challenge this standpoint and design a data strategy that takes into account the available technological alternatives. (See section on "Selective Data Transitions" for details.)

Are Landscape Consolidation and Process Harmonization Key Value Drivers?

For companies with a track record of mergers and acquisitions, it's often easier for different divisions to agree on a new neutral set of best practices than to debate which of the current ERPs should become the consolidation target. In this case, opt for a new implementation and consolidate the system configurations and data required to start business operations into this new SAP S/4HANA system.

Do You Have a High or Low Number of Interfaces to Other Systems (SAP and Third-Party)?

In new implementations, interfaces have to be (re)developed and tested, especially interfaces to third-party solutions. With a system conversion, adjusting existing interfaces typically takes less effort

Thus, a high number of interfaces in the current system makes a stronger case for conversion. However, before settling on this decision, consider the new integration technologies SAP offers, especially the SAP Cloud Platform Integration and SAP Cloud Platform Integration Advisor services.

See section "SAP Cloud Platform Integration and Integration Advisor" in "Part Three."

Can Your Company Sustain a Multiyear Innovation Plan with Incremental Innovations?

Although this aspect is entirely nontechnical, it may in the end overturn all of the above considerations. If incremental innovation is part of your company's philosophy, a system conversion followed by innovative projects will lead to the desired outcome. However, other companies may not deem themselves capable of persistently executing a multiyear plan because they expect a shift in focus or a major change in strategy. In such cases, a new implementation is the only chance to harvest the full value of SAP S/4HANA.

ONE-STEP VERSUS TWO-STEP DEPLOYMENT AND RISK MITIGATION

Every project needs to develop a risk mitigation strategy. In our experience, the risk in system conversion projects is best mitigated by taking these measures:

- Utilizing appropriate change management to mitigate the changes introduced by simplifications
- Scheduling preparation projects appropriately (see sidebar)
- Reassessing the quality of the master data (especially customer and vendor data) and archiving dispensable transactional data prior to the project
- Planning and executing conversion test cycles carefully in a production-like environment
- · Ensuring user enablement

For more on these and other project aspects, see "Part Two" of this guide.

On the contrary, taking a "multistep approach" **does not** mitigate the transition risk while increasing the total cost of implementation.

PREPARATION PROJECTS

When composing a road map, it's helpful to distinguish between the mandatory and optional preparation projects.

With SAP S/4HANA®, certain SAP® ERP application is no longer projects are those that replace such functionality with a successor capability or solution. The most frequent one is the mandatory implementation of the business partner data model. Other mandatory changes, such as functionality in the sales and distribution (SD) module of SAP ERP with the SAP Revenue application, or the real estate classic functionality with the real estate flexible functionality in SAP ERP, are far less frequent.

Optional preparation projects are the customer's decision, such as migrating to the new general ledger (G/L) functionality or archiving. (See section on "System Conversion Projects" for more information about the new G/L functionality.)





Doesn't Mitigate Risk: Migrating to SAP ERP powered by SAP HANA First

Companies that adopted SAP ERP powered by SAP HANA soon after its release in 2013 have reaped the benefits early and will experience a significantly easier conversion to SAP S/4HANA. For companies still running SAP ERP 6.x systems on any database today, migrating to SAP ERP powered by SAP HANA followed by a system conversion to SAP S/4HANA would imply a near-double effort leading to higher costs.

From a purely technical point of view, the transition from SAP ERP 6.x on any database to SAP ERP powered by SAP HANA includes an enhancement package upgrade, SAP NetWeaver® technology platform upgrade, and database migration. The hardware investment, effort of potential functional redesign, testing, and change management are comparable to those of an SAP S/4HANA project.

Given the combined impact on the timelines and budget, you need to argue very well on what risks you would mitigate by migrating to SAP ERP powered by SAP HANA followed by a system conversion to SAP S/4HANA.

Doesn't Mitigate Risk: Upgrading to EHP 8 First

As we pointed out above, converting systems with older software release levels may take somewhat more effort compared to converting recently updated systems. However, this has no profound impact on your project's risks.

Thus, upgrading a system to SAP enhancement package 8 (EHP 8) for SAP ERP 6.0 can hardly be considered a "step toward SAP S/4HANA." On the contrary, the associated cost may be hard to justify if you plan to implement SAP S/4HANA soon enough.

SAP has extended the mainstream maintenance of the core SAP Business Suite 7 applications until the end of 2027, followed by optional extended maintenance until the end of 2030. That covers all enhancement package levels for SAP ERP and the corresponding versions of SAP NetWeaver.

For a comprehensive overview and description of the restrictions and impacts of this maintenance extension, see the article "Maintenance for SAP Business Suite 7 Software Including SAP NetWeaver."

Doesn't Mitigate Risk: Process-by-Process Rollouts

Irrespective of the chosen option, the only recommended unit for rollouts is the company code. Rolling out SAP S/4HANA process by process (or module by module) may not be impossible from a technical point of view, but it is extremely challenging and, therefore, not recommended by SAP. In practice, it leads to complex interim integration scenarios that are hard to sustain for even the most skilled IT operations teams.

If conversion as a "big-bang event" is deemed too risky, consider a new implementation with a phased rollout strategy on a company-code-by-company-code basis.

CENTRAL FINANCE

The SAP S/4HANA for central finance foundation solution has been explicitly designed for the needs of enterprises that have multiple ERP systems in their landscape, as well as a central finance and controlling department serving all business divisions. The capabilities of the solution make it a perfect fit for a divisional setup with operational finance on the divisional level, and central financial reporting and consolidation on the corporate level.

Architecturally, SAP S/4HANA for central finance foundation comes into the landscape as a new, additional SAP S/4HANA system that receives financial transactions replicated from other SAP and third-party systems. In a typical setup, multiple source systems are connected to an SAP Landscape Transformation Replication Server, which, in turn, is connected to one SAP S/4HANA for central finance foundation system. For readers interested in the SAP S/4HANA for central finance foundation, we highly recommend starting with Central Finance FAO.

For those companies in which a central financial department is **a key component** of the current or future business architecture, SAP recommends starting with SAP S/4HANA for central finance foundation and planning for the system conversions of each of the source SAP ERP instances later on.

However, the perception of SAP S/4HANA for central finance foundation as a "first stepping stone" in a transition to SAP S/4HANA in just any landscape is misleading. In particular, companies with a single SAP ERP instance should retain their landscape design and focus on the standard options.





HCM ON-PREMISE OPTION FOR SAP S/4HANA

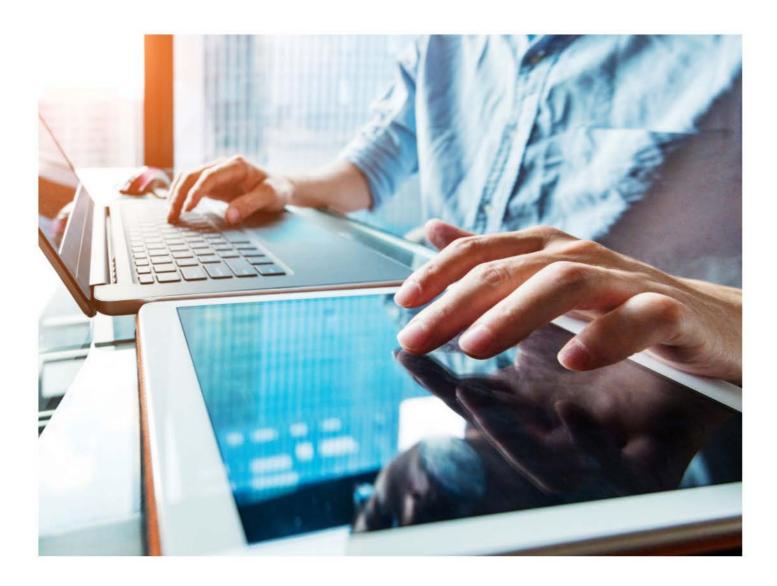
While an increasing number of SAP customers are migrating to SAP SuccessFactors® solutions to accelerate their digital HR journeys, SAP also recognizes that every customer's transformation is unique and must be undertaken at each customer's own pace.

For customers who plan to continue using their SAP ERP HCM solution for the foreseeable future, SAP plans to offer a new on-premise HCM option. This option is based on SAP ERP HCM with a comparable functional scope (except for the SAP E-Recruiting application). It is intended

to be deployed alongside or embedded with SAP S/4HANA. The option is planned for availability in 2022.

That implies that you can plan for the conversion of your SAP ERP with embedded HCM to SAP S/4HANA now – without the pressure to decide on the available architectural options for HCM, including payroll functionality.

Learn more about our HCM on-premise option for SAP S/4HANA here.



SYSTEM CONVERSION AND INNOVATIONS

System conversion is a well-guided process supported by several tools and utilities provided by SAP for both analysis and execution. As mentioned above, nearly half of SAP ERP customers opt for a conversion. That's why SAP continuously optimizes the tools to assist customers in the conversion process and to eliminate the manual labor through automation. (See "Part Three" of this guide for more details.)

Most notably, a system conversion preserves your assets, including data, processes, and custom code. However, you should assess the perceived value of these assets very diligently. The new technologies, new business practices, and a changed business environment may have rendered some of these obsolete.

Since SAP S/4HANA is a new product, a conversion is significantly more than an upgrade. Systems that have been kept up-to-date will experience less impact because most simplifica-

tions continue the road map of the corresponding strategic developments in SAP ERP. Still, a close examination of the simplifications and the associated technical and functional impact will be an important part of every conversion project.

The SAP Fiori® user experience (UX) enables access to many SAP S/4HANA innovations. You should introduce the new UX for a set of business roles, or even just for a single one, to demonstrate and prove its value and to attract other groups of business users. (See "Part Two" for more information.)

Ultimately, system conversion not only increases your readiness to innovate, but also sets the stage for subsequent business transformation. Having made this first step, you have to continue on this path to leverage the new functionality to the full extent and thus bring the innovations to your company.



NEW IMPLEMENTATIONS

We mainly see two business contexts in which customers prefer new implementations. The first is business model changes that imply rethinking the way a company makes money. Such changes raise new demands on the capabilities and agility of an ERP, so a new implementation becomes a natural choice. The second context is intense business process re-engineering, such as consolidating from numerous order-to-cash process variants to just a few.

In either case, a new implementation provides you with the ability to:

- Build the new system with SAP Model Company services and SAP Best Practices packages
- · Build the new system with a "clean core"
- Roll out the solution on a company-code-bycompany-code basis to worldwide locations rather than a "big bang" approach

The former two stand for what SAP refers to as a "cloud mind-set."

SAP Model Company as a Foundation

Using SAP Model Company as a template and foundation for system design means applying a fit-to-standard approach instead of writing a blueprint from scratch or reworking a legacy design. It has at least three advantages. First, it allows for much faster implementation, such as shortening the project's discovery phase from 65 days to 15 days and its implementation phase from 24 months to 12 months. Second, it results in a higher "fit to standard" - for instance, cutting down the custom development efforts by more than 30%. Third, since SAP Model Company services are built to cloud standards, by using them for your new implementation on premise you are, at the same time, preparing a future move to the cloud.

Clean Core

In practical terms, keeping the core clean means:

- Applying a zero-modification policy from the project's first day
- Using white-listed APIs only
- Leveraging SAP S/4HANA in-app extensibility to its full extent
- Employing the capabilities and services offered by SAP Cloud Platform to build larger extension applications
- Utilizing the SAP Could Platform Integration service

Read more about SAP Model Company and the clean-core paradigm in "Part Two" of this guide.

^{1.} The source for this and other numbers in this chapter are interviews of early adopters of SAP Model Company conducted by an independent global IT consultancy. See the "SAP Model Companies White Paper" for more details.



SELECTIVE DATA TRANSITIONS

So far, we have discussed the standard options of new implementation and system conversion. From a technical viewpoint, a new implementation means that the software is installed first, and then the data required to start business operations is loaded using the SAP S/4HANA migration cockpit. By contrast, with a standard conversion procedure both the software and the data are converted in a single step.

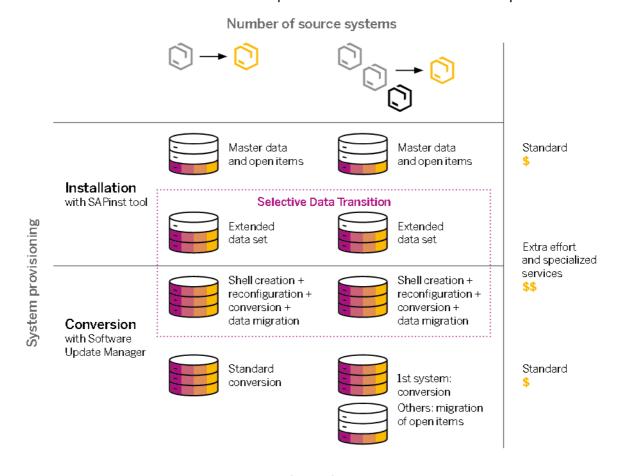
Selective data transition is an umbrella term that refers to scenarios that go beyond the standard options of system conversion and new implementation (see Figure 2). It comprises a host of options that you need to evaluate carefully, as they often increase the project's risk, effort, and complexity.

There is a great variety of scenarios for selective data transition, and the variety of reasons why some companies may look into these is greater yet. One way to structure these scenarios is by answering the following questions:

- Does your IT landscape have more than one ERP system? If so, do you intend to consolidate them?
- How do you build the target system? Through a new installation or a conversion?
- How will you migrate the data to the new system
 and how much data must you migrate?

Discussing all these scenarios is beyond the scope of this document. Nevertheless, the two examples below should give you some insight into the nature of selective data transitions.

Figure 2: Selective Data Transitions with Complex Scenarios Framed with a Purple Dotted Line





Example 1: ERP Landscape Consolidation

One common situation is a consolidation of multiple SAP ERP systems into one. A standard transition path is either:

- Implementing the new system based on best practices followed by loading master data and open items from all source systems
- Converting one of the systems and loading open items from the others

If your requirement is to load historic data from **all** SAP ERP systems that are subject to consolidation, you will have to resort to a selective data transition and employ specialized tools and services.

This pattern sometimes appears in the context of mergers and acquisitions, when an organization needs to integrate the SAP ERP system of an acquired entity into an SAP S/4HANA system (see "Case Study" sidebar).

CASE STUDY: SUPPORTING M&A INTEGRATION

Preparing for future expansion and growth, a global player in the mill products and mining industries implemented SAP S/4HANA* in 2017 through a system conversion. About a year later, the company set out to integrate new factories acquired from a European firm that was running its business on an older release of the SAP* ERP application. Each factory was to receive its own company code in SAP S/4HANA ("company code split") and to assume the new global processes for both logistics and finance, including new accounting principles. To help ensure smooth integration and business continuity, the company wanted to retain access to the factories' historic data in the logistics applications, especially materials management and plant maintenance.

Given the combination of these requirements, the project team saw selective data transition as an attractive option and chose the SAP Digital Business Services organization as its implementation partner. The combined team leveraged SAP* Landscape Transformation software to migrate the master data as well as the last 12 months of selected transactional data at the table level, while loading the financial open items through regular postings.

The project took 10 months with three test cycles, followed by a productive migration.



Example 2: The Shell Approach

If the system is deemed to be in good shape, a project team may seek an approach on how to change only a part of the system configuration or functionality, while retaining the rest unaltered. Examples for such selective changes could be to restructure the chart of accounts or introduce the new general ledger (G/L) functionality with a ledger solution for parallel accounting.

Technically, such an approach includes these steps:

- 1. Performing a shell creation from the current SAP ERP
- 2. Performing corresponding customizing and configuration changes in this shell system for the simplification list items
- 3. Executing a standard system conversion of the shell system
- 4. Performing corresponding customizing and configuration changes in the SAP S/4HANA system to implement improvements and innovations
- 5. Loading the data

This approach is within the realms of standard as long as you load master data and open items using the SAP S/4HANA migration cockpit.

However, loading historic data into the new system entails an extra effort and use of specialized tools and services. Therefore, you should first evaluate if you can achieve the same outcome through a preparation project followed by a standard system conversion. The SAP Digital Business Services organization and SAP partners provide well-established services for such preparation projects, such as migration to the new G/L functionality, reorganization of the chart of accounts, or merge of controlling areas.

OPENITEMS

The term "open items" stands for financial open items, but it also includes balances, stocks, open sales and purchase orders, and other business objects. More generally, it refers to the initial data set required to start business operations. When loaded with the SAP S/4HANA* migration cockpit, some business objects have limitations. For example, partially delivered sales orders cannot be migrated along with the corresponding completed deliveries. Such orders have to be closed in the old system first

HISTORIC DATA

Historic data means completed and closed transactional data (for example, fulfilled and fully billed sales orders, purchase orders, or plant maintenance orders), as well as partially closed documents (for example, partly delivered sales orders).



Historic Data: Understand What's Fuel and What's Ballast

In selective data transition scenarios, the crucial debate is on how much historic data to retain. There is a wide range of arguments and different requirements. Like a race car driver, you need to understand when this data is fuel and when it's hallast

Here are three guiding questions:

- What data do you really need to start your business operations? You need to have absolute clarity about what business objects you need and why. You may find that you don't actually need everything you thought you needed.
- · How well do you understand the mechanics of data migration? SAP S/4HANA migration cockpit uses standard application logic to provision the data. Likewise, the Software Update Manager tool applies software vendor logic to convert the data in place during a system conversion. The tool to migrate the data from the source SAP ERP to SAP S/4HANA has to apply exactly the same logic. Note that this is always a project solution as there is no standard tool to migrate historic data. In complex scenarios, the data is migrated at databasetable level, which requires an exceptionally deep knowledge of both the data structures of and complex dependencies between the business objects of SAP ERP. Failing to understand these dependencies poses a high risk of data inconsistencies.

 Would you rather spend the project's budget on innovations or data migration? When migrating historic data, the extra cost comes not only from the specialized services you need to purchase, but also from extensive testing that is required for complex selective data transition scenarios, such as three end-to-end integration tests on migrated productive data.

There are options to consider before you decide to choose a selective data transition:

- Replatforming your current ERP on low-cost hardware while granting business users readonly access to it
- Leveraging data retention solutions with inexpensive archive technologies that allow data retention for a fraction of the cost

If your company's needs make a selective data transition unavoidable, we strongly advise you to engage SAP Digital Business Services or specialized SAP partners who have the necessary tools and knowledge.

CLOUD OPTIONS

Companies with a clear and committed cloud strategy have to look into the following key aspects when evaluating and comparing our cloud offerings including SAP S/4HANA Cloud, essentials edition; SAP S4HANA Cloud, extended edition; and SAP S/4HANA managed through SAP HANA Enterprise Cloud.

Functional Scope and Industry Support

The functional scope includes the supported business processes as well as regulatory, industry, and localization support.

The feature scope of SAP S/4HANA Cloud, essentials edition, differs from that of SAP S/4HANA. As any public cloud solution, it enables configurable standard processes. Thus, when evaluating the solution, any company – and especially SAP installed-base customers – should not only review the offered solution scope, but also decide if the available configuration and extension options would serve their business needs.

There are no scope restrictions with SAP S/4HANA managed by SAP HANA Enterprise Cloud. The feature scope of SAP S/4HANA Cloud, extended edition, is also identical to that of SAP S/4HANA.

Extensibility and Configurability

Customers using SAP S/4HANA Cloud, essentials edition, can leverage both the side-by-side extensibility and in-app extensibility. The solution is configured in a guided manner through a new configuration app. Direct changes to customizing in the classic Implementation Management Guide (IMG) or modification to the source code are not allowed.

Likewise, SAP S/4HANA Cloud, extended edition, offers the above extensibility options and forbids modifications. While this offering allows the usage of the traditional customizing and extensibility mechanisms known from SAP ERP, SAP advises to use those sparsely.

With SAP S/4HANA managed through SAP HANA Enterprise Cloud, customers can customize, extend, configure, and modify the solution as they see it fit. As in the past, an excessive use of all these options can lead to heavily customized solutions that are expensive to maintain.

Update Schedules and Service Levels

SAP S/4HANA Cloud, essentials edition, follows an update and innovation schedule defined by SAP. This schedule includes quarterly updates on the announced dates as well as minor software corrections applied by SAP. The updates include automated application tests for each tenant carried out by SAP.

With SAP S/4HANA Cloud, extended edition, customers receive two updates annually, whereas one update per year is mandatory. The exact date is negotiable within the next six months after the update announcement.

For SAP S/4HANA managed through SAP HANA Enterprise Cloud, the customer controls when updates are made. SAP provides one major release and two feature pack stacks per year.

When evaluating the options, one has to take into account not only the software updates, but also the infrastructure updates and the service levels provided.

Key Aspects for the Evaluation of Cloud Offerings

	SAP S/4HANA® Cloud, Essentials Edition	SAP S/4HANA Cloud, Extended Edition	SAP S/4HANA Managed Through SAP HANA® Enterprise Cloud*		
Functional Scope	Configurable standardized	Full functional scope, identical to SAP S/4HANA			
	processes and best practices for finance, human capital management (HCM), procurement, sales, and more	See Feature Scope Description document			
	See <u>Feature Scope</u> <u>Description document</u>				
Industry Support	Best support for profession- al services and component manufacturing**	All industries supported			
Extensibility	SAP S/4HANA in-app extensibility and side-by- side extensions through SAP® Cloud Platform	Defined extensibility options and side-by-side extensions through SAP Cloud Platform	All extensibility options, modifications possible		
Software Updates	Quarterly, fixed schedule	Twice a year, one mandatory	Recommended once a year		
		Must update within the next 6 months			
Service Level	Infrastructure, system, and application management	Infrastructure, system, and application management	Infrastructure and system management		
			Extra contract for application management		
Licensing	Software as a service (SaaS) (subscription)	SaaS (subscription)	Bring your own license (BYOL) and infrastructure as a service (laaS) (subscription)		
Infrastructure and System Landscape	Shared	Dedicated system landscape	Tailored landscape		
Implementation Options	New implementation with data migration	New implementation with data migration	New implementation with data migration, system conversion, or move of a current SAP S/4HANA system		

^{*}Managed by SAP HANA Enterprise Cloud or other cloud providers **More industries on the road map



Consider Hybrid Two-Tier Architecture

Gartner predicts that by 2021, more than 80% of product-centric companies that currently own a monolithic ERP solution will have considered a federated ERP application approach to fulfill their product-centric business capabilities.²

SAP is the only vendor whose cloud and on-premise offerings rely on the same technology; share the same code line, data entities, and analytical structures; and offer the same user experience. This, along with the default integration scenarios, opens up new possibilities for a sustainable hybrid two-tier architecture.

A hybrid two-tier architecture spanning a company's headquarters operating SAP S/4HANA and its subsidiaries equipped with SAP S/4HANA Cloud is an alternative to the traditional ERP template approach (see Scenario A in Figure 3).

This scenario applies equally well to newly acquired entities and the existing subsidiaries with comparably simple processes. You should closely examine this option, especially if your company pursues an aggressive merger and acquisition (M&A) strategy or if its IT landscape already includes multiple federated SAP ERP systems.

The default integration scenarios delivered with SAP S/4HANA Cloud also enable further scenarios for hybrid two-tier architecture, as shown in Figure 3.

IN-APP AND SIDE-BY-SIDE EXTENSIBILITY

With the in-app extensibility framework introduced with SAP S/4HANA®, business experts gain the ability to implement key types of customer extensions on their own. Examples include creating custom business objects with a generated user interface (UI), adding custom fields with processing logic to business objects, adding simple operational reporting, creating custom printout and e-mail forms, and more.

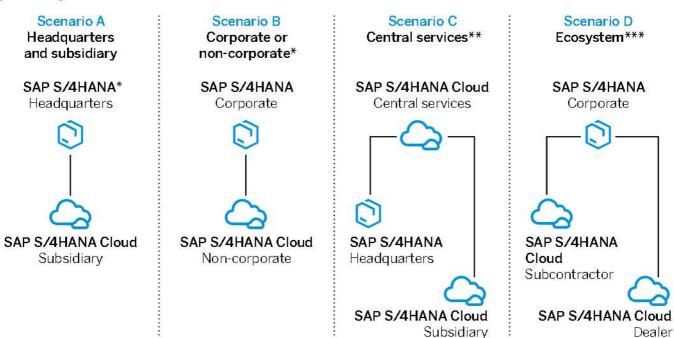
The second pillar of SAP's new extensibility concept are the side-by-side extensions, that is, custom applications interacting with SAP S/4HANA through a defined set of public APIs or operating on replicated data. For details on the APIs available with SAP S/4HANA Cloud, visit SAP* API Business Hub.



2. Gartner Inc., "Market Guide for Cloud ERP for Product-Centric Companies," ID G00347860, March 2018



Figure 3: Hybrid Two-Tier Scenarios with SAP S/4HANA Cloud



^{*}Corporate or non-corporate scenario – for largely autonomous business units or divisions; very attractive if your company fosters entrepreneurship and innovation through the "corporate startup" model

^{***}Ecosystem – to enable business collaboration with vendors, subcontractors, or dealers



^{**}Central services scenario – to enable central provisioning of certain business services, such as a procurement hub

Traditional ERP Template Approach Versus Two-Tier Architecture

	Traditional ERP Template Approach	Two-Tier Architecture	
Financial Reconciliation	Reconciliation performed inside one system	The universal journal model in SAP S/4HANA® eliminates the need for reconciliation.	
Financial Planning and Consolidation	Consolidation (for example, with the SAP® Business Planning and Consolidation application or other solutions)	In Scenarios A and B in Figure 3 (HQ/subsidiary or corporate/non- corporate): SAP Business Planning and Consolidation or other SAP	
	Standard interfaces exist	solutions	
	Need to be set up by the headquarters' IT team	In Scenario C (central services): Deployment through the built-in consolidation functionality of SAP S/4HANA Cloud	
		Standard data sources and interfaces are available as solution's scope item. The setup is carried out by SAP's cloud delivery team.	
Master Data Harmonization	Usually with the SAP Master Data Governance application or home-	Built-in data replication framework for simple master data replication	
	grown solutions	SAP Master Data Governance or more sophisticated capabilities	
Intercompany Processes	Within the same system, through intercompany transactions (that is, between the headquarters company code and subsidiary company code)	Smooth sales-order-to-purchase- order automation and billing- to-supplier invoice automation delivered by SAP	
	Complex integration required for federated ERP landscapes		
Reporting and Analytics	Usually through the SAP Business Warehouse (SAP BW) application or home-grown solutions	SAP BW SAP Analytics Cloud solution	
SAP-to-SAP Integration*	Needs to be set up and managed by the headquarters' IT team	Built-in default integration scenarios managed by SAP	
SAP-to-third-party integration**	Needs to be built, set up, and managed by the headquarters' IT team		

^{*}For instance, SAP S/4HANA Cloud to the SAP Business Planning and Consolidation application, SAP Ariba® solutions, or SAP SuccessFactors® solutions

Where to Find More

To learn more about two-tier ERP and the corresponding architectures, see the <u>Two-Tier ERP</u> with <u>SAP S/4HANA Cloud and Deployment Possibilities</u> white paper.

For a comprehensive architectural discussion, we highly recommend the white paper **Elements for Designing a Transition Road Map to SAP S/4HANA** by SAP Digital Business Services.



^{**}For instance, SAP S/4HANA Cloud to a third-party warehouse management system or third-party logistics providers

Part Two

INGREDIENTS FOR PROJECT SUCCESS

KEY TAKEAWAYS

Although new implementations and conversion projects are very different by nature, there are a few subjects you shouldn't leave to chance in either case. In "Part Two" of this guide, we elaborate on these subjects, focus on the specifics of conversion projects and new implementations, and conclude by highlighting the essential aspects of the project setup.

For all SAP S/4HANA implementation projects, follow these best practices:

- Build up your team's skills. This will pay off economically and in many other ways.
- Ensure architectural due diligence. Review the five key topics in the "Architectural Due Diligence" section below that your architecture team can't afford to neglect.
- Understand, explore, and leverage SAP Model Company services in both new implementations and conversions.
- Redesign your business processes for inmemory computing. This is about rethinking, not about doing the same things faster.
- Make sure that your development team fully understands the new software development concepts and technologies.
- Recognize that SAP Fiori is more than a new Web UI. Establish an adoption strategy for SAP Fiori, and appoint a user experience lead to carry it out.
- Curate your master data prior to the transition to SAP S/4HANA.
- Make sure that there is enough focus on pertinent hardware planning and performance testing.

For conversion projects, consider the following recommendations:

- Take care of your financial data and understand the plans of your finance team to leverage the new G/L, parallel accounting, and document split capabilities.
- Realize that conversion test cycles are the backbone of your project. Follow the guidelines to establish a successful project plan.
- Check the compatibility of your add-ons in advance and decide how to deal with each add-on before the conversion.
- Scrutinize your simplification items and pay close attention to the ones that require a business decision or a preparation project.
- Take advantage of the opportunity to reassess and clean up your custom code. Decide what you need and delete the rest.



For new implementations, we suggest that you:

- Use SAP Model Company to organize show-and-tell workshops for business users.
- Don't lift-and-shift your custom code to the new system.
- Define the scope for data migration as early as possible.
 Make sure your team knows the capabilities of the SAP S/4HANA migration cockpit and reassess the capabilities of your current extract, transform, and load (ETL) solution.

During project setup, remember the following:

- Apply the three pillars of practical governance by setting up a project steering committee, joint design authority, and architecture governance board.
- Make sure you are familiar with SAP Integrated Delivery Framework, the SAP Activate methodology, and SAP-qualified packaged solutions from SAP partners.
- Consider estimating the duration of your project in one
 of the following ways: You can either use a past project,
 or take the median value as a baseline and adjust it by
 evaluating the key influencing factors.





BUILD YOUR SKILLS

The enablement of users and teams is a significant building block in a project's success. An IDC white paper³ revealed that:

- Well-trained implementation teams can save up to 11% in deployment time. This amounts to an average savings of almost a month.
- Well-trained administrators make fewer support calls and critical tickets. For SAP S/4HANA, this resulted in an average reduction in monthly support calls of 20%.
- Well-trained SAP S/4HANA users improve their performance by over 50% across KPIs.

A perfect start for any conversion project team member are the following two courses on the openSAP platform:⁴

- Key Functional Topics in a System Conversion to SAP S/4HANA
- Key Technical Topics in a System Conversion to SAP S/4HANA

Furthermore, the Learning Journey interactive guides below are a great resource for the SAP ERP experts on your team to efficiently upskill their ERP business knowledge:

 SAP S/4HANA Finance – Financial and Management Accounting – Upskilling for SAP ERP Financials Experts

- SAP S/4HANA Sales Upskilling for SAP ERP Experts
- SAP S/4HANA Sourcing and Procurement Upskilling for SAP ERP Experts
- SAP S/4HANA Manufacturing Upskilling for SAP ERP Experts

Likewise, the SAP S/4HANA – Application
Lifecycle Management Learning Journey can
help your IT team to become proficient with
SAP S/4HANA.

In addition, the SAP Education organization offers certifications for both consultants and users. An SAP certification helps validate the expertise of your staff and is recognized globally.

Users of SAP S/4HANA have access to standard enablement content directly through in-app learning. In addition, a license of the SAP Enable Now solution allows customers of SAP S/4HANA to customize this content. The consulting services of the SAP Education organization and the SAP partner ecosystem can support customers and provide content production and enhancement services.

For more information on user enablement, visit the **SAP Enable Now product site**.

^{4.} More than 21,000 participants from over 100 countries attended these courses in 2018. On average, they rated the courses 4.49 out of 5 stars.



^{3.} IDC white paper, sponsored by SAP, "How Much Is Enough? Defining How Much Training Is Required to Achieve Maximum Business Value," August 2018.

ENSURE ARCHITECTURAL DUE DILIGENCE

Transparency in both functional and technical architecture is one of the key success factors for your project. Ensure your architecture team applies the necessary diligence when working on these five tasks:

- Understand what SAP ERP functionality is currently in use, and how it maps onto the functional capabilities of SAP S/4HANA and other SAP solutions. Use the SAP Transformation Navigator tool as your starting point.
- Request a deployment stack ("system's bill-of-materials") from your architecture team for both the old and especially the new system, including hardware, operating system, SAP HANA revision, and the software components' release levels. This information must be accurate and up-to-date.
- Have a plan on how to deal with the installed third-party add-ons. For each add-on, make a conscious decision about whether it can be kept, replaced with standard functionality, or uninstalled.
- Create landscape diagrams depicting the landscape for each conversion cycle. Ensure that these reflect both the connectivity to the satellite systems and the transports and software deployment.
- With very few exceptions, the standard interfaces to and from other SAP Business Suite applications are not impacted by conversion. Nevertheless, ask your teams to reassess the satellites while paying special attention to cross-platform and cross-vendor integration.





LEVERAGE SAP MODEL COMPANY AND SAP BEST PRACTICES

SAP Model Company offers a ready-to-run solution and serves as a market standard for SAP S/4HANA implementations. It includes both best practices and next practices.

SAP Model Company is built on top of the latest SAP Best Practices content. SAP Best Practices are available free of charge with SAP products and provide a solid foundation for each SAP implementation. SAP Model Company services build on and extend these best practices based on the experience of SAP Digital Business Services, which stems from the most successful, reallive transformation projects. Some typical extensions are:

- Additional process models for specific industry segments
- Extended process models across multiple applications (for example, SAP S/4HANA, SAP Customer Experience solutions, and SAP BusinessObjects™ solutions)
- Process elements and capabilities showcasing innovative Big Data or Internet of Things (IoT) scenarios

SAP provides SAP Model Company services for industries (for example, oil and gas, utilities, or retail) and lines of business (such as finance or R&D). Customers can request SAP Model

Company, custom edition, which is a blend of multiple SAP Model Company services, such as SAP Model Company for Oil & Gas and SAP Model Company for Finance, for several selected countries. Check out the complete list of SAP Model Company services and the compatibility matrix.

SAP Model Company includes a service by SAP Digital Business Services and requires a signed contract scope document. SAP partners can extend SAP Model Company services and offer them together with their own services.

Technically, SAP Model Company is a system image containing SAP S/4HANA and, possibly, other SAP solutions, such as the SAP Transportation Management application or SAP Manufacturing Integration and Intelligence (SAP MII) application, which are fully configured to execute a set of business scenarios. For each scenario, SAP Model Company includes a detailed description, process diagram, test or demo script, and configuration guide explaining how to set up the system. These are made available as SAP Solution Manager content (JSON-file) and need to be uploaded to your SAP Solution Manager. Together with the test data contained in SAP Model Company, you can instantly run the provided end-to-end scenarios without any additional effort.



Customers can choose between two deployment options:

- Deploy a sandbox system using the SAP Cloud Appliance Library tool. This option requires a third-party infrastructure as a service (laaS), such as Amazon Web Services, Microsoft Azure, or Google Cloud. SAP Cloud Appliance Library completely automates the provisioning of the virtual machines and deployment of the corresponding system image.
- Download and install the selected SAP Model Company on premise.

A 30-day trial of SAP Model Company is available on SAP Store.

SAP Model Company is not only essential for new installations, but very helpful for conversions too. Use SAP Model Company during the project's preparation and exploration phase to:

- Demonstrate the functionality and process in show-and-tell sessions for business users
- Have your key users study the preconfigured scenarios with the test scripts
- Build prototypes by using or extending the existing configuration
- Use it as a reference when conducting fit-gap/ fit-to-standard analysis





REDESIGN YOUR PROCESSES FOR IN-MEMORY COMPUTING

SAP S/4HANA provides companies with breakthrough technology and brings a new software architecture that exploits this technology to the utmost degree. However, this is of little benefit if a company uses a 2020 system to run its business processes in the same fashion as in the 1990s.

In the past, many steps in a business process executed in a traditional ERP system were actually performance work-arounds aimed at overcoming the limitations of the databases and the hardware. These steps included data preparation, replication, aggregation, and reconciliation – all of which collectively entailed long process-execution times, outdated information, and reactive process-exception handling.

When such "band-aid processes" are used long enough, it becomes increasingly difficult to tell apart the actual business purpose from the work-

arounds. In fact, you may have to learn anew how to design business processes with the new degree of freedom provided by SAP S/4HANA. The first step is to understand that performance isn't all about doing the same things faster.

With SAP S/4HANA, you have a system that is designed to enable information workers to make decisions on the fly. Through the underlying SAP HANA database and the new data model, it largely eliminates the need for work-arounds. This means you can turn a process into an instantaneous self-service that operates directly on the original data set and helps you to prevent process exceptions through instant responses to what-if simulations. As expensive data preparation steps and batch jobs become superfluous, the processes can be shortened to hours instead of days.

Cue Card for In-Memory Computing Process Design

Business Processes

Where did we design the processes around performance impasses?

- · Which processes are too slow?
- Where does outdated information cause process exceptions or rework?
- Which processes have not been implemented because of performance requirements or data volume?

Analytics and Reporting

- Where was it particularly difficult to define the correct reporting architecture?
- Which processes require variations of existing aggregates?
- Where is a drill-down from reports to transactions missing?
- Where do we have frequent change requests for reports?
- Where did we oversimplify the data model?
- Where do users resort to spreadsheets?

Business Practices

- Where can real-time information and processes make a difference to the business?
- Where do end users run an "informal" process through helpyourself tools?
- What did we disallow because of system performance constraints?
- What scenarios did business users request that we judged to be unfeasible?



Another key element is embedded analytics, which is an exceptionally cost-efficient model for operational reporting. Rather than collecting all requirements to present the data in a way that suits everyone (and often failing to do so because of the complexity and trade-offs), you can now easily afford to offer specific views for each user. This way, downloading data to spreadsheets becomes a thing of the past. Needless to say, this saves the costs of "shadow IT" and also helps to improve compliance.

Here are some rather general pieces of advice to conclude:

- To find the opportunities for process innovation, you need to ask the right questions. You may want to start with the ones listed in the table on page 32.
- Have an open discussion on how far the users' actual ways of working resemble the initial blueprints. At times, it is truly impressive how often people work around or outside of the system and only enter the data at the very last moment.
- Be persistent. Raise interest by showing what's possible. Be assured that your business users will be able to extrapolate what you have shown and to build on these ideas. You should also be prepared to find that some of your peers remain constrained by their experience with the old technology. If that happens, recall the quote attributed to Mr. Henry Ford (rightly or not), "If I had asked people what they wanted, they would have said faster horses."





RELY ON THE ROLE-BASED SAP FIORI UX

SAP Fiori is the go-to user interface of SAP S/4HANA. SAP Fiori launchpad offers a role-based, single-access point for business users to access all Uls of SAP S/4HANA: SAP Fiori apps, visually harmonized SAP GUI transactions, Web Dynpro for ABAP® applications, and Web Client user interfaces for the SAP Customer Relationship Management (SAP CRM) application. The launchpad can also be extended to act as a single access point to other cloud offerings such as SAP SuccessFactors solutions, third-party applications, and custom applications.

Business users can access many innovations in SAP S/4HANA through SAP Fiori apps that support key processes, such as sales order fulfillment, general ledger accounting (including displaying journal entries in T-account view), group reporting, central procurement, and predictive material and resource planning. Users can gain real-time insights and monitor key concerns of their business domain using embedded analytics, such as Overview Pages and Analytical List Pages. They can also access SAP S/4HANA innovations through services within SAP Fiori launchpad, such as enterprise search or the SAP CoPilot digital assistant.

Therefore, customers who don't implement SAP Fiori and continue to use SAP GUI as their primary UI will have only a limited benefit from the innovations in SAP S/4HANA.

The UX paradigm of SAP Fiori differs fundamentally from the classical transaction pattern. Instead of big multipurpose transactions, SAP Fiori offers a navigation network of task-oriented UIs interconnected through SAP Fiori launchpad content. Selectively implementing only some individual SAP Fiori apps not only breaks the user experience but also results in very high implementation costs. In short, SAP Fiori apps are not designed to be used individually.

Therefore, SAP recommends the following role-based approach to implementing SAP Fiori:

- Always implement complete business roles and not just single apps
- Copy the SAP-delivered business roles and catalogs and adjust them to your needs

To explore the business roles and related SAP Fiori apps, visit the **SAP Fiori apps reference library**.



You can control the pace of your transition to SAP Fiori. You can start with as little as introducing SAP Fiori launchpad as a single entry point for business users and choosing a single business role as a first showcase for SAP Fiori apps. The SAP Fiori lighthouse scenarios highlight those scenarios and business roles for which SAP Fiori offers a new user experience and immediate benefits that were not available in SAP Business Suite. You can go about the process as follows:

- As a first step, introduce your business users to the new capabilities. The following videos provide a good overview:
 - For all users: SAP Fiori User Experience for SAP S/4HANA
 - A video for procurement specialists
 - A video for sales representatives
 - A video for <u>resource managers</u>
 - You can find more videos in the "<u>The Power</u> of SAP S/4HANA" video series
- Use the SAP S/4HANA 30-day fully activated trial appliance to demonstrate the new capabilities to the business in workshops. This appliance includes an activated set of SAP Fiori roles and a demo guide.
- Once your sandbox system is ready, use the task lists for rapid SAP Fiori activation to quickly experience the business roles delivered by SAP. That's a starting point for analysis and content adjustment of SAP Fiori launchpad. Use the content manager for SAP Fiori launchpad to adjust the launchpad content to your specific needs.

- Establish the UX as a workstream of your project, which should be at the same level as functional and technical workstreams. Appoint a user experience (UX) lead role in your project team to take responsibility for the UX strategy, including common UX components such as SAP Fiori launchpad, enterprise search, My Inbox, notifications, and SAP CoPilot. Further UX architecture tasks include designing the home page for business roles, coordinating with technical and functional architects, and giving guidance on app activation and extension.
- Plan for the <u>tailoring of role-specific home</u>
 pages that define how apps are organized
 and grouped on SAP Fiori launchpad. You need
 to define these from a business perspective,
 reflecting the way that users in your organization work, as well as their most important
 tasks.
- Make an additional effort for authorization management in your project planning. Frontend roles, that is, the assignment of SAP Fiori catalogs to user roles, control the visibility of apps on SAP Fiori launchpad. Users see apps only if they are authorized to use them. That's a crucial difference from the menu-based approach in SAP GUI.

LEVERAGE THE NEW EFFICIENCIES OF ABAP

ABAP has seen a tremendous evolution over the past decade. The new language constructs help you achieve more with less. The core data services (CDS) are the most advanced concept for enterprise data modeling and database-centric applications to date (see Figure 4). Together with other technologies, they have enabled SAP to rearchitect one of the largest products in the history of software, and it will boost the productivity of your ABAP development team too.

Make sure your team has grasped the new paradigm for database-centric enterprise applications: code-to-data instead of data-to-code. Applying code pushdowns to the most resource-consuming reports can result not only in a performance boost but also in a remarkable reduction of resource consumption.

Ask your development team about the new development technologies from SAP. Setting up an ABAP technology boot camp can be a worthwhile first step on the way to the latest technologies.

Figure 4: ABAP® Evolution and Core Data Services

1995

```
SELECT * FROM Employee INTO TABLE it_empl WHERE orgunit = 4711.
LOOP AT it_empl.

WRITE it_empl-id.

WRITE it_empl-name.

SELECT * FROM Addresse INTO TABLE it_addrs WHERE id = employees-id.
LOOP AT it_addrs.

IF it_addrs-type = 'HOMEADDR'.

WRITE it_addrs-zipcode.

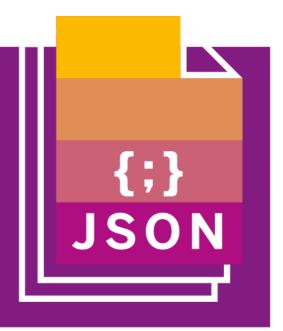
ENDLOOP.
ENDLOOP.
```

2018

SELECT id, name, homeAddress.zipCode FROM Employee INTO TABLE @DATA(result) WHERE orgunit=4711.

HIGHLIGHTS OF THE ABAP® PROGRAMMING LANGUAGE

- Simplified and enriched ABAP* syntax with in-line declarations, advanced table operations, and JSON support
- Broader coverage of the SQL standard, code push-down support, and flexible consumption of core data services (CDS) modeling entities and roles
- SAP HANA*-centric development with CDS views and code breakouts with ABAP-managed database procedures
- ABAP channels and ABAP daemons for real-time events, support for industrial Internet of Things (IoT) scenarios, and machine-tomachine (M2M) communication





APPLY THE POWER OF SAP CLOUD PLATFORM

SAP Cloud Platform is SAP's strategic development and integration platform. It is also the only platform where your team can leverage the existing ABAP skills along with Java, node.js, and other technologies.

SAP Cloud Platform has two environments – Neo and Cloud Foundry – with different sets of services, offered in a number of data centers from several infrastructure providers around the world. You can choose the locations for your accounts according to the compliance policy in your company. Moreover, you can choose between a subscription-based license model with a predefined set of services and a consumption-based license model for flexible consumption of any service on a pay-as-you-go basis.

You can utilize SAP Cloud Platform for your SAP S/4HANA project in the following three ways.

Integrate

To enable SAP S/4HANA integration:

- Use SAP Cloud Platform Integration as the integration layer for on-premise-to-cloud and cloud-to-cloud integration.
- Use standard prepackaged integration content for SAP and third-party system integration.
 SAP Cloud Platform Integration provides more than 1,100 integration scenarios including government, business-to-business (B2B), and non-SAP-software integration.
- Use the SAP Cloud Platform Open Connectors service for tight integration into more than 160 non-SAP cloud applications.

Extend

To create extensions:

 Use SAP Cloud Platform to keep your core clean and to reinforce the "clean core" policy.
 Use white-listed APIs and avoid native access to non-public APIs. This will pay off in future upgrades.

- Check <u>SAP Store</u> for SAP solutions and <u>SAP App Center</u> or <u>Certified Solutions</u> <u>Directory</u> for available partner solutions.
- Use SAP Cloud Platform, ABAP environment, to leverage the ABAP skills of your development team.
- Rely on the wider developer community to build Java or node.js applications and extensions. Make sure you use the SAP S/4HANA Cloud software development kit (SDK) and SAP Cloud Platform API Management service.
- Utilize SAP Cloud Platform as a central platform for extending all SAP products (whether SAP S/4HANA, SAP SuccessFactors solutions, or any other).

Innovate

To support innovation:

- Use SAP Cloud Platform to create minimum viable products and proof-of-concept apps for your business quickly. Connecting these "playground" accounts to the systems with test data will help convince the business more than anything else.
- Combine the platform's mobile services and SAP Leonardo Services with third-party data and services from our partner ecosystem to create new apps quickly.

Make the Right Connections

Whichever use case you decide to start with, connect your SAP Cloud Platform account to your SAP S/4HANA landscape (on premise or cloud) and your identity provider. This is essential for side-by-side extensibility and will make your innovative apps truly productive from day one.

To explore what other customers have done with SAP Cloud Platform, visit the SAP Cloud Platform Discovery Center to get inspiration for your own new apps.



MANAGE YOUR RICEFWS

As you might be familiar with from the 1990s, the acronym RICEFW stands for "Reports, Interfaces, Conversions, Extensions, Forms, and Workflows." Regardless of the transition scenario, these need to be managed meticulously, just like it has been the case for migrations to SAP R/3 software or SAP ERP.

Develop an early understanding of the full scope of RICEFW objects in your current system. Catalog them and track which ones require adjustment or replacement, which ones are outdated and can be deleted, and which ones are new. Make sure not to underestimate the importance of this task while dealing with simplification items and conversion activities. Neglecting it will most certainly result in a failure of the first integration test and frustration of the users.

When categorizing RICEFWs, consider the new technological options in the following table and leverage these for either new developments or the ones that require considerable rework.

Traditional RICEFW* Versus New Technologies

Traditional RICEFWs	New Technology
Reports (Analytics)	 Real-time analytics and KPI tiles with SAP® Smart Business cockpits, and drill-down analysis with the Analysis Path Framework service in SAP S/4HANA® embedded analytics Custom analytical application with multidimensional reporting in SAP S/4HANA Other SAP Fiori apps, such as Overview Pages and Analytical List Pages SAP Analytics Cloud solution
Reports (Automation)	SAP Intelligent Robotic Process Automation services
Reports (Applications)	 Custom applications on SAP Cloud Platform with SAP Web IDE and SAP Cloud Platform Extension Factory, decoupled from the core through open APIs and event brokering using the SAP Cloud Platform Enterprise Messaging service Custom SAP Fiori apps deployed either on SAP Cloud Platform or SAP S/4HANA (on premise)
Interfaces	 Extension of standard OData services or creation of new ones based on custom core data services (CDS) views with SAP S/4HANA in-app extensibility SAP Cloud Platform Integration Suite SAP Application Interface Framework tool (part of SAP S/4HANA) Event brokering using SAP Cloud Platform Enterprise Messaging
Conversions	SAP S/4HANA migration cockpit for data load
Enhancements	 Custom business logic with SAP S/4HANA in-app extensibility SAP Cloud Platform Extension Factory, SAP Cloud Platform Enterprise Messaging
Workflows	SAP S/4HANA flexible workflowSAP Cloud Platform Workflow service
Forms	 SAP S/4HANA output management: custom forms with Adobe LiveCycle Designer with OData as data source
Custom Tables	Custom business objects with generated UI with SAP S/4HANA in-app extensibility
Modifications	 You shouldn't have to make any. In-app extensibility in SAP S/4HANA covers a wide range of business requirements for UI adaptation and business logic.
User Interface	SAP Fiori and SAPUI5
Performance	SAP HANA® code pushdown

^{*}Reports, interfaces, conversions, extensions, forms, and workflows



CURATE YOUR MASTER DATA

A system conversion requires you to implement the business partner data model in SAP ERP. However, the well-known "Customer" and "Vendor" master data objects are still available in SAP S/4HANA and continue to be used in sales, logistics, and financial transactions.

SAP S/4HANA puts very high quality standards on master data and coerces these through an extended set of check rules. You need to correct technical inconsistencies found by these checks prior to the transition to SAP S/4HANA, regardless of the transition scenario. It's important that you curate your master data before, and not during, the project.

For systems with high amounts of master data and quality issues accumulated over decades, this may take a considerable effort. Make sure to assign a team lead and charge them with the preparation and execution of these tasks:

- Archive unnecessary master data records, such as those pertaining to inactive customers and vendors
- Identify and eliminate duplicates
- Standardize the master data

- Extend the master data records with fields that are relevant for SAP S/4HANA
- Learn from business users how they employ customer and vendor account groups and use this information to guide the design of the business partner data model
- Discuss the new number ranges with business users to allow enough time to agree on a new concept
- Document the business partner concept, including the current usage of account groups mapped to business partner groupings and business partner roles
- Consult the FAQ and the Cookbook on customer vendor integration (CVI). The cookbook offers a step-by-step guide, including options for implementation activities.
- Employ CVI_COCKPIT to guide you through the implementation process. Read this blog on how it helps you.

Last but not least, consider implementing the SAP Master Data Governance application as it helps you not only to curate the master data but also to keep it in good shape.





PERTINENT HARDWARE PLANNING

Pertinent hardware planning has to factor in these aspects:

- · Regular annual data-volume growth
- Business growth
- New system functionality
- Data volume reduction

Regular Annual Data-Volume Growth

Think ahead and plan your hardware for the next three to four years. Use the current system statistics to estimate the regular annual data-volume growth.

Business Growth

Understand the plans of your business for the next years and the implied requirements for the hardware. Take into account the planned mergers and acquisitions and understand the associated post-merger integration plans. Estimate how these new business entities will increase the system workload and expected volume of master or transactional data.

New System Functionality

Review other projects in your portfolio that plan to introduce a new functionality and estimate the associated system workload and data footprint. Consult your solution architects who assess the simplification items to understand the impact on your solution landscape. Pay close attention to the functionality that will be reintegrated from other solutions, such as the SAP Advanced Planning and Optimization component or stand-alone warehouse management systems, into SAP S/4HANA. Estimate the workload and data footprint of the planned major custom developments.

Data Volume Reduction

The following two tasks can help you to reduce the data footprint and, hence, the memory size of the SAP HANA database server:

- Follow the good old advice from SAP: archive your old data and do housekeeping. According to practitioners, you can reduce the data volume in an ERP more than significantly. Start with the SAP_BASIS tables as they are often among the largest tables in a system. Make sure these tables are archived or reorganized regularly.
- Delete obsolete tables after the conversion.
 Use the obsolete data handling tool in SAP S/4HANA for this.

SAP provides the Quick Sizer tool to help you with planning hardware requirements. In new implementations, use the tool for all application components to establish a baseline for your sizing and adjust it with the above considerations.

Here is some practical advice:

- As was the case with SAP ERP, sizing has to be done for both the database server as well as the application servers.
- There is no fixed CPU-to-RAM ratio for SAP HANA systems; you must size both parameters individually.
- Use the SAP Readiness Check tool for SAP S/4HANA to get a sizing report for the database server. Enrich the results with the above considerations.
- Use Quick Sizer to estimate the additional analytical load from SAP Fiori apps.
- Use Quick Sizer for new embedded functionality in SAP S/4HANA, such as SAP Transportation Management or SAP Business Planning and Consolidation.
- Repeat hardware sizing several times during the project.
- Finally, when choosing the hardware, ask your hardware vendor about the hardware's extensibility options and the associated procedures.



PERFORMANCE TESTING

System performance is one of the project's go/no-go criteria and, thus, must be managed rigorously. As a matter of fact, a volume test remains the one and only way to ascertain that the solution is ready for productive load. However, performance and volume tests only deliver a reliable result when constructed and executed diligently – that is, with an appropriate scope and correct measurements, on a hardware identical to that of the production system, and with production-like data in terms of volume and quality to recreate a production-like system load.

Here are the most essential lessons learned from the volume and performance tests conducted for some of the largest SAP systems:

- Involve business users well in advance to agree on the objectives, scope, and sign-off criteria of the performance test.
- Experience shows that the root causes for 60% of performance issues reside in custom code.
- Activate SQL Monitor in the system from the moment it is handed over to the project.
 Having its data readily available will help your team to resolve the reported issues in a timely manner.
- Regardless of the deployment option, perform a single-execution performance test for most business-critical transactions and activated SAP Fiori apps. Work with key users to identify the most business-critical transactions to include in the scope of the performance test.

- Plan for sufficient time in the course of the project for both the test and the optimization.
 Don't assume the results of the first performance test will fully meet your expectations.
- SAP Fiori performance is a result of an interplay of multiple technology components: the app itself, network infrastructure, front-end OS, and Web browser. It is worth testing the performance of SAP Fiori apps from different physical locations.
- Constructing a day-in-the-life test, that is, a test to recreate a typical system load, is extremely difficult and may not be achievable with the given resource constraints. However, in practice, you can compose a good load mix through a combination of:
 - Main load drivers that is, programs or transactions consuming the largest share of both CPU and database time. You can easily identify these through the system's statistics.
 - 2. Most time-critical business process steps that is, the transactions and reports with variants that should be completed within a given time frame on a given data volume
 - 3. Other applications that business teams deem performance-critical
- Treat the volume and performance test as a full-fledged project and consider involving an experienced partner. Think of it as a litmus test of your project. Most of the time, you can predict the project outcome by just examining the performance test setup.

SYSTEM CONVERSION PROJECTS

This section covers the key elements of a successful system conversion, including how to handle your financial data, conversion test cycles, add-ons, simplification items, and custom code.

Take Care of Your Financial Data

There are two facts that many conversion projects are late to realize. First, financial line items increase runtime during the conversion. With more than 1 billion financial line items in the BSEG table (which stores accounting document information in SAP ERP), the project needs to employ either the downtime-optimized conversion option or the minimized downtime service from SAP Digital Business Services to complete the conversion within an acceptable system outage window.

Secondly, among hundreds of millions of records in the old finance (FI) data model that your system would have accumulated over decades, there may be some that are technically inconsistent. A frequent example is missing open items for an open-item managed account. You need to work out a plan together with your accountants for how to resolve these.

For any system with a significant Fl data footprint, SAP recommends running such an analysis prior to the conversion project. SAP Note 2755360 gives you the ability to do so. See KBA 2714344 for recommendations on how to deal with the most common error messages.

Consequently, archiving financial data will have two positive effects. On the one hand, it will shorten the downtime and possibly make the desired system outage window achievable with the standard conversion option. On the other hand, your team will likely have fewer technical inconsistencies to fix in the past fiscal years' data.





The plans of your finance team to leverage the new G/L, parallel accounting, and document split capabilities may also have a major influence on your project. (See the following table for a summary of available transition options.) Note that you can currently only switch from the accounts approach to the ledger approach for parallel accounting by implementing the new G/L functionality prior to conversion.

Providing a transition path from the accounts approach to the ledger approach after a conversion is on SAP's road map.

Make sure the options and future implications are clear to both the business decision-makers and the solution architects to make a conscious decision. Other new functionality, such as asset accounting and new cash management, are also important; but unlike the aspects described above, they won't affect the general structure of the project.

Available Transition Options in Finance with SAP S/4HANA® 1809

In Use Today

iii ooc ioday				
General Ledger (G/L)	Parallel Accounting Ledger Approach Vs. Accounts Approach	Document Split	Transition Options	
New G/L	Ledger approach	Yes	System conversion	
New G/L	Ledger approach	No	System conversion Subsequent implementation of document split	
Classic G/L	Accounts approach	No	System conversion Subsequent implementation of document split	
			Currently not possible : Change from accounts approach to ledger approach	
			 Options today: a) Implement the new G/L functionality before conversion. b) Perform system conversion and keep the accounts approach. Be aware that any new features and functions in parallel accounting will be based on parallel ledgers, not the accounts approach. 	
			Providing a transition path from the accounts approach to the ledger approach after a conversion is on SAP's road map.	
Classic G/L	No parallel accounting	No	 System conversion Subsequent implementation of document split Subsequent introduction of a new G/L 	



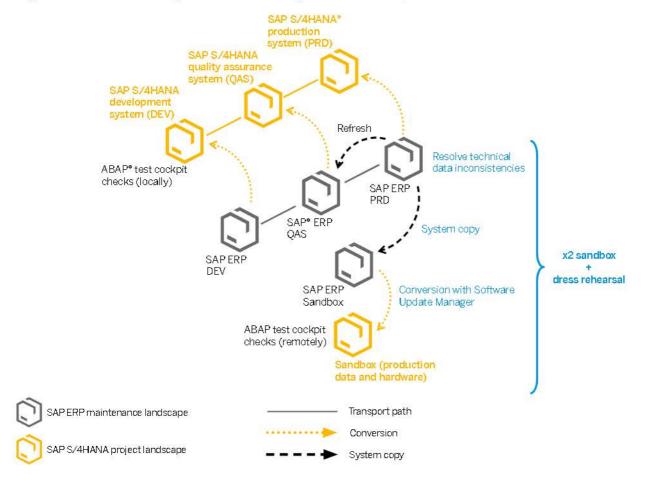
Conversion Test Cycles

Conversion test cycles are the backbone of a conversion project (see Figure 5). As a practical approach, SAP recommends that you follow the guidelines below to establish a sustainable project plan:

- Test your first conversion with a copy of the production ERP with the standard Software Update Manager conversion procedure and understand the individual phases, steps, and associated runtimes. Be prepared to see a long runtime of the first-pass conversion on a larger system.
- Using a copy of the current production system as a source system in the first conversion cycle is non-negotiable. Using a production-like hardware for the target SAP S/4HANA system in this cycle is highly recommended, especially to obtain the realistic execution times and make a reliable estimate of the expected business downtime. Conducting the first conversion cycle on a development system certainly helps your team to comprehend the technical procedure, but won't take them any further. Thus, let your team find potential problems early and track the resolution.
- Carefully execute all functional preparation steps already in the first sandbox cycle. Do not skip or short-cut activities impacting subsequent steps in the conversion procedure to get a full picture of the required tasks.

- Have a detailed project plan for each conversion cycle. Improve and refine it with each iteration.
- Create a conversion runbook. Use it to log all required functional and technical activities in a conversion cycle and the associated completion times.
- After the first conversion cycle, negotiate with business users what system outage window is acceptable and decide on the technology option: standard conversion or downtimeoptimized conversion.
- Having chosen the option, plan for at least two additional conversion test cycles with production data and production hardware. One of these cycles should also include tests on the connected satellite systems to validate the integration.
- Once the new development (DEV) system
 has been built, keep the change requests for
 the current solution to a minimum ("system
 freeze"). You need to reimplement the changes
 manually in the new DEV system. There is no
 automated retrofit.
- Create the first version of the cutover plan (that is, an end-to-end sequencing of activities for the cutover weekend) for the quality assurance system (QAS) conversion cycle and refine it. It must become perfect by the time of production conversion.

Figure 5: Conversion Cycles in a Three-System Landscape





Baseline Plan for System Conversion in a Typical Three-System Landscape

	Standard	Downtime Optimized
1st Sandbox	 Create or refresh the source sandbox production system. Perform standard conversion of the sign of the sign	candbox including finance conversion. cal data inconsistencies in finance. nsistencies in finance as possible and ensistencies in finance in production elopment system. Use the new app to perform the scoping and pre- code. Perform custom code analysis on the development system to
2nd Sandbox	 Optional for small systems Refresh the source sandbox with a copy from production Repeat standard conversion, apply lessons learned for runtime optimization 	 Refresh the source sandbox with a copy from production Perform downtime-optimized conversion, reusing finance customizing from the 1st cycle
Development System (DEV)	 Perform standard conversion, use the prepared transport to delete unused code Use the local instance of ABAP test cockpit to check the custom code and apply the ABAP quick fixes 	
Quality Assurance System (QAS)	 Refresh QAS – unless it already contains a recent copy of production or there are data restrictions (for example, QAS requires a very specific set of test data) Perform a standard conversion of the QAS 	
Optimization (Sandbox)	 Optional for small systems Production hardware for the SAP HANA® business data platform Conversion runtime optimization – if required 	Production SAP HANA hardware Conversion runtime optimization and fine-tuning
Trigger Test, Load Verification, and Finance Online Conversion	N/A	Execute downtime-optimized conversion on production system
Production System (PRD)		 until the downtime phase Test trigger creation and replay Execute the downtime phase of the conversion on the production system copy
Dress Rehearsal	 Production SAP HANA hardware Exact execution of the cutover plan on a PRD copy Include satellite systems 	 Production SAP HANA hardware Exact execution of the cutover plan Trigger and data replication test in PRD Downtime tasks executed on PRD copy Include satellite systems
PRD System	Standard conversion and cutover	Downtime-optimized conversion and cutover
//	/ AG / PE	



Add-Ons

According to our records, three out of five SAP ERP systems have third-party add-ons.

Use SAP Readiness Check for SAP S/4HANA or the maintenance planner tool available through SAP ONE Support Launchpad at least six months prior to the project's start to draw up the list of currently installed add-ons. Ask the architecture team to prepare a simple catalog listing these add-ons, together with the answers to the following questions:

- Who is the add-on's vendor? Is it SAP or an independent third-party software vendor?
- Is the add-on's compatibility with SAP S/4HANA confirmed by the vendor (or certified by SAP), and if so, for which SAP S/4HANA releases?
- Is the add-on functionality still required?
- Is a corresponding functionality available in SAP S/4HANA?
- Is there an upgrade or uninstallation package available for this add-on?

For the add-ons provided by SAP or sold through SAP's price list, you can request the current status and the compatible versions directly from SAP. For add-ons provided by other software vendors, you should establish contact with these providers, inform them about your plans to convert to SAP S/4HANA, and ask for a compatible version. The sooner you do so, the more time the vendors have to respond accordingly.

You can check the current certification status of your add-on in the **Certified Solutions Directory**.

Depending on the answers to the questions above, formulate a plan about how to deal with each of the installed third-party add-ons:

- Keep it in the system
- Uninstall
- Start the project with the highest release of SAP S/4HANA for which this add-on is available
- Contact SAP's customer care program to help you with the resolution







Know Your Simplification Items

The actual usage of functionality offered by SAP ERP varies greatly from one system to another. However, on average, the simplification check report identifies some 50 to 80 simplification items as relevant for a given system – out of the more than 600 currently in SAP's simplification list.

Here is some practical advice on organizing the work:

- Execute SAP Readiness Check for SAP S/4HANA at least six months in advance of the planned project to give your team time to assess the changes and associated impact.
- Scrutinize the relevant simplification items and pay close attention to the topics that involve business decisions and, possibly, entail a business process redesign or require preparations and changes in the existing ERP system. An example is the succession of the foreign trade functionality available as part of standard material management in SAP ERP by the SAP Global Trade Services application.
- Incorporate the respective action items into the corresponding work packages per project phase (before, during, or after conversion) and start the execution.
 Don't wait until the first sandbox conversion cycle.
- Some simplification items have corresponding consistency checks. Attach high priority to the issues reported by those as "yellow" and "red." You must resolve the red ones before triggering the conversion with Software Update Manager.
- Repeat the check with /SDF/RC_START_CHECK prior to the first conversion cycle.

For practical guidance on how to work with simplification items, read this **blog**.

SIMPLIFICATION ITEMS

Through its approach to building SAP S/4HANA*, SAP is rearchitecting its solution for modern business processes. Rearchitecting a solution that has been growing over the past 25 years and has, at points, evolved into different data structures and architectures means that we also have to decide on one data structure and architecture as we move forward. This is the only way that we can prepare the solution for increased simplicity and faster innovation cycles.

That being said, SAP is taking on responsibility for managing the impact of these decisions.

To enable our customers to better plan and estimate their path to SAP S/4HANA, we have created a "simplification list" for SAP S/4HANA. In this list, we describe in detail, on a functional level, what happens to individual transactions and solution capabilities in SAP S/4HANA.

The simplification list is a collection of individual "simplification items" that focus on what needs to be considered throughout an implementation or system conversion project from the SAP® ERP 6.x application to SAP S/4HANA.





Custom Code: Rethink and Clean Up, Not Just Rework

Over the past years, many long-term SAP customers have heavily extended and modified their SAP solutions. There are SAP ERP systems with a few million lines of custom code.⁵

Take the transition as an opportunity to clean up your system. Put "clean core" and "zero modifications" on the list of your project's goals and ensure that all custom code objects are either adapted or deleted during system conversion (see Figure 6).

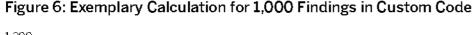
The custom code workstream should have these three major work packages:

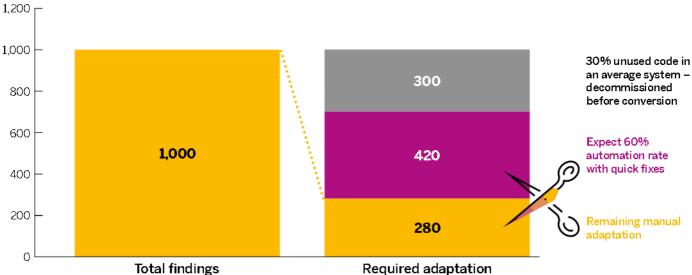
- · Removal of unused code
- · Automated and manual code adaptation
- Review of modifications, clones, and implicit enhancements

The performance optimization of custom code is usually part of the overall performance test; therefore, you may or may not consider it an extra work package.

Removing Unused Code

In an average SAP ERP system, 30% to 60% of custom code is never executed in the production system. Use ABAP Call Monitor statistics and the "Custom Code Migration" SAP Fiori app to remove unused code upon conversion. This step is now technically integrated into the conversion process and makes the execution very easy. Keep collecting the data with usage procedural logging (UPL) if you already have it active. Alternatively, activate the ABAP Call Monitor and enable aggregation of statistics in the production system as soon as possible to have a reliable data set by the time of system conversion.





5. One of the biggest SAP ERP systems we know has more than 20 million lines of custom code. To get an idea of the size of commercial software products, visit **www.informationisbeautiful.net/visualizations/million-lines-of-code**.



Automated and Manual Code Adaptation

Correcting the ABAP statements in custom code to re-establish compatibility with the new data model or the APIs of SAP S/4HANA is known as custom code adaptation. The ABAP test cockpit and ABAP development tools (ADT) in Eclipse are the only tools you need to identify the required corrections and adapt the code. Expect ABAP quick fixes to automatically resolve the majority of findings. When correcting the rest manually, focus on ABAP test cockpit findings with priority one (errors) and two (warnings).

Contrary to popular belief, you need to correct findings in the unused code just as in the used code objects. Failing to do so not only poses a risk of system dumps, but also that of data inconsistencies that may go unnoticed. Thus, retaining unused code upon conversion will increase the effort for adaptation.

Your ABAP development team has to complete the code adaptation after the development system has been converted and before it is handed over to the functional team. You can usually defer the execution of ABAP test cockpit checks until the first conversion cycle. Customers with a large custom code footprint, such as 20,000 objects or more, may choose to execute ABAP test cockpit earlier to get an accurate impact assessment and make a more reliable effort estimation.

Review of Modifications, Clones, and Implicit Enhancements

Many SAP ERP systems contain a high number of obsolete modifications, that is, with the code actually identical to the standard. There is no reason to take these over to SAP S/4HANA as they can be reverted without any impact. During several reviews performed in customers' systems over 50% of all modifications in a given system were classified as obsolete. Another large group of modifications will become dispensable upon system conversion and thus can be reverted too.

Analyze all modifications and classify them into the categories listed in the following table. Don't be deterred by numbers; the actual modifications are much fewer. Include the clones (that is, the custom programs created as copies of SAP code) and implicit enhancements into your review and treat both as modifications.

Classifying Modifications

Modification Category	Action
Obsolete – object identical to the SAP® version	Revert
Unused – according to code usage statistics	Revert
Dispensable – become irrelevant on SAP S/4HANA® (for example, indexes) or standard objects that belong to deprecated application components	Revert
Replaceable – when you can fulfill business requirement with standard SAP functionality, in-app extensibility (such as UI adaptation), or partner solution	Revert and redesign upon conversion
Required – modification that supports critical business process	Document business require- ments and contact SAP to get advice on those modifications



NEW IMPLEMENTATION PROJECTS

This section covers our recommendations for a successful new implementation. These include the use of SAP Model Company, the downside of using a lift-and-shift approach to custom code, and the use of the SAP S/4HANA migration [cockpit for data migration.

Use SAP Model Company for a Jump Start

As stated above, we see SAP Model Company as an essential element of every implementation project. However, there are a few decisions your team has to make to allow for a project's jump start:

- Decide which SAP Model Company service you want to employ and see if you need to request a custom edition from SAP.
- Choose a deployment option. With SAP Cloud Appliance Library, you can deploy SAP Model Company within hours to your account at third-party laaS providers (for example, Amazon Web Services, Microsoft Azure, or Google Cloud). The same holds true for an instance of SAP Solution Manager to upload the content.
- You either take the chosen SAP Model
 Company as a whole or only employ selected
 scenarios. If you intend to use the full scope
 as a baseline, copy the customizing client of
 SAP Model Company into your development
 system. Otherwise, follow the configuration
 guides and apply these in your DEV system.
- In either case, a sandbox with SAP Model Company is a perfect instrument for both show-and-tell sessions with your business users and as a reference system for the project's joint design authority. (See section on "Project Setup.")

Avoid Lift-and-Shift of Custom Code

Reusing the custom code from today's SAP ERP by applying a simple lift-and-shift policy is tempting. However, before copying it to the new system, consider the following:

- With SAP S/4HANA in-app extensibility, business users can now easily perform simple reporting or minor UI adjustments without IT involvement.
- Leveraging SAP Cloud Platform for complex extensions is an investment that will pay back in each future upgrade.
- The more code you copy, the higher are code adaptation costs.
- Complex code with quality issues will require rework and performance optimization.
- A new user experience doesn't happen by itself. However, building a new SAP Fiori UX for old custom transactions might lead to application redesign.
- Don't opt for "import-all" as that might ruin your implementation.

Data Migration

The setup of the data migration team and its ways of working are determined by many factors. These include the number and variety of data sources, the required data transformations and business rules, the amount of data construction⁶ required, and the need to improve data quality, as well as the project's team size and the resulting intensity of collaboration.

For new implementations, SAP recommends using the SAP S/4HANA migration cockpit. Depending on the above factors, you may also want to employ complementary tools. (See "Part Three" for an overview of the data migration tools.)

Irrespective of the tool set, consider these practical pieces of advice:

- Define the scope for data migration as early as possible. The functional design doesn't have to be 100% complete for this. You can start evaluating what business data is required for a smooth start of business operations as soon as the first scope items have been agreed upon.
- Create a data migration concept a document to capture the scope (what data), the rationale (why it is needed), and the associated requirements (that is, mappings, data construction, sign-offs, auditing, reconciliation, and more).
- Make sure your data migration team knows the SAP S/4HANA migration cockpit and understands its capabilities. Start with this overview presentation and the learning material it references.

- Depending on the type of your data source(s) and the expected data volume, decide from among the three options offered by the migration cockpit: XML template files, staging tables, or direct transfer. (Read more about these options and how to choose between them in the section "SAP S/4HANA Migration Cockpit" in "Part Three.")
- Assess your system landscape requirements early to decide which system can be used to host the staging tables. For more information on staging tables, see KBA 2733253.
- Reassess your data migration scope against the set of migration objects provided by SAP and understand if there are any migration objects that your team needs to develop.
- Make sure the people involved in the data migration process are clear on their roles and responsibilities, as well as which tools are used in the project.
- · Discuss with your team:
 - The way in which the data will be extracted from each source system
 - What data transformation and data cleansing need to be done, and how
 - Auditing, reconciliation, and sign-off requirements, and how to address them
 - Possible reuse of mappings and other assets across projects and waves
- Following this discussion, reassess the capabilities of your current extract, load, and transform (ETL) solution and SAP S/4HANA migration cockpit. If you need additional capabilities, SAP Data Services software and the SAP Advanced Data Migration application by Syniti can help.
- 6. For data that is required to operate SAP S/4HANA but not available in the source and, thus, has to be created manually

PROJECT SETUP

This section identifies the critical elements for effectively governing your SAP S/4HANA project. It also describes how SAP's partner ecosystem, SAP Integrated Delivery Framework, and SAP service offerings can facilitate project success.

Establish a Practical Governance

These three elements are crucial to an efficient and effective governance for SAP S/4HANA projects:

- Project's steering committee
- Joint design authority
- Architecture governance board

By definition, the steering committee is the project's principal authority. It should include senior leaders from business and IT, as well as senior management from your implementation partner and a representative from SAP (for instance, your designated contact in the SAP customer care program).

A joint design authority is a decision body that provides guidance on major functional design topics. Like the steering committee, the joint design authority has to include representatives from the respective business departments, IT, and implementation partner(s).

The architecture governance board is a decision-making board concerned with the key architectural topics. It should include at least the chief enterprise architect, leading IT architects, senior staff from IT operations, and representatives from your cloud or hosting provider.

Apply SAP Activate

The SAP Activate methodology is a harmonized implementation approach for cloud, on-premise, and hybrid deployments. The methodology scales extremely well, becoming lightweight for smaller engagements or more robust for larger projects or programs.

The workstreams and work packages defined by SAP Activate build a solid baseline for your project plan (see Figure 7). Make sure these are reflected in your project's work break-down structure and responsibilities.

For more information, visit:

- Roadmap Viewer
- SAP Activate Web page
- SAP Activate FAQ



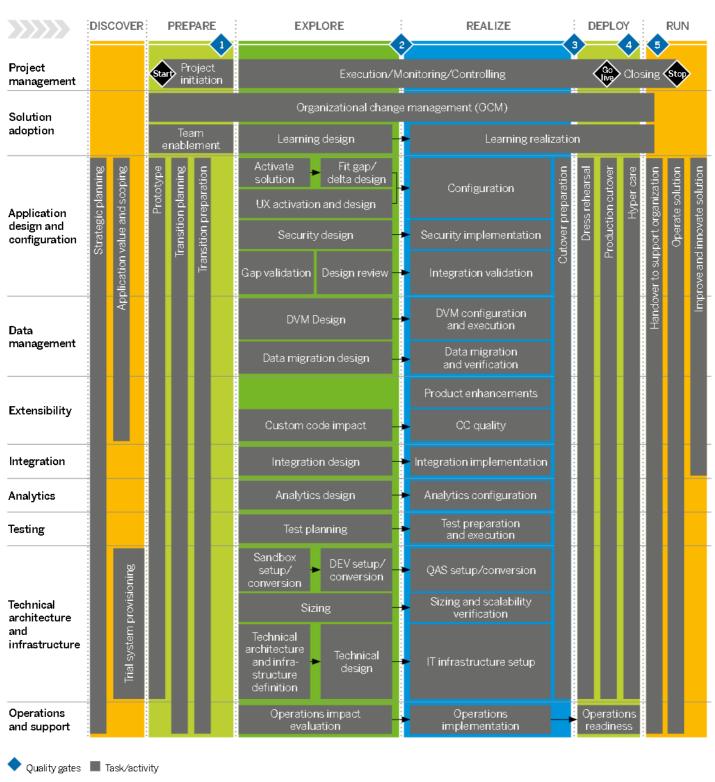


Figure 7: SAP S/4HANA® (On-Premise) Transition Road Map

 ${\tt CC = Custom\ Code; DEV = Development\ System; DVM = Data\ Volume\ Management; QAS = Quality\ Assurance\ System}$

Leverage the Strength of the SAP Ecosystem

SAP has a powerful partner ecosystem ready to help enterprises of any size to make the move to SAP S/4HANA.

The largest 17 SAP partners specializing in business transformation and system integration – also referred to as global strategic service partners (GSSPs) – have more than 90,000 trained SAP S/4HANA professionals globally, with more than 7,000 SAP S/4HANA consultants certified by SAP. All of them offer unique value-adding solutions, tools, and accelerators to speed up your transition from SAP ERP to SAP S/4HANA.

These 17 partners include Accenture, Atos, Capgemini, Cognizant, Deloitte, DXC Technology, EY, HCL Technologies, IBM, Infosys, LTI, NTT Data, PwC, Tata Consultancy Services (TCS), Tech Mahindra, T-Systems, and Wipro.

In addition, there are hundreds of regional system integration partners who offer specialized expertise and services to make the transition to SAP S/4HANA easier for our SAP ERP customers in all segments of the market. Notable regional system integration partners include Abeam Consulting, BearingPoint, Birlasoft, Bristlecone, Fujitsu, Hitachi, MHP, and Neoris.

SAP's wider ecosystem includes more than 2,000 members of the SAP PartnerEdge® program who specialize in selling and servicing SAP S/4HANA mainly to small and midsize enterprises. These partners have also made significant investments in SAP S/4HANA practices, such as educating their consultants in the "10 Steps to SAP S/4HANA" program offered by SAP.

To satisfy the increasing demand in the market, SAP partners in all segments have established "conversion factories." The factory approach provides a fixed-scope, fixed-price offering that combines on-site and remote delivery through highly specialized consultants to facilitate the SAP S/4HANA conversion in the fastest and most cost-efficient manner.

As of November 2019, there are 35 conversion factories with 69 local offerings in 27 countries (see Figure 8). To find the conversion factories in your country, click here.

Figure 8: Conversion Factories for SAP S/4HANA®



Ask Your System Integrator for SAP Integrated Delivery Framework

Together with its global and regional system integration partners, SAP has established an integrated delivery framework to form the basis for successful SAP S/4HANA engagements.

With SAP Value Assurance service packages and SAP Model Company services as the foundation, SAP Integrated Delivery Framework aligns the delivery roles, templates, methodologies, and services of SAP with those of global SAP partners to create a holistic delivery plan and approach. The framework clearly defines the roles and responsibilities of the customer, implementation partner, and SAP at each stage of the project in a RACI7 matrix, thus simplifying customer engagement, removing delivery inefficiencies, and accelerating time to value.

To learn more about SAP Integrated Delivery Framework, contact your SAP representative or global system integrator account team.

Explore SAP-Qualified Partner-Packaged Solutions

Many regional SAP partners offer SAP-qualified partner-packaged solutions, which are end-to-end, fixed-price, fixed-scope offerings for either new implementations or system conversions, tailored to the needs of small and midsize enterprises. They leverage the concept of SAP Best Practices and combine it with our partners' industry expertise and regional specifics.

Each SAP-qualified partner-packaged solution includes an SAP software license, partner services, and associated documentation necessary for a successful implementation. By choosing an SAP-qualified partner-packaged solution for your SAP S/4HANA implementation, you can expect a proven solution that offers rapid implementation, low risk, and a predictable outcome.

Find out more about <u>SAP-qualified partner-packaged solutions</u>.

Ask for SAP Service Offerings

If you want SAP to play a more prominent role in your project, ask your account representative for SAP service offerings, including SAP Value Assurance, SAP MaxAttention™, and SAP ActiveAttention™ services.



7. Responsible, accountable, consulted, and informed



TYPICAL PROJECT DURATIONS

Both the project's effort and its duration depend on a number of factors. The most obvious hard factors are the system's functional scope, the degree of process harmonization, and customizations. In system conversions, another hard factor is the number of simplification items relevant for the given system. The most prominent soft factors are the company's culture, structure, and speed of decision-making; however, these soft factors are hard to quantify.

A practical way to estimate the project duration is to take a past project (such as the initial implementation of SAP R/3 or the upgrade to SAP ERP) as a baseline and adjust it according to the influencing factors listed in the **tables** below.

In the absence of reference values from past projects, assume nine months for a new implementation of SAP S/4HANA on premise, six months for a new implementation of SAP S/4HANA Cloud, and nine months for a single system conversion.

See the **table** on the next page for project reference durations and influencing factors.





Reference Durations for Preparation Projects

Preparation Projects	Reference Durations	
Customer vendor integration	3 to 9 months	
Migration to new G/L functionality	3 to 9 months	
SAP® Global Trade Services application	2 to 3 months	
SAP Global Trade Services, foreign trade zone		
Archiving	1 month per object type archived	

Influencing Factors for Conversion Projects

Influencing Factor	Adjustments
Target system size	± 1 month for systems larger than 5 TB and/or using downtime-optimized conversion
Functional scope	-2 months if fewer than 3 modules ⁸ are used
	± 1 month per module if more than 8 modules
Satellite systems (SAP and third party)	+1 month if more than 5 satellite systems
Custom code	± 1 month per $1{,}000$ manual adaptations if there are more than $3{,}000$ manual adaptations in total
Functional impact	±1 month for every 20 simplification items if you have more than 70 relevant simplification items
	+1 month for asset accounting
	± 1 month for material ledger
Data center move from on-premise to infrastructure as a service (laaS)	+1 month

Influencing Factors for New Implementations

Influencing Factor	Adjustments
Functional scope	-2 months if fewer than 3 modules are used
	+1 month per module if more than 8 modules
Satellite systems (SAP and third party)	+1 month for more than 5 systems
SAP® Model Company service	-25% if using SAP Model Company (conservative estimate)

^{8.} In the new SAP business capability model, the highest entity is called "line of business." We use the term "module" here because it is still widely used in the context of SAP ERP.





Part Three

ESSENTIAL TOOLS

KEY TAKEAWAYS

This section is for technology-savvy IT leaders who want to understand the most influential technology aspects for successful project planning and execution, such as system readiness, downtime, custom code adaptation, and data loading. It delves into the following topics:

- SAP continues to invest in tools for both new implementations and system conversions to reduce complexity, increase automation, and make the tools easier to use.
- Starting with SAP S/4HANA 1809, the ABAP test cockpit offers automated custom code adaptation. With the first available set of rules, the so-called "quick fixes," you can expect an automation rate of up to 60%.
- For midsize and large systems, the common downtime window requirements are achievable using the standard tool set. For extra-large systems, SAP offers specialized services. Therefore, the downtime requirements should not influence your choice of implementation options.
- SAP S/4HANA migration cockpit is far more advanced than SAP's legacy system migration workbench has ever been.
- SAP Cloud Platform Integration Advisor reduces integration efforts for new interfaces by 60% or more.

DISCLAIMER: Be advised that this section doesn't replace the official SAP product descriptions, road maps, and documentation.





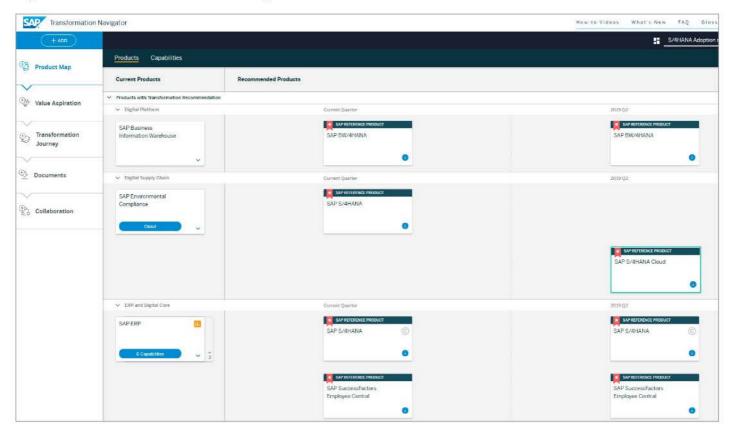
SAP TRANSFORMATION NAVIGATOR

SAP Transformation Navigator is a Web-based and free self-service road-mapping tool (see Figure 9). It uses the information about your SAP system landscape that is stored in your instance of SAP Solution Manager to create a recommendation for a new SAP S/4HANA-centric landscape with the latest SAP solutions. It also provides information about possible benefits that you can

achieve with the new solution capabilities. At the end of your analysis, you can download a comprehensive report that contains recommendations for SAP products that are tailored to your system requirements.

For more information about SAP Transformation Navigator, click <u>here</u>.

Figure 9: SAP® Transformation Navigator



NEXT-GEN BUSINESS SCENARIO RECOMMENDATIONS FOR SAP S/4HANA

The business scenario recommendations for SAP S/4HANA report has been redesigned to help you discover where SAP S/4HANA can make a difference in your company (see Figure 10).

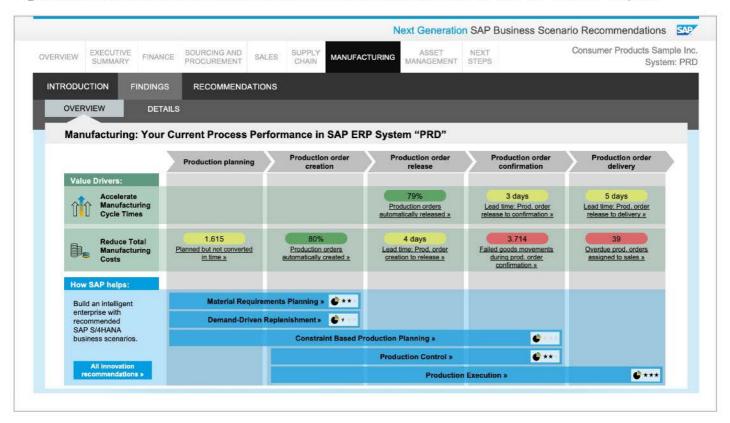
It analyzes the functional system usage of your SAP ERP application and computes the key process performance indicators (PPIs) for the relevant process areas, such as degree of automation, process failures, and on-time execution. Next, it highlights the new or improved functionality of SAP S/4HANA, SAP Leonardo technologies, and

other SAP innovations that can help improve the performance and efficiency of the respective business processes. You can download your report as a PDF for offline viewing.

Thus, the tool allows for a very focused discussion between business decision-makers and IT based on hard facts and measurable business objectives.

To request a report for your system, click here.

Figure 10: Next-Generation Business Scenario Recommendations for SAP S/4HANA® Report



SAP READINESS CHECK FOR SAP S/4HANA

The SAP Readiness Check tool for SAP S/4HANA performs functional and technical assessments for SAP ERP systems prior to a planned conversion to SAP S/4HANA (see Figure 11).

The tool's main focus is on the functional assessment that evaluates all available SAP S/4HANA simplification items and identifies the ones that are relevant for your system. This assessment provides a basis for the functional system redesign that is necessary upon conversion. It breaks down the associated work to individual activities and shows at what point in time these should be carried out.

The SAP Fiori section of SAP Readiness Check matches your system's current transactional load to the available SAP Fiori apps and roles.

The technical assessment includes system sizing and data volume management, assertion of the software prerequisites for conversion, inspection of the extractors for the SAP Business Warehouse (SAP BW) application and blacklisted IDocs, and more.

The software information section covers OS and database versions of the SAP ERP system as well as the compatibility of the installed industry solutions, add-ons, and activated business functions. The list of non-supported SAP industry solutions and business functions is reduced continually; there are only very few left with SAP S/4HANA 1909.

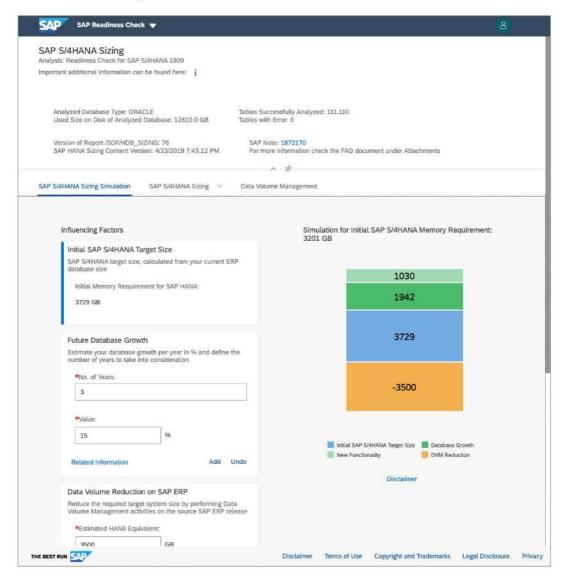


Figure 11: SAP® Readiness Check for SAP S/4HANA®



The system sizing and data volume management section offers an interactive simulation that allows you to see at once how different data volume reduction options can reduce the data footprint (see Figure 12).

Figure 12: Data Volume Management with SAP® Readiness Check



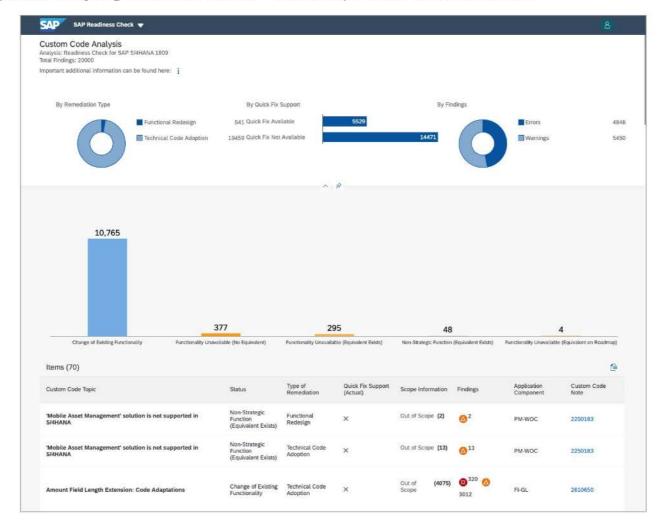
The technology used by SAP Readiness Check to estimate the impact on custom code (SYCM report) is a trade-off between the speed and precision of the code scan. The results of the report are sufficient to get a first impression of the magnitude of the necessary changes. For an exact analysis and subsequent adaptation of custom code, SAP recommends the ABAP test cockpit.

Note that you can upload the results of the ABAP test cockpit to SAP Readiness Check (see Figure 13).

Even if you decide on a new implementation, SAP recommends running SAP Readiness Check for your SAP ERP. The results will help you better understand the state of your current system from an SAP S/4HANA point of view. In particular, the check highlights the incompatible addons and functionality that you need to replace.

To execute SAP Readiness Check for your SAP ERP, click here.

Figure 13: Analyzing the Results of ABAP® Test Cockpit in SAP Readiness Check



MAINTENANCE PLANNER

The cloud-based maintenance planner available through **SAP ONE Support Launchpad** enables easy and efficient planning of all changes in your SAP system landscape.

The tool simplifies the maintenance process by combining tasks such as defining product maintenance dependencies, generating configuration stack files, downloading software archives, and many more – all in one tool. The maintenance planner is indispensable for either planning a new SAP S/4HANA system or converting an existing SAP ERP system to SAP S/4HANA.

For more information, click here.





SYSTEM CONVERSION AND DOWNTIME

To help you meet system downtime requirements, SAP offers the following options for system conversion (see Figure 14):

- Standard conversion for smaller SAP ERP systems
- Downtime-optimized conversion for midsize and large systems
- Minimized downtime service by SAP Digital Business Services for extra-large systems

As a rule of thumb, a small system has data volumes of less than 5 TB, and extra-large systems have data volumes of more than 20 TB.

Standard Conversion with Software Update Manager

Software Update Manager is a multipurpose tool used for SAP software maintenance (for example, for installing support packages, migrating an SAP system to another database, installing add-ons, and other tasks). It is also the tool that technically converts an SAP ERP system into an SAP S/4HANA system. It combines the migration of the system to the SAP HANA database

(if required), conversion of data, and software upgrade into one single step.

A single-step conversion is supported for SAP ERP 6.x (any enhancement pack) single-stack, Unicode systems; however, database and OS-level restrictions may apply.

Most of the data conversion (that is, the transfer into the new data model) is carried out by Software Update Manager with the help of special programs, namely XPRAs and XCLAs. The conversion is partially executed directly in SAP HANA and partially in the ABAP application server(s). However, both the conversion of financial data and the conversion of material ledger data are special steps that are performed after the actual conversion procedure of Software Update Manager.

You can significantly reduce the overall conversion time for the standard conversion option by applying the right optimization strategy and exploiting the capabilities of Software Update Manager. Read this **blog** for more information.

Figure 14: Conversion Options in Relation to Downtime Requirements



Standard conversion Generally available **Downtime-optimized conversion** Pilot phase

Near-zero downtime technology Minimized downtime service from SAP Digital Business Services

Typical effort





Downtime-Optimized Conversion with Software Update Manager

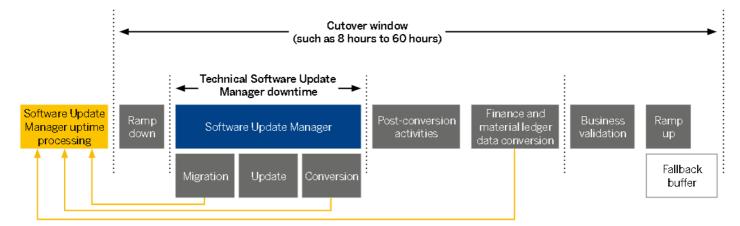
For larger systems, converting the data into the new data structures may take a long runtime.

In practice, project teams and business users can usually negotiate a cutover window between 8 hours (that is, one factory shift) and 60 hours (that is, from Friday 6 p.m. to Monday 6 a.m.). This time window includes not only the actual downtime but all phases of the cutover procedure (see Figure 15).

To make this cutover window achievable for midsize and large systems, SAP has developed the downtime-optimized conversion option and has included it in the standard Software Update Manager tool.⁹ In a nutshell, it converts large parts of the SAP ERP data during uptime and uses record-and-reply technology to incorporate the data changes. This way, midsize and large systems are able to comply with the common downtime requirements using the standard tool set.

Find out more about **Software Update Manager**.

Figure 15: Cutover Phases for System Conversion and Downtime-Optimized Conversion



9. Available upon request since November 2018



Minimized Downtime Service by SAP Digital Business Services

The minimized downtime service offered by SAP Digital Business Services is designed to help customers operating extra-large systems with:

- Data volumes of 20 TB or more
- A large data footprint in finance and/or logistics
- · A high volume of application changes

The minimized downtime service also makes it possible to combine multiple maintenance events – such as Unicode conversion, a move to another data center, and system conversion – into a single system downtime.

The technology applied within this service is known as near-zero downtime technology (NZDT). In essence, this conversion procedure is composed of the following steps:

- Activating change recording in the productive SAP ERP system with database triggers
- Creating a copy (clone) of the production system
- Performing a standard system conversion with Software Update Manager using the clone as the source system
- Synchronizing the newly converted system with the original production system
- Performing the cutover to the newly converted system

With this approach, a cutover window of 24 hours is usually achievable. However, given the complexity of the procedure, the exact runtimes have to be confirmed individually for any given environment.

For more information, click here.





ABAP TOOLS AND CUSTOM CODE

This section focuses on the use of ABAP tools for testing and adapting custom code during your SAP S/4HANA transition

ABAP test cockpit

The ABAP test cockpit offers SAP S/4HANA-specific checks available with SAP NetWeaver 7.51 or higher. While you can use these checks with a stand-alone installation of SAP NetWeaver 7.51 or 7.52, ABAP test cockpit in SAP S/4HANA brings important additional features. SAP recommends running ABAP test cockpit out of the sandbox once it has been converted to SAP S/4HANA.

The new "Custom Code Migration" app built with SAP Fiori offers analytical capabilities that can help you understand the impact on the custom code and structure your work accordingly (see Figure 16). The app also helps you remove unused custom code upon system conversion. To do this, it can load the code execution statistics directly from the SAP ERP production system and delete the custom code that has not been executed in

the monitored period of time during the conversion. To benefit from this feature, SAP advises you to activate the ABAP Call Monitor (SCMON transaction) in the productive SAP ERP system today and thus start collecting these statistics as soon as possible.

With SAP S/4HANA, the ABAP development tools in Eclipse enable automated adaptation of custom code with only a few clicks through the ABAP quick fixes (see Figure 17). These can resolve the most frequent findings that don't necessarily require deep functional knowledge, such as ORDER BY issues, MATNR issues, and issues related to data model changes, such as database access to tables KONV, VBFA, VBUK, VBUP, BSEG, and others. SAP's goal is to achieve an automation rate of 60% to 80% in any given system.

Note that the above features are part of SAP S/4HANA and do not require a separate license.

The Custom Code Migration app is also available on SAP Cloud Platform, ABAP environment. With this option, you can perform SAP S/4HANA custom code analysis for your on-premise SAP ERP systems remotely from the cloud. Besides the common advantages of SaaS offerings, this option helps ensure that you always have the latest custom code checks offered by SAP.

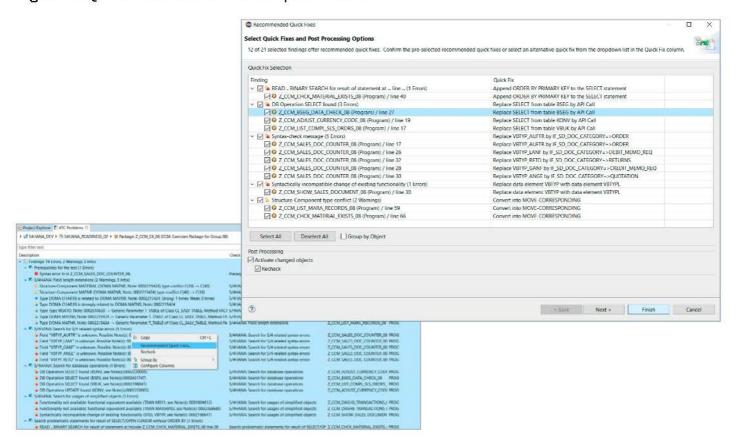
For more information on ABAP custom code analysis using SAP Cloud Platform, read this **blog**. For details on SAP Cloud Platform, ABAP environment, visit **SAP Store**.



Figure 16: Custom Code Migration App



Figure 17: Quick Fixes in ABAP® Development Tools





SQL Monitor

The ABAP test cockpit also offers performance checks to identify poorly performing ABAP code. However, optimizing the entire body of custom code is usually impractical because of the associated effort. Instead, you can achieve considerable performance improvements with only a fraction of the effort by using SQL Monitor, which analyzes all database queries in the production system.

SQL Monitor identifies expensive SQL statements and the corresponding ABAP objects. Use ABAP test cockpit performance checks to analyze these objects and get hints on performance optimization.

To learn more about ABAP tools, click here.

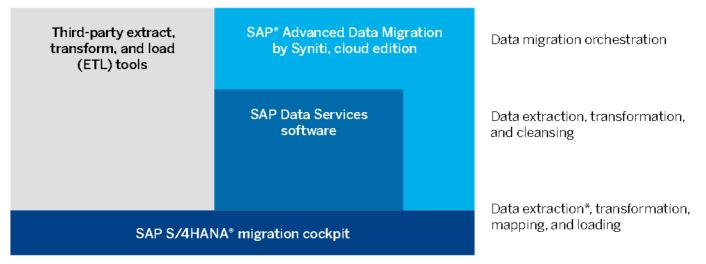


DATA MIGRATION TOOLS FOR NEW IMPLEMENTATIONS

SAP's recommended tool for SAP S/4HANA data migrations in new implementations is the SAP S/4HANA migration cockpit (see Figure 18). As already mentioned, you may also want to employ complementary tools depending on the following factors:

- Number and variety of data sources
- Required data transformations and business rules
- Amount of data construction required
- Data quality
- Project team size and the resulting intensity of collaboration

Figure 18: Data Migration Tools for New Implementations



^{*}For SAP* ERP, SAP Extended Warehouse Management (SAP EWM), and SAP Apparel and Footwear applications



SAP S/4HANA Migration Cockpit

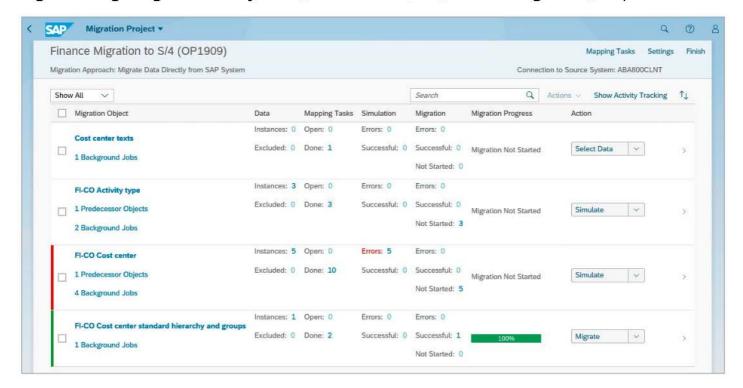
For SAP S/4HANA data migrations, SAP recommends using the SAP S/4HANA migration cockpit (see Figure 19). It comes as part of both SAP S/4HANA and SAP S/4HANA Cloud without any extra license and cost. This is also the only tool to migrate data to SAP S/4HANA Cloud.

The tool allows migrating data from both SAP and third-party systems and offers step-by-step guidance throughout the data migration process. That includes automatic generation of migration programs, simulation mode for migration to verify data quality and help ensure error-free

data loading, cross-object value mappings to help ensure data consistency, progress monitoring, and more.

With the migration cockpit, you can choose from three options for data upload: XML template files, staging tables, or direct transfer. The last option has been newly released with SAP S/4HANA 1909. As the name suggests, it allows you to migrate data directly from your legacy SAP systems to a new SAP S/4HANA, without any intermediate storage, as indicated in the **table** on the next page.

Figure 19: Migrating Data Directly from SAP ERP® with SAP S/4HANA® Migration Cockpit



Migration Approaches Supported by SAP S/4HANA® Migration Cockpit

	File	Staging Tables	Direct Transfer
Source System	Any (SAP® and non-SAP system)	Any (SAP and non-SAP system)	Generally, any ABAP®-based source system
			Migration objects currently available for the SAP® ERP, SAP Extended Warehouse Management (SAP EWM), and SAP Apparel and Footwear applications
Data Volume	Maximum 100 MB .zip file size for SAP S/4HANA®	Large data volumes	Large data volumes
	Cloud	Data load with multiple jobs in parallel is possible.	Data load with multiple jobs in parallel is possible.
	Maximum 160 MB .zip file size for SAP S/4HANA (on premise)		
	Users are generally comfort- able with no more than 50,000 records in a single file.		
Data Extraction	The SAP S/4HANA migration cockpit uses Microsoft Excel XML files. These files can be filled either manually or with an ETL tool (SAP or third-party).	Migration cockpit creates staging tables in an SAP HANA® database. These need to be populated by cus- tomer with the help of an ETL tool (SAP or third-party).	The data is extracted from the source SAP system through an RFC connection.
Data Cleansing	Either up front in the source systems or in the XML files	Either up front in the source systems or in the staging ta- bles	Standard selection options can be enhanced with the SAP S/4HANA migration object modeler.
Availability	SAP S/4HANA SAP S/4HANA Cloud		SAP S/4HANA 1909 and above

Migration object modeler available only for SAP S/4HANA

The SAP S/4HANA migration cockpit comes with a ready-made set of migration objects and rules. A migration object represents a business entity in SAP S/4HANA, such as a customer, sales order, or invoice. It encapsulates the logic to create the specific business entities through the corresponding APIs offered by SAP S/4HANA. All migration objects are ready for immediate use.

You can extend the existing migration objects and rules and create your custom objects with the SAP S/4HANA migration object modeler.

Working with the SAP S/4HANA migration cockpit is easy and does not require developer skills.

These are only needed when you want to create your own migration objects or transformation rules.

With the above functions and features, the SAP S/4HANA migration cockpit has generally superseded SAP's legacy system migration workbench. The usage of the latter with SAP S/4HANA is neither supported nor recommended by SAP.

To learn more about the migration cockpit for SAP S/4HANA, click here. For more about the migration cockpit for SAP S/4HANA Cloud, visit this site.



SAP Data Services

Customers migrating from multiple legacy systems by different third-party vendors to their SAP S/4HANA instance will face an increased level of complexity in data migration. The goal of data migration should not just be to move and transform the data, but also to improve data quality so that you go live with clean, valid, trusted data. SAP's flagship ETL solution for profiling, extracting, transforming, and improving data quality is SAP Data Services. This solution can play an important role in a data migration project.

Employing SAP Data Services in your migration project gives you the ability to:

- Profile the source system data to discover data quality problems within those systems – from simple technical profiling (such as how many records miss a certain attribute) to complex cross-table checks (such as how many vendors have no corresponding orders)
- Extract source system data efficiently and transform it into the target SAP S/4HANA format and structure
- · Apply data cleansing jobs
- Implement data validations against the target system configuration to help ensure technical alignment of the transformation logic
- Deliver the data in the correct format (staging tables or files) to the SAP S/4HANA migration cockpit to reduce the amount of work needed to be done there

As data migration projects become larger, collaboration is required in designing, transforming, and validating the data. For these projects, it is recommended to use SAP Advanced Data Migration by Syniti.

For more information on SAP Data Services, click here.



SAP Advanced Data Migration by Syniti, Cloud Edition

Midsize and large projects require extensive collaboration within the data team and with other stakeholders. A combination of SAP Advanced Data Migration by Syniti, cloud edition, with SAP Data Services provides the orchestration, extraction, transformation, and data quality capabilities that are essential for migrating complex data to SAP S/4HANA.

SAP Advanced Data Migration is built specifically to automate a best-practice process for data migration and to orchestrate the process of SAP and third-party data migrations to SAP S/4HANA (see Figure 20). It offers a collaboration platform enabling all stakeholders to deliver their tasks in a guided, controlled, auditable, and secure environment.

The key features of the solution are:

- A single view into what your team is working on: mappings, data cleansing, data construction, sign-off workflows, and more. The solution provides the metrics and KPIs you need to drive project progress.
- The solution automates the creation of up to 80% of the code and reports needed to execute data migration.

- The ready-to-load data is handed over to the SAP S/4HANA migration cockpit either through files or staging tables.
- Technical reconciliation capabilities support the comparison and review of source and target data, as well as the approval of the migration process by the business owners.
- Native data replication capabilities and the ability to capture data changes help ensure real-time access to data during the migration.
- You can reuse the business knowledge and assets created during the migration for both subsequent migrations and future information management initiatives (that is, post-go-live data quality initiatives).

Projects employing the solution indicate savings of 30% to 40% versus traditional approaches.

For further information on SAP Advanced Data Migration by Syniti, cloud edition, including an overview of the functionality and savings possible with the solution, check out the overview, demo, and ROI calculator.

SAP Advanced Data Migration by Syniti is also available as an on-premise installation with many of the same benefits and features.

Key Benefits of SAP® Advanced Data Migration by Syniti, Cloud Edition

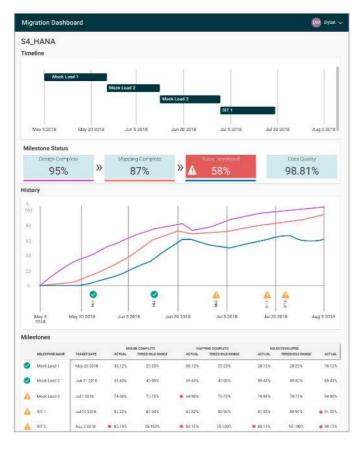
Project Manager

Business User/ Subject-Matter Expert

Developer

- Automated reporting into the exact status of your migration program
- Timelines and data quality metrics
- No more spreadsheets to populate and manage
- Web portal to design, view, check, and remediate data – with a minimum effort
- Auto-generated code for data extraction, transformation, validation, and reconciliation
- Focus on high-value business validation rules

Figure 20: Migration Dashboard of SAP® Advanced Data Migration by Syniti





SAP CLOUD PLATFORM INTEGRATION AND SAP CLOUD PLATFORM INTEGRATION ADVISOR

The SAP Cloud Platform Integration service is SAP's strategic platform for solution integration across cloud-based and on-premise environments. It provides features such as:

- Core runtime for transactional message exchange including message processing, transformation, and routing with tenant isolation
- Built-in connectivity support through technology and application adapters (for example, JDBC, IDOC, SFTP, AS2, HTTP, SAP S/4HANA, SAP SuccessFactors, SAP Ariba, and more)
- Predefined integration content as integration packages containing integration flows
- Advanced security

The SAP Cloud Platform Integration Advisor service is a unique feature that provides an intelligent

integration content management system for designing and managing your interface and mapping content. It is designed to make B2B and application-to-application (A2A) integration as simple as never before.

Through a smart combination of machine learning and crowdsourcing, it generates proposals for interfaces and mappings tailored for a specific industry, country, and business context – ultimately saving the most labor-intensive part of integration projects (see Figures 21 and 22).

The early adopters of SAP Cloud Platform Integration Advisor report savings of 60% and more in their integration projects.

To try out SAP Cloud Platform Integration Advisor service, click here.

Figure 21: Generated Interface Proposal for Purchase Order in Specific Industry Context

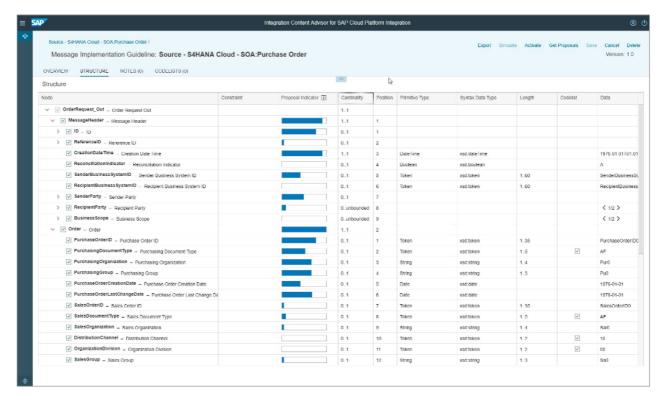
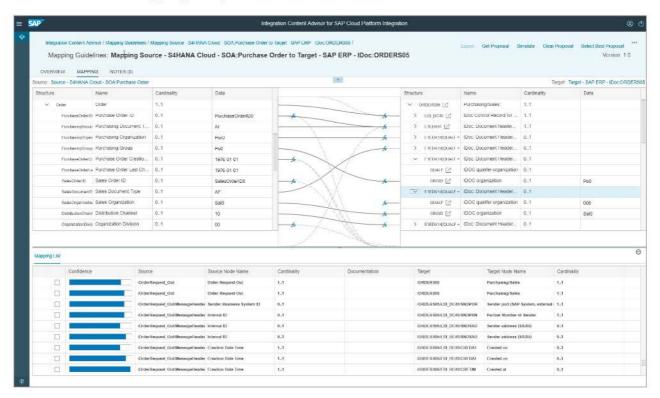




Figure 22: Generated Mapping Proposal



SAP SOLUTION MANAGER

SAP Solution Manager has been designed to support the entire lifecycle of SAP solutions and is available to every customer with an SAP maintenance contract.

SAP Solution Manager offers a number of tools to support individual project tasks, such as business process documentation, test management, and software deployment. As of version 7.2, it also offers the Focused Build solution, which enables a preconfigured requirement-to-deploy process within SAP Solution Manager (see Figure 23). It includes business demand and requirements management, integrated risk management, and collaboration features that help business and IT work together more closely while also helping manage global development teams. This methodology and approach were ideated in SAP MaxAttention engagements and cater to the needs of SAP S/4HANA projects with a high innovation ratio.

Figure 23: Solution Readiness Dashboard in Focused Build for SAP® Solution Manager



Consider the Focused Build solution for SAP Solution Manager if any of the points below holds true:

- · You consider the project a business-driven project.
- You plan your new implementation based on the best practices of SAP Model Company or SAP Activate, and the content is provided through SAP Solution Manager.
- You expect a considerable number (more than 100) of RICEFWs to be developed.
- The project team works across several locations, or you expect a high share of remote delivery.
- The project management office wants to use a project tool that supports standardized and transparent activities in the project and helps accelerate onboarding.
- You already employ, or intend to employ, SAP Solution Manager for IT operations after the go-live.
- You intend to apply agile development principles in your project.

Using a tool with guided project procedures decreases the risk of deployment failures, enables a real-time status view of all project activities, and helps to keep a centralized source of truth for business processes and documentations.

For more information, click here.



Conclusion

We hope that this guide helps you find your way to the new digital core and shape your strategy by:

- Identifying the strategic choices and understanding the trade-offs
- Knowing the right questions to ask your project teams
- Understanding the essential tools that SAP provides – and continuously improves – for both new implementations and conversions

As we continue to update and enhance this guide, we welcome your ideas and suggestions. Send your feedback to us at s4move@sap.com.

While we have highlighted the pivotal elements of your journey to the new digital core, we certainly haven't covered all of them.

For those who want to learn more about SAP S/4HANA and its functional capabilities,

the ultimate source are the respective product pages: SAP S/4HANA and SAP S/4HANA Cloud.

For customers who have yet to make their case, we recommend the SAP S/4HANA Adoption Starter Engagement, which is available to all customers with a valid support agreement without any additional fee. This program consists of weekly virtual classes. At the end of the program, you will have built your first implementation plan for your SAP S/4HANA transition, including benchmarking, value assessment, and transition strategy.

Last but not least, we would like to direct you to the SAP S/4HANA Movement program page, which offers plenty of resources, including customer stories, event announcements, and Webinars. In the future, we intend to publish more guides on the practical aspects of the transition to SAP S/4HANA.

WHAT'S NEXT? SECURE YOUR SEAT IN THE UPCOMING SAP SOFTWARE ADOPTION STARTER CLASS.

Virtual classroom enablement with up to 10 customers from the same industry



Seven modules answering the why, what, and how to transform to SAP S/4HANA

SAP Business Scenario Recommendations SAP Transformation Navigator, and SAP Readiness Check as integral parts



New simplified approach focusing on SAP S/4HANA innovation scenarios



Customers that benefit from a more focused version of the program with approximately 20 to 25 persondays of effort

Duration from kickoff to end of analysis to be six weeks and to result in a draft transformation road map

Free of charge with a valid SAP maintenance contrac



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