Good Catchword...

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S/4 Hana: Beyond Technology

Many companies that are currently operating a more or less functional SAP R/3 system know that maintenance and support for ERP/ECC 6.0 and SAP Business Suite 7 will end in 2025. However, many companies are not really doing anything about it. Why is that?

It's not that these companies are too ignorant or stubborn. The daily operations and current projects rather consume all available internal and external resources, to the point where the fear of a S/4 Hana consolidation project becomes too big.

Heterogeneity and inconsistency

It's not unusual for companies to have very heterogeneous systems that grew organically over time. It's almost common now that different subsidiaries or manufacturing and sales departments run on different systems. The laborious collection of relevant data from different systems and the resulting inconsistency are a weak link in the value chain. Furthermore, inefficiency, redundancy, and obsolete processes in systems are not a suitable foundation for sustainable growth. SAP is trying to combat these developments. S/4 Hana is its way of providing customers with a safe roadmap towards the future. The migration to S/4 Hana is not only a technological challenge, but also has cultural implications. Many perceive this to be an obstacle, but it is actually an advantage. Disruption is therefore not a buzzword, but a chance.

S/4 Hana is the foundation for new analytical possibilities. S/4 provides users with operational reporting in real time which can be used for optimized decision processes in the system itself. This means that the data does not have to be trans-ferred to a separate data warehouse or BI tool. It's also important to mention that S/4 Hana enables companies to think outside of their systems and focus on processes and inter-divisional services.

End to End

For example, lead to cash is the first contact of the potential customer with the marketing system, lead nurturing in CRM and all subsequent financial processes. Everything is becoming an end-to-end process. Heterogeneous system landscapes, however, are not capable of handling the master data management and the intense maintenance of interfaces. Consequently, this means that processes have to change, and employees of different departments have to work closer together than ever before.

The migration to S/4 Hana is inevitable. It's also inevitable that the migration to S/4 will be an immense IT project. CAP analysis and realistic predictions are obviously new technological prerequisites. Equally if not more important, however, is the company's commitment to S/4 and Hana, trust in the SAP partner, and a strategic change management.

The journey becomes the goal

What guarantees the success of a S/4 Hana project? The staff! Employees have often worked with R/3 for many years, and they have to be actively supported and encouraged on the road to S/4. It might not be immediately clear to everyone what value a new interface has, or why processes have to be renewed, or why the company even decided on S/4 and Hana in the first place. Therefore, companies need a SAP partner with know-how and employees that do not fear the project and their new work environment, but anticipate it eagerly - or, at the very least, are neutral about it. Each and every employee has to be on board with the migration. Only then can S/4 and Hana projects really take off.

Platforms and early adopters

S/4 and the Hana platform want to exceed your highest expectations. With this new technology, SAP wants to provide users and customers with a platform that helps realize innovation projects and offers new functional possibilities through IoT scenarios and big data. S/4 and Hana hold a lot of potential. Early adopters who trust SAP enough to make a leap of faith realistically still have to consider the manual effort and the prerequisite of strategic planning. However, innovations don't happen proportionally anymore, but exponentially. This development increases the disruptive power of the company itself, and subsequently helps create new business revenue.

In this regard, SAP CEO Bill McDermott is right in saying, "Change has never moved so fast, and it will never move this slowly again." Companies that adopt S/4 and Hana early on do not only get a head start, but also a boost in innovation that only S/4 can bring - and with it new revenue streams that will not dry up in the age of digitalization.

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