



OPINION

By **Maximilian Johannes** and **Julian Ruterschmidt**, Allgeier ES

S/4 Unlimited - Think Outside The Boxx

Maximilian Johannes, (l.)

Solution Architect,
Retail Innovation Team
at Allgeier.

Julian Ruterschmidt,

Data Scientist, Retail
Innovation Team at
Allgeier.

Talking about S/4 Hana is impossible without also mentioning the digital core. Aside from marketing catchphrases, what does this term actually mean, and what does it entail for your company?

The new ERP platform SAP S/4 Hana has been available for three and a half years now. Even though a lot of licenses have already been sold, many companies still hesitate when it comes to going through with its implementation. Customers are wondering what benefits it actually has, apart from new Fiori icons and a little bit more speed, and shy away from the costs of transitioning. However, S/4 Hana is not just a new user interface for old processes. S/4 Hana is vital to transforming the ERP system into a fully integrated digital platform. Transitioning means decisive changes not only in IT strategies, but also in operational processes.

Opening the doors to the outside world

In a paradigm shift, SAP opens ERP up for other systems, applications, and products. S/4 establishes the guiding principle of an API-controlled microservice architecture in the SAP realm. On the one hand, ECC was not an isolated system either (think EDI and BAPI), but the possibilities of opening the doors to the outside world were limited. S/4 Hana on the other hand is an open system which uses standard technologies for data exchange. However, S/4 Hana is only really beneficial after integration with SAP Cloud Platform (SCP). That's because in the future, it will not matter if you host your systems in the cloud or on-premise, but rather if you control data exchange through open interfaces inside a hybrid system landscape, which will be orchestrated by SCP.

IoT and AI

It is precisely here that the currently much discussed topics Internet of Things (IoT) and artificial intelligence (AI) come into play. Because that way, sensor data as well as machine learning applications can easily be connected to ERP data - without having to worry about if you use SAP Leonardo or open source technology. It also will not matter if you use machine learning capacities included in S/4 or if you prefer external applications. In both cases, the integration will be stable, seamless and successful, as the software supports an open architecture.

Embedded analytics give a comprehensive overview

Apart from these strategic considerations, there are also operative reasons for changing to S/4 Hana - although they might not be as obvious at first. While SAP ECC is a receipt-based system, S/4 Hana adds to this concept and focuses on the management of the whole process. Embedded analytics make it possible for every employee to get a quick and comprehensive overview of relevant processes. Therefore, S/4 Hana includes standard applications to evaluate if, for example, the supplier will deliver on time or if the method of payment of a customer changes. With these analytics, SAP is laying the foundation for a digitized process which can operate independently and automatically. Employees only have to check if there are anomalies or if any optimization is required; otherwise, no manual effort is involved. Other

workflows, evaluations and check-ups are automatically taken care of by the software itself.

Micromanager

The accounting clerk is therefore transforming into a micromanager who actively furthers the company's success and is in charge of processes instead of just executing them. At least, that's the plan on paper. How should you be imaging the digital core, though? That's what we are currently exploring with different customers. The results of this research will be presented with Allgeier's IoT Boxx. Boxx is a pop-up store integrated into SAP which tries to execute new technological developments in trading. For example, we are currently testing with a pharmacist how electronic shelf labels integrated into an IoT platform can benefit companies. At the same time, we are, together with a fashion company, testing digital changing rooms and the possibility of creating a more comfortable shopping experience with digital mirrors. The customer should be addressed individually and get recommendations based on their preferences, so that traditional shops distinguish themselves from the ones online by offering real value alongside digital innovation.

Also have a look at the
community info on page 100

ALLGEIER ES

