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Newcastle University's Journey to SAP® S/4HANA

- ▶ SAP S/4HANA project scope
- ▶ Project planning, resourcing, and validation
- ▶ SAP digital transformation tools
- ▶ Go live steps and lessons learned

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2 Newcastle University's Journey to SAP S/4HANA – The Why

This chapter covers The Why aspect of Newcastle University's journey to SAP S/4HANA, which takes a look at the business case and motivation behind our implementation. SAP S/4HANA

This chapter covers: business case for SAP S/4HANA, SAP digital transformation tools, and looking ahead to SAP S/4HANA phase 2.

2.1 Business Case for SAP S/4HANA

When compiling the business case for SAP S/4HANA we didn't attempt to explicitly define any business or financial outcomes. Of course this would be a sensible approach, but we felt there was sufficient justification based on the perceived value of SAP S/4HANA. We could have opted to spend a further 3-6 months leveraging all the various SAP digital transformation tools to flesh out the value proposition, or as we decided, put that time into getting started. We have, however, parked the outputs from the many tools available for further review during phase 2 of our SAP S/4HANA implementation.

In 2017, we started to explore our SAP roadmap. The SAP Business Suite was showing its age, and with the announcement of maintenance ceasing in Dec 2025, we contemplated our strategy for SAP systems. As with many large organisations, the University has more demands than it can satisfy, so prioritisation is a constant ask. We felt that by tackling the SAP S/4HANA conversion early in our SAP roadmap, we would have a solid foundation for subsequent developments, and be up-to-date for the many system integrations that would be impacted in future projects.

We sought to clarify what SAP should be the single source of truth for, documenting the current versus desired status. Before we could write the business case for SAP S/4HANA, we needed a guarantee from SAP that Student Lifecycle Management (SLcM) would be maintained beyond Dec 2025. At the time, SLcM was part of SAP S/4HANA Compatibility Scope and this concerned us. Following numerous calls with product owners and lobbying SAP via the Higher Education & Research User Group (HERUG),

SAP announced SLcM would be removed from Compatibility Scope from SAP S/4HANA 1809 FPS02. While we have gone live with an earlier release (1709 SPS04), more on this later, it was the reassurance we needed.

Our business case was predicated on the maintenance driver, but also on the ever-increasing innovation gap between SAP ERP and SAP S/4HANA. Many SAP customers have decided to take the 'wait and see' approach, watching how the ecosystem reacts, and some hoping SAP bows to pressure to extend the maintenance deadline (**update 04/02/2020**: SAP has extended the maintenance window as covered in their *press release* [<https://news.sap.com/2020/02/sap-s4hana-maintenance-2040-clarity-choice-sap-business-suite-7/>]). Delaying the implementation would only have added to our technical debt given the scale of development and operations at the University reliant on our SAP ERP system. If we were to remain with SAP for our core ERP system, we would want to build on solid foundations with the latest technical capabilities. There's a strong Total Cost of Ownership (TCO) argument too, as the simplified architecture in SAP S/4HANA, combined with SAP's principle of 1 (a single solution for any given business requirement), should drive efficiencies in development and business activity.

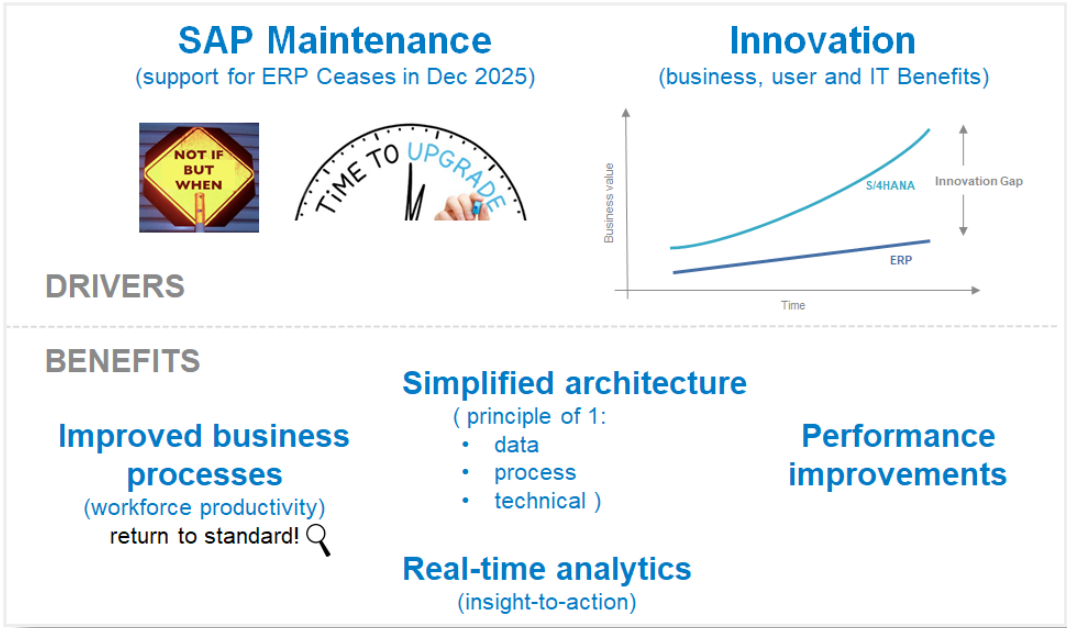


Figure 2.1: The primary drivers and benefits of our SAP S/4HANA business case

The anticipated business benefits will be mostly realised during phase 2 of our project, when we look to the improved next-generation best practice business processes and attempt to return to SAP standard where possible. And there's the prospect of leveraging the artificial intelligence-enabled automation that's being incorporated into SAP S/4HANA. We expect to see a slight performance improvement with SAP S/4HANA, but as our ERP system was already running HANA with code optimisations applied where needed, the needle isn't likely to move much.

The business case for SAP S/4HANA was approved in late 2017 together with others for Recruiting (replacement of a standalone third party system with SuccessFactors) and Business Intelligence (Microsoft Power BI integrated with SAP BW and other non-SAP systems). These were to be the priorities for the first phase of our SAP roadmap to renovate the University's enterprise system landscape, including all existing SAP systems. The University's Executive Board endorsed the principle of the University retaining a core ERP system and target completion of the renovation exercise within five years, ahead of the 2025 deadline.

2.2 SAP Digital Transformation Tools

There is a plethora of tools offered by SAP to help customers plot their digital transformation journey. The best summary I've seen of the available tools was the following slide presented by SAP.



Figure 2.2: SAP digital transformation tools (source: UKISUG SAP S/4HANA event)

It's beyond the confines of this ebook to extrapolate fully on all of these tools. The list below indicates the tools we ran and I offer a few words on how we utilised them:

- ▶ *Product Availability Matrix (PAM)*
(https://support.sap.com/en/release-upgrade-maintenance.html#section_1969201630)
 - ▶ A longstanding stalwart we've used for many years during SAP maintenance activities. We used this primarily to determine maintenance dates for SAP software and platform support (e.g. supported browsers).
- ▶ *Fiori App Library* (<https://fioriappslibrary.hana.ondemand.com/sap/fix/externalViewer/>)
 - ▶ The go-to reference during Fiori app discovery and implementation.
 - ▶ We also used the Fiori App Recommendations (Relevance and Readiness) Report that can be generated if you login to this tool. While this overlaps the FAR report below, it offered another dimension.
- ▶ *Simplification List*
(https://help.sap.com/doc/1338500daff4461ebf98882dffe59fe0/1709%20002/en-US/SIMPL_OP1709_FPS02.pdf)
 - ▶ The central document to determine SAP S/4HANA simplifications and assess their implications. Further research was needed mostly acquired by reading the associated SAP notes.
 - ▶ Our first trial conversion was using SAP S/4HANA 1610 FPS02 despite going live with 1709 SPS04. We have found the difference between major SAP S/4HANA releases (delta) to be of minor impact to us and something we're likely to be able to tackle during annual SAP maintenance.
- ▶ *Best Practices for SAP S/4HANA (on premise)*
(https://rapid.sap.com/bp/#/BP_OP_ENTPR)
 - ▶ We've reviewed this best-practice content which looks great but this is a phase 2 scope item for us.
- ▶ *Transition to SAP S/4HANA Roadmap*
(<https://go.support.sap.com/roadmapviewer/#/group/AAE80671-5087-430B-9AA7-8FBE881CF548/roadmapOverviewPage/S4HANATRANSONPRE>)