

Discover the Optimal Path to S/4HANA

Tailor the right path for your Organization

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Why S/4HANA?

Why S/4HANA? If you're reading this, you probably already know.

You know that digital transformation dictates an agile ERP, and you know that migrating all the way to S/4HANA will ultimately deliver flexibility that Business Suite on HANA can't match. You know that S/4HANA will get rid of the need for rigid data structures, which limit the speed and efficacy of your response to change. And you probably also know about:

Speed

S/4HANA offers you a world without batch jobs, where information is available in an instant and insights are available in real-time

Platform for Innovation

S/4HANA offers all the benefits of Suite on HANA (SoH), Business Warehouse on HANA (BWoH), S/4HANA Finance, S/4HANA Enterprise Management

Platform for Future R&D

Many future developments will require S/4HANA as their foundation

Landscape Simplification

S/4HANA enables smoother operational reporting, removal of aggregate tables, and more

HANA Live

Virtual Data Model offers a new world of information analysis, including operational reporting merged with transaction data

UI/UX

Moving up to Fiori and HTML5 brings the SAP interface into the digital age

Cloud Approach

S/4HANA's pay-as-you-play model limits costs to what you use now, not the infrastructure you may need tomorrow

What's Your Business Case?

Creating a coherent and clear-cut business case is critical for any business move, and all the more so for one as far-reaching as S/4HANA migration.

Before considering migration, ensure that sufficient resources are available – both human and financial. This, of course, needs to be based on a clear-cut calculation of the actual effort required, and a realistic evaluation of the overall expenditure.

Easier said than done? Today, advanced and automatic tools facilitate precise scoping for migration projects as a whole, and their individual components. This technology can, for example, reveal which code lines would be affected by migration, and what the overall impact would be on SAP-related business processes. It can also find unused or useless code fragments and interfaces – enabling you to eliminate technical debts before the project starts, and further streamline costs and overhead.



Choose Your Route to S/4HANA

Depending on your business case, and your current SAP landscape, there are three routes you can take to S/4HANA:

ROUTE 1

New Implementation - A new implementation of S/4HANA (also called a "greenfield" approach) enables complete reengineering and process simplification, lets you predefine migration objects and best practices, lowers time to value and TCO, and facilitates faster adoption of new innovations.

ROUTE 2

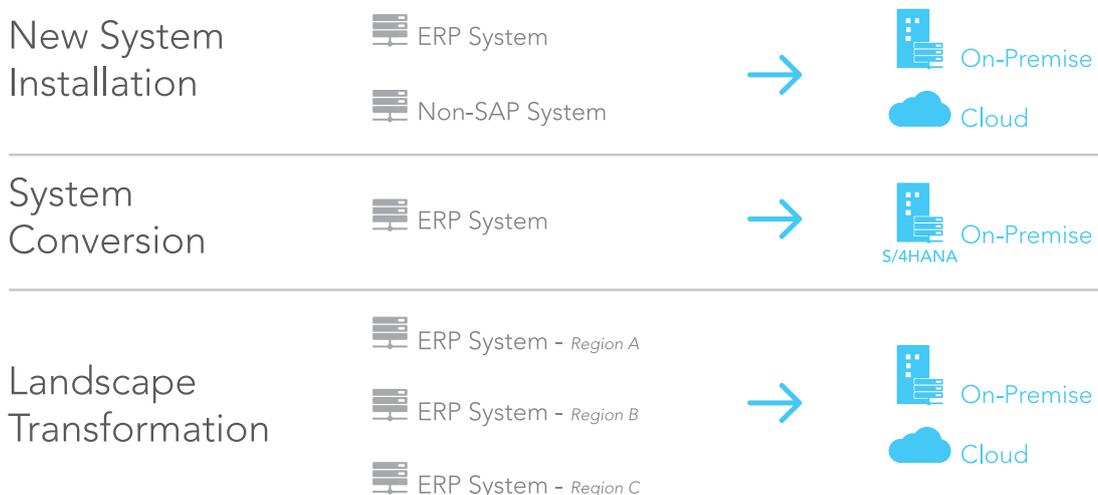
Landscape Transformation - This route is for you if you're looking to consolidate your landscape, while selectively transforming data in a phased approach that focuses on the parts of your business with the highest ROI and lowest TCI.

ROUTE 3

System Conversion - This route, also called a "brownfield" approach, enables migration to S/4HANA without re-implementation and without disruption to existing business processes. At the same time, it enables re-evaluation of customization and existing process flows.

Each of the above routes has advantages and disadvantages, depending on each unique business case.

In this e-book, we'll focus on Route 3 - System Conversion.



Four Steps on the Path to System Conversion

The system conversion route is ideal if you're looking to convert your current system to SAP S/4HANA gradually, cautiously, and cost-effectively. The conversion route ultimately delivers the benefits of S/4HANA - without the disruption of the more revolutionary routes. Conversion also helps you maximize the valuable knowledge accrued in your existing business processes.

System conversion demands robust planning and in-depth input from technical and functional experts, as well as business stakeholders. Today, there are advanced technological solutions that help you analyze, evaluate, and streamline existing business scenarios, then predict the exact technical implications of each step of the conversion process. In this model, system conversion can be broken into four steps:

Step 1 | Optimize Your Custom Code

Step 2 | Upgrade to EHP

Step 3 | Implement Business Suite on HANA

Step 4 | Implement S/4 Finance Add-On

Step 1

Optimize Your Custom Code

All systems evolve to meet real-world business needs, and your code has likely evolved over time, too. The first step of system conversion is to minutely examine this custom code – removing unused portions and optimizing the quality, performance and security of the remaining code.

There are three broad considerations when approaching custom code optimization:

1. Performance – Moving to S/4HANA's in-memory database is designed to boost performance. However, to leverage this boost fully some programs require manual code optimization, and some will actually show no improvement if you don't optimize manually.
2. Security - S/4HANA migration should entail a security review of your security schema to avoid breaches and vulnerabilities, which are more common with Fiori apps and web access.
3. Back to Standard – Sometimes, it's worth considering reverting to standard code. Going back to standard can simplify your migration, facilitate easier and quicker maintenance, and deliver standardization on Fiori apps.

Consider adopting technology that will assist you in this task, enabling you to:

- Understand and boost the performance of custom code objects
- Discover which programs require manual optimization and which to optimize first
- Benchmark your custom code against current best practices and industry standards
- Review code security schema and work on HANA and Fiori security authorizations

Step 2

Upgrade to EHP

S/4HANA replaces the Enterprise Core Components (ECC 6.0) in the SAP Business Suite. As a prerequisite to conversion, you'll need to implement the current Enhancement Packages (EHP). Then, you can migrate your business data from ECC 6.0 to the HANA database, after which you can migrate ECC 6.0 software to S/4HANA.

The latest version of EHP provides 32 new processes for different industries including retail, oil industry and fashion. It also includes various line-of-business innovations like the SAP Treasury Management.

A clean, error-free upgrade is critically important. An EHP upgrade typically affects 20-30% of ERP interfaces. Moreover, some 40% of SAP implementations integrate with 20 to 50 sub-systems - only 10 of them stemming from SAP. This can significantly complicate your entire upgrade project.

You can streamline this phase of conversion by adopting professional test tools that automatically detect interfaces that won't work properly after an EHP upgrade. These solutions can help you accurately estimate the effort required to eliminate errors, maintain required test cycles, support efficient test management and create related documentation. This helps you speed the mandatory EHP upgrade, while minimizing the migration risks. Moreover, these tools can cut rollout times through automatic regression analysis - which often comprise 50-70% percent of the entire rollout process.

Step 3

Implement Business Suite on HANA

Business Suite on HANA is not just a necessary intermediate step on your path to S/4HANA - it's an important milestone in your experience with HANA database technology.

Business Suite on HANA offers an in-memory database,

real-time reporting, and significant process performance enhancements. It also features other technological innovations that are found in S/4HANA - like SAP UI5 (Fiori), that offers an outstanding user experience even for mobile SAP users, and programming features ABAP CDS Views.

Your interim experience with Business Suite on HANA helps you create optimal technological preconditions for your later migration to S/4HANA. It also enables you to conduct functional tests and performance checks of databases and applications in the HANA environment. To smooth this step of the path, consider adopting a solution that can facilitate importing existing test catalogues, adapting customized code to the HANA database model, and extensively testing of all these changes.

Step 4

Implement
S/4 Finance
Add-On

Another important step on your path to S/4HANA is implementation of S/4 Finance .

This is the most appealing offering for SAP customers today and many customers choose to implement S/4 Finance and wait on S/4HANA.

It is a shorter process with the highest perceived value for SAP experts and involves a huge simplification to the finance processes, as well as support for FIORI application which enable digital and mobile support.

S/4 Finance is comprised of core finance features including Finance (FI), Controlling (CO), Asset Accounting (AA) and Cash Management (CM).

Just like in Step 3, adopting software that can help you conduct functional tests and checks for customized code fragments are crucial in this step. By smoothing the implementation of S/4 Finance, you ultimately lower the testing effort required throughout the project and enable a faster time to market.

The Bottom Line

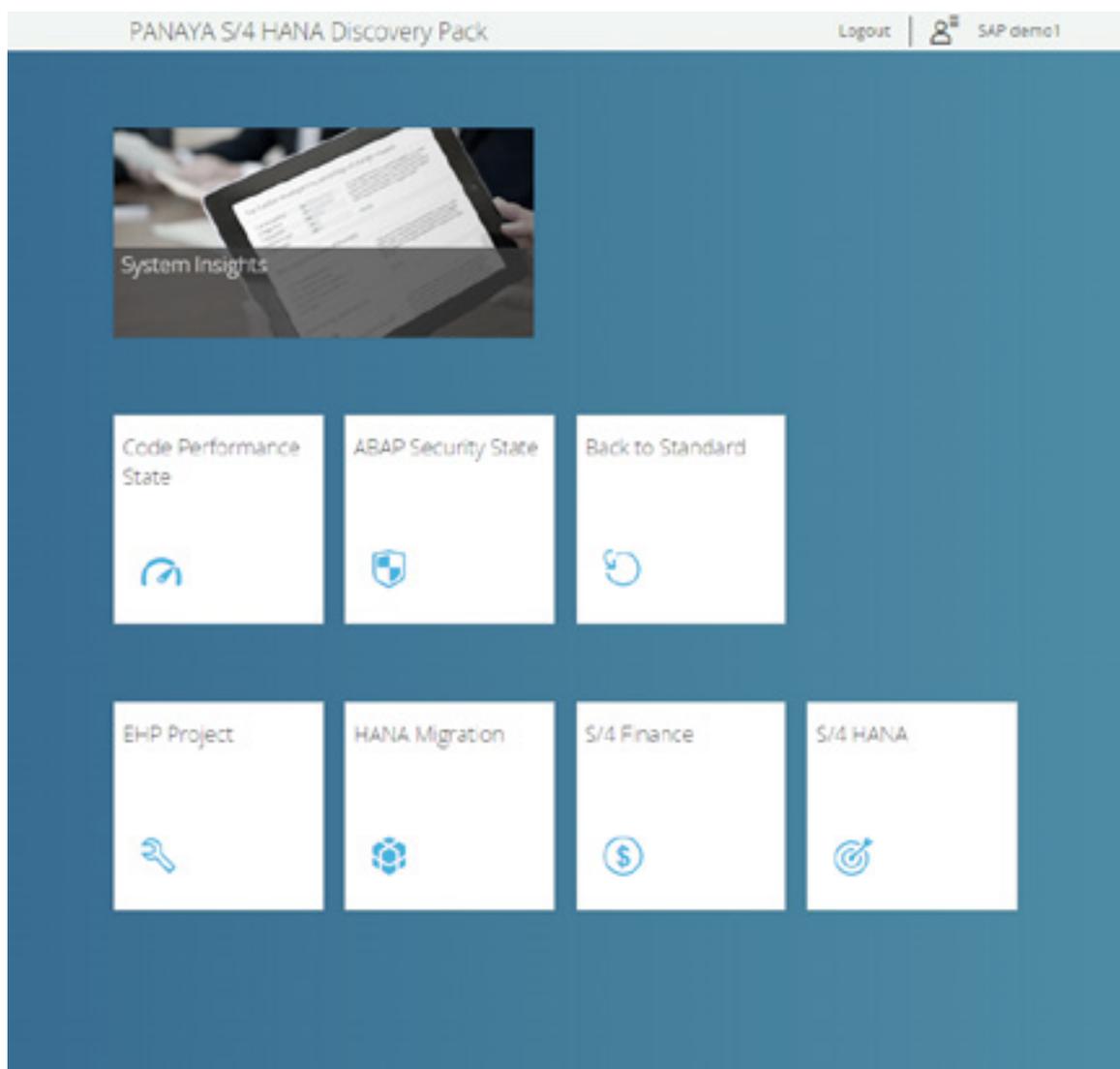
The conversion route to S/4HANA, though inherently less disruptive, is not without its risks and challenges. To avoid pitfalls and smooth your path to the world of S/4HANA, remember to:

- › Create a coherent and clear-cut business case for migration
- › Plan each of the steps on your path carefully
- › Conduct extensive functional and business process testing at each step
- › Adopt technology that facilitates effective change management, while lowering risk and overhead

Leverage Panaya to Assess Your Optimal Path to S/4HANA

As there are so many routes and elements to consider, Panaya just introduced the S/4 Discovery Pack: An automated assessment and analysis for your current ECC landscape state offering valuable insights into the impact and effort of steps on the road to S/4HANA.

[Click here to start your S/4HANA assessment](#)



Thank you

www.panaya.com

About Panaya | With Panaya, organizations reach ERP agility faster - with zero time to change, zero risk, and zero defects. Panaya CloudQuality™ Suite enables all types of SAP® and Oracle® EBS changes. Panaya CloudQuality™ Suite delivers insights that tell you what will break, how to fix it, and what to test, helping organizations manage the testing process and collaborate between IT and business during the entire release process. Since 2008, 1,600 companies in 62 countries, including a third of the Fortune 500, have been using Panaya CloudQuality™ Suite to achieve ERP agility.