



## SAP S/4 HANA IS NOW INEVITABLE

SAP ECC is a well-recognized and established name in the enterprise world. A high percentage of satisfied customers wish to transition to the latest ERP platform, S/4 HANA and continue to build a system that aligns well with their business operations. But new ECC investments are unlikely to generate long-term returns while the cost of maintaining legacy technology will only rise.

This thinking ties in well with SAP's announcement that it would only provide mainstream maintenance for core applications of SAP Business Suite 7 software until the end of 2027<sup>1</sup>. In fact, this was the second time that SAP provided a deadline as customers were unwilling to accept the previous 2025 deadline as they required more time to modernize their digital core and move to the latest ERP platform.

Today conversion has become an equally exciting option for SAP customers to embark on the digital modernization journey by providing the right mix of reuse of existing customization while also innovating business processes.”

However, according to research firm Gartner, 70 percent of SAP customers rely on ECC and have yet to upgrade to S/4HANA.<sup>2</sup> A key reason for this is that S/4HANA adoption is no simple exercise. The larger the company and the wider its global footprint, it is likely that its operations are highly complex and, by extension, its ERP landscape. So, planning and executing an S/4 HANA program will require months of preparation and seamless execution. Else the results can be disastrous and severely impact business for an enterprise.

According to Darren Shaw, VP at SNP, an IT company that assists enterprises with IT transformations and data migration, some of

the common issues that customers face include -

- Zero to minimal downtime tolerance to avoid disruptions to business operations
- Lengthy and expensive S/4HANA projects
- Conflict between the expense of storing data in the S/4HANA PRD environment and the mistaken belief that data must be available for unlimited access
- Uncertainty over moving to the cloud or S/4HANA first
- Highly customized systems with excessive and costly “junk” within them
- Insufficient know-how to define the new digital core while running multiple disparate SAP systems

Each issue in itself is significant and requires deft handling. Companies like Infosys, an SAP Global Strategic Services Partner in partnership with SNP, aid the migration to S/4 HANA. Infosys contributes toward the overall strategy, process analysis and process overhaul, while SNP focuses on data migration in case of the selective data transition option with 100% accuracy.

Knowing fully well the criticality, urgency and complexities involved in migrating to S/4 HANA before 2027, Infosys hosted a roundtable to discuss this topic. The participants ranged from enterprises with experience in the migration exercise to industry analysts and migration experts. The discussion was a goldmine of insights that can immensely help an enterprise undertaking this challenging journey. We present real-life experiences across different contexts to show how companies have overcome serious challenges to migrate to S/4 HANA and reap significant benefits.

## Different strokes for different folks

### 1. One step at a time with a technical brownfield exercise

A top American wine and spirits company with business interests in over 150 countries had only one instance of SAP. This single instance of SAP was able to cater to the company's growth over two decades. However, the firm had three different business models worldwide based on the distribution approach, which amounted to different mini SAP implementations across regions. Despite that, the business did not generate loads of data; the database size stood at seven terabytes and was all in one place. This was a significant factor in pushing the company towards a technical brownfield migration. The goal was to undertake plain vanilla migration first and then innovate. With this approach, they had visibility into the end product and could use that insight to plan innovations.

They consciously chose not to re-engineer business processes, instead opting to move to a new platform to reap its benefits. Furthermore, the re-engineering route meant a longer transition

period which was not feasible. Having migrated, the company is on the innovation path now.

An American manufacturing services company with a worldwide presence and a heterogeneous ERP landscape wished to standardize and migrate to SAP S/4 HANA. Two issues had to be handled – first, the nature of their business precluded disruption and allowed downtime only during the weekend. Second, their SAP systems were on-premise and had to be shifted to the cloud. Brownfield migration was the best choice as the company was convinced that was the only way to minimize disruption.

Similarly, a transportation provider to offshore rigs elected for a technical brownfield approach. Why? The company was already in an SAP environment, having started converting to S4 HANA in 2014. However, owing to a downturn and the pandemic, they paused the conversion and decided that a technical brownfield method was the best way to resume the migration.

## 2. Get on to a global template through a selective data transition approach

An American CPG company sought to establish a single global HANA instance worldwide. This ambitious goal was set despite a heterogeneous ERP landscape with non-SAP instances. However, the incentive to have a global template that would drive a common business language, benefit their international operations, and reduce technical debt spurred the company towards this goal.

How did the company decide on a selective data transition approach? According to the enterprise architect who worked on this important project, the transition team posed three questions at the start –

1. Should we transfer all aspects from the existing system to the new one?
2. As a large entity with multiple plants, do we have an appetite for a greenfield approach and transform our business?
3. Do we transfer some of our valuable business practices or harness the industry best practices S/4 HANA offers?

Carefully considering each question in the context of their business, the company realized that the benefits of continuing their existing business practices far outweighed that of switching to a new set. As a result, they forged ahead with a selective data transition conversion approach instead of a brownfield or greenfield one.

At this point, it is relevant to consider the advice of Darren Shaw, SNP. Suppose a company wants to move 10% of its data while archiving and tiering the rest; it's critical to determine which functionality must be transitioned to S/4HANA first. Of course, this decision depends heavily on the extent of the SAP footprint. An expert data migration partner will clean and harmonize the data across disparate systems after a deep analysis. With such an approach, players like SNP promise almost zero downtime and, more importantly, reduce transition time by more than 50%.

## Best practices

1. Manage the impact on business processes – Involve the right stakeholders, especially the business process owners, to analyze and discuss the upcoming changes and their roles. Get the business users to participate in the user acceptance testing (UAT) to ensure buy-in.
2. Prepare and test a lot – Companies said they did as many as four mock conversions and multiple rounds of performance testing to eliminate rude shocks during migration. This rigorous testing led to 50% better batch load performance.
3. Get rid of unwanted stuff – Use the migration opportunity to clean up old data or eliminate unused code. By doing so, companies reported faster performance and decreased technical debt.
4. Plan for minimal downtime – When minimal downtime (around 50 hours) is critical, companies can explore either NZDT or work with an expert in data migration. Although SAP NZDT (Near Zero Downtime Technology) is a stringent process, it is designed to cater to low downtime requirements.
5. Harness automation – It's unnecessary to rewrite a lot of the code during a brownfield migration to comply with S4 HANA requirements. Use the SAP tool to automatically remediate the code or the Infosys HANA Code Migration & Optimization (CMO). With these, it is possible to automate code remediation by almost 85%, significantly reducing manual intervention.
6. Commit to a roadmap for harnessing S/4HANA innovations. It is important to prepare a roadmap in consultation with business stakeholders and identify the capabilities that can modernize or simplify or automate business processes. This is the best way to reap the benefits of a modernized core and S/4HANA capabilities,



## Concluding thoughts

SAP has set the clock ticking on the S/4 HANA transition, compelling enterprises worldwide to plan for it. Our roundtable discussion shows there are several methods to migrate – it is up to each company to analyze each method in the context of their business and determine the way forward. While the migration is complex and requires expert hands to navigate, the business benefits are well worth the effort.

## About the Author



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Satinder has 22 Years of SAP Consulting, Architecture and Program Management experience. He leads the technology track of Infosys S/4HANA Transformation Center of Excellence which primarily focuses on customer adoption of new products/ technologies. He is also responsible for providing strategy and architecture involving S/4HANA implementations and its possible extensions and integrations. Satinder specializes in conversion adoption methodology and has helped customers with both standard and selective conversion methodologies across assessments and executions.

Reach out to our S/4HANA Conversion Leader Satinder Pal Singh ([Satinder\\_singh@infosys.com](mailto:Satinder_singh@infosys.com)) if you want to start your S/4HANA modernization journey now.

## References

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- 2 Most SAP ECC users unlikely to migrate before support ends • The Register

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