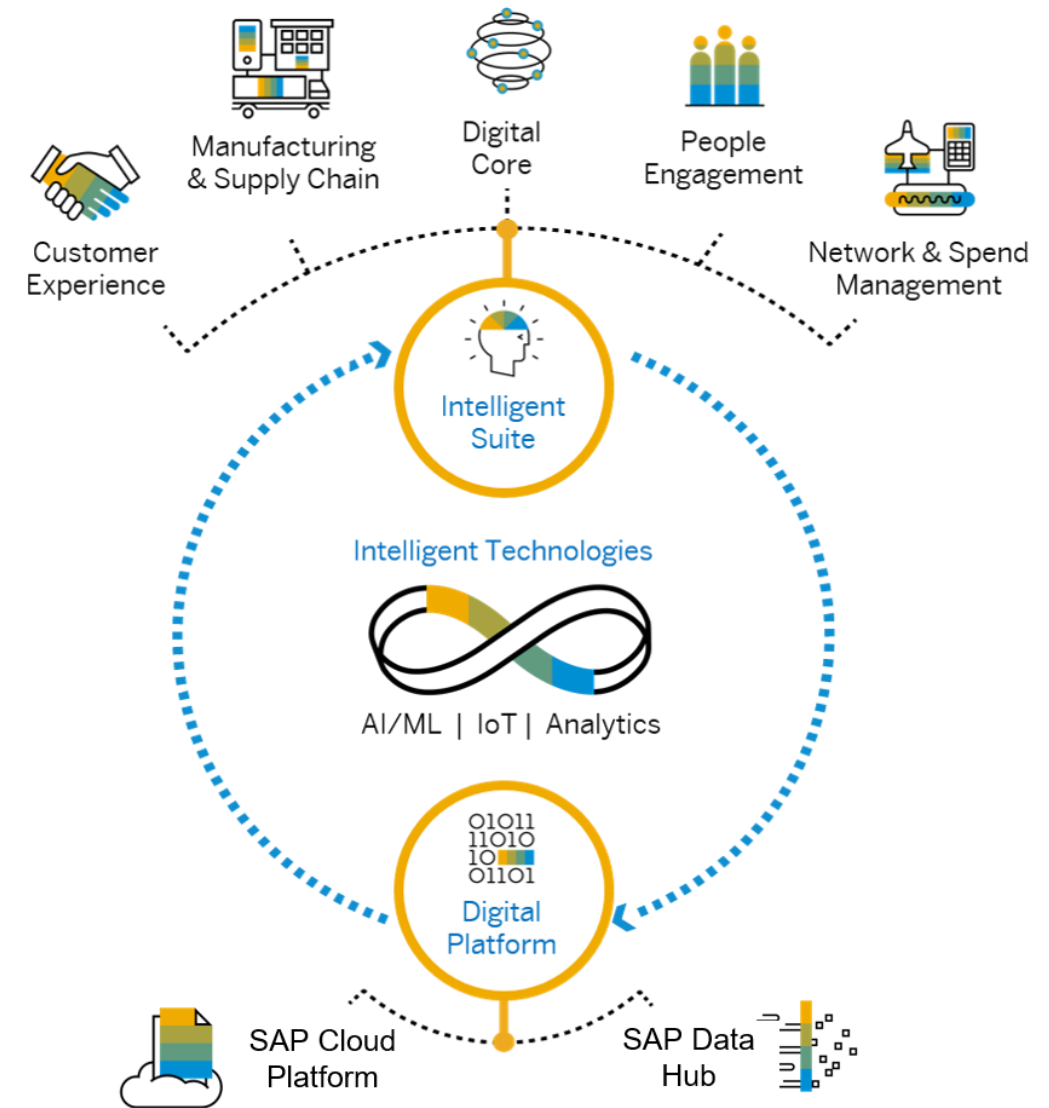


S/4HANA Deployment Options & Versions

- explained in layman's terms

Bjørn Olav Kåsin, Enterprise Architect, SAP Norway
May 26, 2020

CUSTOMER



Agenda/Topic Overview

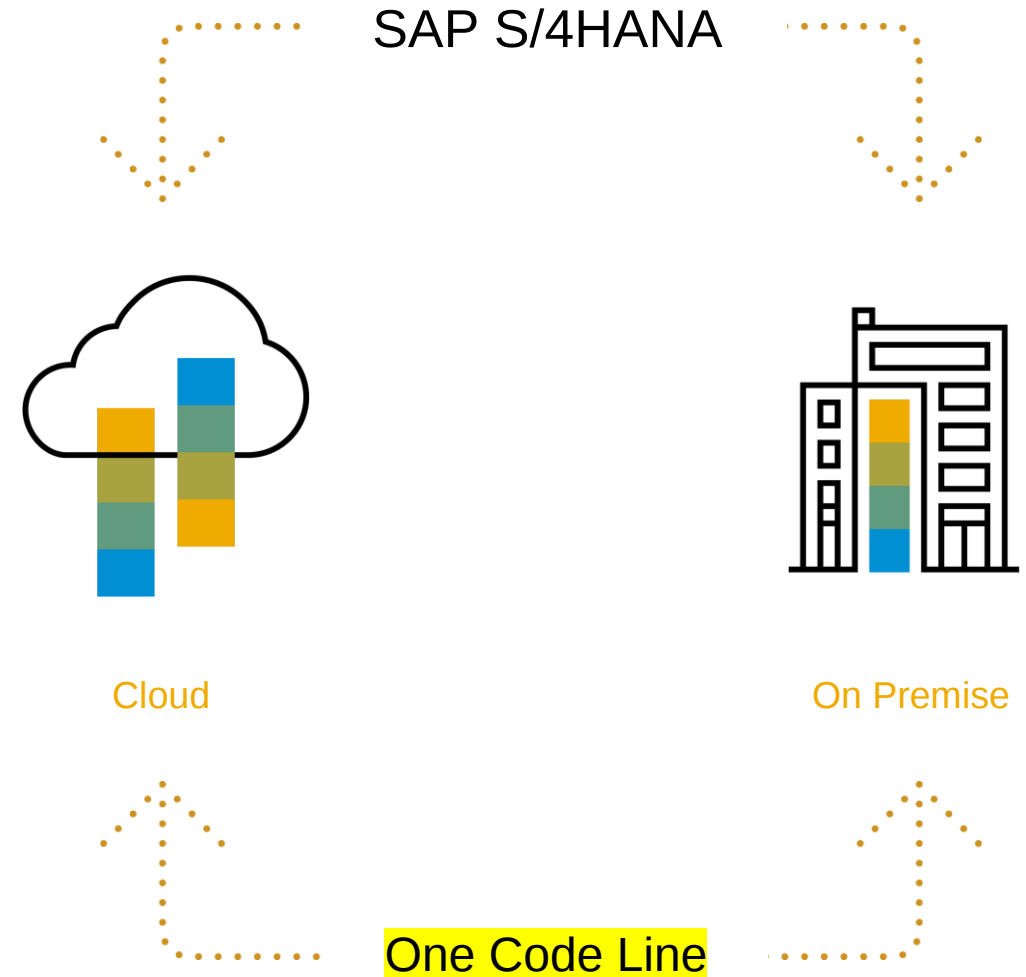
- ❖ What about cloud - definitions
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- ❖ SAP naming and offering
- ❖ SAP S/4HANA Cloud – non cloud
- ❖ SAP Embrace – the move to cloud

SAP S/4HANA: Cloud or On Premise

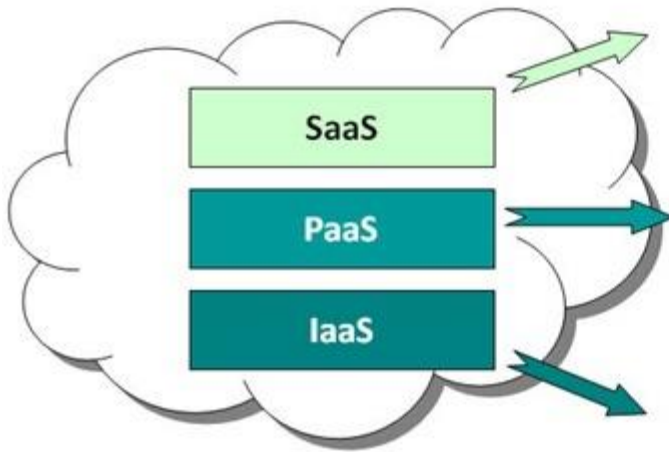
SAP S/4HANA's code line, simplified data model, and modern user experience are consistent for both cloud and on premise. Designed for in-memory, SAP S/4HANA brings new business capability while simplifying the IT landscape.

Considerations for selecting the right SAP S/4HANA solution:

- Business functionality
- Regulatory, industry, and regional requirements
- Individualization options
- IT Strategy
- Innovation cycles
- Adoption/upgrade efforts
- TCO
- Commercial models (licensing CapEx/OpEx)



Cloud Services definition (by NIST in 2011)



Who Uses It	What Services are available	Why use it?
Business Users	EMail, Office Automation, CRM, Website Testing, Wiki, Blog, Virtual Desktop ...	To complete business tasks
Developers and Deployers	Service and application test, development, integration and deployment	Create or deploy applications and services for users
System Managers	Virtual machines, operating systems, message queues, networks, storage, CPU, memory, backup services	Create platforms for service and application test, development, integration and deployment

Deployment Models:

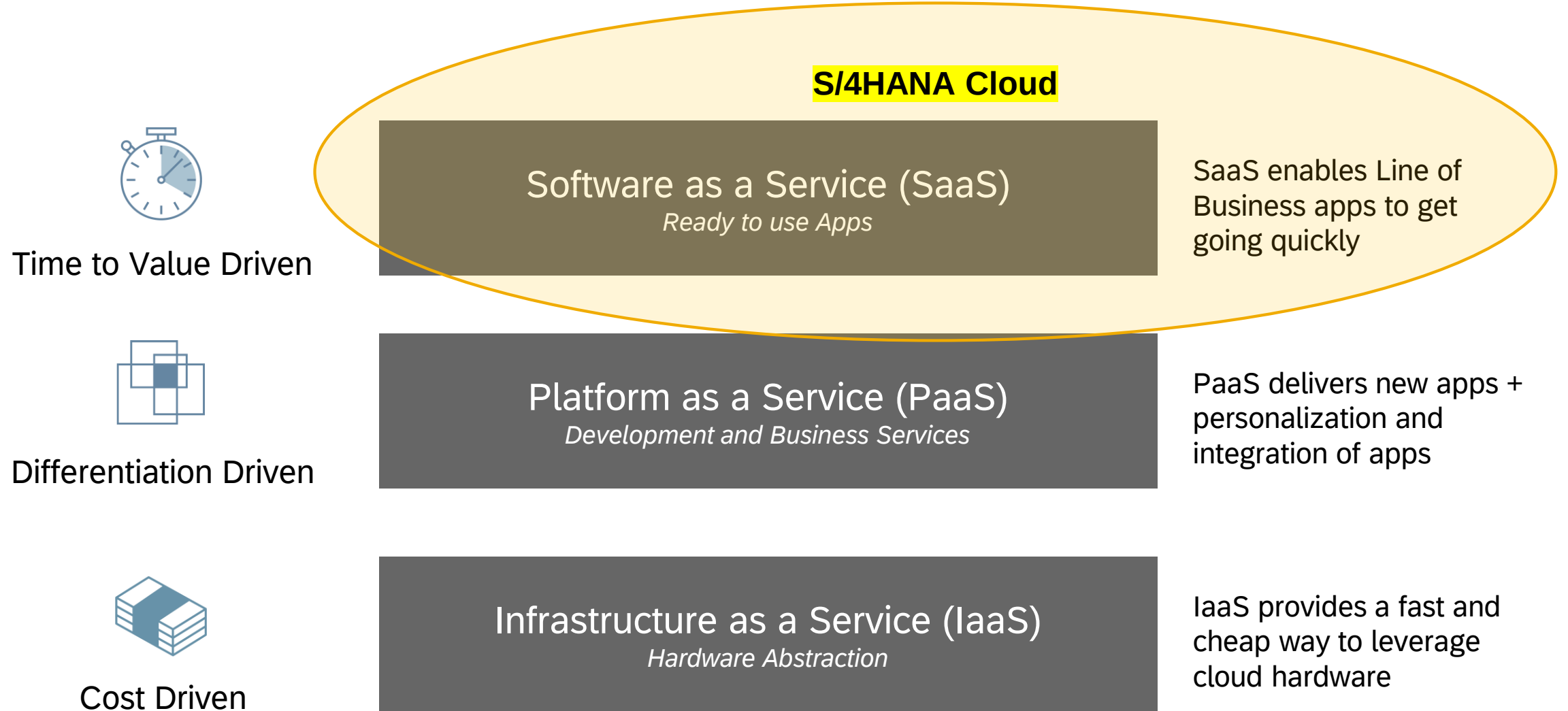
Private cloud. The cloud infrastructure is provisioned for exclusive use by a single organization comprising multiple consumers (e.g., business units). It may be owned, managed, and operated by the organization, a third party, or some combination of them, and it may exist on or off premises.

Community cloud. The cloud infrastructure is provisioned for exclusive use by a specific community of consumers from organizations that have shared concerns (e.g., mission, security requirements, policy, and compliance considerations). It may be owned, managed, and operated by one or more of the organizations in the community, a third party, or some combination of them, and it may exist on or off premises.

Public cloud. The cloud infrastructure is provisioned for open use by the general public. It may be owned, managed, and operated by a business, academic, or government organization, or some combination of them. It exists on the premises of the cloud provider.

Hybrid cloud. The cloud infrastructure is a composition of two or more distinct cloud infrastructures (private, community, or public) that remain unique entities, but are bound together by standardized or proprietary technology that enables data and application portability (e.g., cloud bursting for load balancing between clouds).

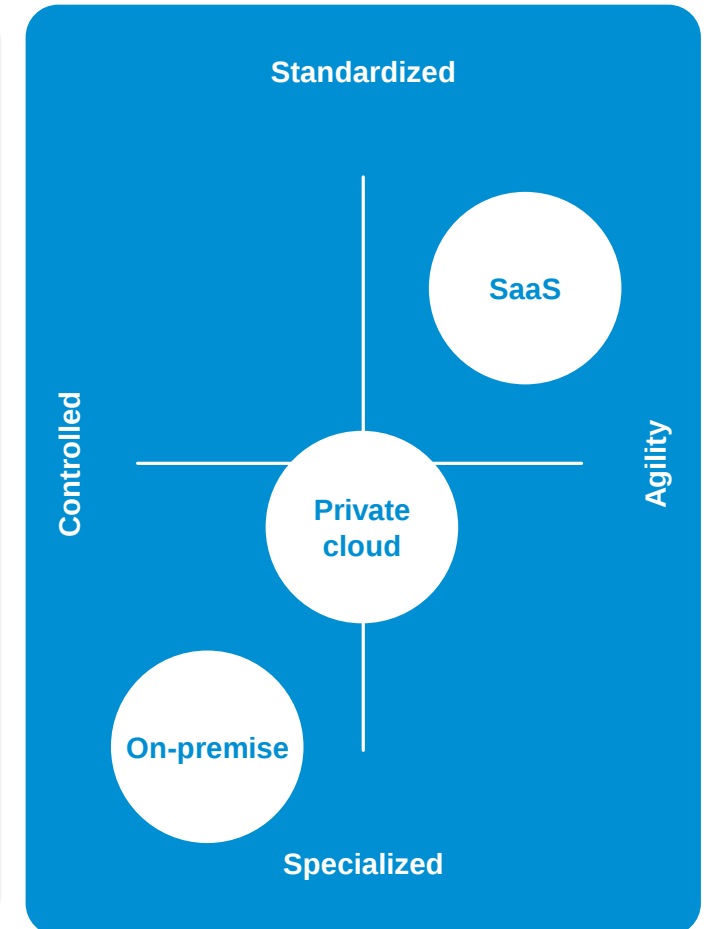
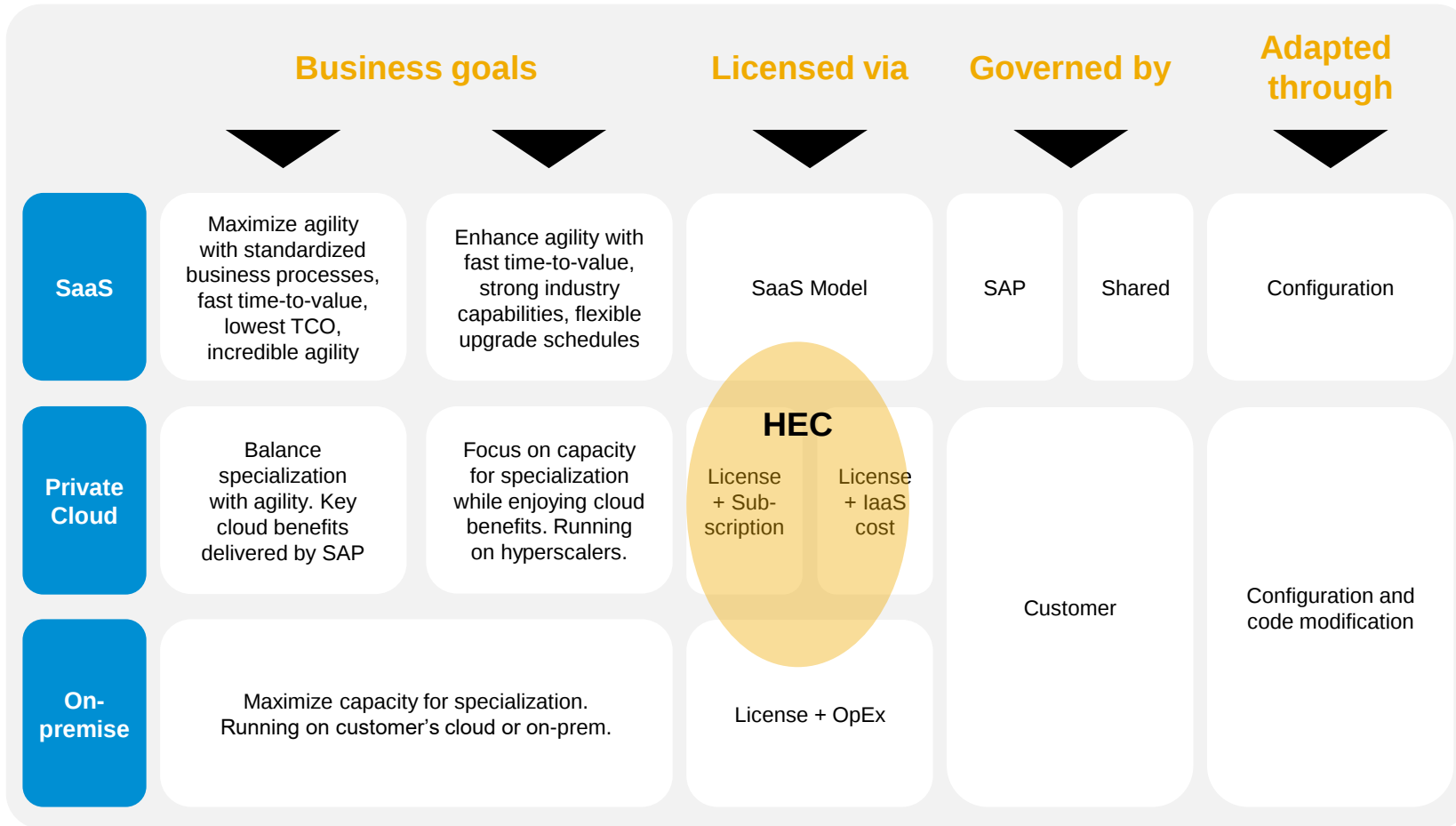
Cloud services - drivers



Confusion?

SAP Offers Choice for the SAP S/4HANA Cloud Journey

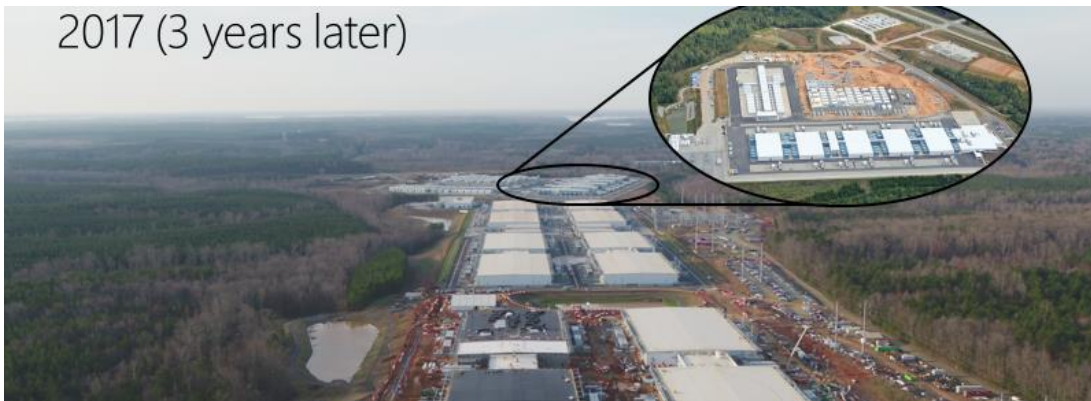
Only SAP S/4HANA offers a consistent, intelligent ERP solution across all landscapes, working in harmony so you can better leverage hybrid scenarios (e.g., 2-tier, group reporting in the cloud, etc.)



Software as a Service (SaaS)

How SAP (or anyone else) do it

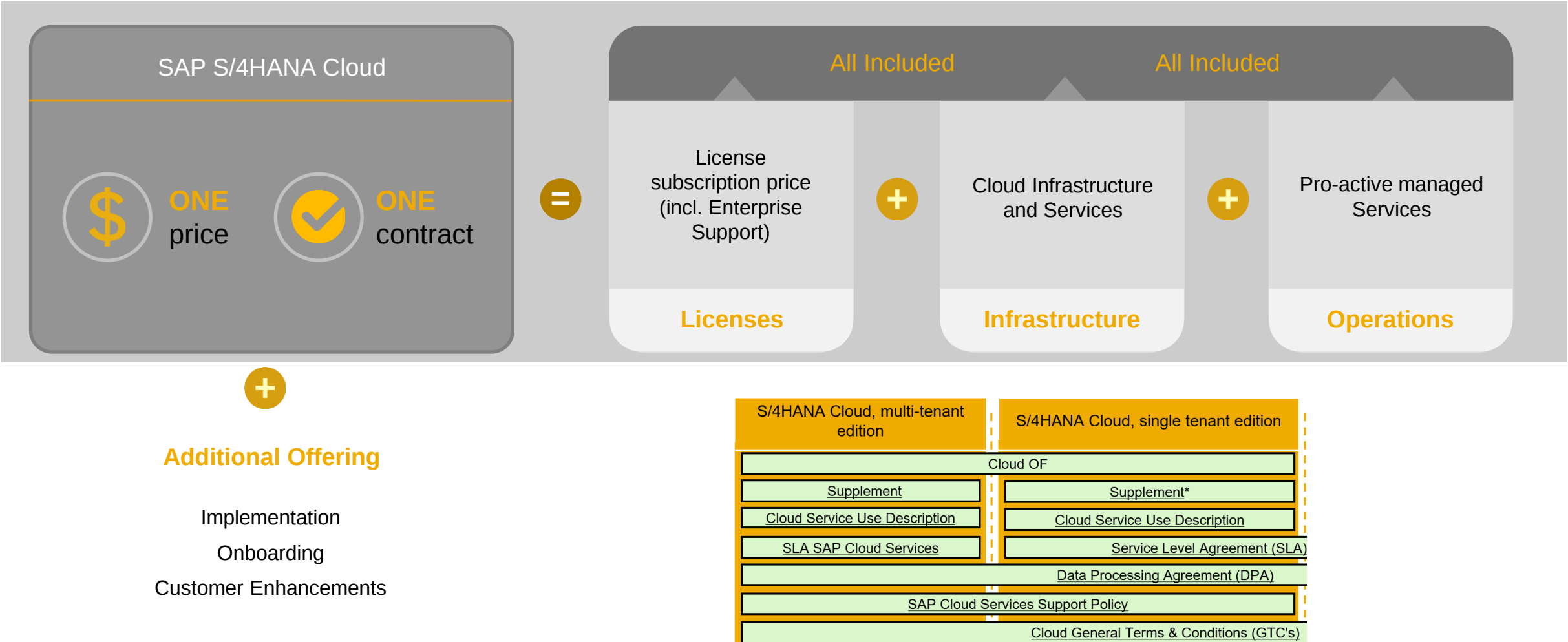
- Provision service
- Deploy changes
- Keep system/middleware and infrastructure running
- Details of **operations in the contract**



What you get

- Subscription of a service (licensing model)
 - Contract duration
 - Pricing components
 - Consumption
- «Ready to run application»
 - **Functionality** based on type
 - **Extensibility** based on type
- Application Management
- Regulated by SLA – contract details

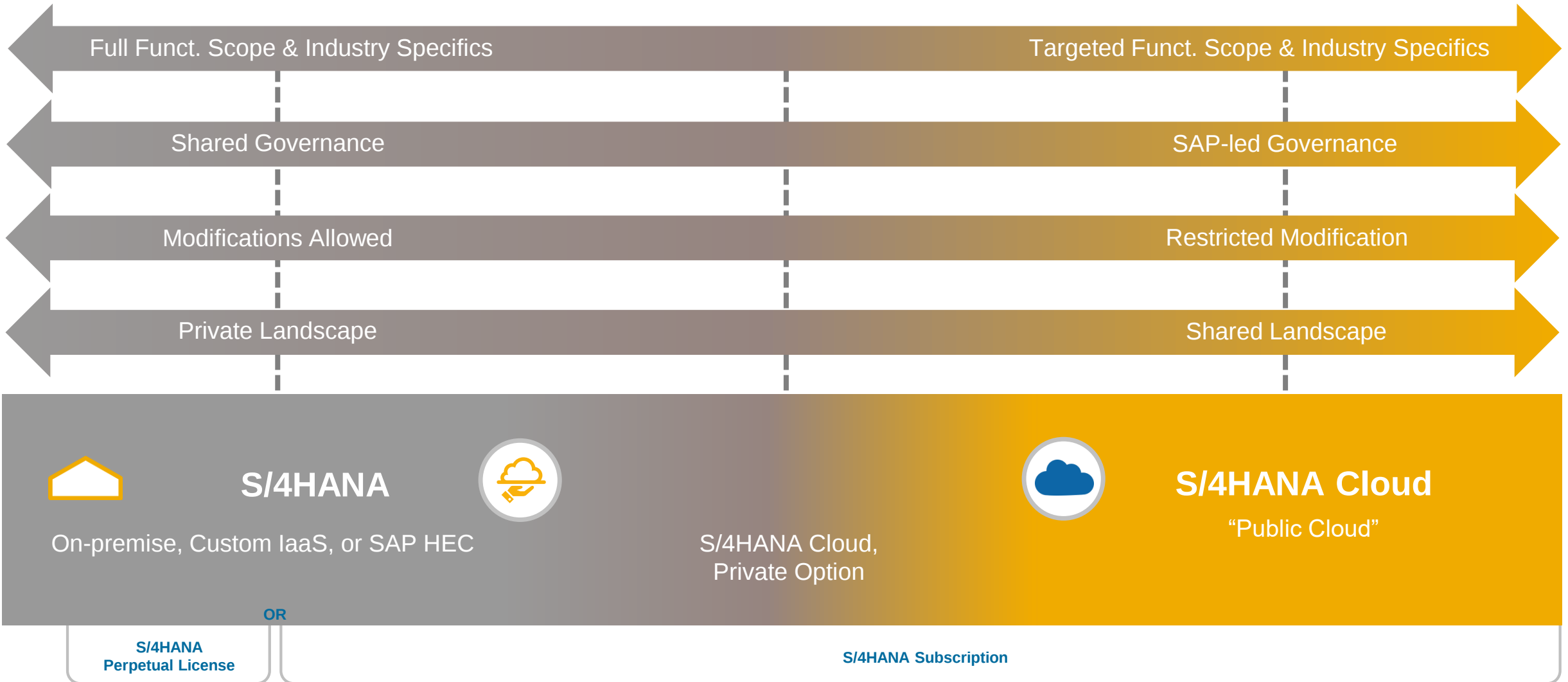
Simple subscription model for SAP S/4HANA Cloud



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SAP S/4HANA Cloud – first naming (On-premise/Private Option/Public Option)



SAP S/4HANA Deployment Models – naming release

SAP S/4HANA Enterprise Management				
Deployment	On Premise	SAP HANA Enterprise Cloud	Private Cloud (Option)	Public Cloud (Option)
Scope	Full ERP scope	Full ERP scope	Full ERP scope	Essential digital business processes
Process Flexibility	Full process flexibility; complete configuration scope, extensions and modifications possible	Full process flexibility; complete configuration scope, extensions and modifications possible	Full process flexibility and configuration options within standardized packages; extensions to standard code possible	Guided process flexibility; extensions to standard code available
SW & DB Licensing	Traditional license & maintenance model	Traditional license & maintenance or subscription model	Single subscription contract	Single subscription contract
Application Management	Customer responsibility	Available as additional, customer-specific options	Standard AMS included in single subscription contract	Included in single subscription contract
Support	Based on support agreement	Customer-specific options	Cloud Enterprise Support	Cloud Enterprise Support
System Governance	Customer	Customer	Shared responsibility	SAP
Management Model	Customer owns all upgrades	Customer owns all upgrades, but can delegate for additional cost	Shared responsibility; Customer is responsible for project and testing	SAP provides upgrades
End User Access	Web + SAPGui	Web + SAPGui	Web + SAPGui	Web only
Innovation Cycle	Annual	Annual	Annual	Quarterly

Choose the destination that's right for you – naming release 2 (STE/MTE)



SAP S/4HANA Cloud



**SAP S/4HANA Cloud,
single-tenant edition**



SAP S/4HANA*

Business Process	Standardized, core ERP	Flexible, ext. ERP	Customizable, ext. ERP
Innovation Lifecycle	Quarterly	Semi-annual	Annual, customer-led
TCO	Lowest	Lower	Higher
System Governance	SAP-led	Customer-influenced	Customer-led
IT Infrastructure	SAP, public	SAP, dedicated	Customer-managed
Customization	Within Standards	Within standards	Open to modifications
Extension	PaaS, SCP	PaaS, SCP	Open, SCP
System Delivery	New implementation	New implementation	New or ECC conversion

*Private cloud managed by SAP & On-premise managed by cloud providers or customers

Agenda/Topic Overview

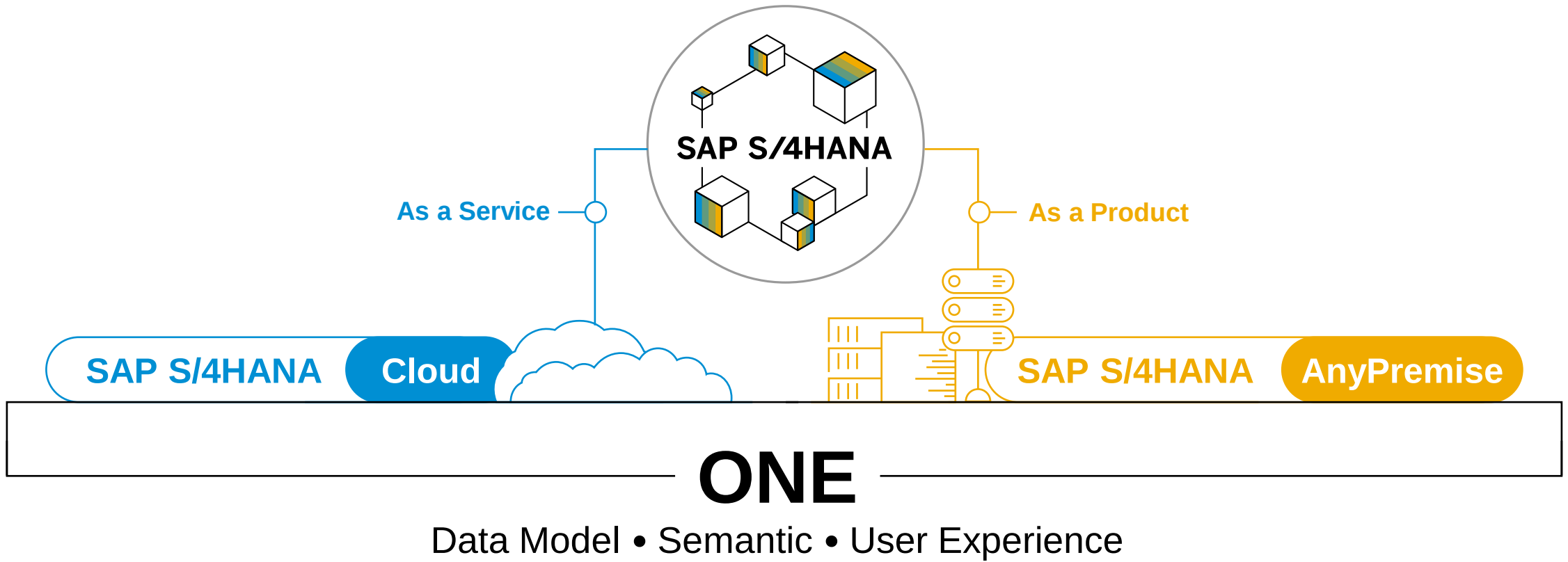
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Current message: SAP S/4HANA Cloud Extended & Essentials

SAP's S/4HANA portfolio provides customers a choice of landscape options to meet their needs. We have two offerings:

- SAP S/4HANA is the “any-premise” offering: customer's data center; hyper-scaler infrastructure partner; SAP HANA Enterprise Cloud (HEC).
- SAP S/4HANA Cloud provides the industry capabilities companies require and the cloud benefits they want. There will no longer be a distinction between multi-tenant and single-tenant offerings.

SAP S/4HANA Deployment Flexibility



Google Cloud



Microsoft Azure



Alibaba Cloud

SAP S/4HANA Deployment Flexibility



as a Service

SAP S/4HANA Cloud

Greenfield with data / configuration migration

Up to 4 x year, managed by SAP

Full SAP S/4HANA scope of core ERP & extended LoB content
and certified Partner Add-ons

In-App & Side by side via SCP / Extensibility Framework
API Hub with >300 APIs

IaaS (SAP Data Center or GCP, AWS, MS Azure or Alibaba
Cloud)

Standardized, Best Practice / Model Company based
IMG access

99.9% Availability and High-Availability

Subscription-based

Implementation

Upgrades

Scope

Extensibility

Deployment

Configuration

Operations

Licensing

as a Product

SAP S/4HANA AnyPremise



Greenfield or conversion of existing implementations

Customer driven and managed

Unlimited variety of SAP and Partner Add-ons

Unlimited customer specific customization,
modification and extensibility

IaaS, HEC, Customer Data Center, Hosting Providers

Model Company and Partner Pre-Configuration (recommended)
Open IMG access

Customer and provider defined

Bring Your Own License + infrastructure subscription



SAP S/4HANA Cloud Strategy

Functional Scope

- Core ERP scope
- Industry scope
- SAP add-ons
- Partner solutions

Essentials



Extended

SAP S/4HANA

Cloud

Features

Scope enablement

Business Configuration Framework for initial content delivery

Best Practice / Model Company content as baseline

Lifecycle

No modifications

Cloud Lifecycle Management compatible extensibility

Configuration content lifecycle shared between SAP and customer

Extended Services

Optional services for customers

Potential candidates: tenant deployment on dedicated system, flexible upgrade cycles, extensibility enhancements, partner solutions

Cloud Qualities

- Must-have Cloud Enablement such as Roles & Authorizations
- Web-based access only (SAP Fiori and SAP GUI for HTML)
- SAP-managed software lifecycle (1-2 upgrades per year)

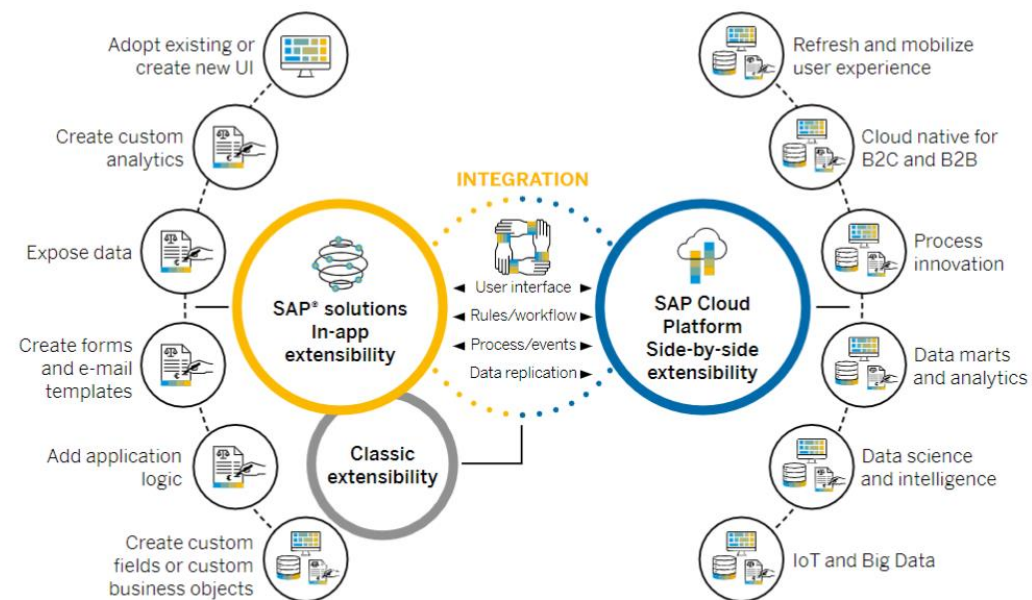
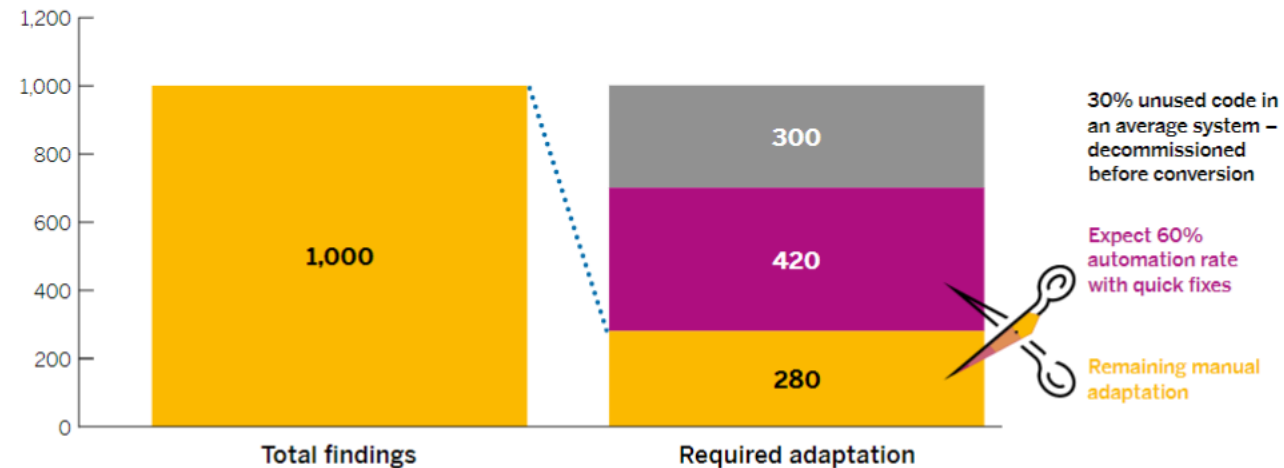
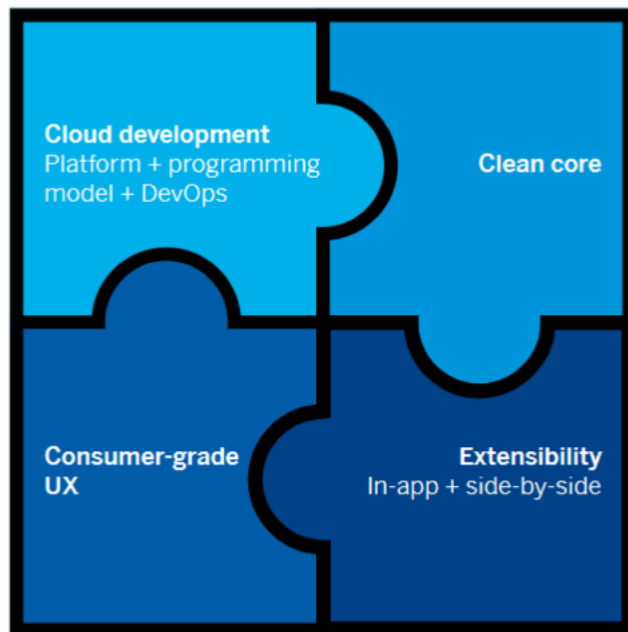
Why do we still have 2 alternatives?

- The complexity and functionality required from customers defines **the cloud qualities** required
 - Essentials – cheaper to run/maintain → less flexibility delivered
 - Extended – a bit more expensive to run/maintain → more flexibility delivered
 - Key functionality → Extensibility
- SAP shifts to talk about SAP S/4HANA Cloud
 - Focus on outcome vs technology/delivery
 - Material number is a consequence later in the stage of decision (hence Extended or Essentials)
- BUT
 - I already have an SAP ERP running → what about the MOVE?
 - Greenfield is easy – but when I want to bring forward my configuration and customized processes



S/4HANA Cloud, STE /Extended Edition Extensions

<https://www.sap.com/documents/2020/03/ceeea71f-8a7d-0010-87a3-c30de2ffd8ff.html>



Extensibility Examples

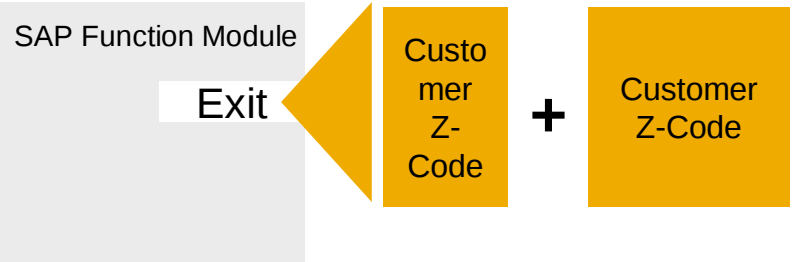
DO

DON'T

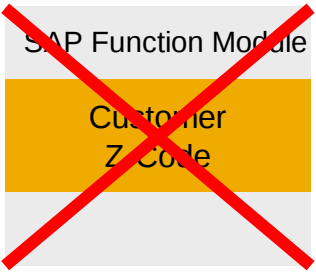
SAP Source Code

Customer Enhancements

Function Modules

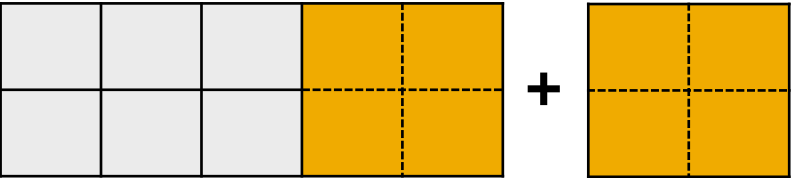


Use Pre-defined BADIs (user exits) or add separate coding

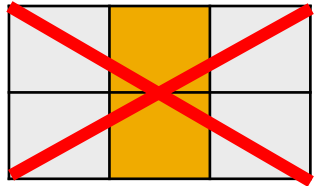


Don't change SAP coding

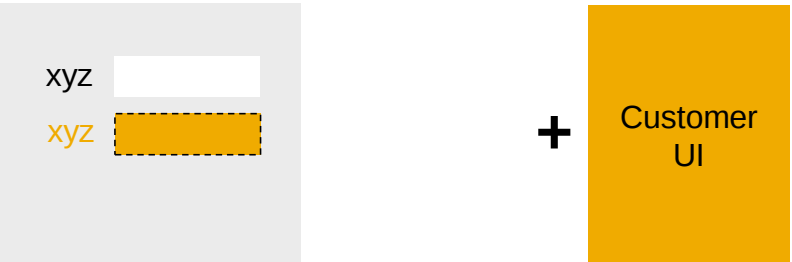
Tables



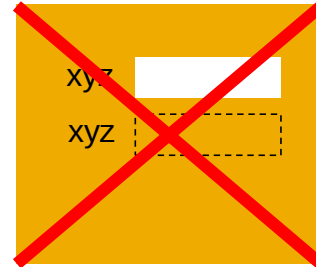
Use Pre-defined Table Extensibility or add additional tables



Don't change or copy+replace SAP table



Use Pre-defined User Interface Extensibility to add fields and change text or add new UIs



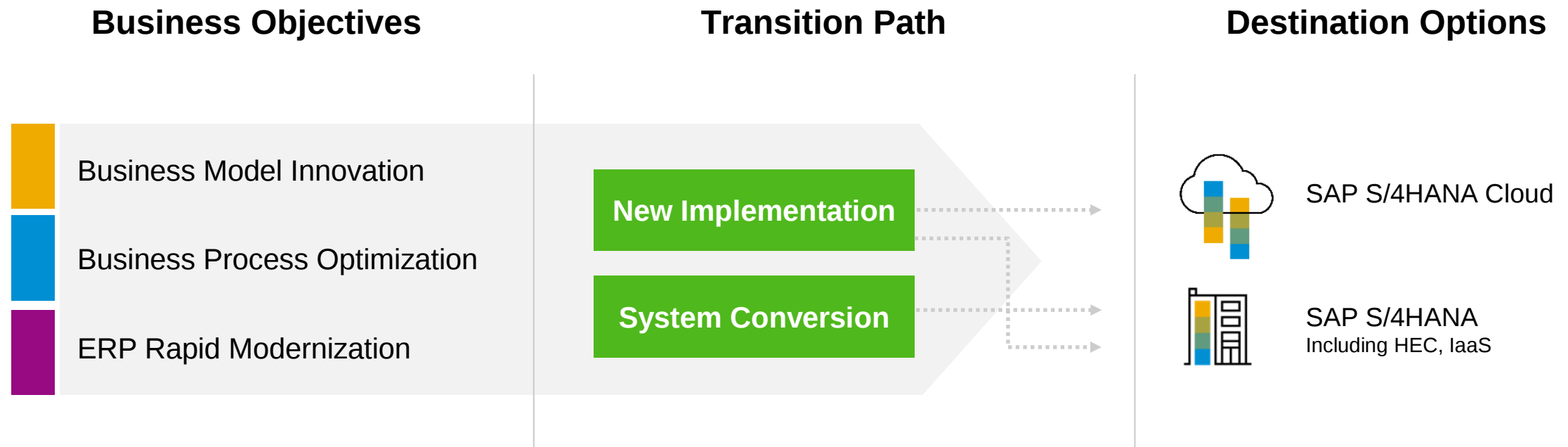
Don't change or copy+replace SAP User interfaces

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Consider your Options to Go to SAP S/4HANA

Match your business objectives to possible transition paths and destinations



Note: For a limited number of customers, with more complex environments and a high number of instances, a “Selective Data Transition” can be considered

Accelerators and Tools



Define your strategy

Plan the engagement and get executive buy-in

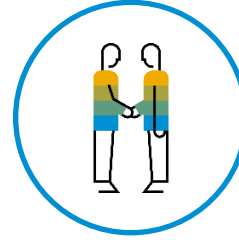
- SAP Business Value Advisor ([link](#))
- SAP S/4HANA Industry & LoB Value Whitepapers ([link](#))
- SAP S/4HANA Customer Success Flipbook ([link](#))
- SAP S/4HANA Digital Concierge ([link](#))
- SAP Best Practice Explorer ([link](#))
- Practical SAP S/4HANA Adoption Guide ([link](#))
- Top reasons to move to SAP S/4HANA ([link](#))
- SAP S/4HANA Manifesto ([link](#))



Make the case

Where and how will we realize our ROI?

- SAP Transformation Navigator ([link](#))
- SAP Readiness Check for S/4HANA ([link](#))
- Business Scenario Recommendation ([link](#))
- SAP Innovation Discovery Tool ([link](#))
- Next Generation Benchmarking and Value Manager ([internal link](#))
- SAP S/4HANA Adoption Starter Engagement ([link](#))
- SAP S/4HANA Manifesto ([link](#))



Consider the options

What is our plan for deployment?

- SAP S/4HANA Product Roadmaps ([link](#))
- SAP Best Practices Explorer ([link](#))
- SAP Fiori Apps Library ([link](#))
- SAP S/4HANA Manifesto ([link](#))



Deliver your future

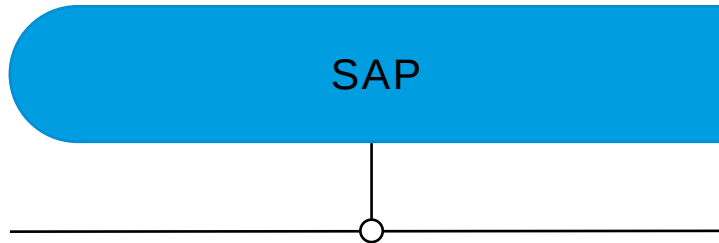
Which best practices ensure success?

- Custom Code Adaptation
[ABAP Test Cockpit](#)
- Improved Data Migration
[S/4HANA Migration Cockpit](#)
- Reduced integration efforts
[Integration Content Advisor](#)
- Downtime Optimized Conversion
[Software Update Manager](#)
- SAP Readiness Check for S/4HANA ([link](#))
- SAP Model Company ([link](#))
- SAP Value Assurance ([link](#))
- SAP Advanced Deployment ([link](#))
- SAP S/4HANA Manifesto ([link](#))

Engagement Options – Your Choice

SAP services and accelerators drive customer success from SAP-led to Partner-led engagements (recommended)

TURNKEY DEPLOYMENT BY SAP



SAP Advanced Deployment with SAP Model Company

- Maximum acceleration: 50% reduction of delivery time and 30% reduction of custom developments with SAP Model Company*
- Turn-key delivery by SAP
- Factory services with defined outcomes
- Next-practices and SAP Leonardo embedded

*) for more details visit the [customer survey](#) by an independent consulting firm

PARTNER-LED DEPLOYMENT



Integrated Delivery Framework with SAP Value Assurance and SAP Model Company

- Agreed responsibilities and delivery methodologies between SAP & Partner how does it work
- SAP to safeguard business value with safeguarding from Value Assurance
- SAP Model Company* Services to ensure fit-to-standard deployment
- Leverage deep domain expertise, deployment accelerators and methods of Global Strategic Service Partners

Recommended

Accelerate

Efficiency in deployment project

Safeguard

Safeguard the business value

Reduce TCI with intelligent tools

Contained risks, proven mitigation



The Embrace Initiative: SAP and Microsoft

Accelerating the Intelligent Enterprise



Technical Deployment $\neq$ Customer Success

LESS THAN
%40

“of firms met or exceeded
migration and run cost
goals”

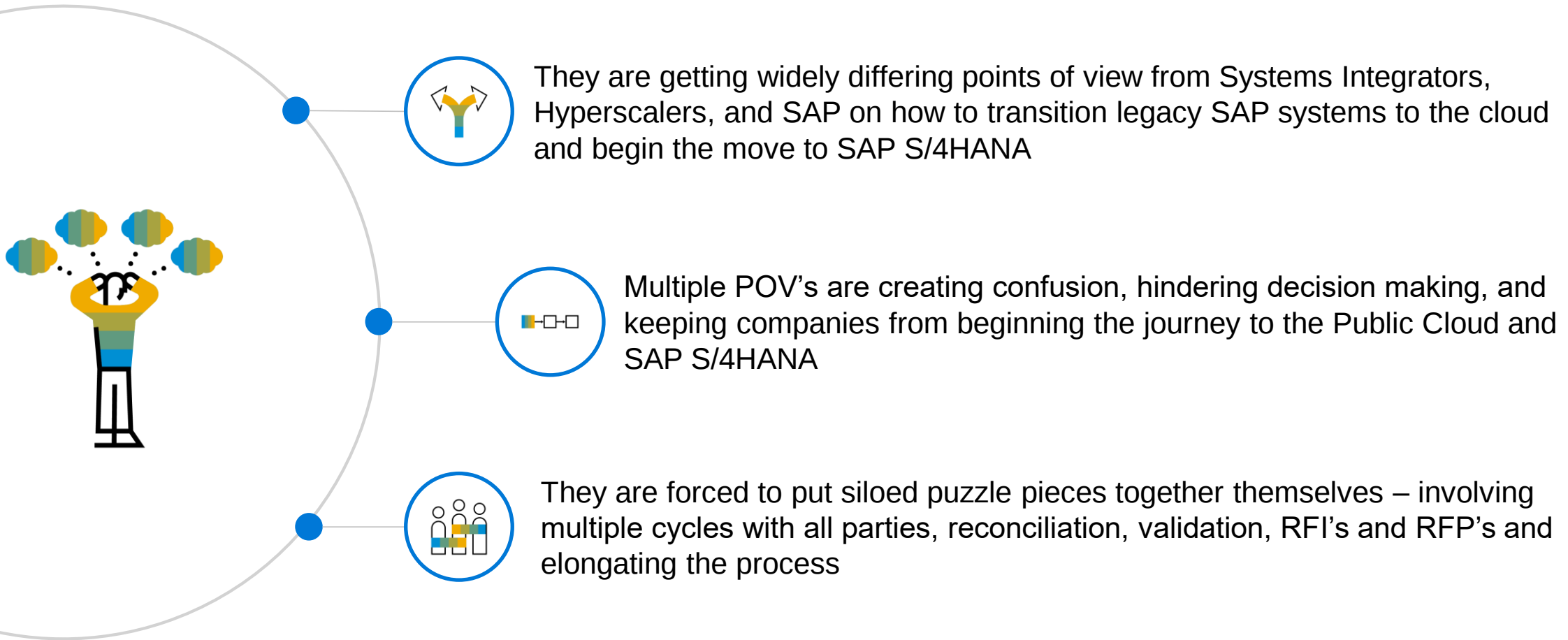
%43

“considered their most
recent migration to the cloud
was a success”

- **Widely differing opinions** from SI's, Hyperscalers, and SAP on how to transition to the cloud
- **No mutually agreed upon reference architecture** between stakeholders to blueprint the journey
- **Difficult to safeguard** success across the application and technical layers

Source: <https://www.skyhighnetworks.com/cloud-security-blog/microsoft-azure-closes-iaas-adoption-gap-with-amazon-aws/>
and SAP Internal Global Hyperscaler Survey – Oct. 2018
“Due Diligence is the Cornerstone of Public Cloud Migration Success” by Forrester

Journey to SAP S/4HANA – Customers want to move, *but....*



Customers need clarity and a prescriptive harmonized set of recommendations, leveraging industry best practices, and jointly backed by their strategic partners

Introducing The Embrace Initiative

A strategic alliance between SAP and Microsoft, to simplify and accelerate a customer's journey to SAP S/4HANA on Microsoft Azure



Simplify

Move with confidence to SAP S/4HANA on Microsoft Azure, leveraging a consistent approach that reduces complexity and mitigates risk.



Accelerate

Become an agile, efficient, digital enterprise on Microsoft Azure, with a cloud platform optimized for SAP solutions, leveraging shared industry-leading best practices and specialist expertise.



Innovate

Transform and evolve your business with continuous innovation from SAP and Microsoft to create new opportunities and drive growth.

The Embrace Initiative – Foundations, Investments, & Services

MARKET APPROVED JOURNEYS

Jointly created roadmap for SAP S/4HANA and other SAP solutions, by industry

Leveraging specialist expertise and best practices

REFERENCE ARCHITECTURE

Jointly developed technical blueprint

Incorporates the required SAP and Microsoft Azure technologies to run the customer's applications

EMBRACE ENGAGEMENT AND SERVICES

A Catalyst and Actionable Plan

Assessment and discovery bringing together the customer, SAP, Microsoft Azure, and System Integrators, along with a Services Plan for a successful lift and shift to the Intelligent Enterprise

The Embrace Initiative



OPTIMIZED PLATFORM

Foundational services delivering continuous innovation on SAP Cloud Platform

Integration and extension of SAP solutions and third-party applications, running on Microsoft Azure cloud

SUMMARY / CLOSING

- ERP software supports complex customer processes (late to the Cloud arena)
- Key to SaaS Cloud movement → get your «core clean»
- Migration → Greenfield implementation – S/4HANA Cloud will fit most cases
- You can still get cloud benefits by moving S/4HANA AnyPremise to Cloud – same principles as above is valid
- SAP has developed and will provide more tools to automate migration to S/4HANA
 - MOVE process
 - EMBRACE
- Let's have a clear definition of what Cloud is and what we want to achieve
 - ☺

Thank you.

Contact information:

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 @bjkasin