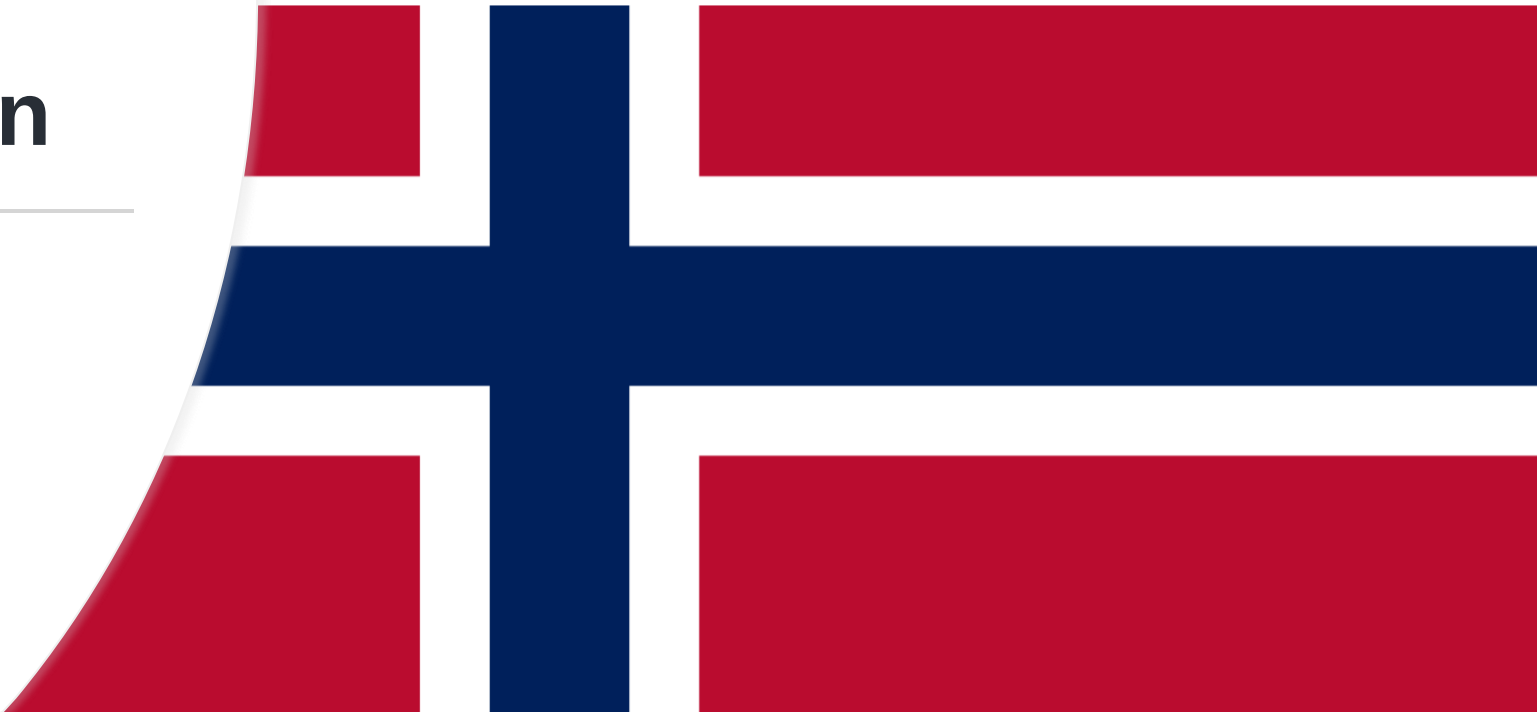


Westernacher

NONSTOP INNOVATION

The WHY, the WHAT and the HOW of **successful** Digital Transformation

SBN SAP S/4HANA Day
06.08.2022



Vita

20 years of consulting, program lead and management experience in strategy, processes and technology at various tech-companies like Siemens (2003-2007) and SAP (2010-2021).

In 2012 program manager for the first HANA implementation at a large enterprise customer and since then Customer Advisory Lead S/4HANA MEE and member of the GTM board.

Thought Leader and Keynote speaker at SAPNOW and SAPPHIRE and Trusted Advisor at C-Level for several DAX companies.

Founder and Host of the TOP10 global SAP Experts Podcast (2018-2021), with over 1. Mio. Downloads, author of publications at Digitalist Magazine, Forbes, Handelsblatt and CIO.

Since 2021 Vice President and Global Practice Lead for Intelligent Enterprise, Valuer and Innovation Consulting at Westernacher Consulting.



Alexander Greb

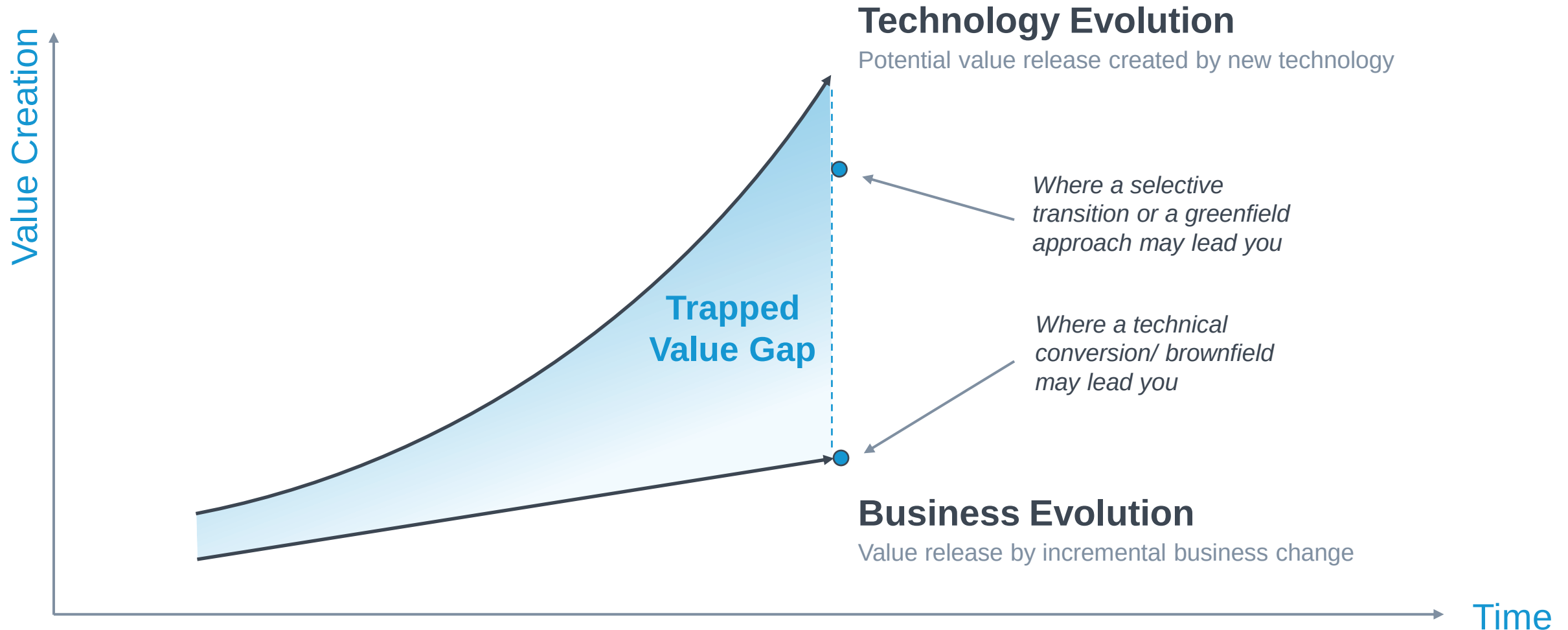
Vice President
Business Transformation and Intelligent Enterprise

Westernacher Consulting

Alexander.greb@westernacher.com

The Trapped Value Gap

Locked value because available technology is not implemented



1

THE WHY

The Need for Digital Transformation – done right!

2

THE WHAT

The Game-Changers on your Digital Transformation journey.

3

THE HOW

Bringing the horsepower of digitalization to the wheels!

1

THE WHY

The Need for Digital Transformation – done right!

- ⌵ Challenges 2022 & the need for optimized value-based digital transformation

2

THE WHAT

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THE HOW

Bringing the horsepower of digitalization to the wheels

The right approach

The Cellphone - Analogy

2005



2021



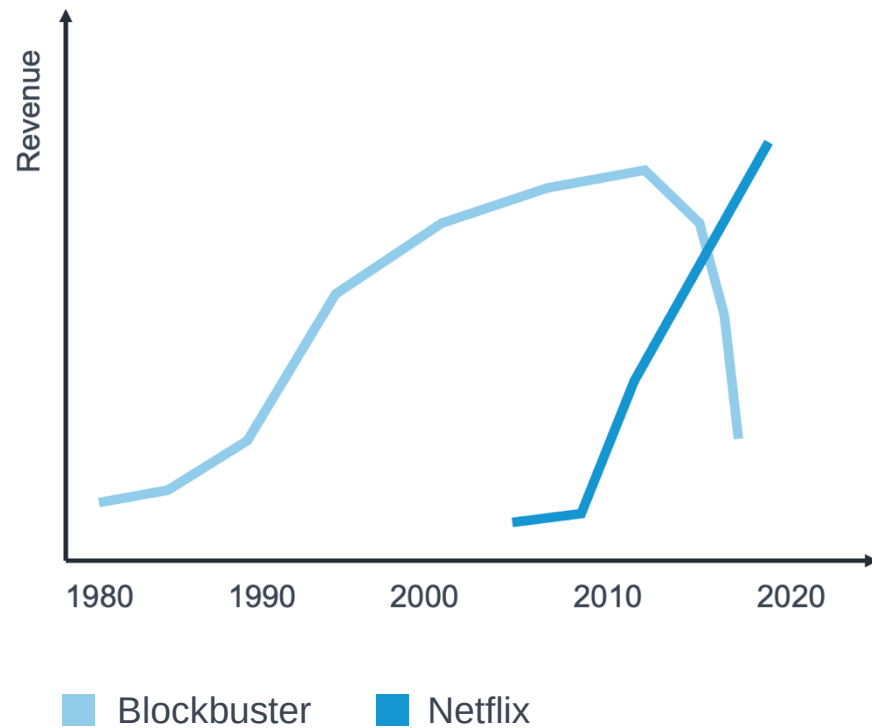
**“Embracing digitalization is
a must for enterprises
because disruption
approaches from all sides!”**

Wall Street Journal, 2019

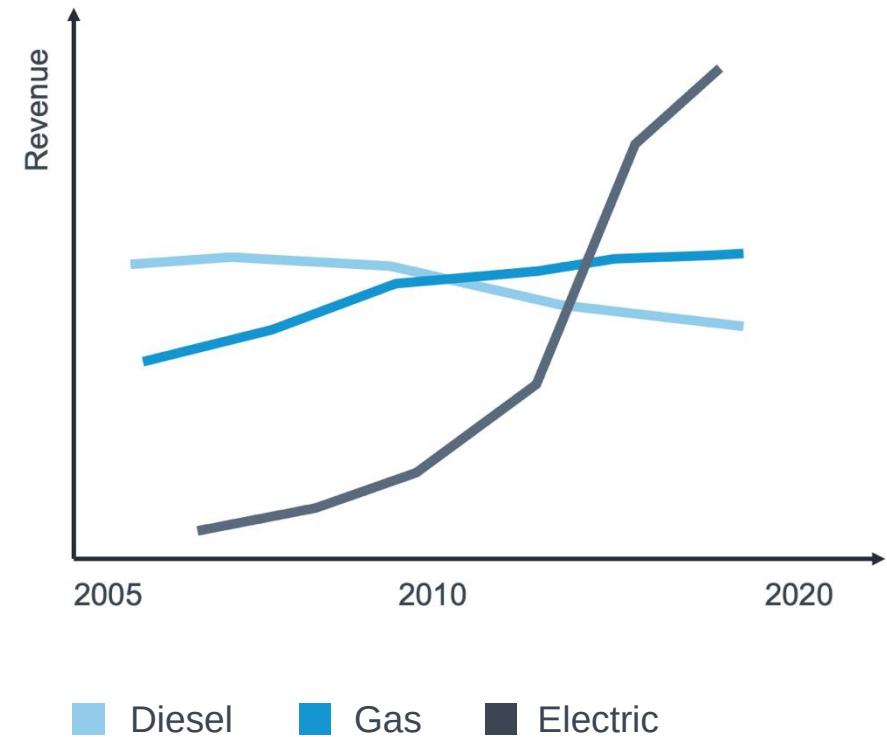
Disruption everywhere

Disruption can come from “big bangs” or simple compressions

Big bang disruption



Gradual disruption



Disruption everywhere

... but those issues keep you from excelling!

✓ Scattered information

Complex decision making

“Large global organizations have created so much complexity that businesses often struggle to bring good ideas to the marketplace profitably.”

(McKinsey, 2014)

✓ Batch orientation

Complex business processes

Large organizations can spend between 40% and 80% of their time on non-value-added activities

(BCG, Complexity Report)

10.2% or \$237B*

of profits lost by top 200 global companies due to hidden costs of complexity

*Global Simplicity Index, 2019

Disruption everywhere

The World is Changing

IoT

75bn

connected devices are expected by 2025, with a projected market value of \$1.1 trillion by 2026.

*Accenture, 2020

ROBOTIC PROCESS AUTOMATION

50%

of organizations will have **integrated RPA technology** by 2023 to interconnect applications and systems.

*Ventana Research, 2020

BUSINESS NETWORK

83%

of digital ecosystems involve **partners** from **four or more industries**.

*BCG, 2019

ARTIFICIAL INTELLIGENCE

69%

of routine work currently done by managers will be **fully automated** by 2024.

*Gartner, 2020

CUSTOMER EXPERIENCE

54%

US consumers say **customer experience** needs improvement.

*pwc, 2018

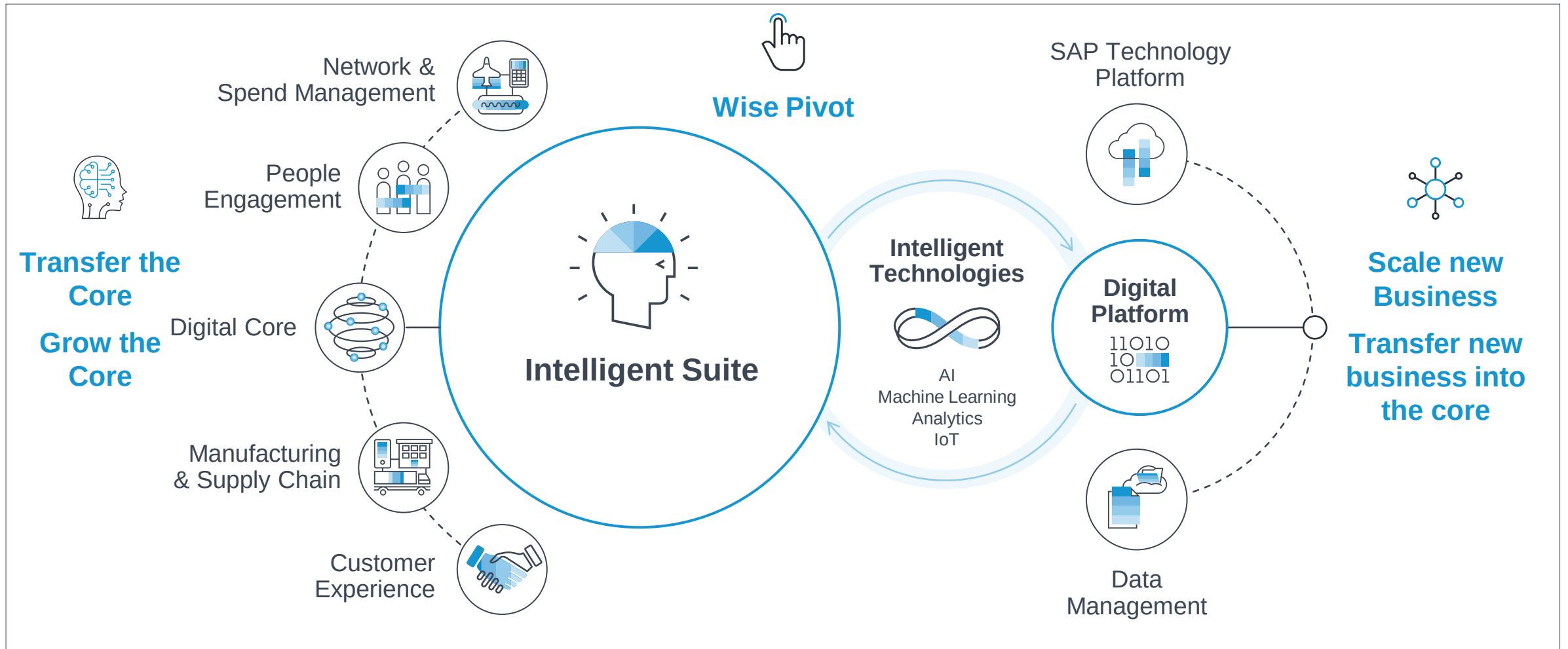
DIGITAL SUPPLY CHAINS

40%

Leaders in digital supply chain have more than 40% higher **operating margins** and at least 20% lower working capital.

* BCG, 2020

The vision of The intelligent enterprise



1

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- RISE with SAP - business transformation as a service offering

3

THE HOW

Bringing the horsepower of digitalization to the wheels

SAP's Vision for Our Customers: Run as an Intelligent Enterprise

✓ *Business*
COLLABORATION

✓ *Business*
PROCESSES

✓ *Business*
APPLICATIONS

✓ *Business*
TECHNOLOGY



BUSINESS PROCESS INTELLIGENCE

EXPERIENCE MANAGEMENT

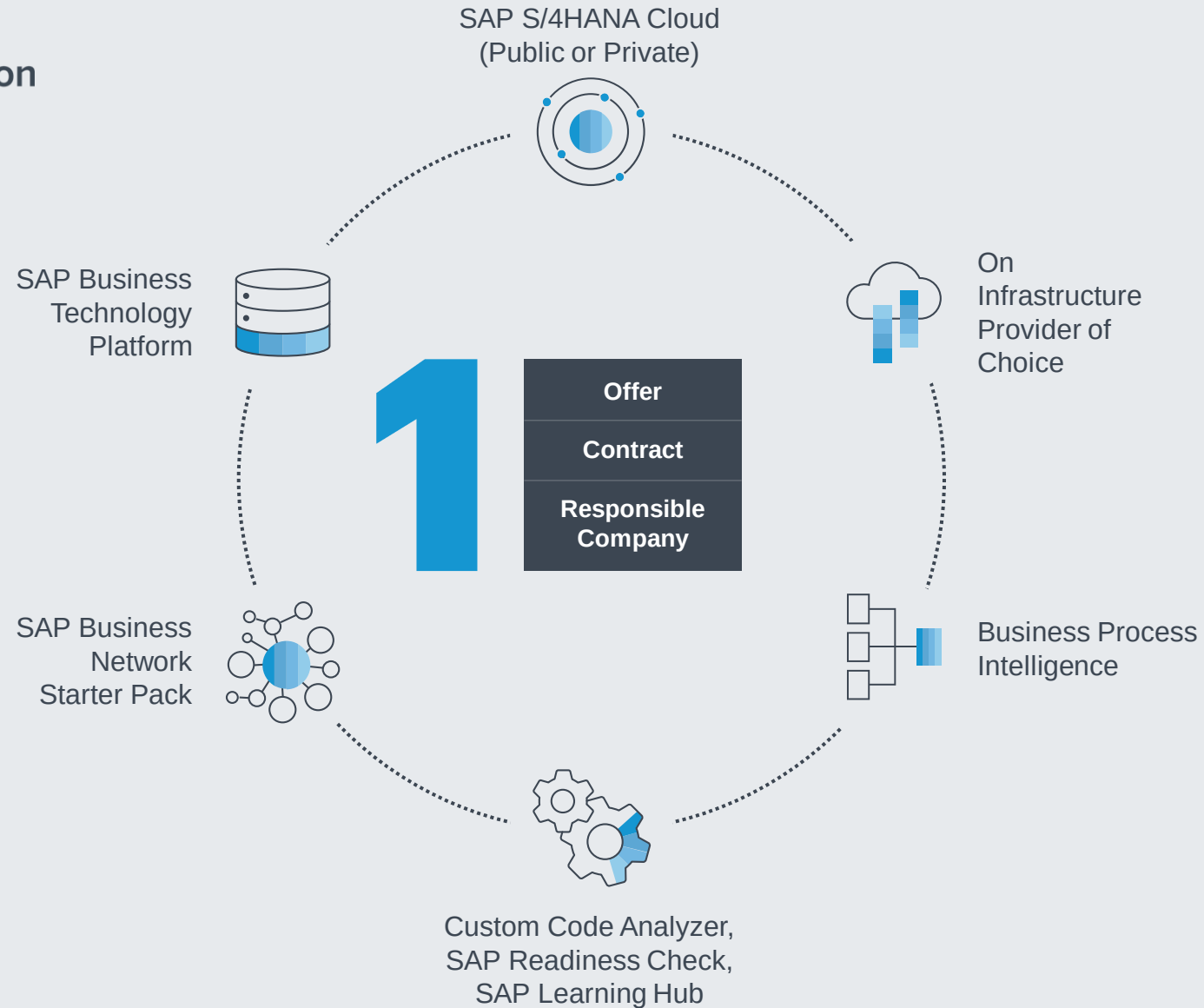


INTELLIGENT SUITE

INDUSTRY CLOUD

SUSTAINABILITY MANAGEMENT

BUSINESS TECHNOLOGY PLATFORM



RISE with SAP: What's really included?

All components included in RISE with SAP offering



SAP S/4HANA CLOUD
Deployment of choice

SAP S/4HANA Public
Cloud

or

SAP S/4HANA Private
Cloud



TOOLS & SERVICES



Embedded Services & Tools:

- ⌚ Readiness Check
- ⌚ Custom Code Migration App
- ⌚ Learning Hub

SAP BUSINESS TECHNOLOGY PLATFORM

Platform Services



Cloud Platform Enterprise Agreement Credits (CPEA)

Integration

- ⌚ API Management
- ⌚ Open Connectors

Extension

- ⌚ Individualization (The better place for Z-Coding)
- ⌚ Central Entry Point via Launch Pad
- ⌚ Automatization

SAP BUSINESS PROCESS INTELLIGENCE

Discovery Reports



- ⌚ Identify and implement business process improvements through process analysis
- ⌚ **Process Discovery** opportunities through Free Online One Time Report
- ⌚ Receive tailored Recommendation

SAP BUSINESS NETWORK

Starter Pack*



Ariba Network

- ⌚ Included: 2,000 documents

Asset Intelligence Network:

- ⌚ Included: 200 equipment, 2 connections, and 10 partner portal invitees

Logistics Business Network:

- ⌚ Included: 1000 documents and either (a) 1 Logistics Service Provider and one digital forwarder or (b) 2 Logistics Service Providers

RISE with SAP:

SAP S/4HANA Cloud based on customer's point of departure

SAP offering...

- A complete, modern, SaaS ERP solution with **full public cloud benefits**
- The **fastest path** to innovation and the lowest TCO
- A **clean Cloud ERP** solution without converting old/legacy ERP processes and configurations
- To reimagine business processes and take advantage of **standardized** best practices



SAP S/4HANA Cloud



SAP offering...

- A **rapid conversion** of their existing SAP ERP/ECC environments to a modern, Cloud-based architecture
- Full Enterprise Management scope as **subscription** and low TCO from **cloud economics**
- SaaS landscape at your **own pace**
- Full, extensive, ERP functionality including **partner add-ons** with the ability to extend and enhance



But...

Is this enough?

The great elements of RISE



- RISEwithSAP is a great, product-centric offering that helps to get a great starter-bundle for a Digital Transformation
- RISE will lower your TCO considerably
- RISE will provide you with top-notch solutions to move into the cloud and digitalize your enterprise

Where RISE can not help you



- RISE will lower your TCO, but leveraging the application/technological benefits and freeing trapped value is your task / the task of your implementation partner
- RISE will not keep you from doing strategical mistakes like:
 - Doing a lift without a shift
 - Seeing SAP S/4HANA as a technical initiative, instead of a business initiative.

The perfect combination



- Adopters still have to choose their implementation partner carefully to fully leverage the benefits of Enterprise Digitalization

1

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The Need for Digital Transformation – done right!

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The Game-Changers on your Digital Transformation journey.

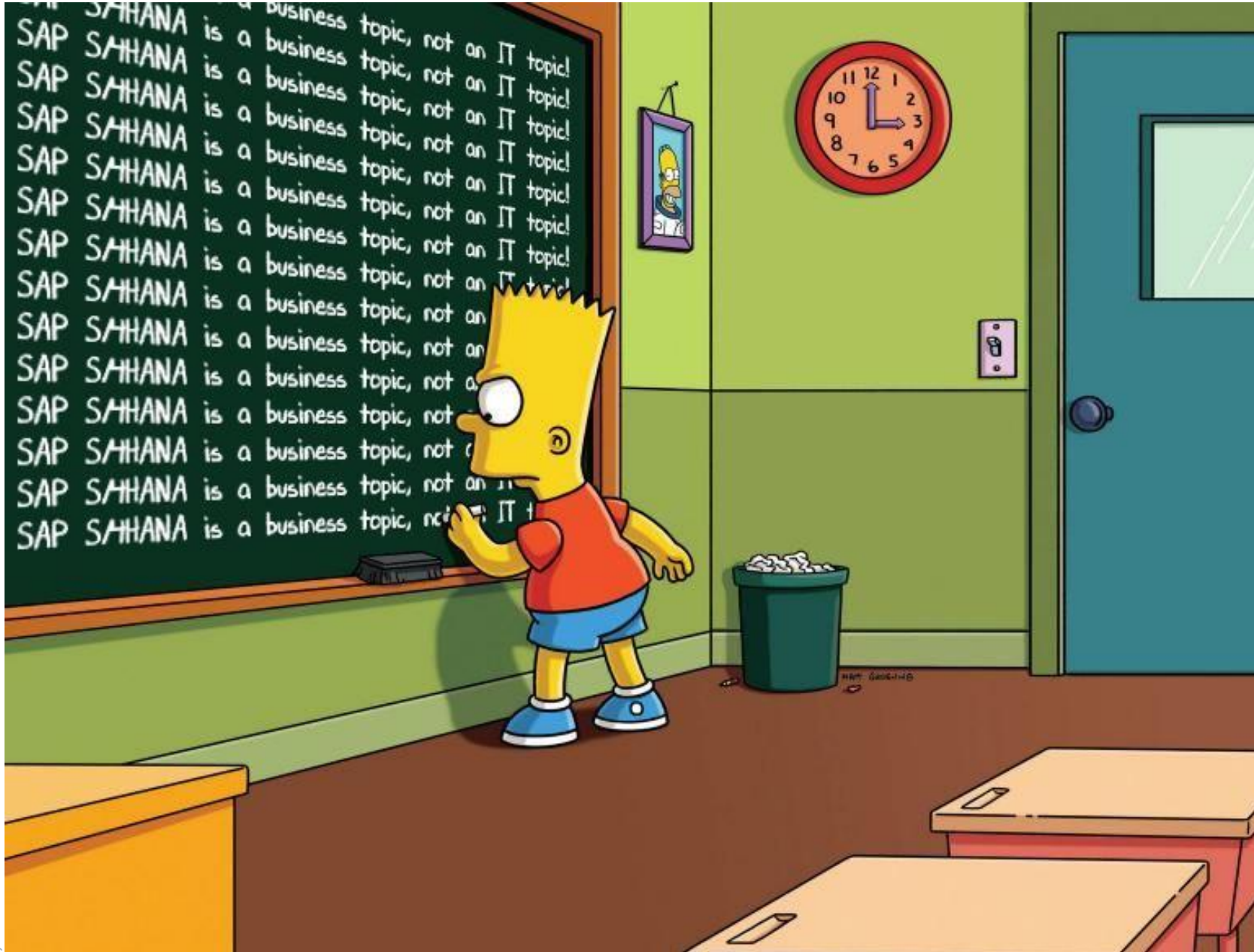
3

THE HOW

Bringing the horsepower of digitalization to the wheels

- The Best Practices of Best-in-Class SAP S/4HANA adopters

What is left to say ...



**“They have the right
mindset at the
approach”**

The right approach

The Cellphone - Analogy

2005



2021



1 They put their strategy in the center

And follow the right approach mindset



Have a forward-looking discussion!

Discuss about your **strategy and the way Digitalization can help to achieve it**, not about the differences between SAP S/4HANA and ECC



Talk to business C-Level about business!

Do not see IT department as the focus point – if you do it right, Digitalization is a business project, **so talk to business** about business



Keep it simple – avoid self-made complications!

SAP and Partners have packaged solutions that kickstart your Digitalization initiative. **Keep it simple.**

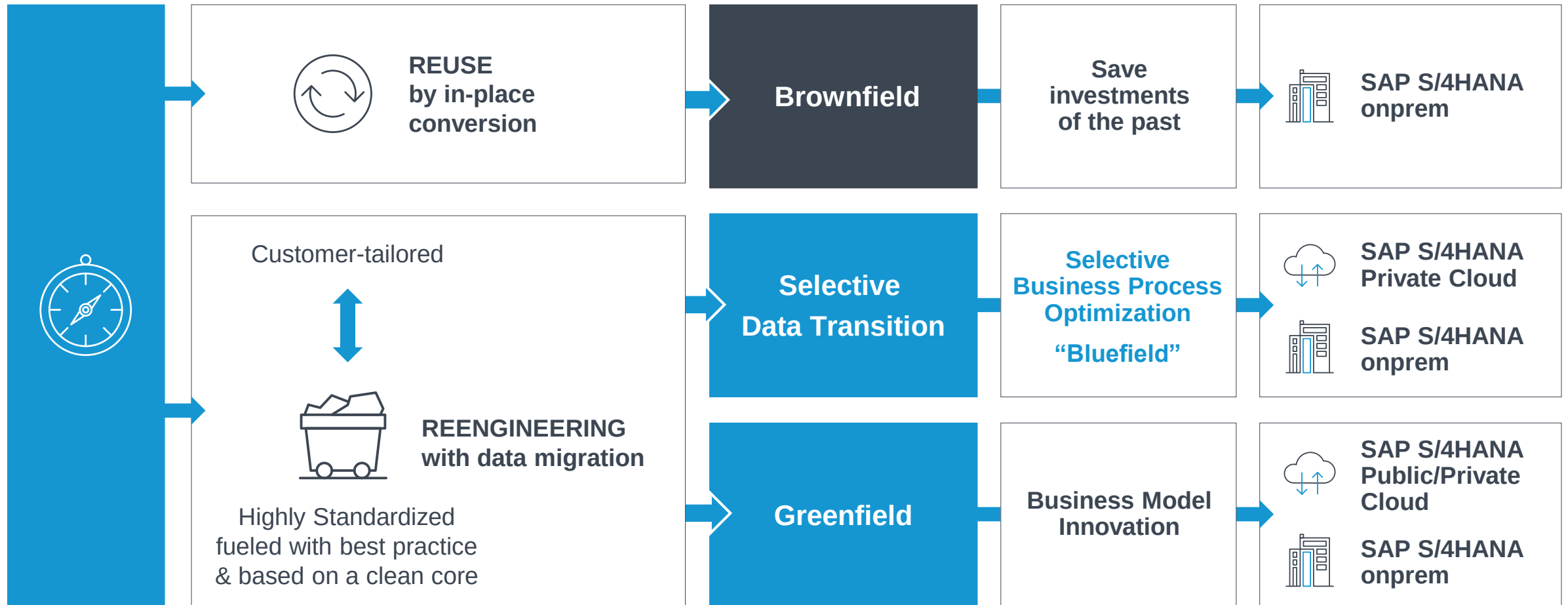
In other words:

Do not attempt to approach SAP S/4HANA the way you used to approach ECC.

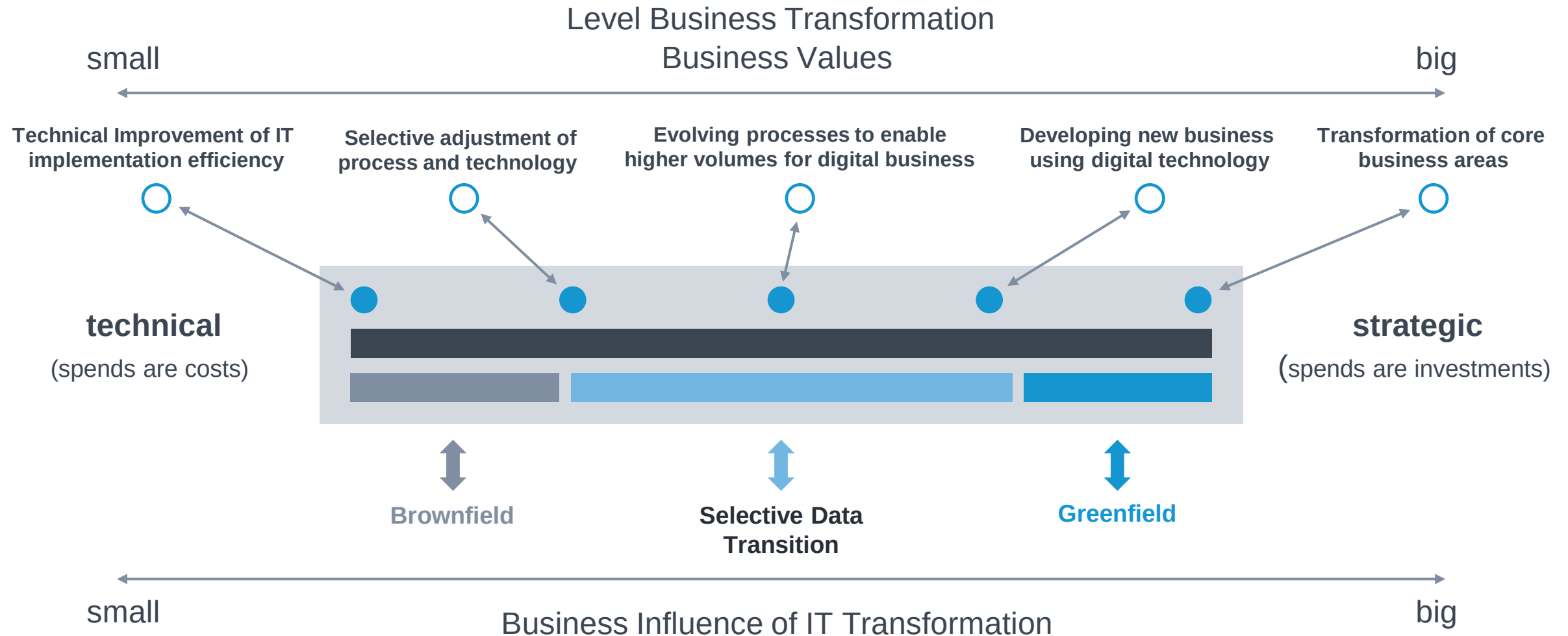
**“They choose the
right way to digitally
transform”**

Your path to SAP S/4HANA

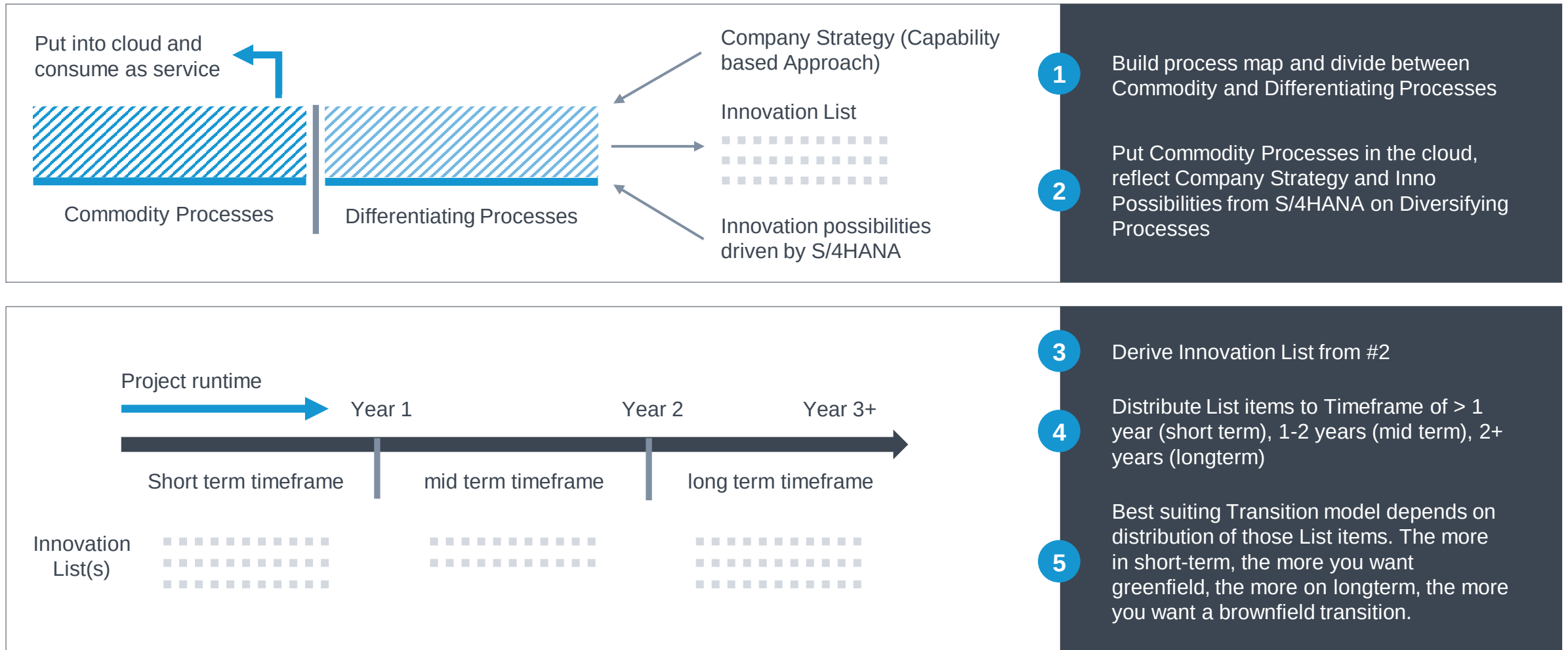
Three transition scenarios



Goals and Motivation of a SAP S/4HANA Transformation

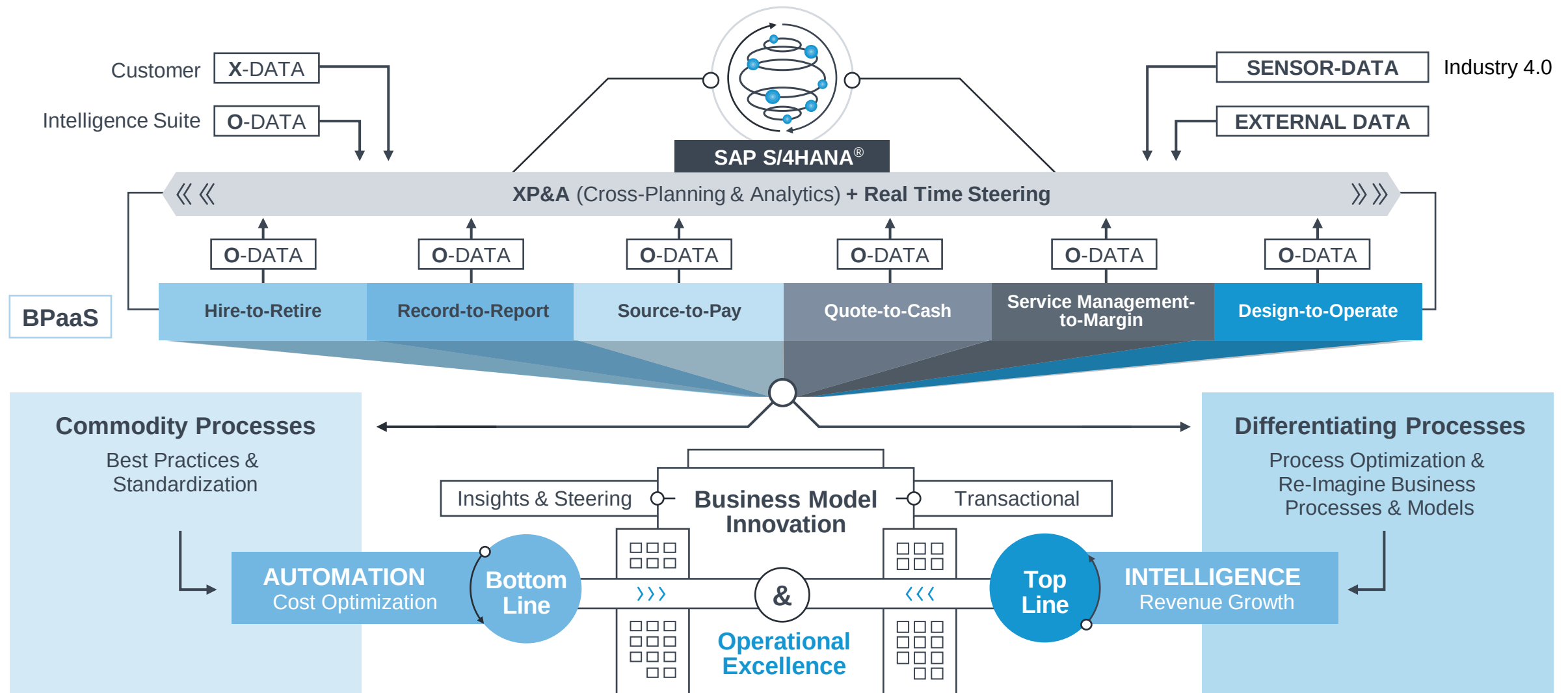


Best Practice Approach to find the right Transition Model



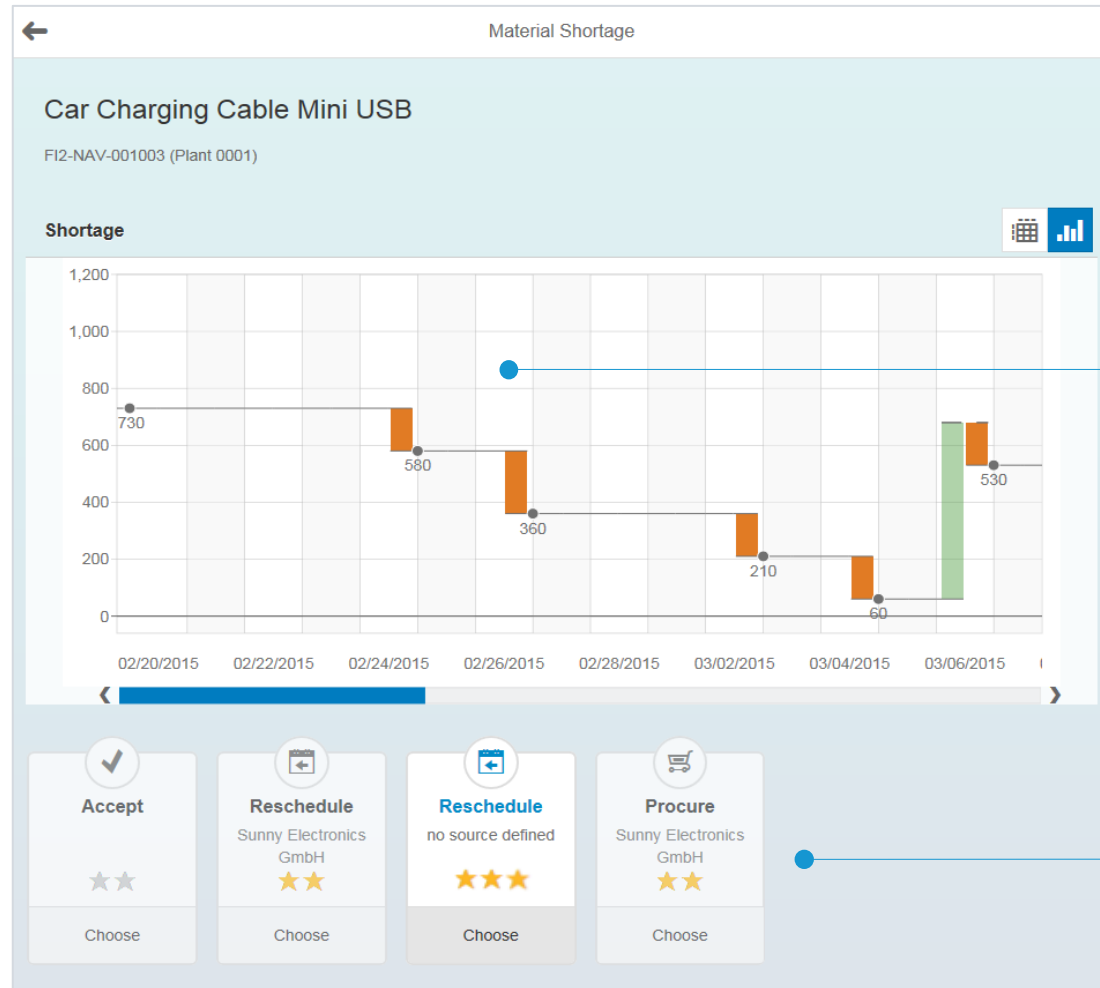
SAP S/4HANA:

Process Automation as Foundation for superior Experience



Key capabilities of a responsive design with SAP FIORI

Example: SAP S/4HANA Manufacturing



Simulation



Decision Support

Example for a capability:

“Insight to action”



Example:

Demand Driven MRP

Manage Buffer Levels

Standard *

Search

Editing Status: All

Proposal Status: ALL

Product:

Product Group:

Plant:

Procurement Type:

Value Indicator:

Lead Time Indicator:

Variability Indicator:

BOM Usage Indicator:

Max Stock Deviation: !=0

Adapt Filters (2) Go

Products (3) Standard

Product	Plant	Buffer Values	Red Zone	Yellow Zone	Green Zone	Buffer Level Overview	Variability	Decoupled Lead Time (Days)	Actions
☐ SemiFin_006_DD_2_DESC SEMIFIN_006_DD_2	1010 Plant 1 DE	Current	1.534 EA	0.533 EA	0.426 EA		Z (3.132)	E (1.00)	Adopted 7 days ago
☐ SemiFin_006_DD_1_DESC SEMIFIN_006_DD_1	1010 Plant 1 DE	Current	3.456 EA	1.2 EA	0.96 EA		Z (3.132)	E (1.00)	Adopt
		Proposed	1.728 EA	1.2 EA	0.96 EA		Z (3.132)	E (1.00)	Adjusted 7 days ago
		Change	-1.728 EA	0 EA	0 EA		0 %	0 %	
☐ SemiFin_006_DD_3_DESC SEMIFIN_006_DD_3	1010 Plant 1 DE	Current	1.535 EA	0.959 EA	0.298 EA		Z (3.132)	E (1.00)	Adopt
		Proposed	0.944 EA	0.426 EA	0.426 EA		Z (3.132)	E (1.00)	Adjusted 8 days ago
		Change	-0.591 EA	-0.533 EA	0.128 EA		0 %	0 %	

Value Generation

The logic behind value generation via Digital Transformation

The **Westernacher Digital Transformation methodology** aims at leveraging a maximum benefit of digitalization by an adopter of SAP solutions. To achieve that, we link the implementation initiative as close as possible at the customers strategy, challenges and potentials. SAP solutions deliver a maximum benefit when the purpose of their application is clear.



Step 1

Educate customer of context, SAP strategy, Best practices of Best in class SAP adopters and the mechanisms how SAP solution generate benefits for their adopters

→ Set the right mindset



Step 2

Build process map and separate commodity processes and differentiating processes

→ Process separation for preparing the right approach



Step 3

Identification of the biggest strategic goals/ challenges & input by Westernacher Industry PoV via Workshop

→ Define the purpose / goals



Step 4

Derive needed capabilities (= what do I have to be able to do to accomplish that?) for differentiating processes bases on strategic/ industry premises and technological benefits

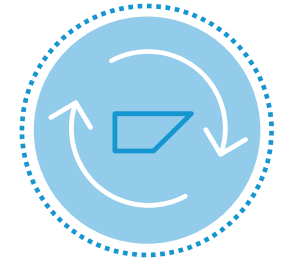
→ Define the necessary capabilities to reach goals



Step 5

Prioritize capabilities and build architecture of SAP applications that provide the features and functions that drive the identified capabilities needed to fulfill strategic / industry premises plus roadmap how to realize that

→ Build architecture and roadmap



Step 6

Deliver value by a best-in-class implementation

A **Capability** is a combination of features/ functions and technologies that are not abstract and enable customers implement their strategy and/or are most of the times things they were not able to do before.

Thank you!

Alexander Greb

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Digital Transformation

Westernacher Consulting

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