



S4 journey

(Project Sigma)

19.09.2022

Powering a green future

We are committed to develop and manage green, smart and profitable energy solutions

competent

responsible

innovative

Capacity

18 653 MW

70 TWh → **96%** renewable

Employees

4 800

USA



UNITED KINGDOM



IRELAND



THE NETHERLANDS



FRANCE



NORWAY



SWEDEN



FINLAND



GERMANY



POLAND



TURKEY



NEPAL



SPAIN



ITALY



CROATIA



ALBANIA



PERU



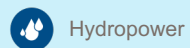
BRAZIL



CHILE



INDIA



Hydropower



Solar power



Wind power



District heating



Gas power



Bio power



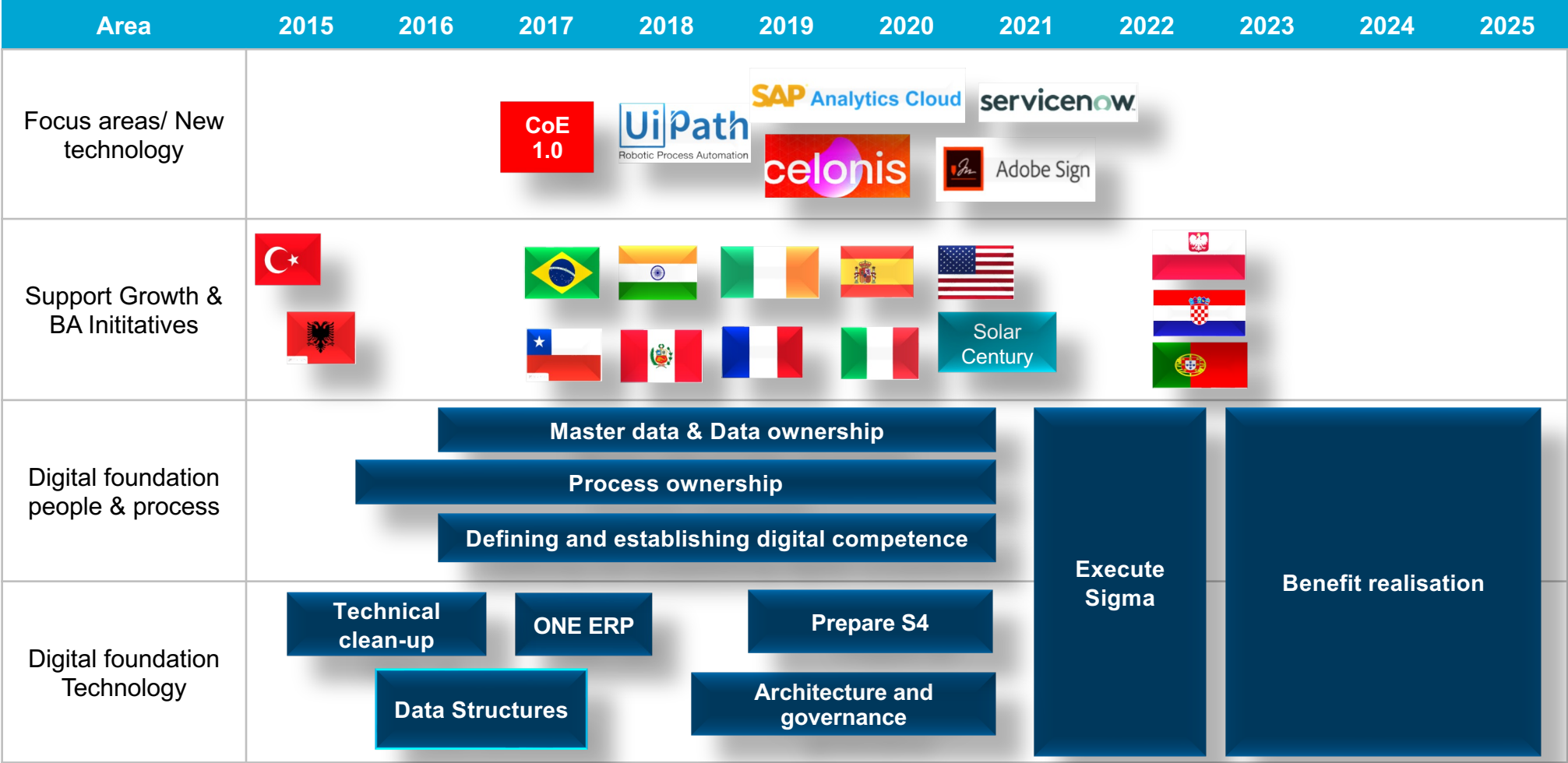
Market operations

Agenda

Preparation (building the digital foundation)

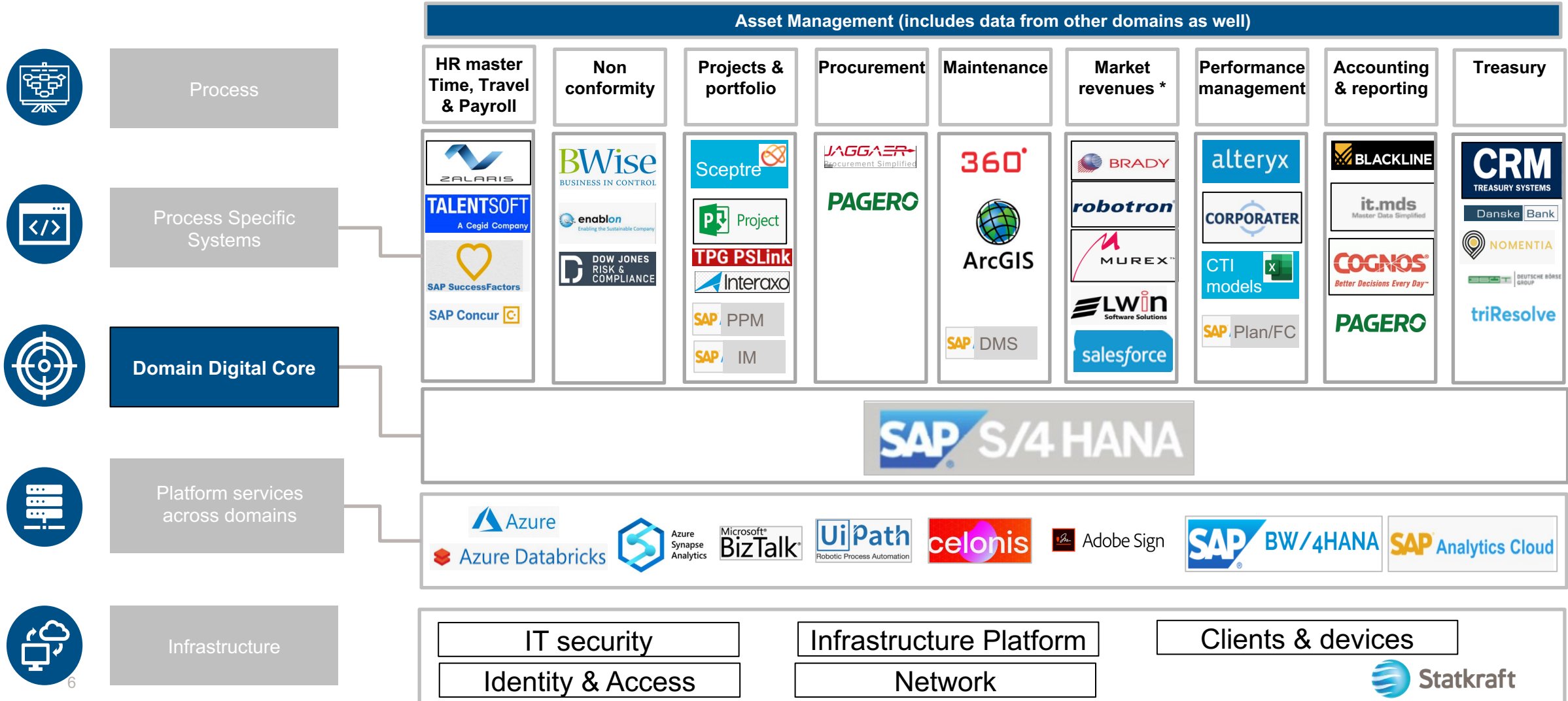
- Execution and lessons learned
- Next steps (benefit realisation)

Digital journey so far



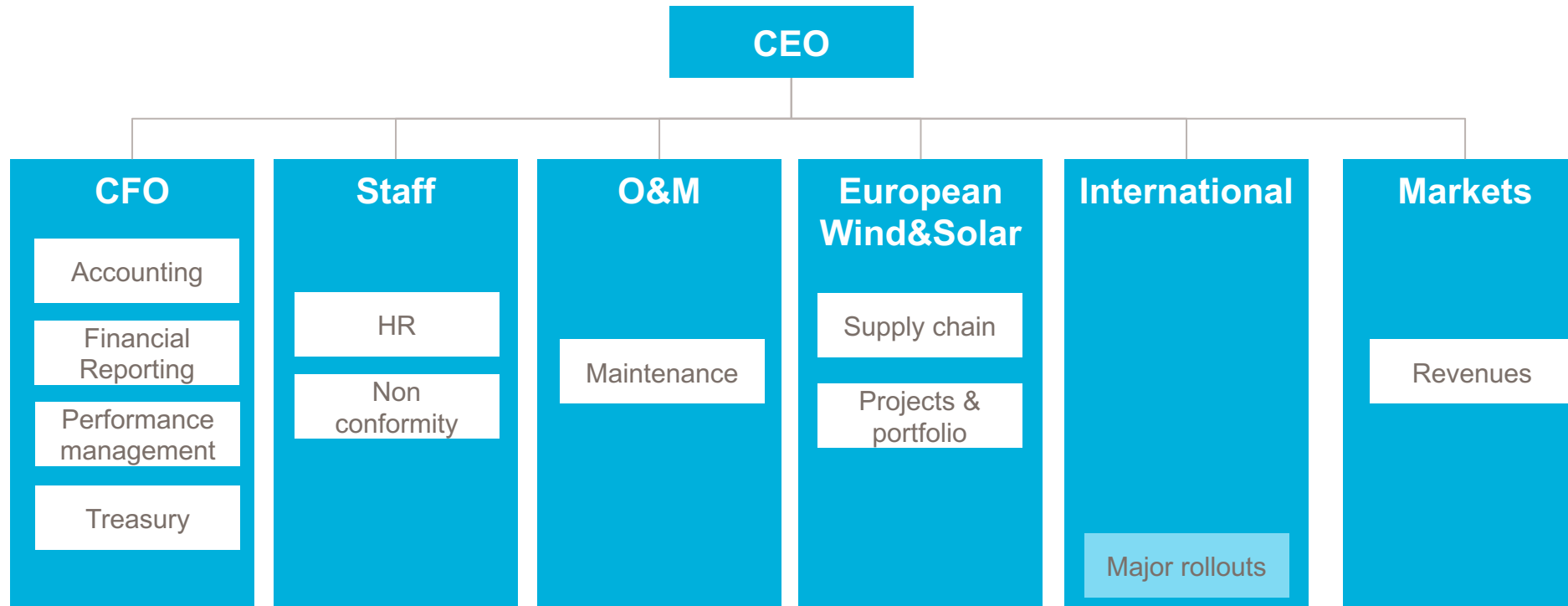
ERP domain

SAP S4 as Statkraft's digital core



Stakeholder management

Mobilizing Corporate management



Why now and Group impact

Today

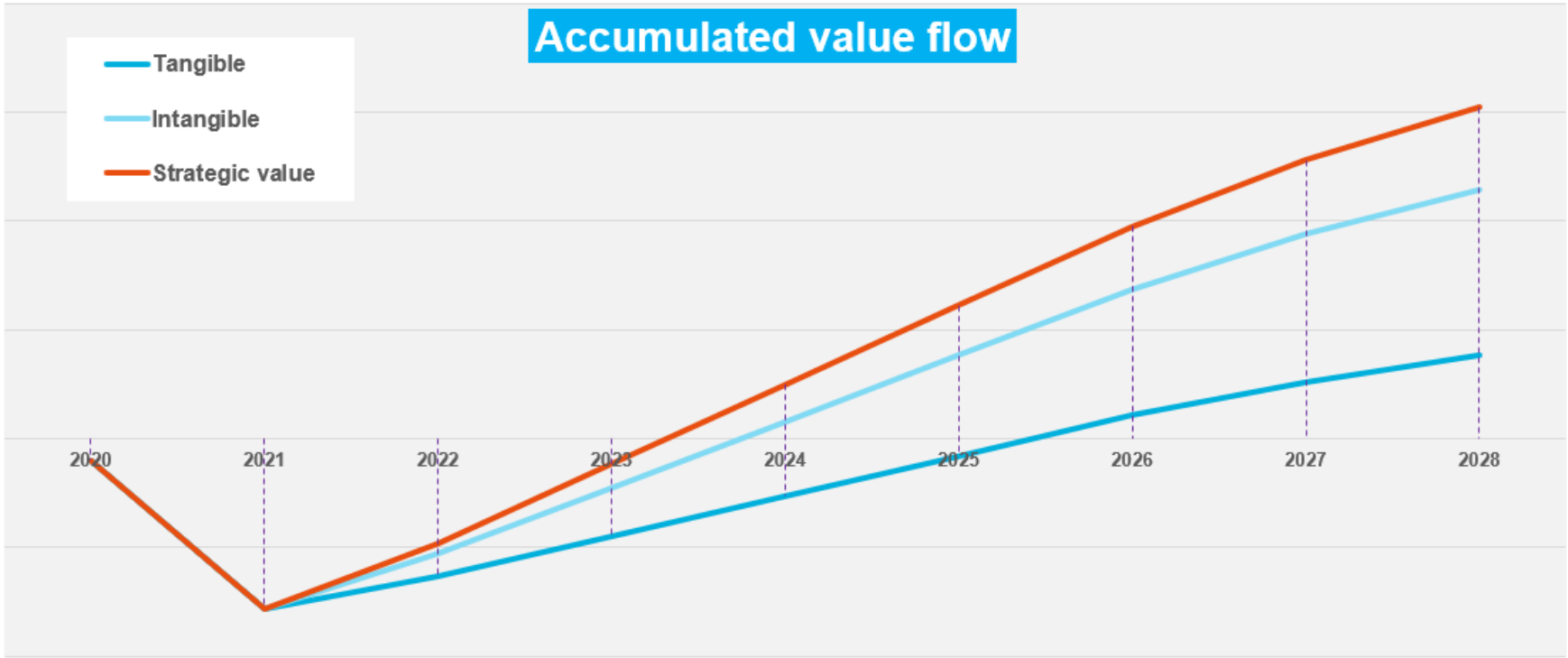
- Statkraft has **ONE ERP** covering all countries where we are operating based on a version implemented in 2001, and has, as our business has changed, adapted accordingly.
- **Functionality** in the current platform is very good.
- **Data model and governance** of the platform is acceptable. Compared to many other companies, Statkraft has not implemented too many company-specific customisations and fixes
- However, Statkraft's **ERP is from 2001** is lagging in many important areas which is compensated by developing interim-solutions.

WHY NOW?

- **Nearing End-of-Life:** Existing ERP software will no longer be supported by 2027(2030?). But more importantly no new functionality has been delivered to Statkraft's version since 2016.
- **Support our growth strategy out to 2025 and beyond :** Statkraft needs a platform which is enabling digitalisation i.e embedded functionality around self-service reporting, mobile access, machine learning, advanced analytics, artificial intelligence and real time data processing in order to enable **economies of scale**.
- **People:** Statkraft employees expect and deserves a modern user interface and user experience that is intuitive.



NPV Calculation

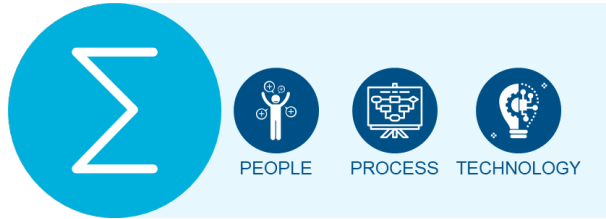


Agenda

- Preparation (building the digital foundation)

Execution and lessons learned

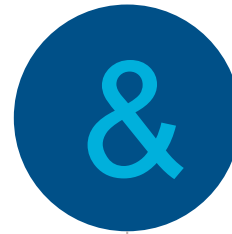
- Next steps (benefit realisation)



PEOPLE & PROCESS

Exploit and leverage new technologies and functionalities to improve the way we work and gain access to insight and data to make better decisions.

UPGRADE



IMPROVE

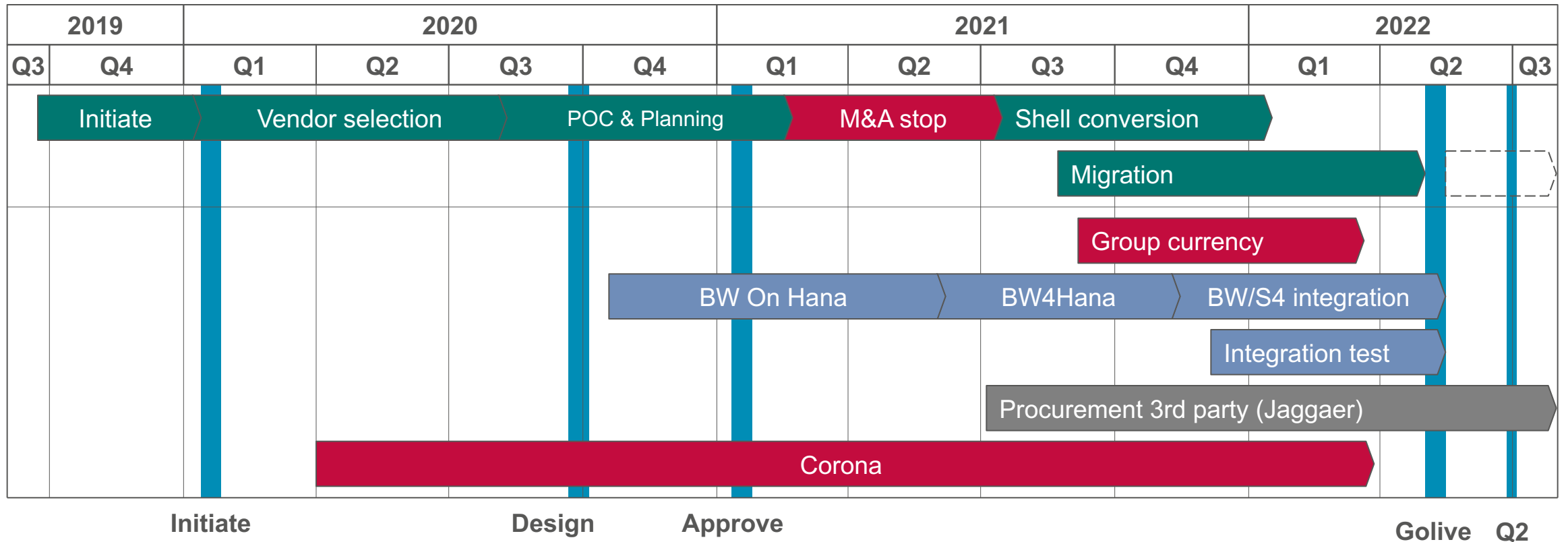
TECHNOLOGY

Perform a technical upgrade to the next generation SAP's digital core to give Statkraft new and improved tools to meet today's and tomorrow's needs. All data and transactions from today's version of SAP is moved to the new digital core during the upgrade process. Some new functionality is introduced.

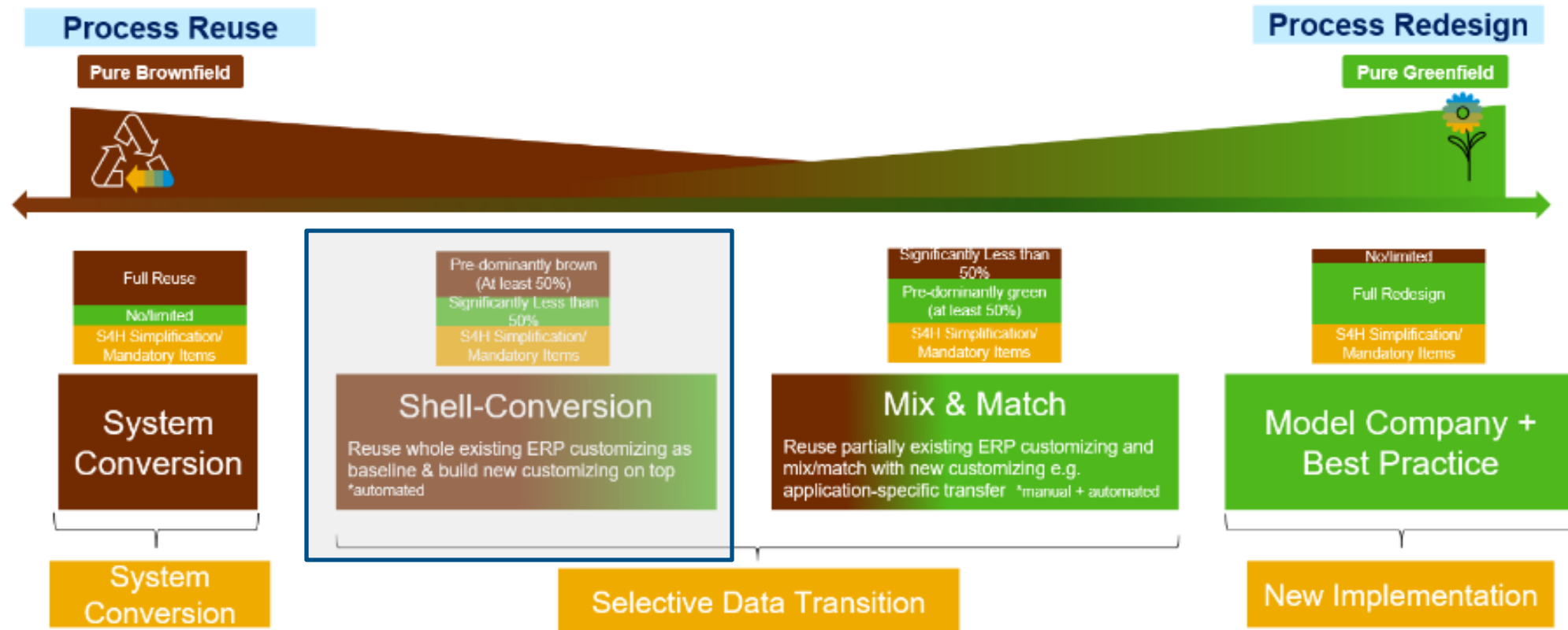
Transition from Upgrade to Improve

Learnings and insights from the upgrade phase will be used to close gaps, reduce risks and form plans in the improve phase.

Timeline



Convert, select & re-use or redesign...



Data Migration scope

Area	Key topics
General	Only “live” company codes and related organizational objects, within the <i>Time slice</i>
Time slice	Data from 01.01.2021
Finance	- Time slice - All open items
Business partner	- Time-slice, PO's and SO's - Merging Vendor and Customer when it's the same organization (CVI)
Purchasing & materials	- Time-slice + open orders newer than 3 years (PO's and SO's with lines not finally invoiced/closed newer than 01.01.2019) - All Materials
Maintenance	- Time-slice - All open work-orders - Completed work-orders older than the time-slice will be excluded from SAP scope, but included in a separate migration as historical workorders - All functional locations, measuring points, notifications
Projects	- Time-slice - All open projects will be migrated - All CO data included on migrated projects

Lessons learned

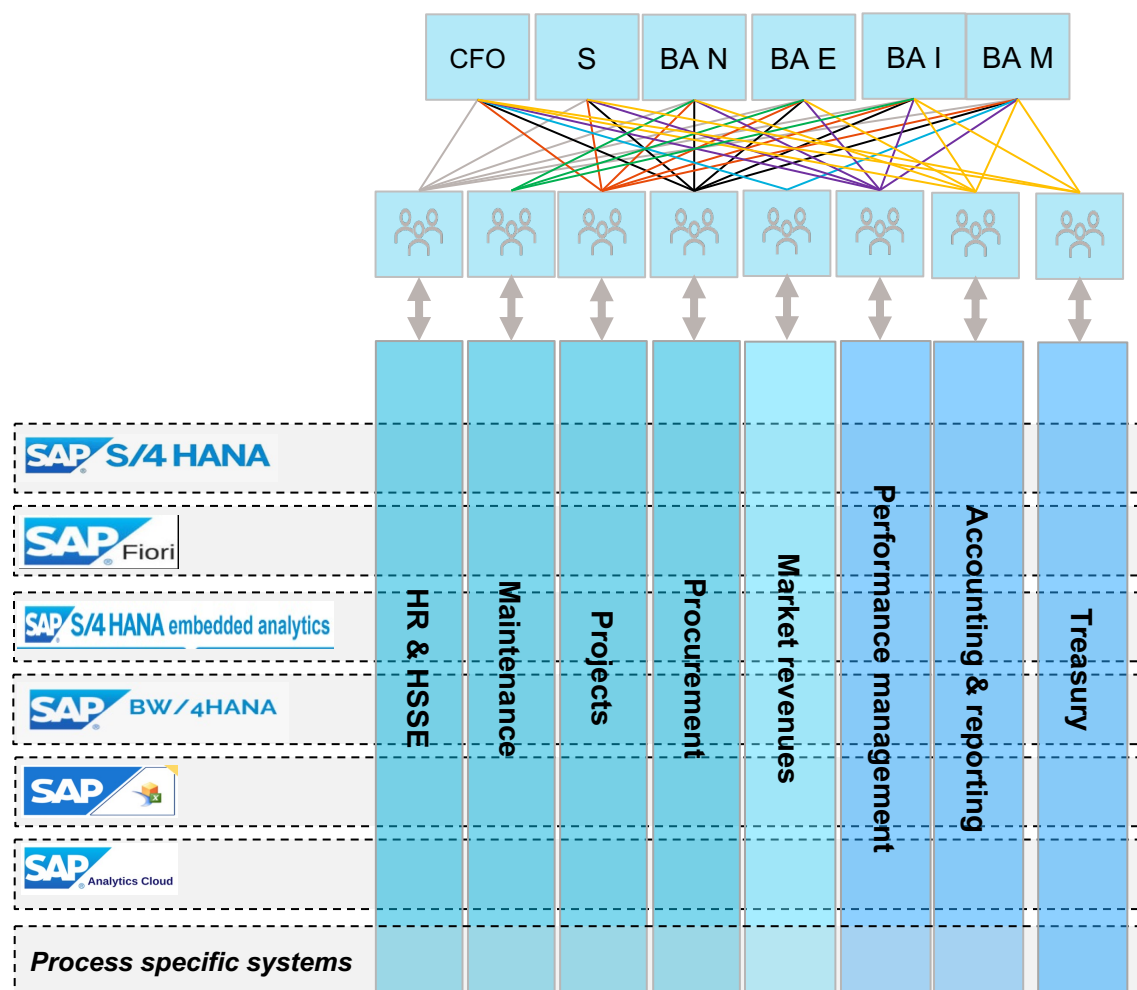
Area	Positive	Could do better/issues
General	- Competent team from Statkraft and SAP working well together - Project was delivered on time, with a slight over-run on cost and at a good quality even if reporting issues had to be handled after go-live - Strong focus on dead-lines and clear deliverables created the necessary “sense of urgency” to succeed - Project organization and management of the different teams and parties went smoothly without any conflicts worth mentioning - Test process and tools - SDT approach to clean up historic data	- Group currency conversion was not part of scope - at least not planned in the project - Complex system landscape, including source and target systems for migration, caused at times some confusion - Roles & Authorization changes in S/4 - Limited time for testing within timeframe - Project External communication
Business partner	Common BP #s across BP, customer & vendor	System landscape and timing of copies
Finance	Complex localization handled well by local resources	- Asset migration - Use of profit center accounting on ECC (classic GL + PCA)
Purchasing & materials	Ability to run 2 projects in parallel (Jagger and S4)	- Integration to Jaggaer more challenging then expected - Some issues related to workflow objects after go-live
Maintenance	- Clarity of migration scope - Increased knowledge on tools for UI/UX (Fiori vs Screen personas)	Expectations related to UI/UX after go-live not delivered
Projects	- Migration of open projects in addition to the time slice (new approach from SAP) - Closing old projects in ECC	Some delays and miscommunication with SAP (no dedicated Project resource)
Technical	- Complex system landscape handled very well - Integrations (125+)	Lack of attention to Statkraft’s custom developments during early stage

Agenda

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- Execution and lessons learned

Next steps (benefit realisation)

Roadmap : Optimizing the new technology for end users



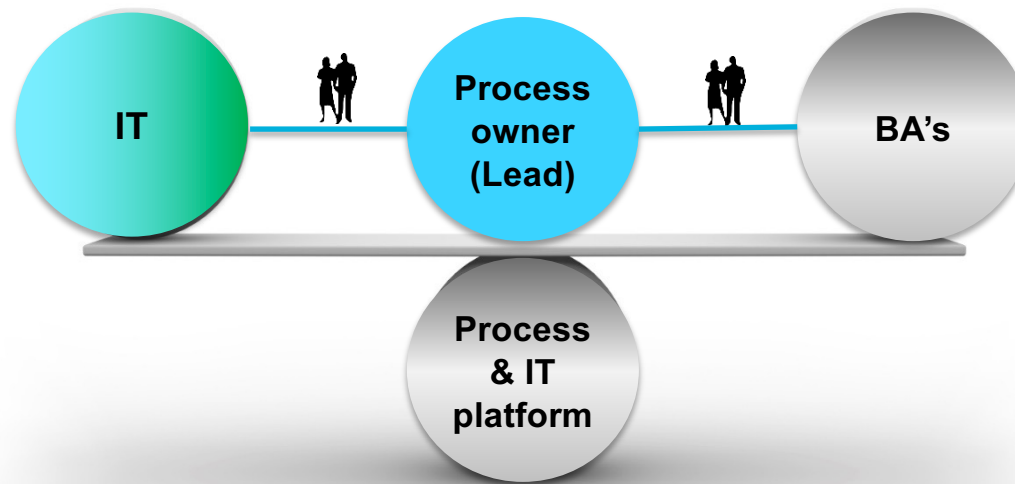
- Build competence on the total stack and understand possibilities (roadshow)
- Continuous improvement programs based on CoE teams **owned by the ERP strategy board members** based on a common methodology (Dev ops teams)
- Cross functional activities to be executed as projects if high complexity and **prioritized by ERP strategy board**.
- Gain learning both horizontally and vertically

Some key topics going forward

SAP Successfactor as our HCM core	Decided
Group consolidation system architecture	In process
Taxonomy and ESG reporting process & system architecture	In process
SAP BW/SAC vs Powerbi in ERP domain	Decided
SAP SAC as our core (driver based) planning and forecasting solution	Decided
Corporater integrated with SAC/BW for ERM/performance management	Decided
SAP intelligent asset management – in process	In process
Global project and portfolio toolbox	In process

The end game – roles and competence in balance

1. Described and agreed → 2017
2. Understood and built competence systematic over time → 2017-2022
3. Showed ability to execute → «proof of the pudding»



***WINNERS ARE
MADE OF BLOOD,
SWEAT & DATA***





THANK YOU



Statkraft
PURE ENERGY

www.statkraft.com