



The Config Team™
SAP Logistics Specialists

Industry Insight:
**Demystifying
S/4HANA Migration**





Ian Scott, our Sales Alliance Manager, discusses the benefits of implementing a phased approach to an SAP S/4HANA migration.

Ian has nearly 25 years of SAP experience and joined The Config Team in 2015, after spending 19 years with SAP as a consultant. He is a renowned expert in the field of SAP and the end-to-end supply chain. Ian has pioneered EWM First™, helping companies take their first step in making a smooth transition to S/4HANA.



Introduction

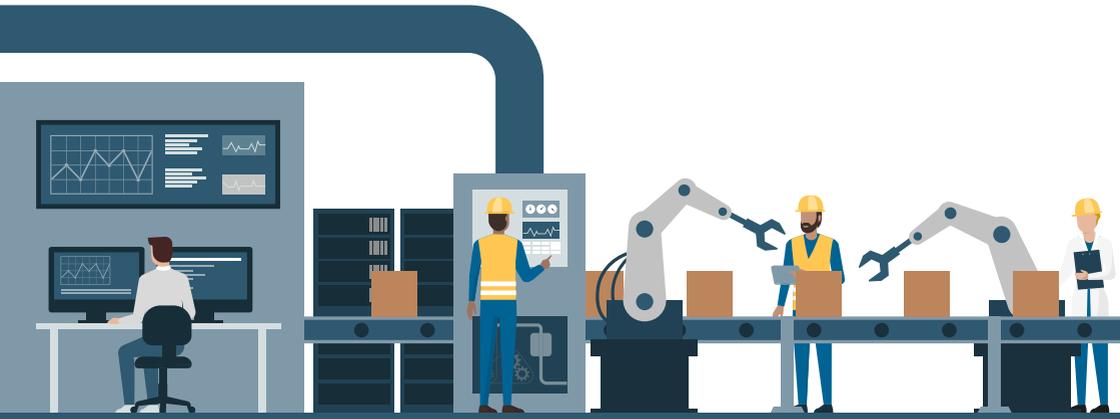
The move from an SAP ERP system, such as SAP ECC, to SAP's next generation S/4HANA business suite is an inevitable one, yet many companies are not yet considering the migration process.

All businesses will need to make the move to S/4HANA post 2027 when support ends, however starting that process now will ensure companies can move at their own pace, with a migration plan that works best for them.

S/4HANA Uptake

Uptake of the new solution has been steady to date, however with the announcement revealing SAP is extending support of its current ERP business solution to 2027, further migrations could be delayed.

A recent survey by the SAP User Group revealed that more than half (58%) of users are not planning to make the move to S/4HANA in the next two years. Companies cited the reasons for hesitation as concerns over cost, an unclear migration path and considerable change management requirements.



S/4HANA Benefits

The business benefits of S/4HANA are clear to see, as it introduces agility, innovation, simplicity and efficiency to business processes, while helping to facilitate digital transformation initiatives.

Developed to run on the SAP HANA platform, S/4HANA benefits from the platform's in-memory processing capabilities that deliver greater functionality, embedded analytics and faster delivery of insight across the entire ERP system. The noticeably faster page-loads and transaction processing result in increased productivity, improved employee engagement and enhanced customer experience.

Phased Migration

The enhanced features of S/4HANA alone offer great appeal, often the barrier to progression is the perceived enormity of the task. There is a common misconception that it is an 'all or nothing' project, when in fact a phased approach to migration is not just possible, but preferable.

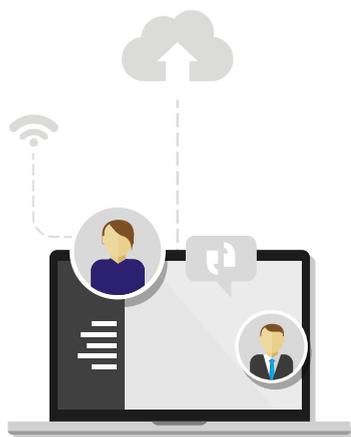
By moving individual elements separately it reduces risk and allows lessons to be learned for future migrations. Within the supply chain, the ideal first step to take is within the warehouse environment, as SAP is ending support of its WM (Warehouse Management) module in 2025. By transitioning to EWM (Extended Warehouse Management) on S/4HANA, and continuing to operate all other aspects of the business

on SAP ECC, it offers companies a lower risk and lower cost option than a full business transformation to S/4HANA.

Taking this approach allows the opportunity to learn and benefit from the S/4HANA technology now, in addition to understanding the cost implications involved, to influence decisions and processes for subsequent migrations.

Lifecycle Costs

An additional pain point revealed by users is the cost of the new solution. However, it is important not just to look at the initial cost outlay, but also the long-term cost savings that can be achieved as a result of moving onto S/4HANA. The enhanced functionality of S/4HANA, which enables more streamlined business operations for increased productivity and efficiency, contributes to a significant reduction in ongoing operational costs.



Deployment Options

It is important to consider the deployment options for S/4HANA, as it is often assumed the selected deployment needs to be implemented for the entire IT infrastructure. There are three main deployment options for S/4HANA; standalone on-premise server, private cloud and public cloud. The flexibility allows multiple SAP modules to be deployed in a hybrid configuration, enabling companies to select and control the SAP environment to deliver the optimal performance for each business function.

For example, SAP FI (Finance) could be hosted on the cloud, with EWM on a standalone server in the warehouse. Accounting requirements are, by the nature of the business, straightforward with minimal changes needed and so can benefit from the cost efficiencies of being hosted on the cloud. A warehouse can demand specific server requirements, in terms of performance, uptime and flexibility and so these need to be considered when choosing the most appropriate deployment option. Cloud deployments, for certain elements of SAP, will also eliminate some of the capital investment and offer more flexible operating costs.

Digital Transformation

SAP S/4HANA is more than simply a new solution for ERP systems, it is a way to drive digital transformation and build a foundation for future technological developments. Businesses that migrate to the solution will benefit from digitised business processes that can be easily integrated with the latest innovations in AI, IoT and blockchain technologies to improve business decision-making, operations and customer experience.

Streamlined Operation

Any major technology transition involves an element of risk, but it is important to minimise this and ensure businesses continue to operate effectively during the migration project. Those businesses that start to prepare for this change now, and adopt a phased approach to the migration, will stay one step ahead of competitors and already be reaping the rewards of a more streamlined operation by 2027.





Migrating With Us

SAP has developed a comprehensive set of tools to assist in the migration from SAP ECC to S/4HANA and The Config Team has enhanced this with further insight based on previous transformation experience. With a proven track record in S/4HANA migration, The Config Team has a robust process in place for managing the move, which is tailored to meet the requirements of each individual business to ensure a smooth transition.

We have developed EWM First™ as a low risk route to transitioning to S/4HANA. Rather than taking a 'big bang' approach, EWM First™ enables you to progressively move your supply chain to S/4HANA, starting with just one site, while continuing to operate other locations on your existing SAP ERP package. Adopting the EWM First™ route allows you to benefit from the new technology now, and learn from the implementation, at a lower risk and cost than a full business transformation project to S/4HANA.

For further information on the process of migrating to S/4HANA, or to discuss your specific business requirements, please contact The Config Team on 01625 557846 or visit theconfigteam.co.uk.



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