AVANTRA

SAP operations excellence and the journey to ERP modernization

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Introduction

The path to digital transformation is filled with complexities and challenges, especially when it involves transitioning critical ERP systems that underpin enterprise operations.

As SAP presses ahead with the 2027 deadline for customers to move to S/4HANA, many organizations are understandably concerned about executing expansive migrations without hampering productivity or uptime.

A consistent theme that emerges is that moving to S/4HANA requires more than just a technical upgrade - it needs a comprehensive overhaul of processes, mindsets and organizational structures. As multiple executives caution, trying to rush into a purely technical migration without adequately evaluating overall business impact, is a common mistake.

The report highlights that managing migrations seamlessly without disrupting operations, especially for large enterprises, remains a major apprehension. Prolonged downtime during transitions can severely impair industries where uptime is indispensable. For global organizations, the risks amplify if rollouts across regions are not strategically planned.

Several leaders rightly emphasize **meticulous planning, phased deployments and close collaboration with implementation partners** to mitigate these concerns and enable smooth changeovers.

Certain sectors may require extremely short transition windows - even a weekend downtime window is unacceptable for their business needs.

It is encouraging to note the interviewees also suggest **balancing customizations with standardizations**.

Aligning business requirements with SAP's standard practices is a process that notoriously necessitates tricky tradeoffs. While reverting fully to default SAP configurations may be unrealistic for companies with years of complex customizations, opportunities exist to incrementally simplify and streamline processes. This proactive assessment and remediation, as part of regular opex budgets rather than discrete migration projects, is good advice.

The report also highlights growing talent gaps in niche SAP skills, which need urgent redressal through training programs and partnerships.

Structured knowledge development and sharing is vital to build expertise across the ecosystem.

Another key imperative is user change management and training to facilitate adoption of new processes and technologies that S/4HANA implementations entail.

Modernization journeys also demand robust data governance, privacy and security strategies, especially as cloud migrations rise. Regular compliance audits, vendor collaborations and training are crucial to maintain data integrity and stakeholder trust as enterprises transition to the cloud.

In terms of measurement, executives rightly point out that success spans beyond technical KPIs to encompass metrics like customer service improvements.

Analytics tools that connect operational data to business impact provide the holistic visibility to validate ERP transformations. Comparing revenue trajectories before and after migrations is another smart yardstick.

Approaches like AIOps are pivotal to SAP operations, both for migrations and daily management.

By providing layers of automation, smart analytics and end to end visibility, AIOps lays a strong digital foundation for smooth transitions while creating efficiencies that address pressing skill gaps that hamper modernization.

Proactive risk and technical debt management through ongoing assessments is critical to balance security, compliance and innovation. Vulnerability testing and swift remediation protocols help build 'the resilient enterprise', while planning for failure scenarios and eradication of human error, mitigates destabilization.

Avantra is the industry-leading AIOPs platform for SAP automation operations.

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Foreword by John Appleby, CEO Avantra

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Foreword
by John Appleby, CEO Avantra

I thank the industry leaders featured in this report for their candid insights that reveal key challenges and opportunities around SAP operations modernization. As the interviews make clear, automation and AI driven technologies like AIOps remain largely untapped by organizations running SAP landscapes. This presents substantial potential for enterprises to manage complexity, mitigate risk, and maximize performance.

The need could not be more pressing. With systems transitioning to intricate hybrid cloud architectures, their level of interconnectivity escalates. Digital transformation initiatives are contributing to this by further integrating a multitude of applications and data streams across diverse environments. In these entangled IT ecosystems, the risks climb exponentially for failed changes and inadequately tested migrations. Without automated safeguards and oversight capabilities in place, small configuration errors can cascade into business crippling outages.

The Avantra AIOps platform offers the essential resilience needed to balance innovation with pragmatic mitigation of risk.

By contrast, the Avantra AIOps platform offers the essential resilience needed to balance innovation with pragmatic mitigation of risk. Our automation and observability capabilities optimize legacy SAP environments before undergoing modernization, while also strengthening the health of new hybrid ecosystems post transition. The Avantra platform prevents crises proactively rather than just reactively solving problems after they disrupt operations – a well known German automotive manufacturer saves a minimum of €30k per minute for every production delay which occurred prior to Avantra. This cost saving is combined with hours saved on root cause analysis.

Avantra integrates into the RISE with SAP environment to provide businesses with observability and automation capabilities they wouldn't have with RISE and SAP alone. We noticed a barrier in business transformation where there is limited ability to optimize hybrid operations. And the Avantra platform is a solution to this problem.

Avantra gives businesses with hybrid or full RISE with SAP setups better visibility into both environments. Our customers can monitor and automate operations across on premise and IaaS deployed system landscapes, SaaS products, API endpoints and cloud services. Avantra supports multiple aspects of application monitoring, from performance to security. What's more, Avantra is officially certified as "Works with RISE with SAP".

Avantra gives businesses with hybrid or full RISE with SAP setups better visibility into both environments.

I hope these insights will resonate with those managing SAP environments, highlighting the shared challenges faced by numerous large enterprises. This recognition may ignite meaningful conversations within your organization about addressing these prevalent issues through the strategic implementation of automation solutions.

Transforming our customers' operations from reactive to proactive with automated, self-healing AIOPs

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Interview with

Ravi Ravikoti

HEAD OF ENTERPRISE APPLICATIONS

Leading Electronics Manufacturer

Can you share how the move to SAP S/4HANA has affected your organization and where you currently stand in your migration journey?

SAP's decision for the S/4HANA has had a significant impact on our organization. Even before the official announcement in 2022, we recognized the need for a better ERP system due to our rapid business growth and evolving needs. Our existing ERP systems had served us well, but we couldn't continue to expand with them. That's when we started considering the shift to SAP S/4HANA.

We have been working on a detailed plan to take our ERP systems to the next level. It's not just about upgrading to the latest versions, but also about combining multiple ERP systems, incorporating new technologies, and aligning with our evolving business requirements. We are at an advanced stage in our migration journey and have made significant progress in preparing for the transition.

> **We are at an advanced stage in our migration journey and have made significant progress in preparing for the transition.**

> **We are already moving towards hyperscalers and leveraging cloud solutions for our existing SAP and ERP footprint. This enables us to ensure uptime, scalability, and operational efficiency.**

Balancing the demands of SAP operations and modernizing legacy systems can be quite challenging. How are you approaching this and ensuring your organization is strategically evolving to support your future business needs?

It's definitely a complex task, but we have a multi faceted approach to address these challenges. On the technology side, we are already moving towards hyperscalers and leveraging cloud solutions for our existing SAP and ERP footprint. This enables us to ensure uptime, scalability, and operational efficiency.

However, it's not just about the technical aspects. We also consider the business value and benefits that come with modernization efforts. This involves enhancing functionality, embracing new technologies, and adapting to new industry trends. By combining both operational and business perspectives, we aim to strategically evolve and support our organization's future needs.

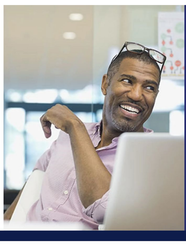
> **People may feel apprehensive about automation. It's essential to address their concerns honestly and provide reassurance about career options. By involving and educating employees, we can turn them into ambassadors for the change instead of facing resistance.**

Can you provide an overview of the phases covered so far in the S/4HANA migration process, and any pain points and risks you are mitigating?

Our SAP S/4HANA migration is divided into several phases. The first phase is the preparation phase, where we focus on our business and internal readiness. This includes allocating resources and ensuring proper data preparation. We assess if we have the right people and alignment with our business leaders. Currently, we are in the design phase, conducting workshops for process design. This phase is critical as it helps us incorporate industry best practices whilst addressing any specific gaps between those practices and our unique requirements.

There are several pitfalls to be aware of in such a large-scale project. One crucial aspect is addressing the change management process. People may feel apprehensive about automation and fear potential job risks. It's essential to address their concerns honestly and provide reassurance about career options. By involving and educating employees, we can turn them into ambassadors for the change instead of facing resistance.

Another critical factor is focusing on the business benefits and engaging with both customers and suppliers. We analyze how the customer experience can improve, how vendor negotiations can be enhanced, and how to shift from manual to electronic interactions with suppliers. By actively involving stakeholders throughout the project and aligning their expectations, we can mitigate risks and ensure a smoother transition.



Data challenges can also be a significant concern during migration projects. How do you address these challenges and ensure the accuracy and relevancy of data during your migration?

Data plays a crucial role in the migration process. Over time, organizations accumulate large amounts of data that may not be as clean or relevant. When transitioning to a new system, it's important to carefully evaluate and determine which data should be migrated and how to ensure its accuracy.

We prioritize data cleansing and take into account what information is necessary to bring into the new system, as well as what can be left behind. By applying data management best practices and involving data experts, we ensure the integrity and relevance of our data during the migration process.

> **We prioritize data cleansing and take into account what information is necessary to bring into the new system, as well as what can be left behind.**

> **By providing opportunities for upskilling, recognizing and rewarding achievements, and fostering a culture of continuous learning, we aim to retain our talented resources and ensure their long term commitment to our organization.**

Talent and resource management are crucial for successful SAP operations. Do you face any talent or resource challenges within your organization, and how do you retain talent?

We have a talented team within our SAP operations, but at times we face bandwidth limitations. To address this, we utilize external consulting services as a flexible capacity solution. This allows us to fill any gaps and manage the workload without the need to hire a significant number of permanent staff members.

We also focus on creating a supportive and engaging work environment that promotes growth and development. By providing opportunities for upskilling, recognizing and rewarding achievements, and fostering a culture of continuous learning, we aim to retain our talented resources and ensure their long term commitment to our organization.

I'd like to discuss hyperautomation and AIOps. Are you familiar with these concepts, and what are your thoughts on their effectiveness for SAP operations?

Yes, I'm familiar with hyperautomation. Previously, our focus was on automating individual functions using robotic process automation and workflows. However, we now understand the importance of end to end automation. By automating the entire process instead of just isolated tasks, we can avoid creating bottlenecks and achieve greater operational efficiency.

In terms of AIOps, the integration of machine learning and AI has been instrumental in our automation strategy. With SAP HANA and its built in automation capabilities, we can streamline processes and simplify user interactions. Machine learning helps the system learn from past actions, making subsequent transactions easier and more efficient.

> **By automating the entire process instead of just isolated tasks, we can avoid creating bottlenecks and achieve greater operational efficiency.**

Ravi Ravikoti is Head of Enterprise Applications at a leading Electronics Manufacturer. His role involves overseeing all ERP (Enterprise Resource Planning) systems, including SAP and other systems, as well as CRM (Customer Relationship Management) systems and data. Additionally, he is responsible for managing business intelligence within the organization.

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Mukund Shinde

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Interview with

Mukund Shinde

CLIENT PARTNER

In 2020, SAP announced a shift of focus to its new SAP S/4HANA platform, providing minimal mainstream support for SAP ECC until 2027. How has this position impacted your portfolio of clients, and how far along are they on their journeys to SAP S/4HANA?

The announcement by SAP has led to varied reactions from my clients. Larger clients, especially those with significant customization and a vast user base, see this transition as complex and risk-laden. The very nature of customization means it's tailored to unique needs, often making projects intricate. An expansive user base necessitates the design and implementation of solutions with their perspective in mind. Many of these clients are cautious about the transition due to the long-term maintenance implications of their custom solutions. Meanwhile, mid-sized clients are more proactive, keeping an eye on the higher maintenance charges post-2027. Some even view S/4HANA as a pathway to enhance their digital landscape and formulate new cloud strategies, with the aim of sustainable growth.

> **Some clients view S/4HANA as a pathway to enhance their digital landscape and formulate new cloud strategies, with the aim of sustainable growth.**

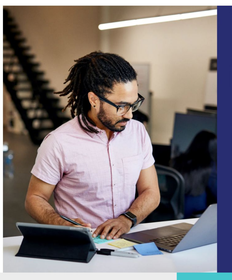
> **There's an inclination towards phased rollouts among these corporations. This approach is all about handling change in palatable increments, ensuring minimal disruptions.**

Can you elaborate on the main concerns for larger companies when it comes to migration?

Migration, predominantly for sizable corporations, is laced with multiple concerns. The chief among them is the timeline of migration and the unavoidable downtime. Every company's primary quest is to fathom the tangible advantages they can derive from platforms like SAP S/4. When talking about downtime, while some can compromise with a limited duration, others, especially those in sectors like retail, seek the shortest downtimes. Hence, I prefer emphasizing more flexible migration timelines over precise durations. Moreover, there's an inclination towards phased rollouts among these corporations. This approach is all about handling change in palatable increments, ensuring minimal disruptions.

How do you approach risk management in your projects, and what steps do you take to mitigate potential risks?

Risk management is an inextricable component of our projects. We undertake comprehensive risk assessments, focusing on dimensions like technology, data, resources, and scope change. Once potential risks are spotlighted, they're ranked based on their prospective impact and the likelihood of them materializing. Mitigation strategies are then crafted to curtail their potential damage. The whole process is bolstered by consistent monitoring and timely reporting. This ensures that stakeholders are always in the loop and any emergent risks are swiftly addressed.



How do you approach change management, and what best practices do you follow to ensure smooth transitions for your clients?

Change management, to me, is a two-dimensional process. The first is within the project team including clients team. Here, our focus is on upskilling, continuous learning, and valuing individual contributions, especially those pivotal to a project's success. The second is organizational change management, which is broader, encapsulating how sweeping changes affect roles and everyday operations. This often demands ceaseless communication to set the right anticipations and manage any resistance. The ultimate goal is ensuring that both project teams and the larger organization are prepped and onboard with the changes, ensuring a frictionless transition for clients.

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As the landscape evolves with emphasis on digital transformation, how do you see its future, particularly in promoting innovation within teams?

Digital transformation is more than just a buzzword—it's the roadmap to the future. The essence lies not only in imbibing new technologies but also in redefining how businesses function and offer value. When it comes to innovation, the onus is on urging project teams to pioneer, challenge the conventional, and think unconventionally. This mindset is the catalyst for actual transformation. By fostering such an environment, we can ensure not only alignment with diverse client needs but also position ourselves at the vanguard of the digital revolution wave.

> **When it comes to innovation, the onus is on urging project teams to pioneer, challenge the conventional, and think unconventionally. This mindset is the catalyst for actual transformation.**

Mukund Shinde is an experienced digital transformation leader with deep experience with SAP and its products since 1998. His role involves managing delivery for various clients and overseeing business development efforts. As a senior leader, he is responsible for finding innovative solution for critical business practices while ensuring excellent service delivery having worked with clients in a range of industries, including manufacturing, utility, retail, CPG, oil and gas, pharma and life sciences.

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Atul Jain

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Interview with

Atul Jain

SAP BASIS ADMINISTRATOR & ARCHITECT

Your transition to SAP S/4 HANA stands out as a significant move for your organization. Can you dive deeper into the challenges faced, strategies implemented, and key metrics you've been tracking?

Transitioning from our conventional non-SAP system to SAP S/4 HANA wasn't just about implementing a new software platform; it was a strategic shift. The predominant challenges were two-fold: assimilating new technology and aligning human resources to this technology. It necessitated a profound understanding of the platform, followed by intensive training sessions. Additionally, stakeholder alignment was essential, especially considering our strategic move to adopt a 'cloud-first' approach, where all our SAP activities would pivot to cloud-based operations.

As for the metrics, it's essential to have tangible measures to track success. System performance, user feedback, and response times stood out. Achieving a 300ms response time in our live SAP S/4 HANA system, for instance, was no minor feat. It serves as a testament to our team's commitment and the robustness of the system, particularly when you consider the extensive business operations it supports.

> **As for the metrics, it's essential to have tangible measures to track success. System performance, user feedback, and response times stood out.**

In today's IT landscape, system uptime and security are paramount. Could you elaborate on your strategies and tools to ensure these aspects?

Uptime and security aren't just buzzwords for us; they form the core of our IT operations. Our approach towards ensuring uptime revolves around a well-planned maintenance schedule, allowing us to achieve the highest availability with minimal disruptions. We've designed our infrastructure for high availability, always ensuring that swift recoveries are possible.

Security, on the other hand, is a multi-tiered effort. We implement robust tools and protocols at both infrastructure and application levels. A case in point is our reliance on Onapsis for SAP applications, which offers active vulnerability scanning and timely mitigation.

> **Our approach towards ensuring uptime revolves around a well-planned maintenance schedule, allowing us to achieve the highest availability with minimal disruptions.**

> **A phased approach offers a controlled, step-wise transition. By prioritizing system stability, we ensure that each phase adds value without causing disruptions.**

The phased approach seems pivotal to your SAP S/4HANA implementation. Can you discuss its benefits and any other best practices you advocate?

Certainly. A phased approach offers a controlled, step-wise transition. By prioritizing system stability, we ensure that each phase adds value without causing disruptions. As we achieve stability, we sequentially migrate business units, thus minimizing the risk. Besides this, a robust disaster recovery system is non-negotiable. We've also invested heavily in edge setups, ensuring that data flows seamlessly and securely between our core systems and peripheral devices.

Talent acquisition and retention, especially in niche areas like SAP, can be challenging. How have you approached this?

SAP S/4HANA, being a specialized domain, certainly presents talent challenges. To bridge the skills gap, we've formed alliances with premier training platforms. Self-learning is encouraged, with our in-house resources, like guides and tutorials, playing a supportive role. By fostering continuous learning, we aim to have a team that's not only adept at handling our current SAP operations but is also poised for future advancements in the domain.

> **By fostering continuous learning, we aim to have a team that's not only adept at handling our current SAP operations but is also poised for future advancements in the domain.**

> **Our association with Avantra is burgeoning. Its monitoring capabilities have been invaluable, and we're keenly exploring its automation potential.**

Given the rapid evolution in the SAP landscape and systems like Avantra coming to the forefront, how do you envision the future of your IT operations?

SAP's continual evolution, exemplified by offerings like "Rise with SAP," promises to redefine the way businesses operate. While such solutions might cater to medium-scale businesses, our organization's complexity requires us to tread carefully. Our association with Avantra is burgeoning. Its monitoring capabilities have been invaluable, and we're keenly exploring its automation potential, especially in system maintenance. Collaborations with industry stalwarts like Deloitte are also pivotal, though they come with their own set of challenges and opportunities. Ultimately, our goal remains unaltered: to harness technology and collaborations for maximal operational efficiency.

The adoption of cloud-first strategies, especially in large-scale operations like yours, often brings about considerations of data privacy and compliance. How do you navigate these complex terrains, ensuring that data is protected, and regulatory requirements are met?

Navigating the complex maze of data privacy and compliance is one of the most pressing concerns in today's digitized landscape, even more so when you're moving a behemoth like our organization to the cloud. Our strategy is multi-pronged.

Firstly, we've initiated regular audits and compliance checks. These aren't just to ensure we're on the right side of the law but also to cement stakeholder trust. Transparency with our clients, partners, and stakeholders about our data handling and storage practices is of utmost importance.

Next, we have collaborations with external consultants who specialize in regional regulations. Given our global footprint, it's essential to understand and adhere to local data protection laws, and these experts ensure we're always in compliance.

Lastly, and perhaps most crucially, is our ongoing training initiative. Every member of our IT team undergoes rigorous training to understand data privacy's nuances. They're updated about changes in international laws, ensuring that our systems and operations evolve with the changing regulatory landscape.

Technologies like SAP provide us with tools to monitor and control data access, ensuring that data privacy is never compromised. It's a continuous journey, but one we're committed to, ensuring that our move to the cloud is both efficient and secure.

> **Navigating the complex maze of data privacy and compliance is one of the most pressing concerns in today's digitized landscape.**

Atul Jain is a SAP Basis Administrator and Architect, responsible for managing the infrastructure of the SAP system on Google Cloud Platform. His role also includes overseeing the SAP S/4 HANA systems, handling daily operations and ongoing projects, and acting as the primary liaison with integration partners for implementation decisions and changes.

Interview with

Jeremy Vance

VICE PRESIDENT INFORMATION TECHNOLOGY

Hostess BRANDS

Jeremy Vance is the VP of IT at Hostess Brands. He oversees manufacturing execution systems, operational technology networks, and bakery line automation. Collaborating with various teams, he aids in modernizing procurement processes and trade strategies. Moreover, maintaining a robust cyber posture to ensure enterprise security is a top priority for him.

Can you describe your organization's journey to SAP S/4HANA, highlighting the timeline and challenges related to cloud migration and modernization?

Our transition began in January 2022 and was finalized by November. The beauty of our journey was our relatively clean ECC environment. Still, even with that advantage, we had to grapple with the adoption of features such as the unified ledger and Treasury functions. Our presence in the cloud already laid the groundwork. But with every major transition, challenges arise. A significant one was managing various priorities. We lived by the principle: "proper planning prevents poor performance." While the cloud offers flexibility, there are complexities in security and system optimization that cannot be underestimated. The cloud's strategy wasn't just about convenience but was a leap towards simplifying operations and incubating innovation.

> We lived by the principle: **"proper planning prevents poor performance."**

How does partnering with Managed Service Providers like Accenture align with your IT objectives and drive innovation?

Collaborating with Accenture has revolutionised our IT strategy. They're not merely a service provider but a strategic ally. About half of our IT team is outsourced to them, encompassing a mix of both onshore and offshore teams. They expertly manage our core SAP functions, enabling our in-house team to tackle strategic objectives.

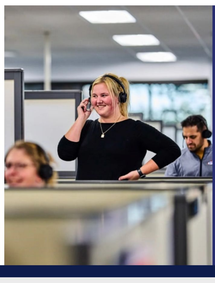
One of the key pillars of our journey is the "Big 5" strategy, centred around SAP, Workday, Coglity, SalesForce, and Microsoft. I'm fully committed to modernising our approach, and we're focused on teaming up with industry leaders that are modular, scalable, and offer solid training and knowledge management. It's not just about keeping up with current standards; it's about pushing boundaries. When we look at tools outside the Big 5, I tend to lean towards what I describe as "Big 5 adjacent" solutions. These are either top-tier partners or those who have garnered significant investments from the Big 5, hinting at their potential future integration.

From my perspective, while the Big 5 offers great tools, sometimes more flexible and cost-effective alternatives are better. It's about balancing standardisation with innovation.

> The tools we integrated, like the Fiori apps, revolutionized operations. Tasks that once took hours were halved, thanks to streamlined dashboards and analytics.

How did you assess the success of your post-transition SAP operations and its impact on business growth and team dynamics?

Evaluation is multi-faceted. Technically, we tracked uptime, transactional outputs, and the innovation-maintenance workload balance. With a 40%-60% ratio, our processes stood validated. Business growth, however, is the ultimate litmus test. Our revenue trajectory, escalating from $800 million to roughly $1.2 billion in a span of 4-5 years, spoke volumes. The tools we integrated, like Fiori apps, revolutionized operations. Tasks that once took hours were halved, thanks to streamlined dashboards and analytics. Beyond mere numbers, the transition reshaped our team's work ethos. There's a renewed sense of purpose, and the tools guide them, amplifying both efficiency and morale.



The balancing act between security and modernization is a challenge in dynamic environments like SAP. How do you ensure neither is compromised?

It's a tightrope walk. Our proactive stance, evident in our relentless pursuit of managing technical debt, safeguards us against vulnerabilities. Embracing tools, especially SAP's Governance, Risk, and Compliance (GRC) arsenal, fortifies our defense strategy. We've compartmentalized costs associated with security tools from our major upgrade expenditures. This ensures focused investments and negates the risk of bundling too much into a single transition. By anticipating changes and executing auxiliary IT projects ahead of mega-upgrades, we maintain a strategic edge and robust security posture.

> Our proactive stance, evident in our relentless pursuit of managing technical debt, safeguards us against vulnerabilities.

> Adopting RISE will demand not just a technical transformation but also a shift in organisational culture. It's about rethinking how we work and challenging ourselves to simplify processes.

SAP RISE is on everyone's radar. How do you envision its role in the evolving landscape?

SAP RISE is poised to be a game changer for enterprises that run SAP. However, SAP is still early in this journey. RISE is transitioning SAP into a platform-as-a-service model, making it more akin to a business platform. While it's not fully a software-as-a-service yet, I believe it's on its way there.

The challenge, though, lies in the state of an enterprise's existing SAP environment. If you have a cleaner environment, the transition to RISE is likely smoother. However, enterprises with extensive customisations will face hurdles. These customisations can complicate the move, necessitating a thorough simplification exercise to determine what's truly essential and what can be let go. Adopting RISE will demand not just a technical transformation but also a shift in organisational culture. It's about rethinking how we work and challenging ourselves to simplify processes. To fully benefit from RISE, enterprises will likely need to transition to an S/4HANA native version, which means embracing the necessary simplification exercises. This transition, while it may present hurdles, opens the door to greater efficiency and innovation, setting businesses on a path to a promising and adaptive future.

Hostess BRANDS

A cherished name in indulgence, crafting iconic baked goods since 1919. From Twinkies to Ding Dongs, their treats evoke nostalgia and delight across generations. With a rich history and innovative spirit, Hostess continues to sweeten moments and create lasting memories. A brand that blends tradition with innovation, leaving a delectable legacy.

Interview with

Alan Demir

DIRECTOR ADVISORY SERVICES

Grant Thornton

Alan Demir is a Director at Grant Thornton based in the Detroit office, specializing in Risk Advisory. His role spans from system implementation risks to broader business risk management. Serving primarily publicly traded U.S. companies, he ensures compliance with reporting standards, particularly the Sarbanes-Oxley Act (SOX). Alan's expertise lies in bridging operational risks with regulatory compliance.

From your observations, many companies are behind in their transition from SAP ECC to S/4HANA. Why is this a concern, given that SAP's official deadline is 2027?

Indeed, while 2027 might seem distant, one must realize that these migration projects can span up to 3.5 years. So if companies start late, they risk not completing the migration before SAP's support for ECC ends. And, with dwindling support for ECC, existing system issues could aggravate over time if not addressed through migration. As we get closer to the 2027 deadline, there will likely be a surge in demand from companies looking to migrate to S/4HANA. If businesses delay initiation of their migration projects, they may find it difficult to partner with a reputable, skilled implementing firm given the high demand. This could significantly impact the success and efficiency of the migration effort. Beyond that, there's a very real risk that some companies may not be able to finalize their S/4HANA transition before ECC support is terminated by SAP if they delay too long.

> **If businesses delay, they might find it challenging to collaborate with a reputable firm, endangering the success and efficiency of their migration.**

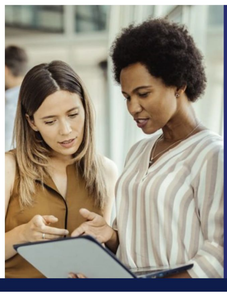
Some people believe SAP might extend its support deadline or that companies can simply pay extra to get continued assistance on ECC even after the deadline. What are your thoughts on these kinds of approaches?

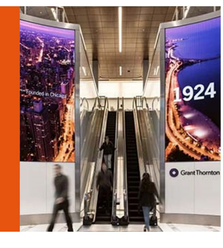
It's a valid consideration, and certainly a possibility that SAP provides some further flexibility on the cut-off date or allows extended paid support. However, in my opinion, companies are better served by taking a proactive approach and migrating to S/4HANA on a timely basis rather than relying on potential deadline extensions or spending extra funds to maintain outdated ECC systems beyond the deadline. While those options may buy more time, they are shortsighted strategies. It is generally wiser to channel those energies and funds into proactively transitioning to the more advanced and sustainable S/4HANA system.

> **Transitioning to S/4HANA is like implementing an entirely new system. It brings about vast technological changes and requires revamping of business processes.**

In your experience advising companies on SAP migrations, what are some common misconceptions they have regarding the S/4HANA migration process?

One of the most significant misconceptions that companies often have is viewing the S/4HANA migration solely as an IT project or initiative that is disconnected from the rest of the business. The reality is that transitioning to S/4HANA is much more transformative and cross-functional than just a typical IT system upgrade. It requires comprehensively revamping and optimizing business processes, integrations, data flows, and technologies across multiple departments. For instance, core finance and accounting areas will undergo major changes in day-to-day operations, data analysis capabilities, and reporting protocols, which can have downstream impacts on SOX compliance controls and procedures in publicly traded companies. Similarly, supply chain and manufacturing modules see enhanced integration and automation capabilities with S/4HANA that necessitate workflow redesigns. To be successful, companies need to take a holistic, cross-functional organizational approach from the early planning stages when migrating to S/4HANA. Taking an integrated view across IT, finance, accounting, supply chain, and other departments is critical.





Automation is a major trend as companies migrate to S/4HANA. How should organizations approach automation to maximize benefits and minimize risk?

Automation presents an exciting yet challenging opportunity for companies in accounting, finance, and manufacturing as they transition to new systems like S/4HANA. While there is increasing pressure on these functions to leverage automation and new technologies, organizations need to take a measured, holistic approach. The migration should be viewed as a chance to completely reassess and redesign processes end-to-end, then judiciously automate based on those process optimizations. For manufacturing firms especially, concepts like hyperautomation and leveraging AI for operations are becoming indispensable to significantly boost productivity, decrease overhead costs, and facilitate competitive pricing flexibility. However, it's critical that companies bring on experienced external consultants and advisors for certain periods during the transition to ensure successful implementation of automation. Trying to change too many processes too quickly can be disruptive. With the right phased strategy and integration expertise, automation can truly transform landscapes for accounting, finance, manufacturing and other functions. But organizations must invest time upfront to carefully map out how to maximize benefits while minimizing business disruption.

> **With the right phased strategy and integration expertise, automation can truly transform landscapes for accounting, finance and other functions.**

Grant Thornton

Grant Thornton is one of the world's leading organizations of independent audit, tax, and advisory firms. Founded in 1924, the firm has since expanded its presence globally, with offices in over 130 countries. Committed to providing top-notch solutions to clients across diverse sectors, Grant Thornton combines the expertise of its talented professionals with a personalized approach, ensuring high-quality service. Rooted in its core values of collaboration, leadership, agility, respect, and responsibility, Grant Thornton is dedicated to making a difference for its clients, colleagues, and the broader community. With a legacy of trust and a forward-thinking approach, the firm continues to empower its clients to achieve their growth potential.

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Sourabh Kulkarni, Venturesoft Global

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Interview with

Sourabh Kulkarni

SENIOR SOLUTION ARCHITECT

VentureSoft Global
ENABLING INNOVATION

Sourabh is a Senior Solution Architect at Venturesoft Global with nearly 8 years at the company and over 12 years in SAP. He specializes in implementing SAP S/4HANA, S2P solutions, and Ariba integrations. With experience in multiple industries, particularly pharmaceuticals, he has been involved in about eight client implementations. His role also includes project management for both SAP and non-SAP ERP solutions.

With today's business landscape being so dynamic, can you elaborate on the key benchmarks crucial to assess the success of SAP implementations?

Evaluating the success of SAP implementations is a multifaceted endeavor. Beyond the obvious metrics like system uptime and error rates, benchmarks play a pivotal role. Inventory costs stand out as one key performance indicator (KPI). But it's not just about tracking figures; it's about understanding them in context. For this reason, we employ sophisticated analytics tools to dissect these metrics. By doing so, we can capture a holistic view of our SAP system's performance, from sales and finance to inventory management. This gives us a granular understanding, revealing areas ripe for improvement and departments that are outperforming expectations.

In the digital age, the volume of data that companies need to manage can be overwhelming. How do you ensure that your teams navigate this deluge proficiently without facing burnout?

The digitization era is both a boon and a challenge. The influx of data is exponential, demanding an agile and strategic approach. We've found that the secret lies in leveraging the right blend of human expertise and technology. Task delegation plays a pivotal role. By meticulously distributing responsibilities, we ensure that no one member faces the brunt of the data avalanche. Continuous training sessions keep our teams updated, allowing them to wield contemporary tools and techniques adeptly.

A cornerstone of our philosophy is fostering a supportive work environment. Open communication channels ensure team members can voice concerns, share challenges, and collaborate effectively. Moreover, we utilize state-of-the-art data management tools. These systems automate repetitive tasks, freeing our team to focus on high-impact activities, thus promoting efficiency and guarding against burnout.

> **The digitization era is both a boon and a challenge.**

> **The ECC to S/4HANA transition isn't merely a tech upgrade; it represents a paradigm shift.**

The transition from ECC to S/4HANA has been a hot topic lately. Can you shed light on its implications, particularly for your clientele?

The ECC to S/4HANA transition isn't merely a tech upgrade; it represents a paradigm shift. ECC, being platform-centric, mandated direct system access for transactions, often becoming cumbersome. The intricate web of integration required additional middleware, hiking complexity and costs. S/4HANA, with its cloud orientation, sidesteps these challenges, offering seamless data access to various stakeholders. This metamorphosis is palpable among our clients, who are eager to tap into the newfound benefits while adeptly navigating the intricacies of this transformative journey.

SAP operations encompass a multitude of demands, from system uptime to cloud migration and security. How do your clients strike a balance?

Striking a balance is akin to walking a tightrope. Our prescribed methodology revolves around phased deployments. Transitioning directly from ECC to S/4HANA is a herculean task. Hence, we introduce the system progressively. After each phase's completion, it becomes important to stabilize the system for a few months before moving on to the next phase. This segmented approach offers superior uptime control, streamlines cloud migration, and allocates ample time for security fortifications. Essentially, we build a robust SAP foundation, brick by brick, safeguarding against risks while ensuring consistent performance.

> **We build a robust SAP foundation, brick by brick, safeguarding against risks while ensuring consistent performance.**

> **These innovations can avoid creating any bottlenecks, better operational efficiency, propel workflows and slashing error margins.**

Hyper-automation and AI Ops are garnering significant attention in SAP operations. Can you provide insights into their potential?

These emerging trends, though not prevalent in my immediate client base, have transformative potential. Hyper-automation and AI Ops could potentially cut manual intervention requirements significantly. These innovations can avoid creating any bottlenecks, better operational efficiency, propel workflows and slashing error margins. The actual challenge isn't technological but making users embrace this new reality. However, I anticipate a significant uptick in the adoption of these technologies, possibly over the next decade.

With initiatives like "Rise with SAP" shaping the narrative, how do you see these influencing your clientele?

"Rise with SAP" exemplifies the holistic approach to digital transformation. Consolidating functionalities onto a unified platform stands to drastically influence IT operations. While the definitive impact on my clients is still crystallizing, any initiative promoting streamlined SAP operations, bolstering operational efficiency, and paving the way for innovative tools like AI is undoubtedly a game-changer. As we navigate the ever-evolving SAP landscape, it's paramount to strategically traverse these shifts, aligning both with immediate necessities and long-term visions.

VentureSoft Global
ENABLING INNOVATION

Venturesoft Global is a leading technology solutions provider founded in 2002, specializing in software development, IT consulting, and enterprise solutions. Headquartered in Silicon Valley with global offices, the company offers custom solutions in areas like cloud migration and ERP implementations. With a team of highly-skilled professionals, Venturesoft serves a diverse clientele ranging from startups to Fortune 500 companies, focusing on innovation and client satisfaction.

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Oscar Del Castillo, Metropolitan Utilities District
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Interview with

Oscar Del Castillo

SR ERP TECHNO-FUNCTIONAL ANALYST

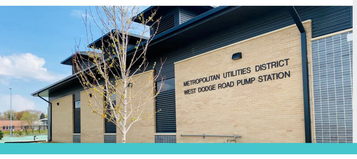
METROPOLITAN UTILITIES DISTRICT

Oscar Del Castillo is Senior ERP Techno-Functional Analyst. In this role, he expertly bridges the technical intricacies of SAP with its practical business applications. His primary responsibility revolves around serving as a functional analyst, specializing in plan maintenance and materials management. While he has been with his current company for approximately a year, Oscar boasts a commendable 8-year experience in the SAP space, a leading global ERP system.

The looming SAP migration deadline is stirring quite a buzz. Can you delve deeper into how your organization is navigating this tightrope, especially in light of the internal debates and potential surcharges that companies may face post-deadline?

Well, the situation is quite akin to being between a rock and a hard place. The discourse within our organization is polarized between two camps—one advocates for a swift technical transition, the other for a full-fledged, holistic transformation of our processes. No camp has gained a definitive edge, and this stalemate puts a damper on further investments in our current ECC system. The bottom line is, if SAP doesn't opt for an extension—which, in my estimation, they might—companies could make rash decisions. This frenzied approach is likely to lead to operational chaos. And let's not forget, maintaining the legacy system after the deadline won't be cheap. Companies will have to tighten their belts and prepare for surcharges.

> **If SAP doesn't opt for an extension—which, in my estimation, they might—companies could make rash decisions.**



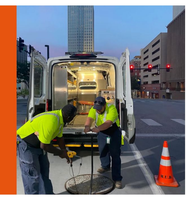
There's a notion that your focus on infrastructure and security has sidetracked innovation. How does this lens impact cloud migration and forestall long-term strategic initiatives?

You've hit the nail on the head. Infrastructure and security are foundational, yes, but not at the expense of sidelining innovation. The reality of our cloud migration has been far more convoluted than we initially imagined. We've been caught in an almost perpetual cycle of patching, vulnerability tests, and fire drills. These immediate challenges, while important, have diverted resources and focus from long-term strategy and innovation. This has given rise to a somewhat myopic approach where we're missing the forest for the trees.

> **Companies should resist the urge to implement a rushed, purely technical migration without adequately contemplating the repercussions.**

As we count down to the SAP migration deadline, what key insights can you offer companies to ensure they transition to S/4HANA without hiccups?

To put it bluntly, haste makes waste. Companies should resist the urge to implement a rushed, purely technical migration without adequately contemplating the repercussions. A strategically set up "center of excellence" can serve as an effective bedrock. This team would serve as the focal point for understanding the intricacies of S/4HANA and then integrating that into existing processes. Old methods won't necessarily apply to this new platform, so a deep-dive understanding of the system is imperative. Plan for where you want to be five years down the line and engineer your steps back from that point.



Your emphasis on early adoption of processes seems like a pragmatic approach. Can you talk about how this method serves as stepping stones, especially considering the challenges that smaller businesses face?

Absolutely, smaller businesses often lack the bandwidth to overhaul processes wholesale. Our tactic of early adoption and parallel development of bridge applications essentially works as a stepping stone approach. This makes the move less daunting and eases change management. These incremental steps soften the impact and offer a structured pathway, giving businesses—especially smaller ones—the confidence that this is a manageable endeavor.

> **Plan for where you want to be five years down the line and engineer your steps back from that point.**

> **Taking into account team motivation and retention is non-negotiable for achieving sustainable innovation.**

Managing work-life balance in a high-stakes industry like tech is undoubtedly challenging. With your experience of overcoming burnout, what safeguards are you incorporating?

That's a loaded question, but it's extremely relevant. I've walked the tightrope of burnout and it's a hellish ordeal to climb back from. Open and honest communication is vital. Discuss the nitty-gritty with your teams and upper management; ensure everyone's on the same page regarding achievable outcomes within realistic timelines. We shouldn't forget that innovations don't happen in a vacuum; they're fueled by human energy and creativity. As such, taking into account team motivation and retention is non-negotiable for achieving sustainable innovation.

Rise with SAP is being hailed as revolutionary, but you've also raised some red flags concerning licensing. Could you elaborate on this delicate balance?

While Rise with SAP is heralded as transformative, it does have its shortcomings. I have reservations about the licensing model, primarily because it could create a monopolistic dynamic, granting SAP undue leverage. If you're a small to medium enterprise and you go all in, you're basically putting all your eggs in SAP's basket. Should they decide to hike costs, this could strain, if not cripple, smaller businesses. So, while the innovation is enticing, one has to weigh the pros and cons meticulously, understanding the far-reaching consequences.

METROPOLITAN UTILITIES DISTRICT

The Metropolitan Utilities District (MUD) is a public utility in the Greater Omaha region, providing natural gas and safe drinking water to a diverse customer base. Committed to quality, sustainability, and innovation, MUD regularly upgrades its infrastructure to enhance service reliability. With a focus on affordability, safety, and environmental stewardship, the utility remains transparent and accountable to its community, fulfilling its mission to offer reliable services long-term.

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Angel Sebastián Hernández Patiño
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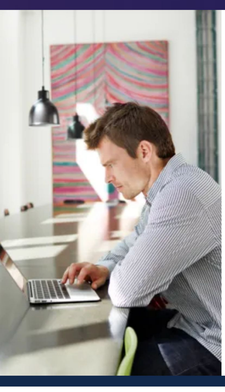
Interview with

Angel Sebastián Hernández Patiño

EWM SOLUTION ARCHITECT



Following SAP's 2020 decision to prioritize SAP S/4 HANA over SAP ECC, how has this impacted Latin American businesses? And how are they addressing the integration challenges with their legacy systems?

The prioritization of SAP S/4 HANA has undoubtedly affected many businesses, with Latin America feeling significant ramifications. Given the post-pandemic economic challenges, these businesses have had to reconsider their digital strategies extensively. While some US-based organizations are swiftly adapting, the global transition might be slower than anticipated. Factors like delays, resource constraints, and a general lack of urgency contribute to this skepticism.

Transitioning from legacy systems to newer platforms like SAP presents its own set of challenges. Many companies are gradually retiring these older systems, focusing on a consolidated approach with SAP. This shift isn't merely a technological one; it's about minimizing the administrative burdens of managing different licenses, the dwindling support for older systems, and leveraging the robustness of SAP's support infrastructure.

> **Transitioning from legacy systems to newer platforms like SAP presents its own set of challenges. It's about minimizing the administrative burdens and leveraging the robustness of SAP's support.**

> **Implementations can span months or even years, and during this period, it's crucial to maintain a consistent understanding and vision.**

As the SAP environment becomes more intricate, how should companies prepare and assess their operational effectiveness? What migration pitfalls should they be wary of?

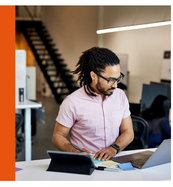
The effectiveness of SAP operations is often gauged by key metrics: deliveries made, handling units processed, weight transported, and human resources deployed, among others. With emerging challenges in areas like Extended Warehouse Management (EWM), companies need to be more proactive in their strategic planning.

Migration is a multifaceted process. One of the pitfalls I've observed is inconsistency across different operational sites. Implementations can span months or even years, and during this period, it's crucial to maintain a consistent understanding and vision. Additionally, personnel turnover, especially of key users mid-implementation, can severely disrupt continuity. To mitigate these risks, companies should prioritize regular feedback loops and ensure alignment at all stages of migration.

> **Training isn't just a preliminary step; it's an ongoing necessity. This means providing access to comprehensive, constantly updated documentation, which includes user-friendly manuals and training videos.**

New technological implementations can be daunting. How can companies ensure these transitions are smooth without overwhelming their internal teams?

The bedrock of any successful technological transition is effective change management. Introducing a new system can be disorienting for many users, who may feel adrift amidst unfamiliar processes and interfaces. Training isn't just a preliminary step; it's an ongoing necessity. This means providing access to comprehensive, constantly updated documentation, which includes user-friendly manuals and training videos. Additionally, having a robust support mechanism for addressing the more repetitive and common user queries can offload a significant burden from the support teams.



How do you envision the role of Automation and AI, specifically concerning SAP operations?

Hyper automation and AI Ops are not just trends; they're becoming the backbone of modern enterprises aiming to keep pace with market demands. Automation, when done right, significantly reduces operational issues and enhances efficiency. The recent surge in e-commerce, accelerated by the pandemic, has underlined the necessity for rapid and automated processes.

AI Ops in SAP is still in its nascent stages, but the intrigue is palpable. There's a burgeoning interest in integrating AI functionalities to streamline operations, especially in sectors I'm closely acquainted with, like warehousing. SAP's proactive approach in seeking insights from professionals on AI's potential role in operational automations signifies its imminent growth in this domain.

> **Hyper automation and AI Ops are not just trends; they're becoming the backbone of modern enterprises aiming to keep pace with market demands.**

> **In a dynamic environment like SAP, with swift project turnovers and frequent personnel shifts, thorough documentation is a linchpin for success.**

Why are documentation and change management vital in SAP environments? And can you elaborate on the value of outsourcing?

In a dynamic environment like SAP, with swift project turnovers and frequent personnel shifts, thorough documentation is a linchpin for success. It ensures that despite inevitable role transitions or departures, business continuity remains unaffected. Proper documentation aids in a smoother transition between users, ensuring that operational efficiency doesn't suffer.

Outsourcing, on the other hand, offers a multifaceted advantage. Primarily, it aids in cost reduction, especially for custom development tasks that can be prohibitively expensive when done in-house. Accessing specialized expertise externally often means tapping into niche skills unavailable within the organization. Moreover, with the increasing complexity of certain operational segments, many clients are gravitating towards outsourcing these functions, like logistics, to third-party logistics providers (3PLs). This not only grants them the expertise of 3PLs but also allows businesses to center their focus on core competencies.

Lastly, you've touched on the talent gaps in the SAP consulting sector. How do you propose we address this shortage?

Addressing the talent gap requires a concerted effort. Formal training programs and knowledge dissemination are imperative. We're experiencing a dearth of niche expertise, like EWM consultants. It's time organizations invest more in developing this talent organically. While on-the-job learning is invaluable, structured training, perhaps augmented by SAP certification programs, can rapidly bridge this gap. I've personally been exploring the idea of authoring a guidebook for new SAP inductees. Knowledge sharing isn't just a responsibility; it's a necessity for the entire ecosystem to thrive.

Sebastián Hernández is an EWM Solution Architect for MSCG, which stands for Extended Warehouse Management Solution Architect. He specializes in warehousing and boasts a decade-long experience in logistics. Sebastián is well-versed in integration, especially production integration, and is also knowledgeable in quality management. Furthermore, his professional experiences extend to transport management, and he is adept at working with a variety of models. He has worked for Deloitte, Westernacher and MSCG. Sebastián's client-facing role has seen him complete more than 22 projects, serving over 15 customers throughout his career.

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Kendall Layman
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Interview with

Kendall Layman

MANAGING DIRECTOR IN IT
FOR AN AGRICULTURE COMPANY

SAP will soon be ending mainstream support for ECC. How has this accelerated your move to S/4HANA and where are you now in this transition process?

We kicked off our S/4HANA project about a year and a half ago as soon as SAP announced the timeline for ECC support ending in 2027. We knew the shift was coming and wanted to get ahead of it. Currently we're in the final stretches heading towards go-live which we've had to push back multiple times, now to November 2023. This end stage is always the most challenging with an ERP replacement. As the cutover date gets closer, the pressure intensifies to get everything ready. One of the toughest tasks is mindsets, especially with our finance team who are used to perfect reconciliation. Getting them comfortable - it is not going to have the desired functionality on day 1 - basic will be available and we will add to as we move forward. Processes are complete and they can do their jobs, understanding that more functionality will come and the product will evolve - crawl, walk run mentality, moving ourselves to that run phase overtime.

> **Some clients view S/4HANA as a pathway to enhance their digital landscape and formulate new cloud strategies, with the aim of sustainable growth.**

> **Getting them comfortable with imperfection and incomplete processes on day one requires a monumental change management effort.**

That change impact is so critical. What are some ways you're looking to streamline operations between now and go-live? How are you balancing the old and new systems?

Prior to this, we were on a shared SAP instance with our parent company so we didn't have our own team. Now that we've separated, we've hired a small but mighty support team supplemented by vendor partnerships. This optimized model helps us conserve resources during a resource-intensive transition. We're also being thoughtful about how to start consolidating legacy systems into S/4HANA post go-live through process integration. There are opportunities in both finance and production to retire old systems. But during implementation, we have to stay laser focused on getting just the core baseline functions transitioned over. Too much extra scope creep could risk the timeline and budget.

> **We have to stay laser focused on getting just the core baseline functions transitioned over.**

When you do go live, how will you define success for the project? What are the key performance indicators you'll use to track progress?

Since S/4HANA is brand new for us, our measures of success on day one will be very basic. We can complete critical business processes to keep operations running. Hitting that major milestone and conducting baseline transactions means victory, even if refinements are still needed. Within the first few weeks, we'll also be tracking more operational KPIs like system uptime, user adoption, help ticket volume and resolution time. But we have to crawl before we can walk. Getting live is the first hurdle to overcome.

What are some common missteps you've seen others make that could derail these types of ERP migrations? How should companies avoid these pitfalls?

One of the most common mistakes is inadequate upfront planning and analysis. That foundation sets the trajectory of the entire project. We've seen companies shortcut the scoping and requirements gathering work, which then comes back to haunt them later. Data readiness is another area that can make or break a successful go-live. Taking the time to properly clean up and reconcile master data before loading it into the new system is crucial. Finally, over-customization of the ERP platform tends to handcuff teams down the road when upgrades and enhancements need to be applied. The best way to avoid these pitfalls is meticulous project planning, establishing data health early, and leaning on standard SAP configurations over customization.

> **Data readiness is another area that can make or break a successful go-live. Taking the time to properly clean up and reconcile master data before loading it into the new system is crucial.**

> **We're combating burnout by setting pragmatic expectations on delivery timelines, bringing on expert resources like data scientists to supplement strains on current teams, and maintaining high transparency in communicating priorities and unavoidable trade-offs.**

With data volumes and complexity rising, what data challenges are you facing and how do you combat team burnout?

We have accumulated a lot of technical debt over the years – decades of decentralized, fragmented data from custom-built systems patched together. Now the business is demanding deeper analytics which requires massive behind-the-scenes data restructuring. This work has to be done amidst critical projects with very limited resources. We're combating burnout by setting pragmatic expectations on delivery timelines, bringing on expert resources like data scientists to supplement strains on current teams, and maintaining high transparency in communicating priorities and unavoidable trade-offs. There's only so much we can transform at once.

As a final question, what potential does Rise with SAP offer your organization in the cloud? How might this impact your IT model long term?

We're still new to Rise with SAP but it holds intriguing promise. Having a cloud-based solution allows us to reduce overhead without needing to maintain large in-house infrastructure and support teams. SAP handles the hosting, patching, availability management in the cloud – things that would have required significant internal investment. We expect managed services to provide helpful monitoring and administration as well. Long term, we believe Rise will allow us to scale and innovate faster once we're stable on S/4HANA. But for now, we're focused solely on getting to our first successful go-live and will look to leverage more Rise capabilities after that. The cloud gives us options to evolve our IT model over time

Kendall Layman is a Managing Director in IT for an Agriculture company. With over 30 years of experience in IT and corporate facilities management, he leads the global IT and corporate facility teams in supporting locations worldwide, reporting directly to the president. Kendall is responsible for the company's migration to S/4Hana.

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Cindy Colbert
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interview with

Cindy Colbert

SENIOR TRAINING
& CHANGE MANAGEMENT CONSULTANT

What strategies and best practices do you recommend for getting users fully on board with adopting a major new system like S/4HANA?

In my experience, there is often resistance from users when an organization introduces a new system, usually because people are accustomed to and efficient with existing processes and system(s). Adults want to be viewed as competent and a new system or a new process puts that competence at risk. Additionally, the common user mindset is that technological innovations create more work. As technology professionals, we are often to blame for this impression as we lead the conversation with technology features often overlooking the impact of the implementation to the user. To combat that tendency, shift the conversation. Focus on how the new solution benefits users and how the implementation of said solution will help users and the company. Bring the business into discussions early and rethink processes when necessary. Communication across all channels is critical, with repetitive messaging about the system implementation, timing, impact, and expectations. Identifying and including informal leaders as power users early provides the project team with business insights at important development junctures and onboarding support post-launch. Tracking metrics like help tickets and the level of comfort users have with executing tasks in the system highlight gaps that may require more training.

> **Bring the business into discussions early and rethink processes when necessary. Communication across all channels is critical, with repetitive messaging about the system implementation, timing, impact, and expectations.**

> **Two metrics I closely monitor are the length of time needed for heightened go-live support and user productivity with the new system after implementation.**

What KPIs have you found most useful for measuring the success of training and change management during an SAP implementation?

Two metrics I closely monitor are the length of time needed for heightened go-live support and user productivity with the new system after implementation. Longer support periods signal challenges in transitioning users and gaps in preparedness. Lagging productivity indicates people are still learning the system. Both point to areas that may need more training or change management focus.

Could you walk through your approach for developing a change management communications strategy across the various phases of a major SAP rollout?

The channels and frequency used shift with the rollout stages. In the early stages, focus on high-level newsletters to build general awareness. As launch nears, blanket all channels with repetitive key messaging. During go-live, people are getting used to doing their jobs in 'this new system', so provide encouragement, monitor and communicate the key successes, and provide intentional and focused hands-on support. Post-implementation, I transition to regular usage tips and proficiency reinforcement while soliciting user feedback on gaps. Utilize, if you can, different formats like text, visuals, video, and interactive sessions to appeal to varying preferences. The goal is to match communications to the needs of each phase, from general understanding to hyper-targeted information to ongoing refinement.

> **The goal is to match communications to the needs of each phase, from general understanding to hyper-targeted information to ongoing refinement.**

> **The overarching goal is to develop a network of power users who can credibly demonstrate new processes and troubleshoot issues within their teams before, during, and after implementation. Select well. These people become the go-to advocates and coaches to sustain adoption.**

How do you identify and prepare power users to support adoption of new systems?

Identifying the right power users is crucial. I look for influential subject matter experts who have a solid grasp of current processes and are interested in learning the new system. They need to be open to change themselves before advocating it to others. I also look for respected team leads and managers who can serve as change champions to reinforce the transition.

Once identified, engage power users early, even during design sessions, to get their input and buy-in. Provide them with extra training focused not just on the new system itself, but also change management, training, and personal development. Keep them in the 'communication loop'. These opportunities equip them to have sensitive conversations with reluctant colleagues and be the change champion you need. The overarching goal is to develop a network of power users who can credibly demonstrate new processes and troubleshoot issues within their teams before, during, and after implementation. Select well. These people become the team's go-to advocates and coaches to sustain adoption. They are the voice of the team, and they are key.

What are some best practices you'd recommend for sustaining user adoption post-implementation?

There are a few key strategies I'd highlight. First, continue communicating through ongoing tips, FAQs, reminders etc. to embed the changes. Make adoption a perpetual focus, not just something that happens during launch. Track help desk metrics to identify where users may be struggling or need more training. Conduct periodic refresher sessions to ensure knowledge retention and continue the learning. Create user-focused performance support documentation; reference documents that can be used in the 'time of need', and identify who will maintain training or support materials once the project phase is complete.

Maintaining networks of power and super users is also essential. These individuals provide internal support long after the project 'goes-live'. They can surface adoption barriers or emerging needs. Finally, use periodic user surveys and focus groups to gather direct feedback on improvements needed to support and sustain adoption. Implementation is just the beginning - you need iterative follow-through to achieve lasting results. Adoption requires ongoing change management and support and does not stop with project-oriented activities.

Cindy Colbert is an expert in training, leadership development, and change management, with a focus on ensuring the successful adoption of ERP systems like SAP and Oracle. Through her work as an HCM consultant and leading large-scale technology implementations, she has developed a passion for blending technology rollouts with customized training and change management. Her core role is a Senior Training and Change Management Consultant.

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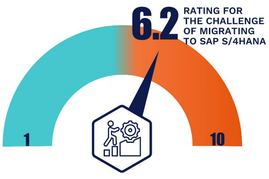
Survey poll results

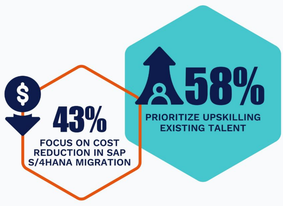
Has your organization started migrating to SAP S/4HANA?

70% of survey respondents are in the process of migrating to SAP S/4HANA or have already completed it, signaling strong alignment with the 2027 deadline which marks the end of support for older SAP ERP systems.

On a scale of 1 to 10, how challenging has the migration been?

Participants rated the challenge of migrating to SAP S/4HANA as 6.2 out of 10. This suggests that while the process is generally challenging, it is not overwhelmingly so. Companies utilizing external partners typically reported lower levels of difficulty, underscoring the benefit of external expertise in navigating the complexities of SAP S/4HANA migration.



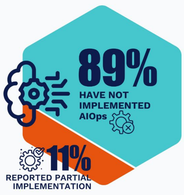


What are your SAP operations priorities during migration?

The survey highlights that 58% of organizations prioritize upskilling existing talent and 43% focus on cost reduction in SAP S/4HANA migration. This suggests a strategic approach emphasizing workforce development and financial efficiency, indicating a balanced focus on internal resource optimization and cost management for a successful migration.

What are the biggest challenges your organization faces in SAP operations?

The survey findings indicate that 60% of respondents identify 'Lack of Expertise' and 'Change Management' as major challenges in ERP modernization, emphasizing the critical need for skilled professionals and robust change management strategies. Additionally, around 20% highlight concerns such as 'Data Migration' and 'Tech Integration,' reflecting significant technical challenges.

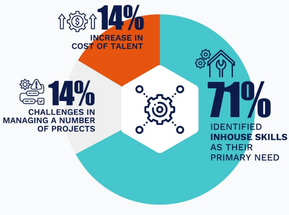


Have you implemented AIOps in your organization?

89% of the respondents have not implemented AIOps. Only 11% report partial implementation. This suggests that while there is some awareness and initial adoption of AIOps, the majority of organizations are still in the early stages of exploring or integrating these advanced operational technologies into their SAP environments.

On a scale of 1 to 10, how satisfied are you with your current journey to ERP modernization?

From the 70% who have started or completed their migrations, the average satisfaction level with ERP modernization journeys among the survey participants is approximately 8 out of 10. This high average score suggests a generally positive perception of the ERP modernization process, indicating that most organizations feel confident and content with their progress and outcomes in this area.



What's your greatest gap or need for ERP modernization?

71% of respondents identify 'Inhouse Skills' as their primary need, while 14% point to the 'Increase in Cost of Talent' and 14% to the challenges with managing the 'Number of Projects.' This highlights a significant focus on enhancing internal expertise and addressing financial and project management challenges in ERP modernization.

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Tips for navigating SAP operational excellence and ERP modernization

01

Comprehensive planning for holistic transformation

Emphasize comprehensive planning and readiness assessments before starting your migration from SAP ECC to SAP HANA. View the migration not just as a technical upgrade but as a holistic transformation of your business. This approach should encompass everything from business processes and organizational structures to mindsets, aligning the migration with broader business goals for sustainable improvement.

02

Finding the balance in customization and standardization

Strive to strike a balance between leveraging SAP's standard features and implementing necessary customizations. This balance is crucial for maintaining the core benefits of SAP while adapting the system to fit your unique business requirements. Regularly review and adjust this balance to ensure it meets your evolving business needs.

03

Leveraging talent development and partner support

Focus on enhancing your team's skills for the transition to SAP S/4HANA, including both technical abilities and operational knowledge. To address skill gaps, consider collaborating with external partners for specialized expertise. Effective change management, combining internal efforts and partner support, will be key. Clear communication and support from both internal teams and external partners are essential for a smooth and successful adoption of the new SAP S4HANA environment.

04

Utilizing analytics for deeper business insights

Leverage analytics to turn operational data into actionable business insights. This means going beyond technical performance metrics to include factors like customer satisfaction and financial metrics. Regularly analyzing this data helps in making informed decisions and refining business strategies.

05

Implementing AIOps to elevate SAP operations

Deploy AIOps before migrating to S/4HANA to streamline operations and boost Basis administrator productivity. By automating tasks and providing end to end visibility, AIOps strengthens the foundation for smooth, resilient transitions amid complex migrations. For those migrating and having migrated to S/4HANA, an AIOps powered platform simplifies management, validates performance, and alleviates resource constraints through automation - addressing the skills and bandwidth challenges identified in this report as a primary need.

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AVANTRA

Avantra: A trusted AIOps platform for SAP operations modernization

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As enterprises modernize business critical ERP systems, the Avantra platform is an invaluable AIOps enabler for SAP transformations - bringing confidence and resilience. The platform brings together robust observability capabilities leveraging advanced analytics, machine learning and automation to create a simplified, streamlined approach to managing highly complex SAP landscapes.

At the core of the Avantra mission is a commitment to driving operational excellence for enterprises by removing mundane, repetitive tasks to make room for innovation and progress. Through years of hands on experience tackling SAP operations management challenges and knowledge of the rapidly evolving landscape, their people understand the technical complexities and business priorities involved. This expertise across people, processes and systems combined with customer co creation enables us to provide and constantly develop a sophisticated AIOps platform which meets the evolving needs of complex enterprises.

Avantra enables streamlined IT operations management of complex SAP landscapes through leveraging advanced analytics, automation and machine learning. The platform enhances control, efficiency and resilience of critical SAP systems while allowing customization to address unique business scenarios. With observability across interconnected environments enabled by tight ITSM integrations, Avantra empowers organizations to optimize intricate SAP operations for maximum reliability and agility.

In enabling simplified management, enhanced team productivity, and assured continuity, the Avantra AIOps platform brings immense value both for ongoing operations as well as during risky, business disrupting migrations to next generation S/4HANA systems. We have a certified integration to S/4HANA and we are now officially certified as Works with RISE with SAP. Integrating seamlessly with RISE with SAP, the platform directly addresses pressing talent concerns (both retention and recruitment), security risks, customization hurdles, and process maturity challenges identified in this report. This alignment with RISE with SAP adds another layer of efficiency and security, making the Avantra platform an even more compelling choice for enterprises looking to elevate their SAP operations.

For enterprises evaluating how to most effectively elevate their SAP operations and harness intelligent technologies amid business critical modernization efforts, Avantra is the ideal platform for the journey ahead. Please reach out to experts to explore how the Avantra AIOps platform can ease the path.

One hybrid AIOPs platform,
limitless possibilities

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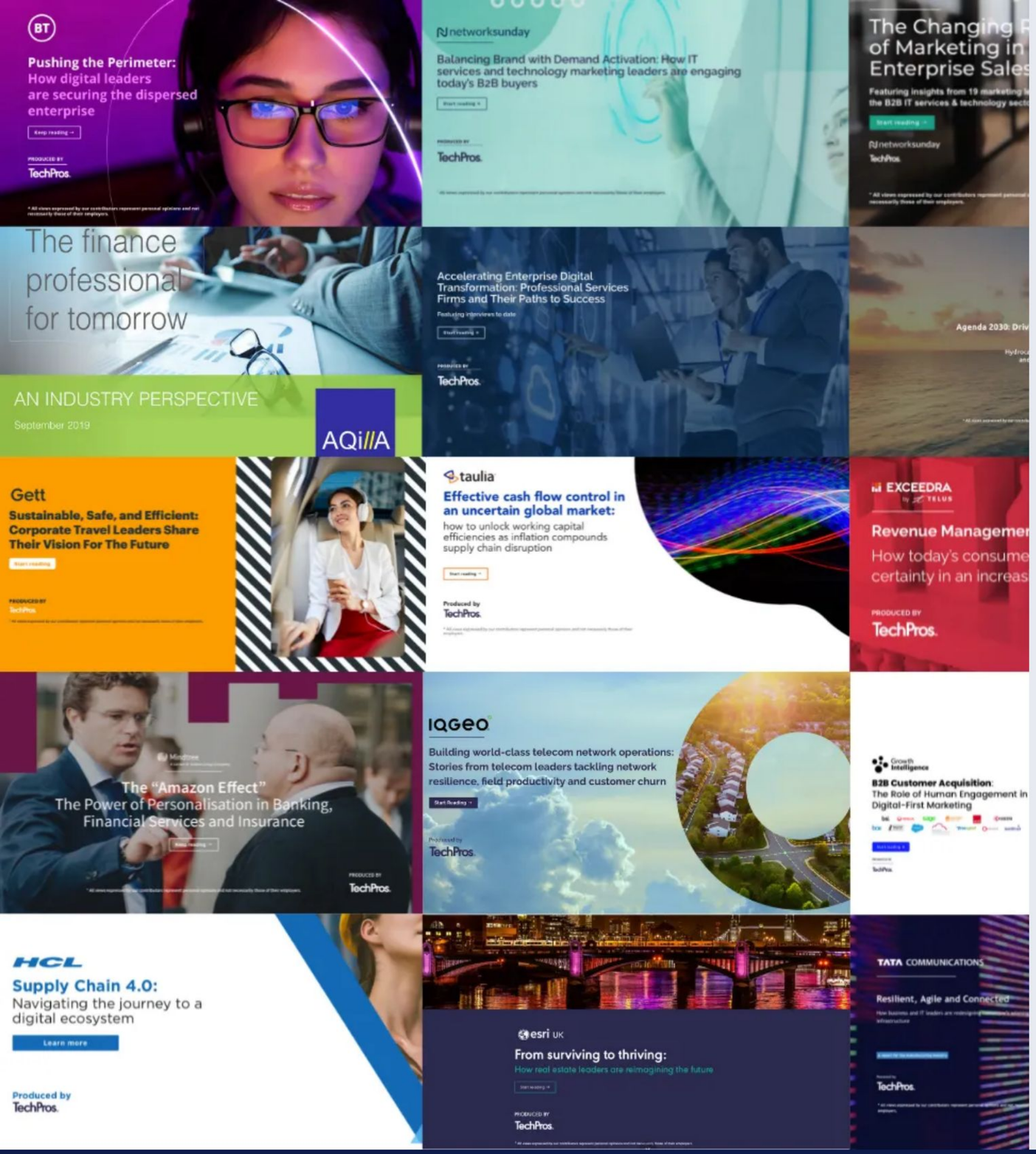

TechPros.

About TechPros.io

TechPros.io offers a platform for senior business and technology professionals to participate in peer-group thought leadership which helps inform and shape future decision-making.

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Participants benefit from peer group insights and new ideas to solve problems. They often meet at follow on events e.g. roundtables, fireside chats and panel discussions.

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