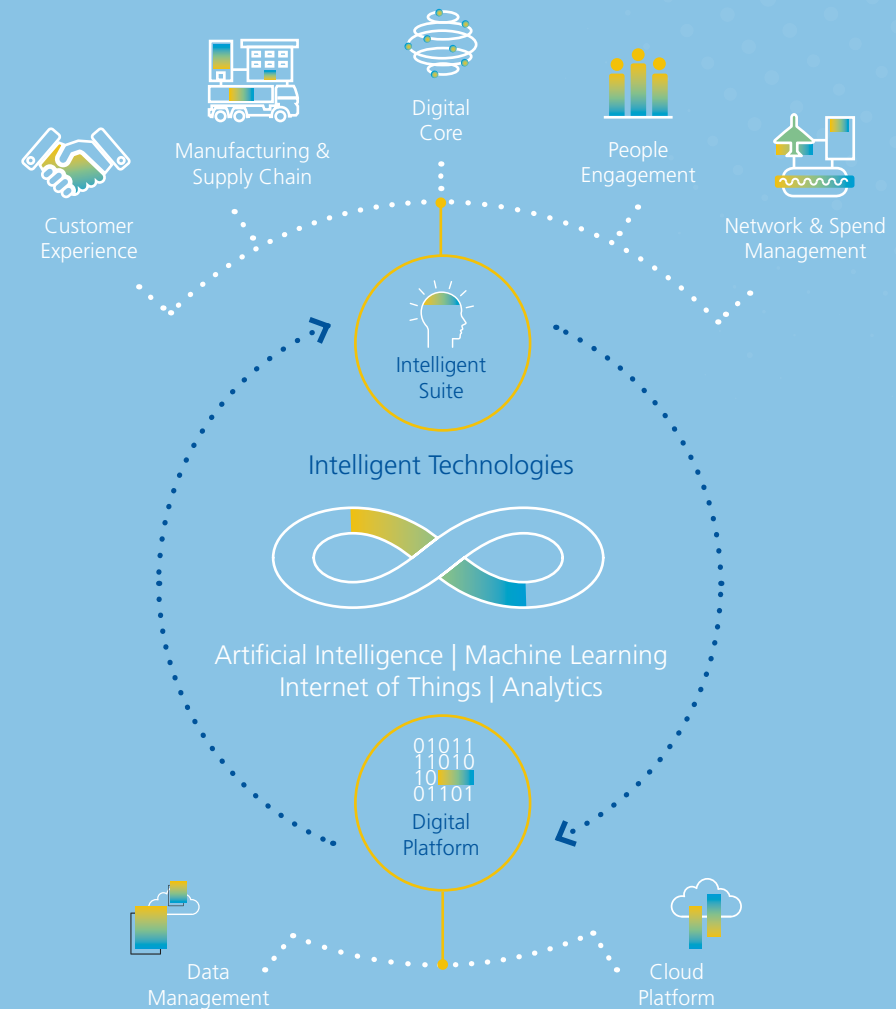


The Future Enterprise

The 5 Step Approach to your successful
SAP S/4HANA implementation

Many companies use SAP technology, and managers face the question of how they can bring their businesses into line with a suitable modern standard for procedures and technology. Is aiming to make your business an intelligent enterprise the right idea? Many experts are already agreed on that front. However, this poses the question of how transformation can take place in a way that makes this project a success.



SAP Intelligent Enterprise
Source: SAP

MHP Whitepaper Intelligent Enterprise

see page 7 section:
„The Concept of the SAP
Intelligent Enterprise and
its greatest advantages“



The true challenge begins with core business

At a glance

As a technological core component, SAP S/4HANA forms the foundation for innovative, digital and automated business processes. It offers users decisive added value, such as better usability with associated transparency along the entire value chain. This also enables optimum digitalization and automation of standard processes and helps make them more efficient. This saves costs and minimizes issues such as customer complaints and abandonments in production chains.

When using intelligent technologies, businesses mainly focus on new business processes and disruptive technologies. However, the real challenge begins much earlier. **After all, even an enterprise's core business requires optimization.**

From individual production workflows through to monitoring production machinery, internal processes can be optimally digitalized and thus optimized with SAP S/4HANA. If core business is digitalized, businesses obtain key data, whose potential can then be exploited with improved connectivity. The opportunities presented by SAP S/4HANA allow companies to create major customer benefits and a competitive advantage at the same time.

Businesses can then benefit from targeted improvements and introduce further optimizations with new and, where possible, even disruptive business processes.



The SAP Intelligent Enterprise concept and its main benefits

With the Intelligent Enterprise, SAP is offering a collection of tools that help effectively implement the above-mentioned options for the purposes of digital transformation within the business. It isn't a single, reactive system – it's a system consisting of different solutions. SAP Intelligent Enterprise uses:

- real-time data,
- customer activity,
- sensor data and other information sources for modern planning and analytics processes.

The focus is on end-to-end processes, including order-to-cash or source-to-pay, for instance. The new SAP environment offers modern technologies that help customers keep pace with constantly changing requirements. One of its biggest benefits: SAP S/4HANA is an open system that offers businesses the flexibility

they need to integrate many more information sources and use them to help digitalize and optimize their processes. The open cloud and service layer allows applications to position themselves in the cloud and be operated in the local server center at the same time. This enables the integration of different systems in order to create maximum added value for businesses.

The key driver for the intelligent enterprise is technological innovation for more business success

In principle, businesses shouldn't migrate to SAP S/4HANA due to the end of support for ECC. Instead, organizations should see the huge added value of the technological innovations as the key driver. Ensuring

seamless end-to-end processes all the way through to the customer and constantly growing demand for digital processes and modern technologies require a high level of integration into the company's business processes.

Organizations will only be able to react quickly and effectively to new situations if processes can be quickly adapted to new business requirements in the future and new technologies can be swiftly put into use. Intelligent technologies allow organizations to enable new, often disruptive, business processes and optimize how they handle data, processes and SAP product selection on a root-and-branch level. However, this only works with the right approach. We set this out in this white paper.

The basic pillars of a modern technological platform



Real-Time Technology



Control of the company based on real time data at any time

Instant analysis of important KPI's of each company department



Flexible Architecture



Different implementation options (on premise, cloud, hybrid) available

Enhancement via cloud platform



Integrated Overall View



One single source of truth
Accelerate the processes by deep integration of each business area



Enhanced User experience



Support "Management by Exception"
New design to support the user experience and simplified handling



Foundation for the digitalization of your company

What does an intelligent enterprise look like?

IT as an enabler of business success

Many businesses have become data-processing organizations in which every employee, customer and supplier transaction and every step in production produces data. Intelligent enterprises use this data to, for example, draw conclusions on customers' buying behavior, measure the efficiency of production workflows, or steer the company on the right financial course. Machinery maintenance and supplier partnerships can also be mapped and measured using data. And that's not all: an intelligent enterprise uses this data precisely to continue developing and to reduce process inefficiencies to a minimum.

IT becomes an enabler of business success. However, the ERP project is not pushed from an IT perspective, but rather the combinations of different technologies for digitalizing business models in harmony with the organizational direction contribute to the intelligent enterprise. This often involves a realignment of business processes and organizational structures. The focus here must be on business processes: **"IT follows**

the business – the business doesn't follow the IT." However, a challenge of this kind can only succeed with the use of flexible platforms that can be adapted to business model requirements. Disruptive technologies that must undergo a careful evaluation process in turn enable optimization of the transformation. MHP is the partner that helps companies play an active role in this digital transformation.

S/4HANA optimizes workflows, saves costs and generates customer benefits

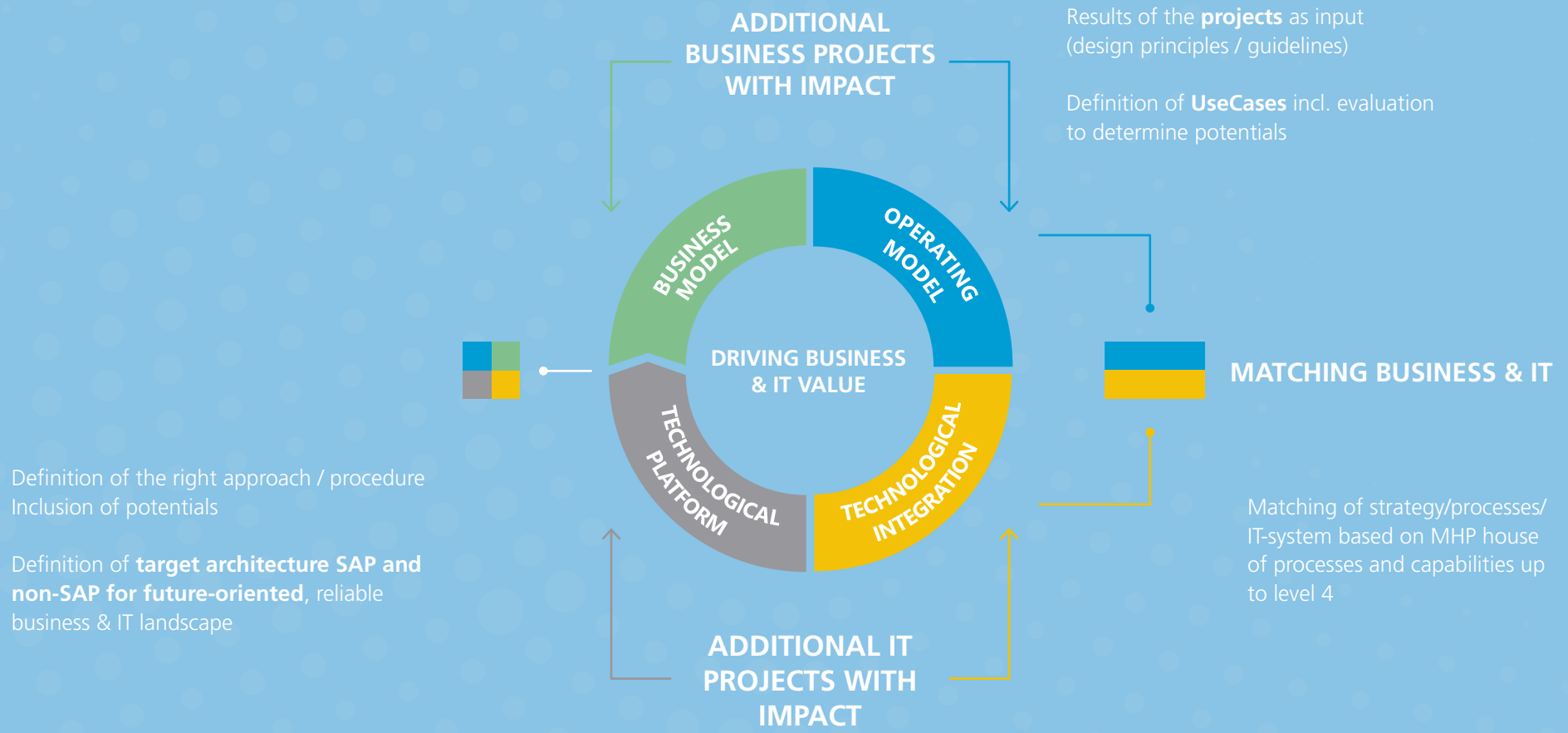
However, this only succeeds when the relevant technologies are used properly in the business and when SAP S/4HANA is supplied with the appropriate information and can redistribute it in a targeted way. Intelligent systems use maximum automation and minimize manual activities. This allows repetitive tasks in bookkeeping, for example, to be minimized thanks to machine learning. This reduces the occurrence of errors while accelerating process workflows. The automation of existing processes creates space for in-

novation and offers flexibility in reacting to altered market conditions such as fluctuations in demand or changes in capacity.

S/4HANA vs. ERP Central Component

S/4HANA represents the digital core of the environment and can either be located on-premises or in the cloud. The version best suited to the business depends on various factors such as the license model, existing infrastructure, applicable compliance rules and the budget. Users work with the system following implementation in the same way as they did with ECC. However, thanks to modern components, SAP S/4HANA offers many more possibilities and much more support. The in-memory database HANA allows businesses to access data even in real time. This promotes holistic digitalization of processes in tandem with optimization. This also benefits standard processes such as comparison of standard data, which can be connected via predefined templates with minimal effort.

Driving business & IT value through an E2E transformation approach



Does the introduction of SAP S/4HANA run the risk of huge complexity, costly transformation projects and even processes which turn out worse?

Many decision-makers are concerned that digital transformation and the introduction of SAP S/4HANA are complex and expensive, take up lots of time and do not result in any major improvement in business processes. The use of the right methods and tools helps implement this transformation in a routine, reliable and high-quality manner. This is exactly where the MHP approach reveals its strengths:

The MHP value-based approach is ideally initiated in the phase leading up to an SAP S/4HANA transformation and then carried out regularly during and following completion of the switch in order to take the business's development to the next level – intelligent enterprise – and keep it there.

With support from tried-and-tested tools and experience-based methodologies, MHP assists its customers in setting targets, analysis, evaluation and implementing measures.



1. First of all, we apply our tried-and-tested and market-proven tools and methods together with company management and define medium- to long-term strategic goals for the business.



2. We then map these onto a Transformation Roadmap. In the MHP Automation Assessment and MHP Digital Process House, we also have two further assets established on the market which can provide outstanding support for analysis and prioritization.



3. As a result, we produce a KPI-assisted potential indicator that is used for decision-making when prioritizing measures. This indicator is based on an industry-specific benchmark and is produced in the SAP Value Lifecycle Manager.



4. We also expand and validate the outcome with implementation-specific experience from previous MHP projects.

MHP VALUE CASE APPROACH

Overall Methodology and Approach

GOAL: Understand THE BENEFITS of transitioning to SAP S/4HANA

Threat of difficulties

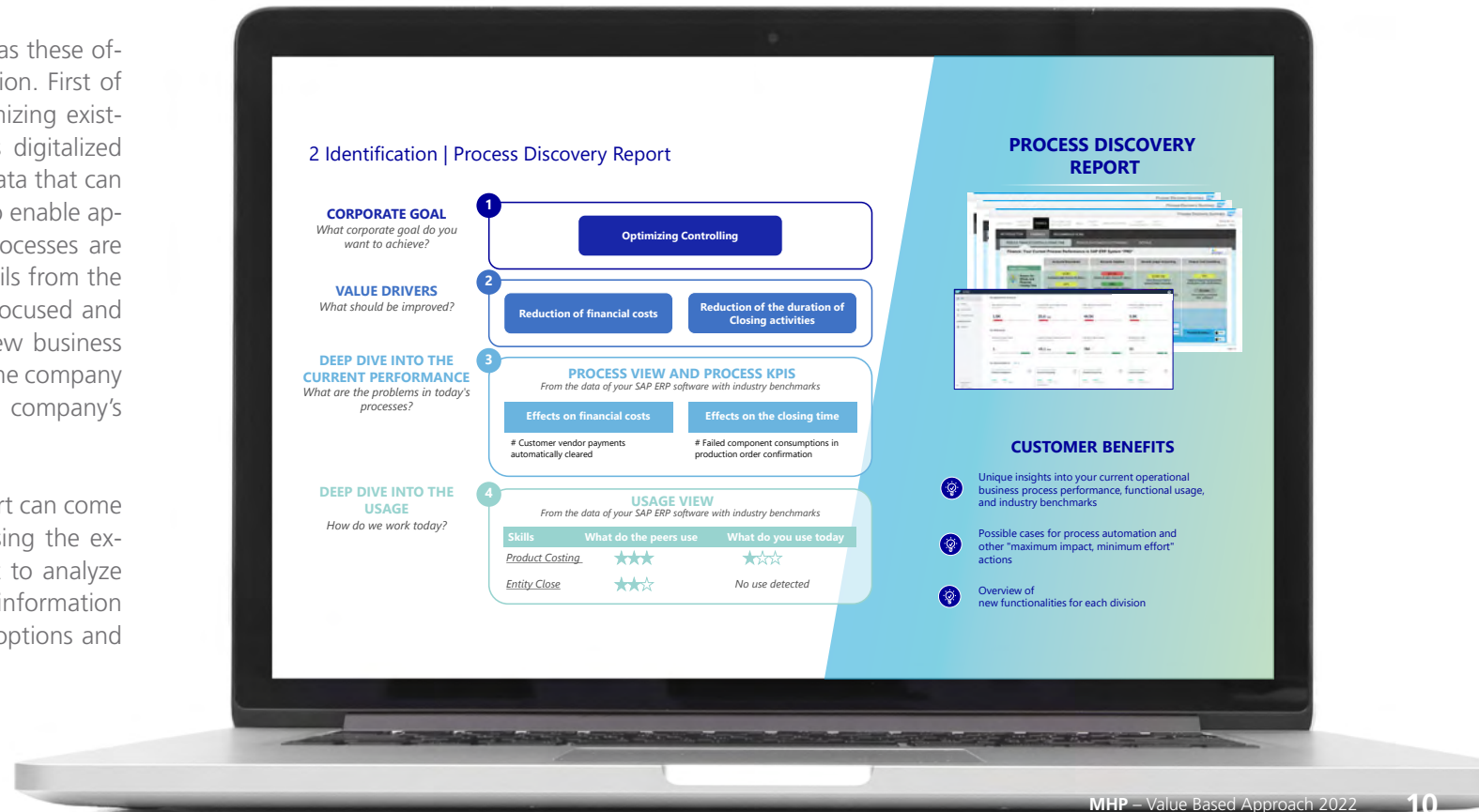


We guide your **S/4HANA** transformation using our **MHP best-practices** to adapt into **specific framework conditions** and requirements.

Disruptive processes and new business models are the result of ideal integration of SAP S/4HANA

The initial focus is on existing workflows, as these offer a great deal of potential for optimization. First of all, businesses must concentrate on optimizing existing workflows. In many cases, processes digitalized using SAP S/4HANA generate additional data that can be used further with intelligent systems. To enable appropriate use of the data, new digital processes are required to filter and join up relevant details from the flow of data in a way that's automated, focused and fast. This may result in the creation of new business models in which further processes within the company can also be included – together with the company's customers and suppliers.

This is where SAP's Process Discovery Report can come into play while the organization is still using the existing ECC. Businesses can use the report to analyze processes and improve them based on the information it contains. The report offers a variety of options and information:



- Comparing process efficiency with peer benchmarks from the industry
- Time-efficient methods for obtaining a holistic overview of the core KPIs
- Identifying starting points for process improvements that can be validated and enhanced

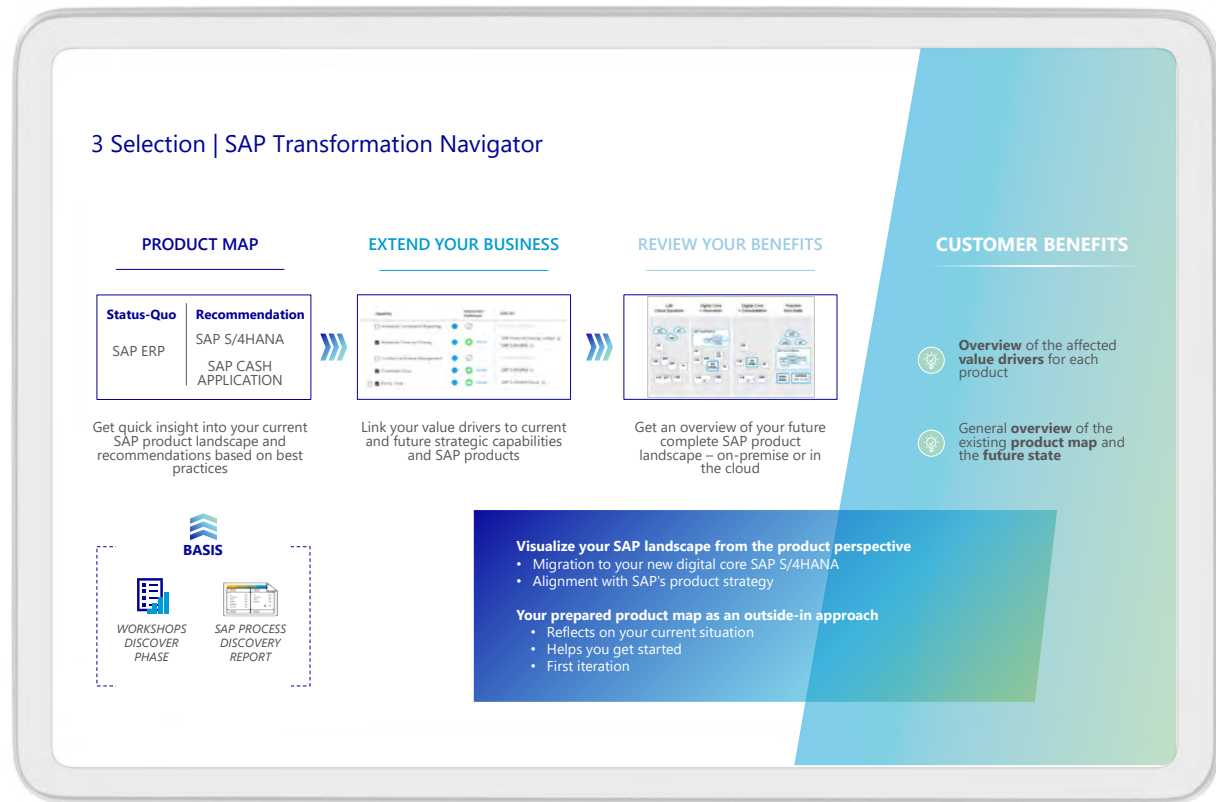
This report also offers further opportunities for analysis. They include insights into current process performance and recommendations for optimization. Relevant automation options can also be identified.

Growth isn't limited to individual divisions

For digital transformation to an Intelligent Enterprise to succeed, all areas of the business must be on board. The organization must be considered across all structures in its entirety. Only then is it possible to have an overview of all business processes. The links between them allow decision-makers to establish where there is potential room for improvement.

If the strategic aims and critical business processes are identified, the next step lies in the selection of solutions that best support the project. The SAP Transformation Navigator offers the relevant capabilities.

It's a roadmap tool that offers the business a certain sense of direction. The Transformation Navigator can also be used to prepare an industry-specific business case for strategic planning and execution. The tool offers the opportunity to build a future product map or an SAP S/4HANA-focused landscape with the latest SAP solutions, based on the existing product range.



Using benchmarks and MHP experience can help indicate potential

If an SAP system is already in use, the benefit calculation enables initial prioritization according to the principle of low-hanging fruit. It makes sense to tackle measures with the biggest impact on KPIs and rapid implementation (quick wins) first. At this point, MHP also draws on value drivers from the relevant products and capabilities from the SAP S/4HANA system:

Value drivers for each division can be found in Finance, HR, Manufacturing, Marketing, Sales or Supply Chain. To obtain values which are as precise as possible, basic financial information such as revenue, number of employees, operating profit and additional details must be recorded in SAP.

The Value Lifecycle Manager uses these values to calculate additional KPIs, which are determined based on industry benchmarks. Depending on customer level, the values can be individually classified into top quartile, average and bottom quartile and adjusted. Data

from the S&P 500 index and data collected by different auditing companies for SAP are used as a data base for the benefit case and KPI calculation. Benefits can be one-time or recurring. A one-time benefit, for instance, is a reduction in working capital by decreasing outstanding receivables.

An example of a recurring benefit is reducing FTE in the finance department through process improvements. Once the benefit case is calculated, adjustments can still be made. These are influenced by the

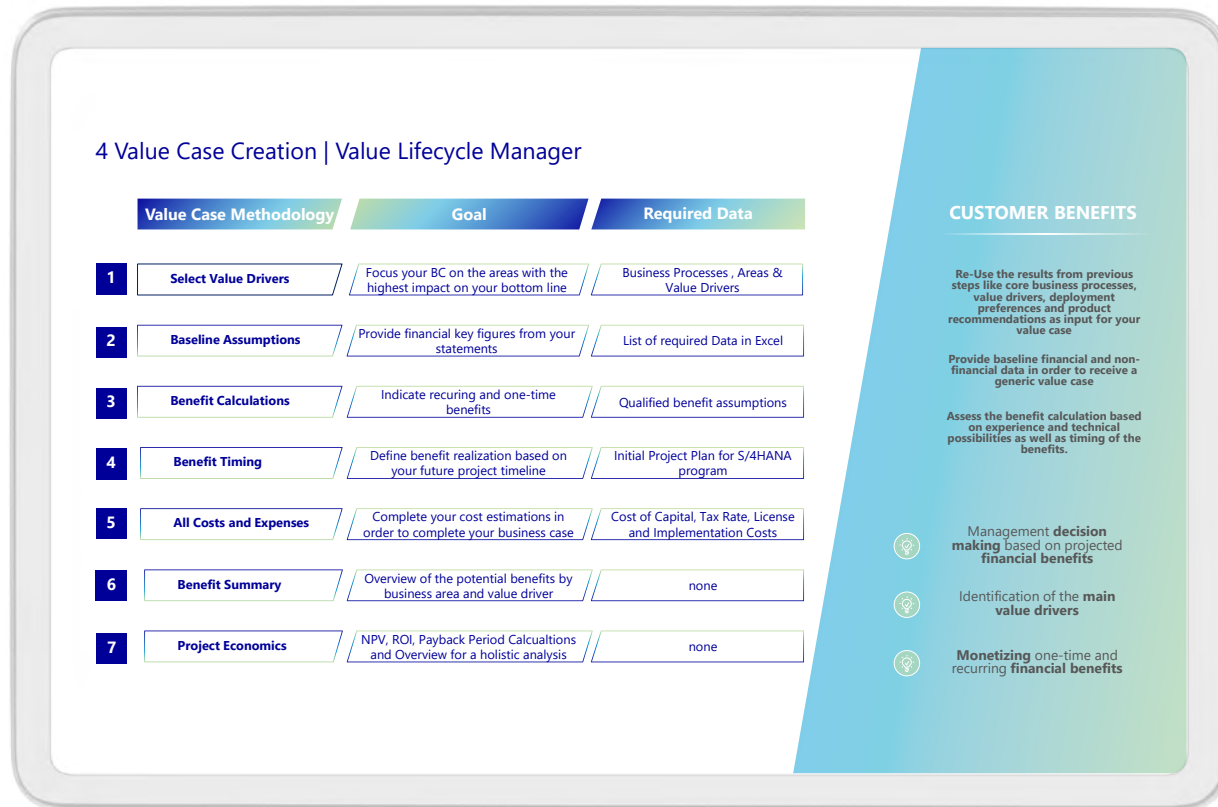
experience of the customer and MHP in order to obtain the most realistic result possible. MHP experience from other projects, industry expertise and analysis from the previous steps plays a key role here. Benefits can also be refined based on distribution in time. Using the SAP Value Lifecycle Manager (VLM) is the final step in creating a value case. The aim of the VLM is to quantify the potential of moving to SAP S/4HANA. Its benefits are also a suitable objective for individual business units.

Success with the right SAP tools

The Process Discovery Report enables ongoing benchmarking based on KPIs and information from the Value Lifecycle Manager. The before-and-after comparison with industry peers provides additional information.

The KPIs from the Process Discovery Report can also be accessed in the SAP Solution Manager after moving to SAP S/4HANA so that benchmarking can take place continuously there. Spotlight offers additional intelligent functions beyond SAP S/4HANA and can also depict and prioritize these. This makes it possible to implement further optimizations in machine learning and for additional technologies with artificial intelligence. The results from the Process Discovery Report are placed in the perspective of company processes. Internal process knowledge within an organization and the experience and expertise of MHP play an essential role in the assessment.

Ongoing application of the value-based approach allows organizations to measure and optimize performance on an ongoing basis. MHP recommends repeated analysis over a six-month period. As part of this analysis, existing measures can be assessed and further potential for optimization can be identified. MHP focuses on measures with the biggest impact on strategic goals. The overall aim is an intelligent enterprise that analyzes process performance in real time and implements measures in a flexible way.



Begin your transformation today

Develop your organization's potential for innovation with a transformation to SAP S/4HANA and turn your business into an intelligent enterprise. The company's ERP system remains the core element of day-to-day business and the focal point of commercial success. When discussing migration to a modern system and the digital transformation of companies with accompanying process digitalization and optimization, it has long since stopped being about "whether" and "why" – but instead become mainly about "when" and "how." At MHP, we're here to help, in particular, with the "how" by ensuring the smoothest possible migration and transformation and supporting you every step of the way – from preparation and migration to subsequent support and ongoing optimization.



Contact

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Functioning as a technology and business partner, MHP digitalizes its customers' processes and products, and guides them through IT transformations along their entire value-creation chain. MHP is a digitalization pioneer for the mobility and manufacturing sectors with expertise that can be transferred to a wide range of industries. MHP is also a premium partner to thought leaders on the path to a better tomorrow.

MHP serves over 300 customers worldwide, including large corporations and innovative SMEs. MHP advises on both operational and strategic issues, offering proven IT and technology expertise as well as specific industry know-how. MHP operates internationally as OneTeam with headquarters in Germany and subsidiaries in the USA, UK, Romania, and China.

MHP has been shaping the future alongside its customers for 25 years. The MHP team of over 3,000 employees is united by the company's promise of excellence and sustainable success. This promise continues to drive MHP – today, tomorrow, and in the future.

ENABLING YOU TO SHAPE A BETTER TOMORROW

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Layout www.freiland-design.de

An aerial photograph of a winding asphalt road through a dense, lush green forest. A red car is visible on the road, and another car is further up the road. The road curves through the trees, creating a sense of movement and direction.

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