

SAP S4/HANA driven finance transformation

South Africa

Chief Financial Officers of businesses run on SAP are under pressure to move to SAP S4/HANA in response to a maintenance cut-off for their existing SAP Enterprise Central Component (ECC) implementations.

When SAP launched S4/HANA they announced that support for SAP ERP 6.0, SAP Customer Relationship Management 7.0, SAP Supply Chain Management 7.0, and SAP Supplier Relationship Management 7.0 applications and SAP Business Suite powered by SAP HANA would be stopped at the end of 2025. This forced Chief Financial Officers to consider their next SAP implementation earlier than many would have liked to.

In early 2020 SAP announced an extension of the '2025' deadline for maintenance cut off to end 2027. Beyond 2027, customers in transition will have the option to purchase extended maintenance through to the end of 2030 at a premium of two percent above existing maintenance prices of 22%.

This deadline extension provides some breathing room to Chief Financial Officers, but their challenges remain.

The Chief Financial Officer challenge

The thought of another SAP implementation leaves a bitter taste in the mouth for many Chief Financial Officers. Experience has taught that large Enterprise Resource Planning implementations often don't live up to expectations, takes longer to complete, cost more than originally planned and delivers less than it promised.

In many cases implementations of SAP Enterprise Central Components are ongoing and have not reached a stage of maturity where it can deliver transformational benefits or any associated return on investment.

The move to SAP S4/HANA is not a technical upgrade. Our experience has shown us that in most cases significant preparation work is needed in process and data layers to enable the move to SAP S4/HANA. The change in underlying database technology forces a big change across all layers of the operating model.

Specifically, Chief Financial Officers are facing these challenges:

- (1) **A misaligned Enterprise Performance Management layer.** The move to SAP S4/HANA is often driven in the first instance by a requirement for better performance management information. This change is only as good as the data used to prepare the reporting information, and the clarity that reporting teams bring in designing reports.
- (2) **Clarity of business processes.** The move to SAP S4/HANA introduces a standard process end state, which inadvertently remove the focus from understanding the as-is to to-be process change with the level of clarity needed to enable a successful change.
- (3) **Data migration.** Cleansing data, mapping data and moving data from legacy SAP systems to SAP S4/HANA remains a challenge and is often underestimated.
- (4) **Organisational change and the people element.** Whether change fatigue, resistance to change or simply not understanding the change required, people and organizational change remains a concern and challenge. In South Africa this challenge is increased up by a constrained labour environment.

How FTI can help

FTI works with Chief Financial Officers to understand the total cost of ownership of the new solution, and the transformational benefits that it can bring. We focus on helping you deliver transformation benefit earlier, prepare better for the transformation and to mitigate the disruption risk associated with new implementations.

Our focus areas are:

- (1) **The case for change.** Our expert consultants will help you prepare the case for change, including the business case, benefits framework and implementation roadmap.
- (2) **Clarity of business processes.** We will map your existing processes to a transformed to-be process layer, ready for enablement by the new technology layer. This helps in understanding the change and people element.
- (3) **Technology selection.** SAP S4/HANA may not always be the right answer. We help you consider your choice of technology and can run the technology selection process on your behalf.
- (4) **Data cleansing and preparation.** Our heritage of managing large volumes of data means that we can help you prepare your data for the move to SAP S4/HANA.
- (5) **Transformation office.** We are expert at running large transformations and can remove the pressure of running the transformation and business as usual from you. Our approach is agile and lean.

Our Unique Strengths



FUNCTIONAL DEPTH

Our approach is based on functional strength, broad industry experience and product depth. Our experts understand our clients' challenges, opportunities and competitive landscape.



HANDS ON

We sit beside our clients, not opposite them. Our teams are lean and fast, in both the assessment and the implementation of our recommendations, and we finish the transformation journey with you.



BEST IN CLASS

We are respectful but bold, with a bias to action. Our fact-based collaborative and analytical approach focused on the client's objectives culture and working style. Our proven processes and tools allow companies to more efficiently and effectively achieve desired outcomes.



EXPERT DRIVEN

We bring on point experts, providing seamless transformation and execution of projects across the business. We know the right levers to effect immediate change, while always focusing on the long-term sustainability of the business.

About FTI Consulting

FTI Consulting is a global consulting business with more than 5,000 employees across 27 countries. Offices in Cape Town, Stellenbosch and Johannesburg are home to our Forensic & Litigation Investigations, Economic & Financial Consulting, Business Transformation, Corporate Finance and Strategic Communications teams. We successfully serve clients wherever and whenever challenges and opportunities arise.

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