

RISE WITH SAP

RISE with SAP to the Cloud – What Companies Need to Consider

The program “RISE with SAP” offers SAP user companies a solution for two crucial developments: the move to SAP S/4HANA and the move to the cloud.

Although conventional SAP S/4HANA implementations are a combination of technical migration and business transformation, SAP customers usually approach these projects separately. For many, the move to the cloud is still purely a question of infrastructure. This is a shame, since a combined move to SAP S/4HANA and the cloud offers companies several advantages at once: digitalization of the IT landscape with high innovation potential, new components and shorter workflows. In addition, companies benefit from lower project costs, shorter project durations and fewer system failures during the implementation.

According to the Benchmark Report published by SAPinsider in November 2021, SAP customers mostly focus on costs (46 percent) and SAP S/4HANA

Cloud (39 percent). They are currently less interested in the other parts of the Business Process Intelligence program, embedded tools, industry enhancements, SAP BTP and SAP Business Network.

SAP users are taking advantage of the migration to modernize their existing IT landscapes and at the same time prepare themselves for fully digitalized working environments. In addition, by moving to SAP S/4HANA and the cloud, they can combine two strategic transformation projects and reduce the overall workload. Project managers should allow sufficient time for systematic planning and avoid making rash decisions. So what do companies need to consider when they decide to move their systems, data and applications to SAP S/4HANA Cloud?

Good Planning Is The Key to Success

To develop the ideal SAP S/4HANA Cloud strategy, companies should first identify their own drivers for wanting to use the cloud. Companies want to free themselves from the burden of a large, on-premises data center and find a simpler, scalable alternative that allows them to save costs or respond to unexpected events in an agile manner.

Furthermore, companies have to gain an overview of their current IT landscape: How big is the system? What data and applications are used? Is it possible to move the entire system or only certain parts? Would this even be allowed and should it take place? Based on this information, companies can plan the project carefully and in line with their corporate strategy, decide on the ideal cloud infrastructure, and select a suitable provider.

Another key factor is finding the right model to deploy SAP S/4HANA Cloud as part of RISE with SAP. The software provider offers two models for this purpose: SAP S/4HANA Private Cloud Edition and Public Cloud Edition. Most SAP user companies are interested in the private cloud. It is primarily aimed at medium-sized and large companies that need to adapt SAP S/4HANA to their requirements and utilize enhancements. The well-known hyperscalers Amazon Web Services, Google, IBM and Microsoft operate the SAP systems. The public cloud is aimed at SAP customers who want to use the standard version of SAP S/4HANA Cloud. The cloud solution does not allow for any customizing and is therefore particularly suitable for smaller SAP user companies with less complex processes or for new companies. The advantage is that they can achieve the lowest total cost of ownership (TCO).

Allow Sufficient Time to Prepare

Ideally, companies will lay the groundwork in parallel: Many of our customer projects have shown that it is worth cleaning up the existing SAP landscape before the migration. If companies can reduce the data volume in their systems, they will need less cloud storage at a later date, resulting in considerable cost savings. It is also worth aiming for fewer non-production systems such as development and quality assurance systems. This cost-cutting potential is often overlooked, and it can be leveraged more easily than the costs saved by archiving in the production system, or indeed implemented in addition.

Lower Costs, Less Risk? Absolutely!

The next step for companies is to carefully consider the question of how to realize the

migration to SAP S/4HANA Cloud at the technical level. This crucial decision has a significant impact on the success of the project. It is advisable to use transformation software and an automated procedure. This enables companies to migrate data particularly quickly and securely while also avoiding long system downtimes, as it is necessary to stop business processes during the conversion for technical reasons. In particular for highly customer-oriented companies with continuous operations and those with global operations, it is important to keep system downtimes to a minimum, since they quickly lead to enormous costs. A direct comparison shows how much the downtime can vary depending on the approach: A modern migration approach enables SAP systems to be converted with near-zero downtime, allowing operations to continue largely without disruption. In contrast, the same data migration using a standard approach would take significantly longer than a weekend and render the IT system unavailable throughout this period.

The chosen software solution should also provide companies with a glimpse into the future: How will the planned changes affect their systems? By simulating these changes before the actual migration, companies can minimize costs and risks and always maintain control of their major project.

Learning from Mistakes? Don't Make Any in the First Place

When complex SAP systems and processes are moved to SAP S/4HANA Cloud, serious errors can sometimes occur. Those who deal with possible pitfalls in advance are clearly at

an advantage. For example, it is important for companies to consider the interfaces that exchange information with internal and external communication partners. There are often several thousand of these digital connection points, all of which need to be identified before a migration to SAP S/4HANA Cloud and converted or updated during the project. This is the only way to ensure uninterrupted communication between employees as well as with partners, suppliers and customers. In addition, companies are well advised to set aside sufficient resources for test phases with SAP S/4HANA Cloud. To plan or document a migration properly and to ensure that balance sheets are not distorted, close coordination with auditors is a must, especially when migrating financial systems.

If everything has been considered, well planned and prepared, companies can move to SAP S/4HANA and the cloud quickly and securely while also unlocking the full innovation potential of the new technology.

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