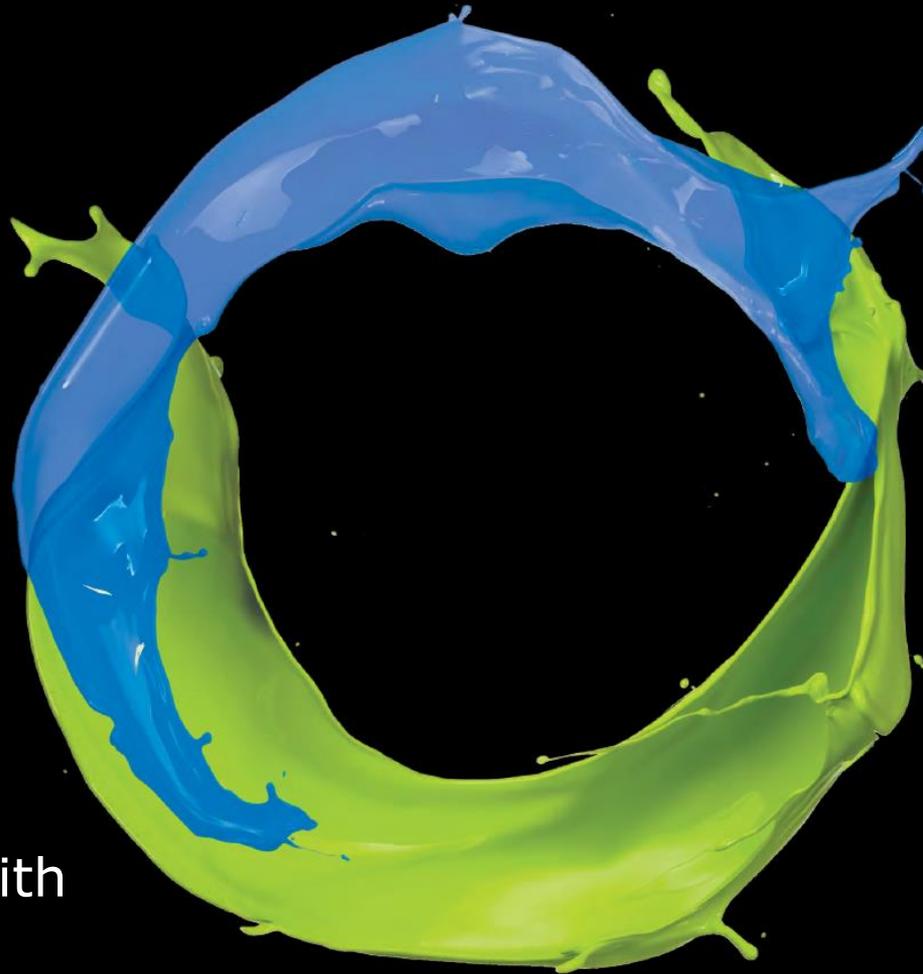# Deloitte.

Rethink your ERP Strategy with S/4HANA

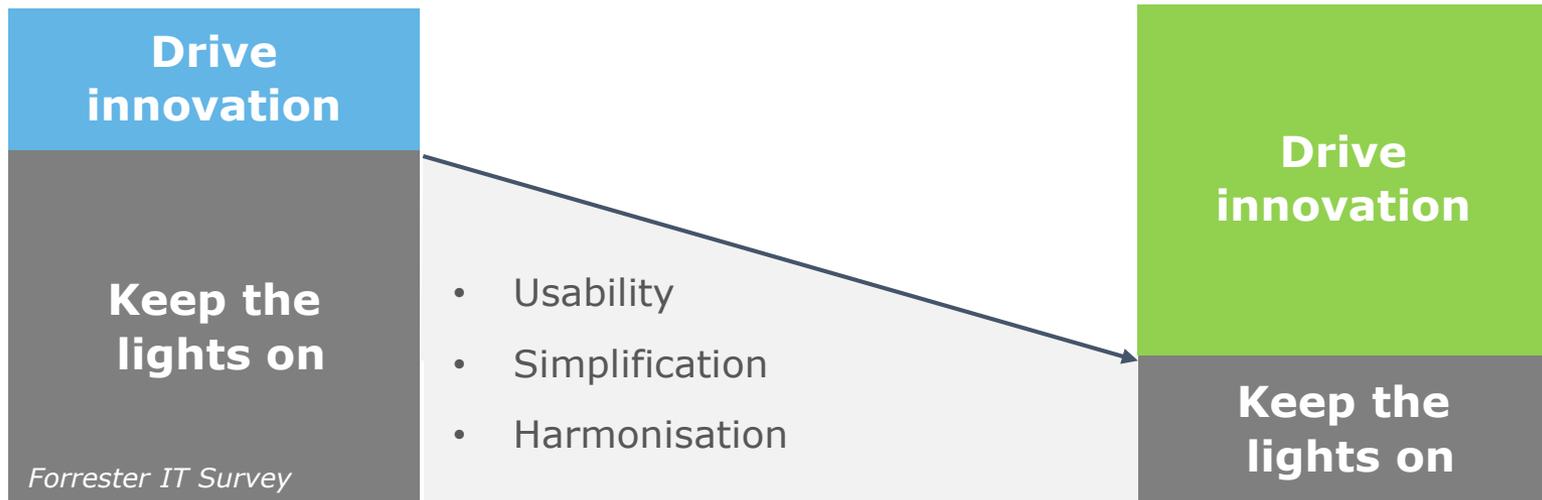Deloitte Consulting
Switzerland

31/03/2017

ERP strategy
Complex and heterogeneous ERP systems slow down innovation

"40% executives worry that their organisations will not keep pace with technology change and lose their competitive edge"

McKinsey Study

Drive innovation

Keep the lights on

Forrester IT Survey

- Usability
- Simplification
- Harmonisation

Drive innovation

Keep the lights on

ERP strategy
Why is it important?

Key to drive real business value

An ERP strategy supports an organisation's business and organisational strategies by taking a combination of IT and business perspectives to meet the goals of the organisation. Without an ERP strategy, heterogeneous system landscapes consisting of detached and dissociated platforms can arise due to acquisitions and historical development over time.

An ERP strategy is key to enabling business functions and higher business strategy goals through the support of IT solutions.
- ✓ Provides greater focus on business value rather than IT only
- ✓ Supports ERP implementation success
- ✓ Enables realisation or ERP goals
- ✓ Aligns supply chain strategy between IT and business

S/4HANA opens new horizons

Process improvements
Simplification of existing business processes

Higher performance
Significant performance improvements in critical business processes and reporting activities

Greater transparency
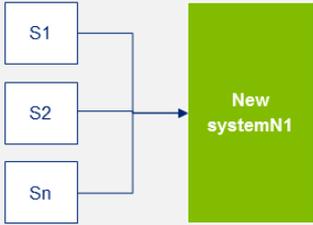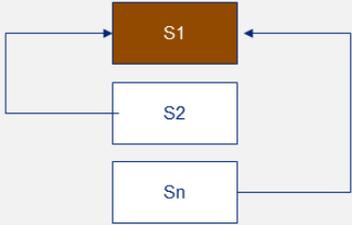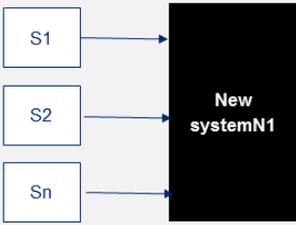Enhanced reporting and decision making

Seamless systems integration
Inter-departmental integration as well as across suppliers and customers

The best way forward

Define an ERP Strategy

Implement S/4HANA
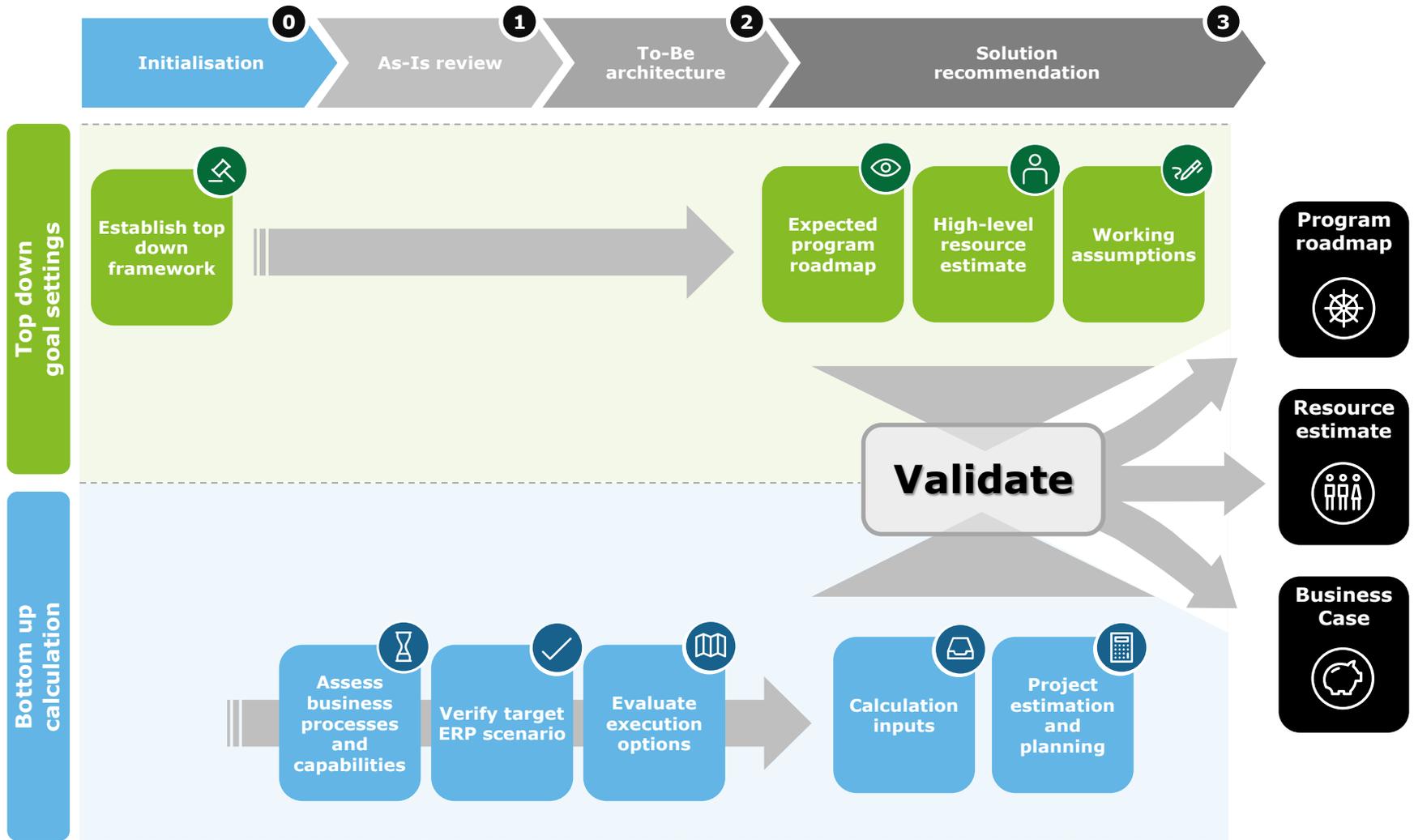
ERP strategy
ERP consolidation approaches

Greenfield approach	Brownfield approach	Blackfield approach	Let it be
"Fresh start: leave the old behind"	**"Take the best of existing systems"**	**"Merge existing systems"**	**"Do not touch"**
Systems to be consolidated will be replaced	Systems to be consolidated will be replaced	Data from the source system will be fully adopted into the target system	Systems will remain and relevant interfaces adapted accordingly
S1, S2, Sn → New systemN1	S1, S2, Sn → S1 (model)	S1, S2, Sn → New systemN1	S1, S2, Sn

Driver

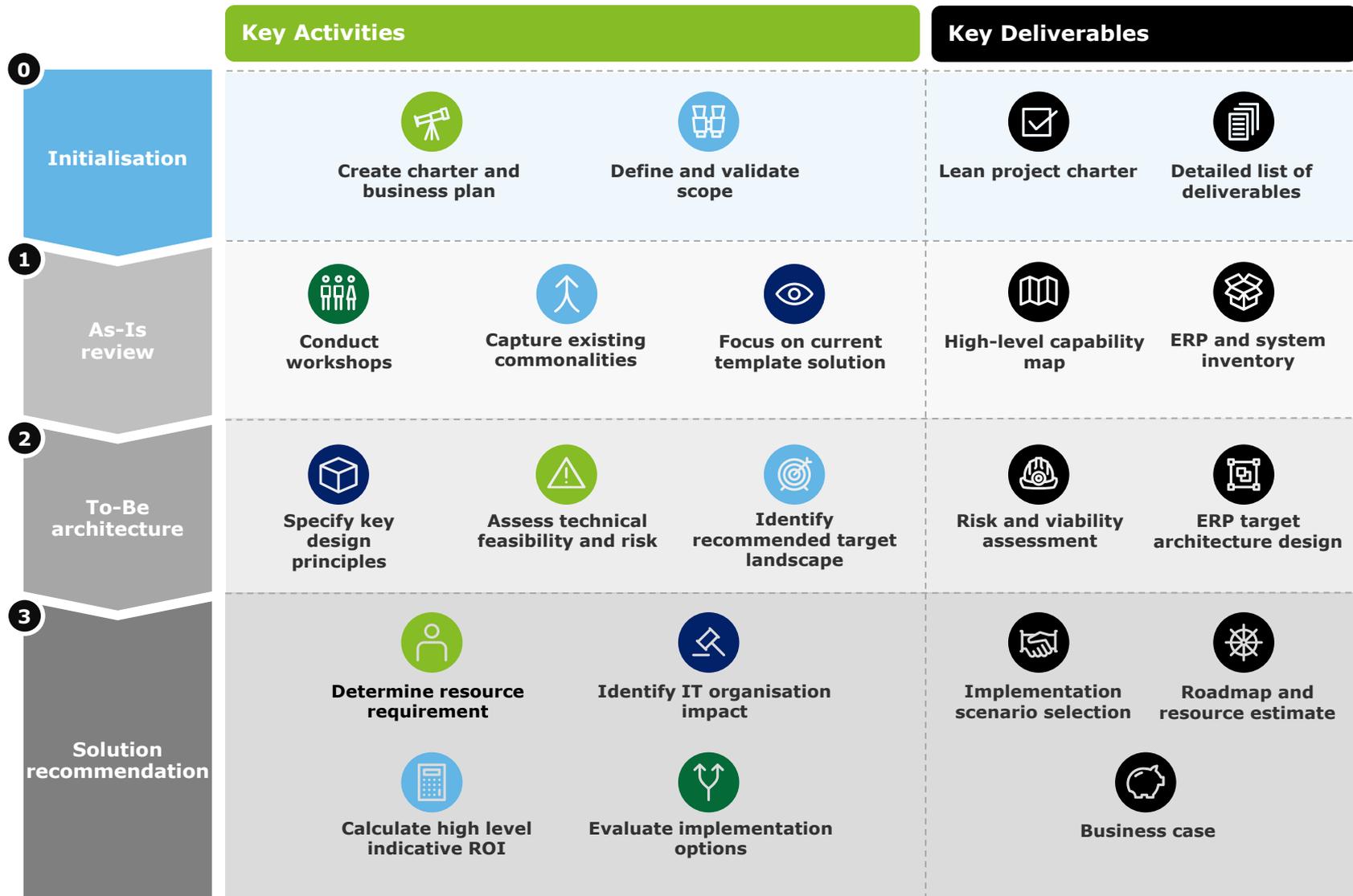|			
Strong need for harmonisation / standardisation	Need for harmonisation / standardisation when one system can be recognised as model	Harmonisation / standardisation too cost / time intensive without bringing major business benefits	Typically for "outsider" / "exotic" systems where a change would not bring significant business benefits

ERP strategy
Our Approach

0 Initialisation
1 As-Is review
2 To-Be architecture
3 Solution recommendation

Top down goal settings

- Establish top down framework
- Expected program roadmap
- High-level resource estimate
- Working assumptions

Bottom up calculation

- Assess business processes and capabilities
- Verify target ERP scenario
- Evaluate execution options
- Calculation inputs
- Project estimation and planning

Validate

- Program roadmap
- Resource estimate
- Business Case

ERP strategy
Deliverables

Key Activities	Key Deliverables

0 Initialisation

| Create charter and business plan | Define and validate scope | Lean project charter | Detailed list of deliverables |

1 As-Is review

| Conduct workshops | Capture existing commonalities | Focus on current template solution | High-level capability map | ERP and system inventory |

2 To-Be architecture

| Specify key design principles | Assess technical feasibility and risk | Identify recommended target landscape | Risk and viability assessment | ERP target architecture design |

3 Solution recommendation

| Determine resource requirement | Identify IT organisation impact | Implementation scenario selection | Roadmap and resource estimate |
| Calculate high level indicative ROI | Evaluate implementation options | Business case |

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