

Put tax at the heart of digital transformation decisions

When it was launched, S/4HANA was positioned as an opportunity to streamline processes, automate, unlock insight and innovation: a vehicle for digital transformation. At first, the reception from big business was lukewarm. But a few years on, and with many businesses now live on S/4HANA, we have a clearer view of the benefits – but also the common challenges and lessons learnt from those who went first. These are five of the biggest hurdles early adopters faced:

📄 Making a solid business case
S/4HANA doesn't come cheap and can be rather complex to implement. It's important to focus on value and how to maximise your return on investment. S/4HANA can be used to transform your overall operating model, whether that is distributed teams, shadow IT organisations, labour intensive tasks or shared service organisations. Explore how your organisation can use most, if not all, processes that S/4HANA supports and map your transformation roadmap around this.

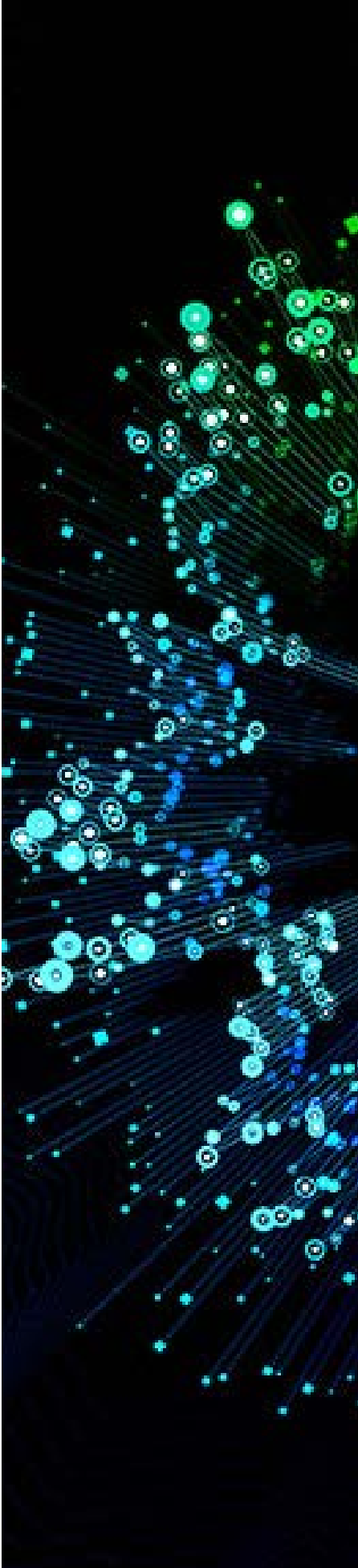
🏠 Choosing the right architecture
S/4HANA has to be about your business needs, not technology, per se. Ask yourself the tough questions. These considerations are important to help you choose the right target architecture. For

example, consider your business's growth strategy – organic growth or acquisitions? For many businesses, the holy grail is a single instance of SAP. However, if your organisation is active in the M&A market, an agile 2-tier architecture (also known as 'Hybrid ERP' at SAP) may suit it better.

🏠 Get your data in order
Let's be clear: S/4HANA is only as good as your data. Archiving unnecessary historical data, remediating custom table extensions at source and cleansing master data at source are all recommended for any SAP programme. While legacy data cleansing might be a high investment, the benefits of system-driven master data governance are numerous. Not doing this would also risk missing the business insight opportunities S/4HANA provides, such as harnessing the power of data

that is often spread across multiple systems in the business. This will, in turn, enable business leaders to implement a common data structure to represent their legal entities, business units, products, customers and so on, and access cross geographical and divisional reporting in a consistent way.

⊖ Biting off more than you can chew
Many businesses today are already grappling with complicated and fragmented systems (whether SAP ECC, another ERP or best of breed applications). Start small, with a proof of concept, and consider an agile roadmap based on fit to standard principles. Don't see SAP merely as a software vendor and get them to accompany you as you take your tentative baby steps. Treat them as an outright partner in your transformation journey.



Put people at the heart of transformation

Finally, for the switch to S/4HANA to be successful, it is vital to get everyone on board. S/4HANA implementation is not a technical transformation, it is one driven by people and change, driving new ways of working, behaviours and culture in order to fully embed the technology and process element. Show the businesses that S/4HANA acts as a catalyst and an opportunity to start the wider transformation journey

– no one can dispute the need to modernise in an era of disruption where doing nothing is akin to business suicide.

[Find out more by clicking here](#)



Genevieve Watson

Tax Partner, Deloitte UK

gnwatson@deloitte.co.uk

This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte LLP accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NWE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NWE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2020 Deloitte LLP. All rights reserved.