Capgemini invent

DIGITAL CORE TRANSFORMATION WITH SAP S/4HANA®

It's more than an upgrade
– it's a transformation

EMBRACING THE PIVOTAL MOMENT TO UNLOCK CHANGE WITH SAP S/4HANA®

> **"**
> *It's never been more relevant to take measures to simplify and rationalize core processes to become a Renewable Enterprise"*

As disruption and uncertainty increase in today's world, organizations are shifting their priorities. Increasingly, digital transformation is no longer seen as a nice-to-have option to be considered at some point in the future – it has become an immediate imperative for survival.

It's never been more relevant to take measures to simplify and rationalize core processes to become a Renewable Enterprise – an enterprise able to constantly grow and adapt, to renew itself, to unlock value and outperform the competition. The ERP systems that many organizations still have were meant to make things easier, and they did, for a while. But repeated incremental custom enhancements have resulted in an accumulated dissonance of hardware, software, and data so cumbersome that it cannot adequately respond to disruption.

TAKING THE RIGHT ROAD TO TRANSFORMATION

Just like trees caught in a hurricane, it will only be the most flexible organizations that will survive – they need to flex and respond, hold their ground, then go on to thrive. Leaders are naturally seeking ways to transform to achieve this greater resilience and flexibility. But transforming the core to access and analyze real-time data is a major planning exercise. Businesses need support in clarifying the vision from the outset. They need to select the right model that will provide real-time, forward-looking insights but minimize impact on business-critical operations.

Digital Core Transformation with SAP S/4HANA® is about first reshaping the old monolithic ERP architecture into a cleaner, smaller, simplified core with all customization removed. Years of accumulated clutter are trimmed off, the drag is reduced, then the new, streamlined organization can add real

differentiation with cloud platforms, such as the SAP Cloud Platform, Microsoft Azure, Google Cloud, or AWS. This is where real innovation is unleashed, and value is created – it occurs on a Platform as a Service (PaaS).

With the new-found agility, quality real-time external data can be combined with ERP data and valuable insights extracted by machine learning. It's a completely new way of driving the business, building momentum with continuous feedback from customers to deliver new digital services or products. But it doesn't have to be an "all or nothing" approach. Organizations can see early results by selecting a single process to renew in the cloud first, and to see the benefits before committing to a larger scale transformation.

THE GREAT SAP SKILLS SHORTAGE

Business strategy is often centered on acquisition fed by asset rationalization. This often requires the shifting of large numbers of people from location A to location B. During this shift, business cohesion and the fluidity of processes must be maintained. But as business units disperse geographically, and different SAP instances proliferate, it becomes difficult to efficiently consolidate, let alone operate, a common data model for business comparison purposes, or to serve customers in a consistent way.

The right people with the right skills must be in place to enable a smooth implementation. High demand for SAP skills could leave some organizations without the resources they need to migrate their systems, and with no scalability of support. This is largely due to the hole that two generations of outsourcing have left in local labor pools, combined with a retiring workforce, and overlaid with the 2027 deadline set by SAP after which its systems will be built to run on just one single database – SAP S/4HANA. It is no wonder that SAP skills are close to breaking point.

> "During my 19 years as SAP Research Director at Gartner I can safely say that nothing has caused the same amount of confusion, panic, and uncertainty as there is today around S/4HANA."
>
> Dr. Derek Prior, former SAP Research Director at Gartner.

After 2027 SAP will no longer support its legacy ERP software users, leaving them with three options:

- Migrate to SAP S/4HANA to receive support from SAP
- Sign a bespoke support contract with SAP for the legacy ERP software
- Migrate to another provider

THE DUALITY OF TRANSFORMATION

Becoming the Renewable Enterprise should not be thought of as just a definitive end-point – it is both an achievable destination as well a continual journey. It's not an either/or – it's the juxtaposition of both of these.

Transformation must further embrace the importance of both the whole and every constituent component of the Renewable Enterprise. The initial all-encompassing roadmap and vision are vital, and so is making sure every constituent combines seamlessly towards an outcome oriented "renewable" state.

To achieve the vision, multiple components must be leveraged and balanced:

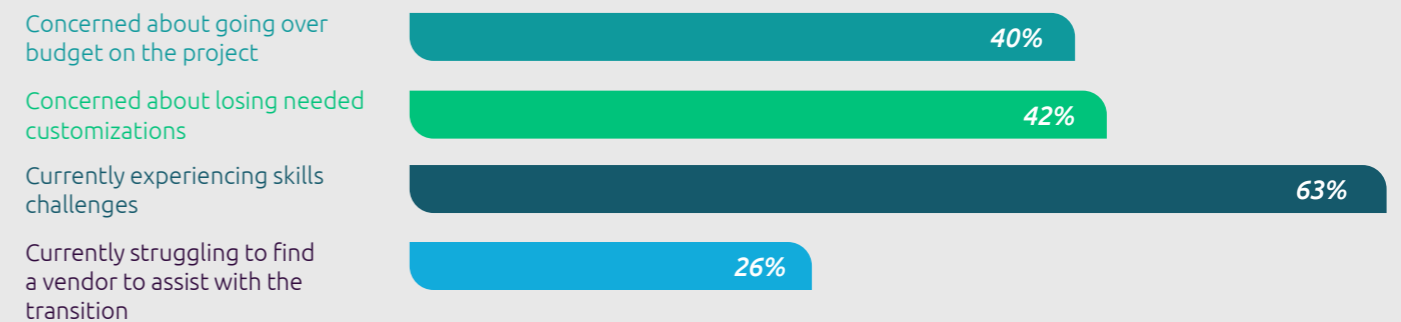| A set of tools & accelerators	Best practices/ processes (frameworks/ methodologies)	The right architecture	The right technology	The right mindset

A FRESH IMPERATIVE TO TRANSFORM THE CORE

Upgrading your core system isn't just about optimization and the automation and globalization of operations: a solid digital core is the enabler of innovation and competitive differentiation so vital in times of economic upheaval. In today's disruptive digital environment, you need access to quality data to give immediate and meaningful insights into your performance.

SAP S/4HANA provides the ability both to standardize and differentiate, but there's no denying that the transition is complex – in fact over 39% of live customers report that it was more complex than expected.

CONCERNS OF LIVE S/4HANA CUSTOMERS

Concerned about going over budget on the project	**40%**
Concerned about losing needed customizations	**42%**
Currently experiencing skills challenges	**63%**
Currently struggling to find a vendor to assist with the transition	**26%**

ASUG research, February 2019

LOOK BEFORE YOUR QUANTUM LEAP

In a value-oriented economy innovation is prized above all else, but in order to drive top-line growth with new products, services and business models, organizations must have a robust digital core around which to build. They need to exploit their core ERP platform by simplifying it and innovating around it, developing the actionable insights they need to drive value. But how can organizations standardize and reduce complexity while, at the same time, building a platform from which to drive innovation?
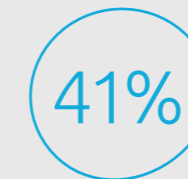
How can organizations strike the right balance between standardization and individualization?

Along with any new platform comes a fresh reappraisal of application and integration strategy. Your people need the right skills and, above all, you need a different cultural mindset. Transforming from the inside out requires major planning. The vision has to be carefully distilled to minimize disruption to operations during the transition.
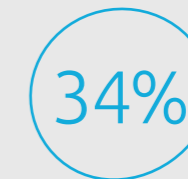
THE BIGGEST BARRIERS FOR FUTURE SAP S/4HANA ADOPTERS

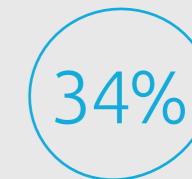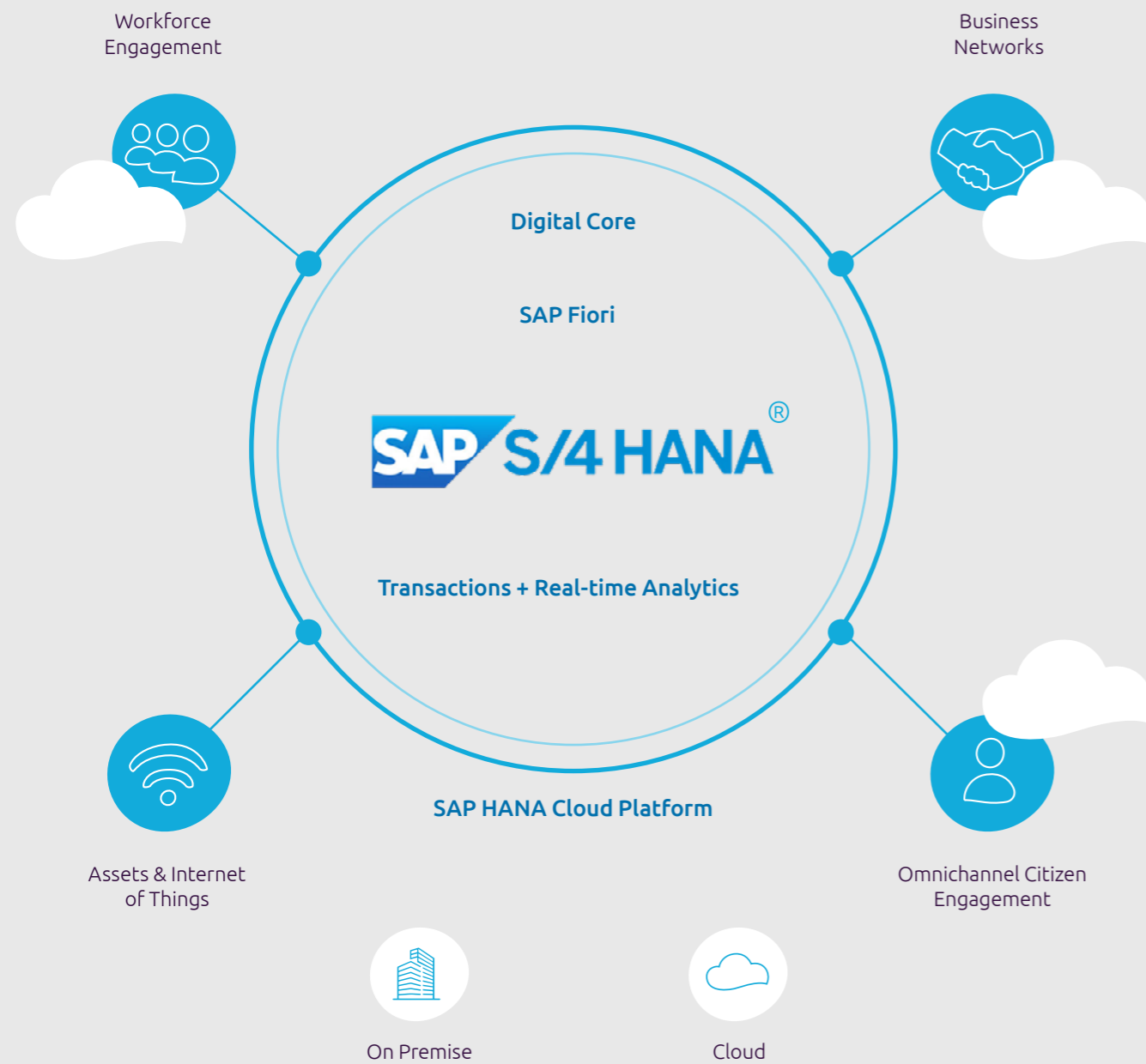| 55%	41%	34%	34%
Need a business case or business justification	Not a priority for my company	Concerned about maturity of the product	Challenged by cost or lack of financial resources

ASUG research, February 2019

TRANSFORMING YOUR DIGITAL CORE WITH SAP S/4HANA

The renewable enterprise is enabled by an intelligent set of applications served by the right integration layer. SAP S/4HANA is the backbone of it. Coupled with a sound architecture with Cloud Platforms it provides an optimal intersection for AI and advanced analytics, for superior business insights that can enable new business models. It's the biggest update to SAP's ERP strategy and platform in over two decades and represents not just a technical upgrade but an opportunity to activate business change, allowing enterprises to unleash the power of new digital technologies and evolve their businesses and processes. It's not just a migration, it's a transformation. The decision to embrace an ERP of the future should not just focus on the technical aspects of SAP S/4HANA. It's about how best to ensure the company's future relevance.

Workforce
Engagement

Business
Networks

Digital Core

SAP Fiori

SAP S/4 HANA®

Transactions + Real-time Analytics

SAP HANA Cloud Platform

Assets & Internet
of Things

Omnichannel Citizen
Engagement

On Premise

Cloud

An inventive enterprise is within sight for your organization. But such a transformation raises many questions: How do we achieve a mindset change towards digital? How much do we need to change the way we approach projects to engage and empower our employees? How can we conduct a change that is focused on tangible transformation results? You need the right partner to help answer these questions.

FIND YOUR TRUE NORTH AS AN ENTERPRISE

At Capgemini Invent, we will help you create a renewable platform that can support an evolving business, and is capable of evolving along with it, step by step. Our pedigree in distilling business vision to design and then deliver digital transformation means we can translate your strategic ambitions into the reality of a digital core that standardizes and simplifies your processes, as well as acts as a catalyst for future innovation.

By being technology agnostic, we provide you with a broad canvas of opportunities to help your business design, discover and support a culture of open innovation. We bring a bespoke approach to every client engagement – which may include the use of non-SAP technologies, and other best-of-breed vendors to augment the transformation.

Digital Core Transformation with SAP S/4HANA is always accompanied by the breaking down of silos because transformation simply won't permeate through a compartmentalized organization of siloed departments and even siloed mindsets. To succeed, any significant transformation needs to satisfy the needs of all stakeholders – every person in the business – not just shareholders and end customers. Complete buy-in and an open-minded culture is vital. This is why we put the business at the heart of the case for change, nurturing the appetite for transformation and buy-in from key stakeholders. What we'll bring isn't limited to

IT and process optimization – it's about the strategic vision of your organization delivered by people.

Whether you are seeking a new implementation, the conversion of any existing SAP business suite system, or the widescale landscape consolidation of SAP systems, we can join you at whatever point you are on your change journey to perform highly customized assessments. The principle of the 'Multi Pillar S/4 HANA Architecture' (MPSA) is to design and build an architecture that is suited specifically to your business and IT requirements.

We connect all the pieces in the Multi-Pillar SAP S/4HANA architecture, according to pre-defined questionnaires, decision matrices, design principles, and integration patterns, but we know that best practices/processes are contextual – they are unique for your organization. Our assessments, frameworks, and methodologies build your best practices and processes outwards, with SAP S/4 HANA at your ERP core.

We are supported by the full power of the Capgemini Group, to accelerate the transformation with industrialized assets and benchmarks. By building the right architecture for your organization you will gain the maximum flexibility and agility of your core system. This enables you to continuously reshape the business, explore new business models, and unleash new revenue streams.

OUR UNPARALLELED SAP CREDENTIALS

Highly Matured & Acclaimed SAP Practice

- **Four decades** of SAP Experience

- Global SAP Partner **Since 1993**

- **Global Strategic Service Partner** (GSSP) (Market Maker Partner)

- **22,000+ SAP resources globally**: 5,900+ working for North America markets, 11,400+ for Europe, 3,700+ for APAC, and 1,000+ for LATAM

- **1,800 clients** around the world

- **SAP Center of Excellence** (SAP CoEs) - world-wide network of Specialists and Innovation Teams

- **30+** Delivery & Solution Design Centers

SAP® Certified
Support Center of Expertise

SAP® Certified
in **Global** Hosting Operations

SAP® Certified
in Cloud and Infrastructure Operations

SAP® Certified
in **Global** SAP Business Suite Solutions Operations

SAP® Certified
in **Global** SAP S/4HANA® Solutions Operations

SAP® Certified
in **Global** SAP HANA® Operations

Full Lifecycle Services - Few SIs can Deliver End to End SAP

- Leader in 2021: NelsonHall in its NEAT evaluation for SAP ERP Cloud Migration Services

- Leader in 2020: Gartner Magic Quadrant for SAP S/4HANA Application Services, Worldwide

- Leader in 2020: Avasant's SAP S/4HANA Services 2020 Radarview™

- Leader in IDC MarketScape: Worldwide SAP Implementation Services 2020 Vendor Assessment

- Leader: Forrester Wave : Global API Strategy and Delivery Service Providers, Q2 2019

Most Qualified and Best Educated SAP Workforce

- #1 in SAP Certifications

- #1 in SAP S/4HANA People certifications Globally and for EMEA, LATAM & APJ

- #1 in SAP Cloud Platform (SCP), Technology and Industry certifications Globally

We are #1 in SAP
S/4HANA certifications globally

DIGITAL CORE TRANSFORMATION WITH SAP S/4HANA UNFOLDS OVER FIVE PHASES:

Step 1

Building Ambitions
Identifying opportunities and addressing strategic ambitions

Firstly, we work with you to define your SAP S/4HANA transformation ambitions. With a myriad of databases we compare performance across your industry sector; this includes demonstrators and assets that identify the greatest opportunity areas per sector, for new market offerings, increased shareholder value, and more positive market perceptions.

By doing this we are helping you to design the best way for your enterprise to harness the full power of SAP S/4HANA.

Outcomes we deliver:

- Business and digital ambitions
- Guiding principles
- Benefit levers
- Executive alignment on the opportunities

Step 2

Readiness for change
End-to-end maturity assessment

Recognizing that SAP S/4HANA isn't just a technology change, we assess obstacles and accelerators in adopting an organizational culture capable of driving transformation underpinned by the faster processing and the more flexible architecture of SAP S/4HANA. We precisely analyze your current level of maturity and assess the future direction of operating, data, and IT models using our maturity grids by process to identify improvement opportunities.

Outcomes we deliver:

- Assessment of your maturity level today, and your future target
- Prioritized improvements and opportunities

3

Taking Aim
Defining target models

With our comprehensive library of track-tested transformation use cases, benchmark databases, and demonstrators, we explore transformation opportunities that can be realized with SAP S/4HANA and any other digital solution. This precisely identifies all the implications for your Target Operating Model, and for your route to maturity and renewability. It's an industrialized and packaged approach adapted to the specific needs of each client, using design thinking and our unique SAP S/4HANA D-GEM tool with best practices for operational excellence.

In order to reap the full transformational benefits of the fully integrated solution environment of SAP S/4HANA the 'to be' state of your Target Operating Model must be carefully defined. We define the data management model & governance, benchmark the business case and develop the change management plan.

ESOAR and D-GEM – the proven models that help us reinvent enterprises

By using design thinking and our unique SAP S/4HANA D-GEM platform, we identify all the implications for your Target Operating Model, and for your route to maturity and renewability.

When S/4HANA is combined with D-GEM transformation is unleashed.

To outline the revenue and brand impact of the core model design and look at wider efficiencies that can be realized to maximize your SAP S/4HANA investment, we apply our ESOAR (eliminate, standardize, optimize, automate, robotics) model. This plans the infrastructure and application landscape that will yield the best cost reductions, efficiencies and use of data.

The ESOAR approach is underpinned by our unique digital global enterprise model (D-GEM). It's a market-leading architecture, that brings together decades of operational expertise, deep intelligent automation knowledge and our experience across many clients and sectors.
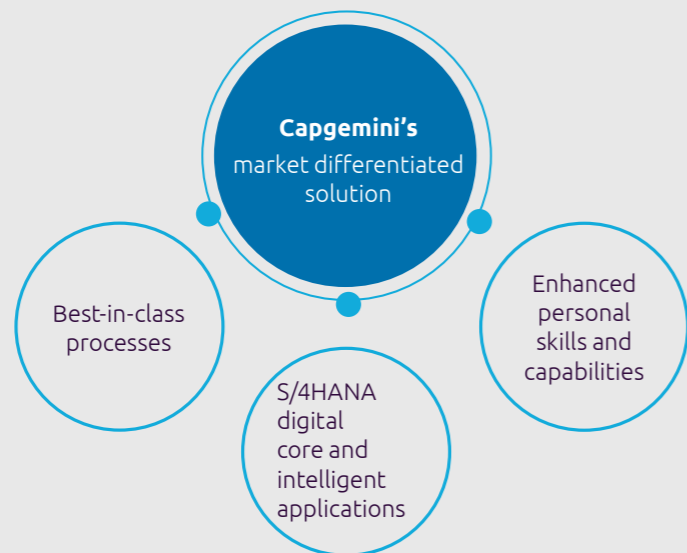
Outcomes we deliver:

- Target operating models
- Target data model
- Target IT model
- ESOAR Model
- D-GEM for SAP S/4HANA – our Digital Global Enterprise Model

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D-GEM

Transform your existing business and deliver a new operating model with benchmarked best-in-class operational performance

Capgemini's market differentiated solution

Best-in-class processes

S/4HANA digital core and intelligent applications

Enhanced personal skills and capabilities

SAP

SAP S/HANA Renewable Enterprise

Deliver S/4HANA in an intelligent and sustainable way

4

Making your way
Building the roadmap and business case

To help you navigate current and future market volatility, we provide a detailed roadmap and business case delivering early value and risk mitigation. We guide you in detailing the transformation and building the business strategy that will harness SAP S/4HANA to the fullest degree. We will design the governance, organization and processes you need, anticipating the implications for your business processes across all functions. With a suite of predefined solutions including several solutions pre-certified by SAP, we will help you get to the best value, whether it be for a specific line of business, across LOBs, or for company-wide transformations.

Outcomes we deliver:

- Transformation path
- Transformation roadmap and principles
- Program business case
- Business transformation strategy
- Increased employee engagement
- The New Change Deal - our proven model for successful change

Step 5

Sharing the Vision
Unifying stakeholders for sign-off

To make sure all your key stakeholders are agreed on the rationale for change and are aligned to focus their efforts in the same direction, we use highly customized assessments. These are built around the key people in your business and their unique roles in driving change. By getting everyone involved from the outset and helping you unify all stakeholders with full buy-in and sign-off, we enable you to start the program in the right direction and maintain momentum over the whole project.

Outcomes we deliver:

- Program next steps
- Executives aligned on transformation path and business case
- Business stakeholders mobilized for the program
- New Change Deal for Transformation Implementation

NEW CHANGE DEAL FOR TRANSFORMATION IMPLEMENTATION

Recognizing that transformation is ultimately facilitated by people, we will deploy our New Change Deal which fosters employee engagement during the transformation process. The New Change Deal is our change management methodology that increases the agility and changeability of organizations by building engagement in the adoption of new technologies. It supports the change journey in an agile, iterative way to enable nimble and innovative responses to the vicissitudes of the ever-shifting business landscape.

In order to quickly move towards your optimal 'to be' state we will help you leverage agile and design thinking to enable the effective implementation of SAP S/4HANA. This accelerates real time enablement across all parts of the business and makes sure that the business case is delivered.

Research shows that engaged employees are four times more likely to go beyond 'what is expected', and two and a half times more likely to stay late when something needs to be done. It comes as no surprise then that organizations with high employee engagement show a 19% increase in operating income and almost 28% growth in earnings per share.[1] This is what lies at the heart of The New Change Deal: fostering employee engagement during the transformation process.
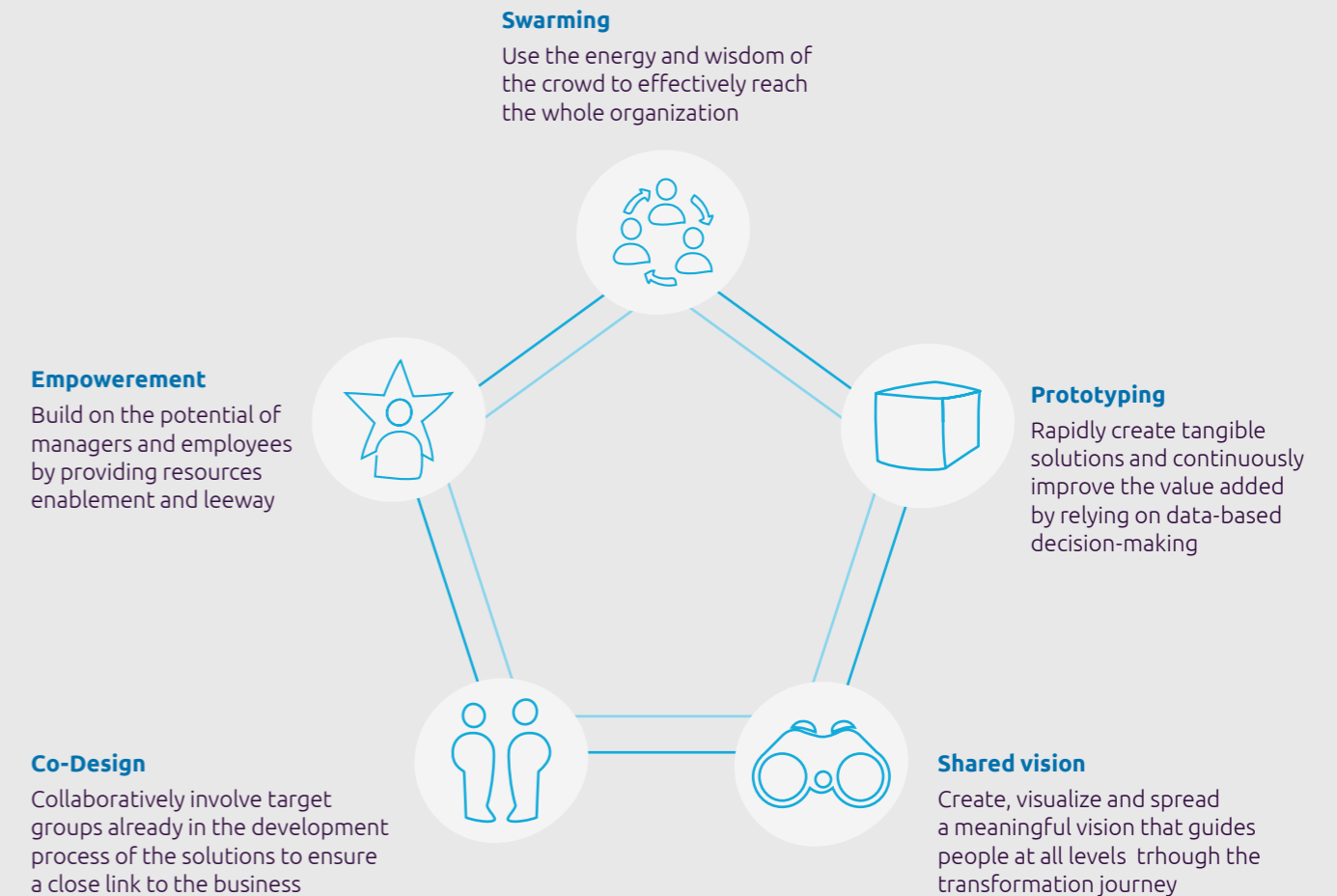
We perform change management activities in rapid sprint cycles to enable the smooth implementation of SAP S/4HANA. After each sprint, effective change formats are released within the organization and are monitored with real-time feedback. Higher employee engagement creates a sense of empowerment that makes all your people the agents and stakeholders of transformational change.

"

Companies using change management are six times more likely to achieve the business results they expect"

Source – https://www.capgemini.com/gb-en/service/invent/new-change-deal/

The five principles of the New Change Deal:

Swarming
Use the energy and wisdom of the crowd to effectively reach the whole organization

Empowerement
Build on the potential of managers and employees by providing resources enablement and leeway

Prototyping
Rapidly create tangible solutions and continuously improve the value added by relying on data-based decision-making

Co-Design
Collaboratively involve target groups already in the development process of the solutions to ensure a close link to the business

Shared vision
Create, visualize and spread a meaningful vision that guides people at all levels trhough the transformation journey

WHAT WE BRING:

- A pragmatic, agile and human-centered process
- Higher employee engagement and empowerment
- An interdisciplinary embedded change team to measure the level of engagement and collect on-the-ground feedback in real time
- A dedicated Change and Communication Manager to monitor the implementation of SAP S/4HANA
- SAP Enable Now – a collaborative management and sharing platform that supports instructor-led training, self-directed learning and online performance
- iCaptivate – an asset that, by using Agile and lean tools and techniques, automates non value-adding tasks and delivers more value to your business.

WHY CHOOSE CAPGEMINI INVENT FOR SAP S/4 HANA®?

Digital Core Transformation with SAP S/4HANA is your pathway towards an organization powered by data and driven by people. You will gain an organization that is agile and resilient, with a clear strategic vision and direction of travel in an intensely competitive post-pandemic world. Our experience in both strategy and delivery means that we can join you at any point in your change journey to create a renewable platform that can support your evolving business.

We help you transition to a future-ready organization that relies not only on deep and wide technology and process evolution, but also on a high level of engagement and

motivation of everyone connected to the business. We want to help you achieve an SAP S/4HANA platform that can support and grow with your business for the next 15-20 years. We do this by translating your strategic ambitions into the reality of a digital core that not only standardizes but revitalizes as a catalyst for future innovation.

We bring deep industry sector knowledge and technology expertise along with the combined power of the Capgemini Group that includes around 22,000 SAP practitioners globally. We take pride in our global platinum partner status.

Capgemini ● invent

About Capgemini Invent

As the digital innovation, consulting and transformation brand of the Capgemini Group, Capgemini Invent helps CxOs envision and build what's next for their organizations. Located in more than 30 offices and 25 creative studios around the world, its 7,000+ strong team combines strategy, technology, data science and creative design with deep industry expertise and insights, to develop new digital solutions and business models of the future.

Capgemini Invent is an integral part of Capgemini, a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 270,000 team members in nearly 50 countries. With its strong 50 year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2020 global revenues of €16 billion.

Get The Future You Want

Visit us at

www.capgemini.com/invent

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