



SAP S/4HANA

Four key questions to
answer for a successful
migration

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You've probably heard: By 2027, all SAP customers must have moved to SAP S/4 HANA. But what does that actually entail? What is S/4 HANA, what does your business have to do to be able to upgrade, and not least - what do you get out of it?

S/4HANA is SAP's most innovative and modern ERP platform. The system uses "in-memory" technology, a significant upgrade from the other ERP solutions on the market today. The technology enables a much more efficient and direct data management, and it gives the company a full-scale overview of its entire value chain. Furthermore, it opens a lot more opportunities within areas such as data insight and machine learning.

SAP has thus announced that they are putting an end to user support for older solutions from 2027. It may sound like a long time away, but it is essential to use the time wisely. Such an upgrade will affect the organization, and you should plan for it carefully.

However, an even better argument for getting started sooner rather than later is the opportunities it offers. When done right, the latest technology and all the new features can give you a whole new way to meet the market's needs for seamless digital shopping experiences – and simply let you do business in a much more efficient and valuable way. The longer you wait, the more you have to lose – and the moving itself is doable within an acceptable time frame.

This guide considers four main questions that the business should have good answers to before the process.

I hope you will find it useful!

Petter Dobbelle
Prinspal konsulent | Pearl Group

To find the next step on the journey to a successful migration for your business, you need to think about where you are now. Has the decision on a migration been made, or do you not have the proper foundation to make the decision? Have you made the necessary preparations considering where you are?

If the decision has not yet been made, there are some crucial analyses and assessments you should make:

- How are the current license model and license agreement affected? Moving to S/4 may change the components you are licensed for. To not get any surprises after the migration has started, this should be reviewed in advance.
- S/4HANA runs on a different database than the solution you have today. Many customers choose to move to a hyperscaler when migrating. There are many benefits to operating the S/4HANA on a hyperscaler. This should be considered and possibly included in the migration plan.
- When is it appropriate to make such a move? The requirements from the business for continuous development often make it challenging to plan for an extended freeze period. Therefore, it is important to have a clear picture of what is possible, both when it comes to business and the technical boost, and the length of the freeze period.
- How will the new solution affect the organization, and how much do you want it to affect the organization from the beginning?
- Is the solution of such a quality that migration is possible?

Maybe you have come so far that the company has decided that a technical migration to S/4HANA is right for you? Once the decision has been made, it is essential to put in place a good plan and an overview of which tasks lie ahead of you. Here, experienced migration partners can contribute with a method for implementation, experience in how much time is needed, as well as suggestions for what risk-reducing measures you should take.

It is essential to carry out a “proof of concept”, i.e., a complete test migration in

a sandbox environment on productive data. This should be done together with your chosen migration partner. The goal is to ensure that you do not get any surprises when you start in the production environment.

Some conclude that there are good reasons to start with blank sheets and not proceed with a technical migration. This may be because the solution no longer supports the business' needs, that there are major organizational changes that cannot be solved within the current setup, or that you simply have a lot of historical data you do not want to bring with you. In these cases, we previously saw that the only option was to start with a new implementation. However, there are now alternative migration methods that can solve these issues more smoothly and faster than starting all over again.

2 DO YOU NEED A BUSINESS CASE TO DEFEND THE MIGRATION PROJECT BUT ARE STRUGGLING TO FIND THE UPSIDE?

Unless the company has already decided and seen the extent of a migration and the expected cost, there is often a need for a good business case as a basis for getting the investment approved. For most organizations, it is not enough to point out that this must be done just because SAP stops supporting the solution in 2027.

There is no doubt that there are many benefits and opportunities in migrating to S/4HANA, but they often come in phases after the technical boost has been made. It is, therefore, important to look at a longer road map when you make the business case. When you calculate the value, you must have a proper understanding of what kind of functions are in the new system and how the company can make the best possible use of these over time. What does it offer in streamlining, increased earnings, or new business opportunities? Try quantifying the possibilities.

We recommend implementing the upside after the migration, focusing on different subject areas and extracting the innovation that the solution provides. If you have chosen to move the infrastructure to a hyperscaler, this will, in time, result in a reduced TCO that should be included in the business case.

3

IS THE SOLUTION OF SUCH A QUALITY THAT MIGRATION IS POSSIBLE – AND DO WE HAVE TOO MUCH CUSTOMER ADAPTATION?

The big question everyone is asking is: Is it possible to migrate the solution as it is now, or do we have too much customized functionality or other challenges that means that the solution cannot be migrated?

Our experience is that the solution can be migrated: Customer adaptations still work after migration, and there are few core processes that have changed and that will affect the users. Even if you want to get rid of customer adaptations in the long term and go for more standard processes, and extract the innovation that comes with the solution, this is possible to implement this over time.

That said, one should not underestimate the need for a clean-up. Archiving, deleting logs, and closing down companies that are no longer in operation are things that should be addressed before starting the migration. Analyses run in your solution will be able to give you the answer to what you should address.

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WHAT SHOULD YOU LOOK FOR IN A MIGRATION PARTNER?

There is no doubt that a migration of this magnitude requires experienced professionals. You must have a partner who has done this before and can give you valuable advice before, during, and after the migration. They should be willing to take responsibility for the project.

You as a customer should concentrate on understanding the business changes and what it means to you. In addition, it is vital that you contribute knowledge about your solution and set aside time to carry out a full-fledged acceptance test.

We at Pearl were the first company in Europe to go live with a trading company on SAP S/4HANA, with Fjellsport.no, and have since helped customers such as Statkraft, Vinmonopolet, Bohus, and Motek with successful migrations.

We are a leader in the Nordic region on the platform, and together with several

of our customers, we have developed a template solution for S/4HANA, adapted to the needs of the various industries.

We have the experience and a partner-approved solution from SAP to help customers with the migration. We only use SAP-approved tools in the implementation. We also have extensive domain knowledge of many of the most important industries that will benefit most from the technologies made available through S/4HANA.

You are welcome to contact us with any questions or concerns. If you want to hear more about our experiences, we are happy to share.

Contact Petter Dobbelle, petter.dobbelle@pearlgroup.no for more information.

