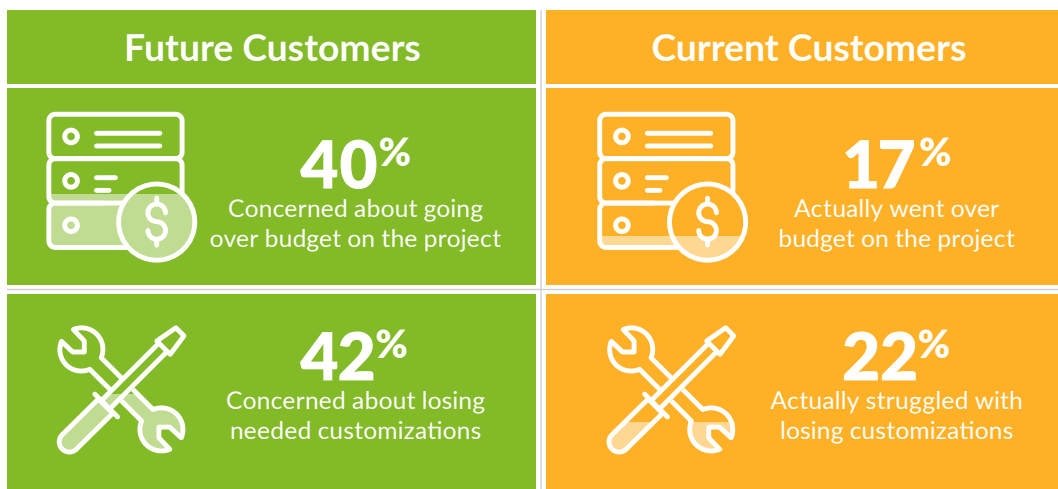# SAP S/4HANA Challenges That Aren't so Challenging

Research from ASUG and Capgemini has revealed that future SAP S/4HANA customers can avoid some of their fears about implementing it.

ASUG compared feedback from customers who are live on SAP S/4HANA with feedback from those who are planning to adopt it. One of the most interesting findings we uncovered is that concerns like going over budget or losing customizations (Figure 1) are not significant challenges that live customers experienced.

Figure 1: Expected Versus Actual Challenges Related to SAP S/4HANA Transitions

Future Customers	Current Customers
40% Concerned about going over budget on the project	**17%** Actually went over budget on the project
42% Concerned about losing needed customizations	**22%** Actually struggled with losing customizations

Source: ASUG research, February 2019

> "Obviously, it's a big investment to do something like this, but we had a business case associated with rapid payback that allowed that strategy to be justified."
>
> SAP customer, oil and gas industry

Implications: Don't Sweat the Small Stuff

There is no denying that an SAP S/4HANA transition will be complex. In fact, 39% of live customers report that the migration was more complex than expected. And although cost and standardization will be a part of any business case, they should not dominate the discussion.

Areas that should have more of an emphasis within a business case include managing your workforce (e.g., staffing for needed skill sets or change management) and cleaning your data (e.g., archiving, removing legacy code, merging datasets). These could affect cost and standardization, but they also have bigger implications for your organizational mindset and employee satisfaction. Spend time finding the support you need to optimize both technical and business processes.

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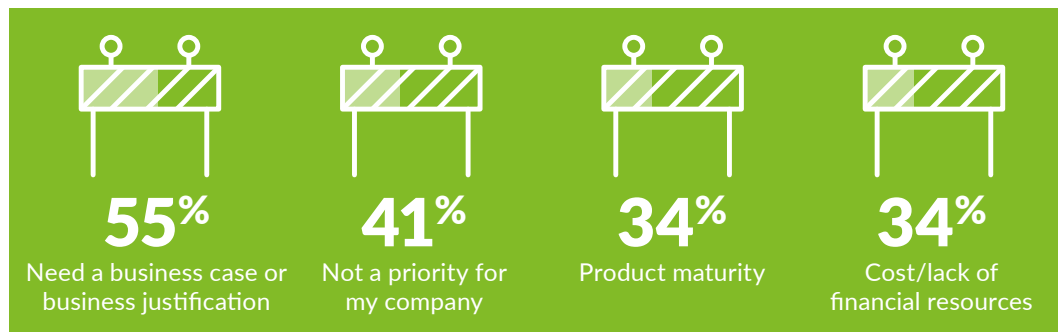
Barriers to SAP S/4HANA Migrations and How to Handle Them

Research from ASUG and Capgemini shows that the hurdles to an SAP S/4HANA implementation are real and can be significant. Identifying them before moving can ease your transition.

Preparing for an SAP S/4HANA journey offers great possibilities to optimize your business, but it comes with challenges. The biggest barriers for future SAP S/4HANA adopters include building a business case, prioritizing the project, and believing that the product is ready (Figure 1).

Figure 1: SAP S/4HANA Migration Barriers

55%	**41%**	**34%**	**34%**
Need a business case or business justification	Not a priority for my company	Product maturity	Cost/lack of financial resources

Source: ASUG research, February 2019

> "We didn't implement in the cloud, mainly because SAP S/4HANA was not mature enough for some of the functionalities we needed at the time we made the decision. All the modules just weren't there yet."
>
> SAP customer, chemicals industry, Fortune 1000 company

Implications: SAP S/4HANA Is Ready, but Is Your Business?

SAP S/4HANA is maturing with each release. The product might not feel ready, but it likely will have the functionality your company is looking for by the time you make the transition. In the meantime, it's important to get your business ready to handle an SAP S/4HANA adoption project. You should find partners to help you strategically plan, supplement your team with the necessary skills, and bring expertise from working with other SAP customers. These are all necessary building blocks of a business case, which future customers identified as the biggest barrier to migration.

By getting set up with the right support, you will be able to create a budget and determine what resources you'll need, which will require executive buy-in. Connecting with the right partners will prepare you to establish an accurate scope and timeline for the project. Planning reduces the likelihood that you will run into obstacles.

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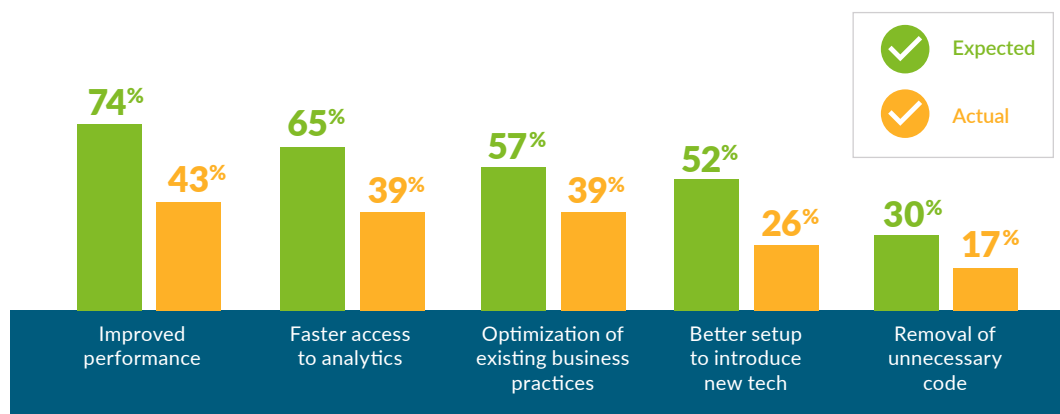
Key Benefits You Can Expect from SAP S/4HANA

Research from ASUG and Capgemini shows that the most desired benefits from SAP S/4HANA also are the ones that customers are most likely to achieve quickly.

The fastest way to build a business case for SAP S/4HANA—either for an initial implementation or a future upgrade—is to show ROI from SAP S/4HANA projects. The good news is that live SAP S/4HANA customers have recorded measurable success, even at the early stages of adoption (Figure 1).

Figure 1: Expected Versus Actual SAP S/4HANA Benefits Achieved by Live Customers

	Expected	Actual
Improved performance	74%	43%
Faster access to analytics	65%	39%
Optimization of existing business practices	57%	39%
Better setup to introduce new tech	52%	26%
Removal of unnecessary code	30%	17%

Source: ASUG research, February 2019

> "Before SAP S/4HANA, our accounting was running overnight. I would come back the next day and get my report. Now we're running the same reports in two to three minutes. It is not a joke; it's very fast."
>
> SAP customer, pharmaceutical industry

Implications: Benchmark or Business Case

The most encouraging part of the data in Figure 1 is that the benefits that are most desired from SAP S/4HANA are the ones bringing initial success. Live customers should be able to benchmark themselves against these figures to make sure they are getting solid returns. Future customers can use this data to help define their business cases by demonstrating ROI from customers who have already gone through the transition.

This data also helps customers know what to focus on and ask questions about. Having the right support in place, like having the right skills on your IT team or a trusted partner, gives you a better chance at achieving the ROI you desire.

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A Focus on Unforeseen SAP S/4HANA Issues

Our research identified some significant gaps between what future SAP S/4HANA customers expect to encounter as challenges and what live customers experienced. Both of these gaps relate to having the right workforce in place to support a migration project.

Figure 1: Underestimated SAP S/4HANA Challenges

Future Customer Concerns	Current Customer Challenges
43% Lack of staff skills	**61%** Lack of staff skills
10% Finding a vendor to assist with the transition	**26%** Finding a vendor to assist with the transition
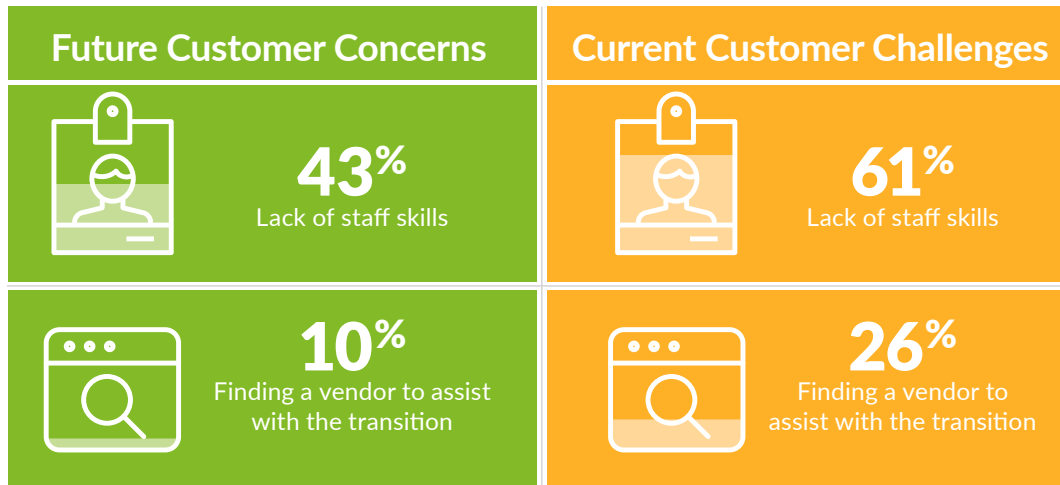
Source: ASUG research, February 2019

Implications: Find Resources Early and Start Your Project Soon

SAP S/4HANA resources are scarce. As the 2025 deadline looms, they will become harder to acquire. You need to begin your due diligence now. Start by auditing your employees' resources and skills to make sure the right people are on hand to successfully transition to SAP S/4HANA. This will help keep implementations within scope.

> "We're telling people, 'Hey, awesome job. I know you're helping out here, but I need you to do additional work for the other deployment simultaneously.' We'll continue to augment our staff. Our timelines are aggressive, so we need to do what we can to get this thing done."
>
> SAP S/4HANA customer, household durables industry

The most cost-effective way to get expertise for a transition is to outsource some of an SAP S/4HANA project to third parties. With past experience, tools for migration, and an understanding of how to see your project through, solution providers can add immediate value to your project. The right solution providers will help you not only meet your project goals but also set you up to start adding the innovations that SAP S/4HANA makes possible.

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