



The Renewable Enterprise Podcast Series

A Meaningful SAP S/4HANA® Transformation





Forrest Lewis

Welcome to this episode in the series of Capgemini podcasts that dissect and discuss the journey which many global organizations take, to becoming a renewable enterprise, uniquely described as being the future-ready enterprise for agile business transformation and built within and supported by a solid architecture framework. I'm Forrest Lewis and I will be your host as we guide you along the road towards the renewable enterprise. Discussing how organizations get there, and why this transformation might be crucial for your business and employees. Back with us for today's cast is global digital transformation expert, Elisabetta Spontoni, Global SAP Head of Operations and Group Offer leader for Digital Core with SAP S/4HANA at Capgemini.

Elisabetta Spontoni

Hi and thank you Forrest. Happy to be back and I'm looking forward to continuing our story on the Renewable Enterprise journeys.

Forrest Lewis

And it's great to have you with us again. In our last cast we discussed treading the path to becoming a renewable enterprise and we touched on the steps that organizations and their leadership might need to consider when looking to adopt SAP S/4HANA and how the platform can be instrumental in assisting the management of a digital transformation. Onwards from today's cast, we begin to take a look into the business vision and the building blocks for a successful transformation. And I'd like to kick things off by asking you this. When we go back and look at the data from a client assessment and in those cases where we've successfully helped them answer the "why" in why they should move to SAP S/4HANA, how do we build out the business strategy that fits their needs? And how do we, in assisting a client with this strategy, begin to form what we often call a unified vision?

Elisabetta Spontoni

Good question! You remember in the last episode I stressed the fact that moving to SAP S/4HANA is not really a technical upgrade, but it's rather a transformation, and a business driven one? Well this is key to finding the right "Why". Because you need to work on your business drivers and convert these into action plans that may involve reconfiguring your business model on top of re-architecting your enterprise systems. The inputs to consider are multiple, combining company strategy, software roadmaps, key business events, readiness of the workforce.... to name a few. You need a structured approach to combine all these elements and translate strategic goals into actionable plans and roadmaps. The secret ingredient is to combine Business and IT in a unified vision.



Forrest Lewis

So, in order for clients to buy-in to this unified vision, it's probably natural and common to first see some hesitation in making some of the changes required to move towards this transformation and maybe even some resistance, particularly in the early stages. But, in what can often be a complex digital environment, on top of the restructure required and the various moving parts, like the readiness of the workforce and the combining of strategies and software, how are Capgemini's teams across the group, identifying and addressing the fears and concerns from business leaders and those that are key decision makers?

Elisabetta Spontoni

Indeed. clients often struggle in understanding where to start and many just look at the technical side first. But most likely this will not allow them to find the right business justification. And when you look for benefits you need to step back and look at the overall business. But then this requires mobilization of the key business stakeholders and answering a number of challenging questions. These normally relate to 3 main areas:

1. How do I get the most from what I have today?
2. How should I be working tomorrow?
3. How do I make this change?

The first question typically relates to challenges such as ensuring process compliance (for instance in global organizations with multiple business practices, or in enterprises going through acquisitions) but also understanding the root-cause of performance issues and the impact of data quality issues, the challenge of increasing the flexibility in responding to business needs, of finding how to protect business critical operations while experimenting new ways of working in other areas, of improving user experience, understanding the role of cloud solutions: are these able to better serve my enterprise needs than on-premise ones? Finding ways to get better insights on the business performance.

The second question is even more difficult: how should I be working tomorrow? Here we explore the unknown. So typical concerns are around how to remain compliant, how to ensure cyber protection, what data in addition to the internal ones can help anticipating business performance and predicting key events, how will sourcing of tools, services and materials change? How to set up the right technology at a sustainable cost? And, once you have found all these answers, you still need to address the third question: how do I make this change? How do I break this into bite-sized chunks? What is the roadmap that can deliver early benefits on one side while minimizing risks on the other side? How do I avoid the horror stories of the past? Where to start? How do I enable people to support the roadmap? So, I think we all realize now why many organizations are still hesitant to embark on this journey.



We, at Capgemini, have worked intensively joining forces among our consulting team who knows what it means to excel in business, our business service team, who knows how to be best in class in leveraging enterprise applications for business performance and our strong SAP practice, who knows how to setup the right architecture based on SAP S/4HANA to get the best from your applications. And we have defined a structured approach to answer all the difficult questions clients face when approaching the journey to the renewable enterprise.

Forrest Lewis

The first crucial action or step to guiding clients through their fears or concerns can be traced back to when and how we identify a client's overarching business vision that Capgemini then translates into concrete deliverables. But what will be more interesting to know, is how. How are we building this roadmap for a renewable enterprise? How are we addressing those concerns?

Elisabetta Spontoni

You are right Forrest; the starting point is the business vision. We work with CXOs of the enterprise to define what is their business ambition and what levers the organization can activate to support it. This is the first of 5 steps that will deliver the right roadmap and business case for our clients. And each one is different as we consider the identity of the organization, its strengths and weaknesses. So, once the vision is clear, the second step in our approach has the objective to understand the level of maturity of the organization in different areas such as processes, data, applications and to define the targets to be reached for each of these elements. We use here our maturity grids and best practices from our consulting practice to benchmark the organization. We also look at business pain points and improvement opportunities and prioritize actions to address these, also considering the change effort required.

Then we are ready for the third step: the setup of the target models: these are the target operating model, the target data model, and the target IT model. To do so, we use Design Thinking approaches, in which we leverage the innovative use cases we have built to show in concrete how things may look like in the future and let our client people touch what we are designing together. I believe this is really one of the strengths of our approach: thanks to our assets we can show real examples of what we are talking about. And this is really helping people believe in the future scenarios we are building together. Now it is the time to build the key outcomes of this exercise: in the 4th step we build the roadmap that makes the best business case for the organization. We define the SAP S/4HANA strategy (is it going to be a greenfield, a brownfield or a mix?) and the sequence by which all the building blocks of the target models are set up. What level of business innovation in processes and services will be in place



at each step of the roadmap? We look for early benefit realization and change risk mitigation and end-up with a clear program with clear costs and benefits.

You could think this is the final step... but it's not. We really make things happen with the final step: Alignment and Signoff. What we do here is to run mobilization events, using our Accelerated Solution Environment to facilitate onboarding of all the key stakeholders (and these can be 80-100 people) and get buy-in and commitment on the execution of the program by all the ones that can ensure its success.

Other clients (like one in railways transportation) do a mix. They start from a specific process that is critical for their business (the maintenance in this case) and renew it completely (both in terms of ERP solution with SAP S/4HANA and in terms of innovation with AI enabled predictive maintenance), while all the rest is initially left on the old ECC and renewed at a later stage in the journey. Here again early benefits (important savings on maintenance cost and reduction of service disruptions) are best balanced with lower risks of introducing changes as all other processes remain unchanged.

So, this is how we build the right roadmap for an organization with a sound business case and secure readiness for the execution of the program.

Forrest Lewis

I'd like us to go back to the key deliverables you mentioned. There is probably a constant when speaking with clients and managing their expectations, but what makes how Capgemini deploys these steps, unique? And what do you see as your main differentiators?

Elisabetta Spontoni

As you heard, each step has clear deliverables: the first one delivers business & digital ambitions, guiding principles & benefit levers on which all the executives are aligned. The second one assesses the current and future maturity levels and defines a prioritized list of improvement opportunities. The third one establishes the target operating model, the target data model and the target IT model. The fourth one draws the roadmap and business case together with the transformation management strategy and the last one delivers the mobilization of the enterprise around the program.

I really believe this approach helps make the journey to the renewable enterprise very clear to all and provides answers to all the difficult questions that make enterprises unsure on how to approach it.

What makes Capgemini different? Our ability to combine in an orchestrated approach, consulting skills, business operations



skills, SAP and architecture skills. And we can commit on the outcomes because we can also support the execution of the roadmap end to end with our strong practices. We have unique assets we can use to make things real, and not only on paper, to showcase what the future may look like. And our vision of the renewable enterprise helps clients in being ready for any future with a flexible architecture and IT model. We also take into account the people dimension and help organizations to enable their workforce during the entire journey. I particularly like this one, as I strongly believe people are an essential ingredient to make a program successful.

Forrest Lewis

We've heard a lot about the why, and you've also given us a peek into the structure of how we work with and build strategy infrastructure for clients, so it would be great if you could perhaps highlight and share any recent use cases or insight into some of Capgemini's successful transformations?

Elisabetta Spontoni

Sure. Coming back to what I believe are our strengths, many clients appreciated some or all these elements. For instance, an interconnection technology client based in the US was looking for a partner able to support them along the entire journey, and we won in this case against more strategy-only consulting firms for this reason.

Other clients like industrial engineering companies for agriculture based in France, instead appreciated our vision of the business-driven transformation: they were struggling in finding the business case with a purely IT-driven approach and we proposed a business-led approach. We have been the only one in responding with a radically different approach here.

Forrest Lewis

That's great to hear a handful examples around how Capgemini helps organizations of all sizes and from all corners of the globe when it comes to the complexities of managing data and making the leap toward a transformation and I'm sure you will be sharing more of those stories with us throughout the series, so Elisabetta, thank you again for joining us and sharing your expertise and insight and we look forward to hearing more from you across this new series and in particular our upcoming episode where we start to look into the DNA of a transformation by exploring the highway to SAP S/4HANA® and the migration, for organizations, from older SAP systems.

Elisabetta Spontoni

Thank you Forrest.



Forrest Lewis

So for those of you who may be new to our podcasts, don't forget to hit the like or share button to get notifications for the other episodes in our Renewable Enterprise Podcast series and find all of our episodes on your favorite podcast platforms. Thanks for listening.

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