



# The Renewable Enterprise Podcast Series

Highway to SAP S/4HANA®





## **Forrest Lewis**

Welcome to this episode in the series of Capgemini podcasts which dissect and discuss the journey that global organizations of all sizes take, to becoming a renewable enterprise. I'm Forrest Lewis and I will be your host as we guide you on 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, great to have you with us again.

## **Elisabetta Spontoni**

Hi and thank you Forrest. Looking forward to continuing our story on the Renewable Enterprise journeys.

## **Forrest Lewis**

So, in episodes one and two, we talked about a company's move to SAP S/4HANA® being a business-driven transformation rather than a technical upgrade, then you walked our listeners through a roadmap of sorts, and how Capgemini builds a unique and customized architecture framework. We also discussed how your global teams identify a client's overarching business vision, ultimately translating this into concrete deliverables. And looking ahead from here, this now brings us to a crucial step in realizing a client's vision, the building of a clear path. This is often referred to as being the first step in enabling an organization's enterprise, to become more intelligent. So, if we were to factor in an overarching strategy or approach, how do multinationals or global organizations benefit from a move or a migration to SAP S/4HANA® from older generation SAP and ERP systems?

## **Elisabetta Spontoni**

You may recall from our last episode, the full business case for an organization will come from the combination of setting-up SAP S/4HANA® in the right way and implementing new digital features leveraging intelligent technologies. These two parts of the journey to become a renewable enterprise define the structure of our Digital Core with SAP S/4HANA® offer: the first part is called Highway to SAP S/4HANA® and the second part is called "Intelligent Enterprise". Today we'll focus on Highway to SAP S/4HANA® while in the next episode we'll talk about the Intelligent Enterprise.

## **Forrest Lewis**

Okay this brings me to my main question and it's in two parts. Looking closer into Highway to SAP S/4HANA® - what have you experienced as being best practice for a company to put in place or set-up their SAP S/4HANA® system, how do enterprises leverage and get the best from the platform?



## Elisabetta Spontoni

Setting-up SAP S/4HANA® is not necessarily happening as a first step in the journey. In some cases, it is, for instance when a client's priority is to harmonize processes across different brands or geographies, like in case of acquisitions. In other cases, it may be the last one, for instance when a client is completely transforming his way to run the business and creates new digital services. Then SAP S/4HANA® will be done towards the end, once the new way of working is clearer and innovation has already started to generate benefits. But it can be very well in the middle too, when it is an enabler for innovative services that require higher performance and the new features that SAP S/4HANA® can provide, so you do the innovation that is possible without SAP S/4HANA® before and then setup SAP S/4HANA® and continue your innovation afterwards, with a more powerful backend.

All this is valid regardless of the scenario a client has selected for setting up SAP S/4HANA®, though with different complexities. In case of greenfield, for instance, that is implementing SAP S/4HANA® from scratch, without looking at the current ERP, it is clearly easier to transform your business processes by leveraging as much as possible best practices, so having a clean core is easier, but it has a higher change impact on the business community. In the case of Brownfield, that means you convert your existing old ECC into SAP S/4HANA® as it is, the change impact is minimal, but you'll pay on agility as most of the custom code will still be there, creating constraints to the business innovation. In this case cleaning the core will continue afterwards in a longer journey. Finally, you can have what we call the "Rightfield", that is reusing your old solution on selected processes and rebuild from scratch others. More and more clients are asking to do this. Each scenario will leverage different tools and approaches.

So, as we stressed already, there is no 1 way only to setup your SAP S/4HANA®. What is instead common to all these scenarios is the fact that SAP S/4HANA® has to be "clean". What does it mean "Clean"? It means with minimum custom code, so that it can run safely and efficiently with no risk of disruption from changes and ease of adoption for future releases of the product from SAP.

## Forrest Lewis

As we begin to paint this clearer picture around the overall scope of what's needed for clients to enable the discovery of innovation and any subsequent transformation, how are Capgemini's clients benefiting from the unique and wide number of assets which helps to build and accelerate their adoption of SAP S/4HANA®? And, how are they able to continue leveraging the experience that our partnership with SAP brings?



## Elisabetta Spontoni

Well, let's look into the different options on how you can build your SAP S/4HANA® be it on-prem, hosted on cloud infrastructure or SaaS, because each one will leverage dedicated assets.

Let's start from greenfield. There are 3 major risks that have to be addressed in this case: 1 is the long time required to get to a consensus when designing new business processes, the second is that the solution is not accepted and adoption is low and the third one is associated in the quality and volume of data that has to be transformed and migrated to the new solution. We address these with a combination of our best in class methodology that we call iCaptive (Industrialized Capgemini version of SAP Activate), our pre-configured industry solutions based on SAP S/4HANA®, our data migration tool called DataPath and our innovative enablement approach. iCaptive is based on what we call "Design by Acception" that means we help clients to "Accept" standard best practices for anything which is not a unique differentiation for the enterprise, while we really go into design only for the value-added pieces. How do we achieve that? By running workshop on all mapped end-to-end processes (that we have already in place with 4 levels of details) with walkthrough in the system (our PATH solution) that is already configured for the specific industry the client is belonging to and having all best practice content already built in all project deliverables into our DDF tool (Digital delivery framework). So, we only work on the parts that will change from the standard content, while all the rest is ready. We have proven that this approach helps to reduce project schedule and effort up to 30%. If a client is ready to fully adopt our solutions as they are (this is most likely the case in mid-market types of enterprises) the timeframe is dramatically cut, and you can have an up and running system in as low as 12-14 weeks. We can also combine our Path solutions with SAP Model company, as we are a qualified model company partner. And the partnership with SAP also helps in addressing the adoption risk: thanks to our global agreement with SAP on the digital enablement platform called SAP Enable Now we help business users in adopting the new solution before (with basic SAP S/4HANA® training), during (for instance in the UAT phase) and after the project (in production when new releases are coming every quarter if you have SAP S/4HANA® Cloud, the SaaS version of SAP S/4HANA®). Finally, on the data, our DataPath solution helps to drive and automate many steps in the conversion process, from data quality to data transformation and data upload and validation.

Let's look into Brownfields now. Here again, we have iCaptive with the special version for conversions that guides teams in the right sequence of actions and with proven strategies that led to multiple successful complex conversion projects in the world. But not only: we have developed tools to accelerate the most labor-intensive parts: C-FAT is our functional assessment tool that can run on ECC or SAP S/4HANA® (older version) and automatically provides the



map of the existing configuration by iCaptive end-to-end process. iScan provides instead the entire catalogue of the existing custom code, mapped by iCaptive process and C-CAT the list of custom objects that will incur into issues when converted to SAP S/4HANA® and that will require remediation. We normally use these tools in combination with the SAP ones to help clients take decisions on the custom code and exactly schedule project task duration. For instance, we know that in many clients a large % of the custom code is not used, and therefore, once this is identified with the help of the tools, we exclude it from the conversion and save important client resources.

Then the code auto-remediation tool C-ART helps in automatically fixing the code violations identified with C-CAT.

Finally, in the 'Rightfield' mixed approach, on top of all the tools mentioned before, we leverage partner tools to segment the data that needs transformation and convert selectively.

## Forrest Lewis

With this methodology in mind, and with Capgemini Highway to SAP S/4HANA® being primarily focused on and built around the idea of various innovative options that help organizations get to SAP S/4HANA® more efficiently, are you seeing this focus on innovation and the use of these tools playing a key role in how an organization shifts their thinking when it comes to making a decision as to what type of technologies they leverage to make any type of transformation?

## Elisabetta Spontoni

Absolutely, and innovation can be embedded in SAP S/4HANA® or in its extensions through cloud platforms and innovative technologies these offer as services. In the next episode we'll see how to extend SAP S/4HANA® with SaaS solutions that address a specific business function such as procurement or human resources, how to leverage IoT data to define innovative supply chain solutions that can cut your inventory, the art of possible in predicting and simulating future business scenarios with AI and much more. So, let's now focus on the innovation that can be embedded into SAP S/4HANA®.

The most relevant investment we are doing in innovation related to SAP S/4HANA® is the co-development program with SAP to set-up an SAP S/4HANA® Cloud solution dedicated to Automotive suppliers. We are offering this solution based on on-premise, HEC, PMC and SaaS deployments. It combines the SAP S/4HANA® standard application with pre-configuration solution based on AutoPath, our Path solution for automotive and enhanced with the Capgemini Intelligent Assistant for Auto. You'll hear more in up-coming dedicated podcasts.

While we continue to enhance our Path solutions with



scenarios that best fit with the changes the market is going through such as the personalization needs that translate into a lot of 1 for manufacturing clients or configurable pricing scenarios in consumer products, we also embed automation into repeatable, labor intensive tasks through Robotic Process Automation tools and techniques. A typical area is matching payments with invoices both on the sales and the procurement side. Here we have developed software robots that automate this painful task and save time to business users to let them concentrate on more value-added activities. We have tens of these and are constantly developing more.

Finally, to support the deployment of SAP S/4HANA® in cloud infrastructures like Microsoft Azure, we have built a number of features that help fast provisioning SAP S/4HANA® systems with or without data and schedule their up time to optimize consumption of resources.

This is a summary of the innovation that we embed into SAP S/4HANA®

## **Forrest Lewis**

Moving on from Innovation, you briefly touched on market changes and personalization with regard to building customized solutions for new clients, so as we move towards the end of today's cast, it would be great if you could share any recent use cases or insight around some of Capgemini's successful transformations?

## **Elisabetta Spontoni**

Sure, let's take for instance the case of a global European automotive manufacturer. They are one example of clients who needed to unify business practices across 7 countries, 44 subsidiaries, ensure data quality and gain speed and agility in business processes. We helped them create a global template based on SAP S/4HANA® both in Finance and Logistics that could guarantee consistent data and scalability for future growth. But this was only one step in a long business transformation journey. We are continuing this journey with them with a strong long-term partnership agreement.

Let's take one who leveraged our manufacturing path: IMERYS, a world leader in mineral-based specialties for industries, having gone through several acquisitions, was experiencing a lack of consistency and reliability of data, process breaks, inability to quickly respond to a business's needs and high cost of maintenance for their 20 different ERP systems. Here we really helped with our methodology and tools to drive process commonality and best practice adoption and we helped them create a shared service center with a single global SAP S/4HANA® system.

Another one who leveraged Path solutions is ICGEB: they went for full adoption of our solution globally. Being a small



Intergovernmental agency with a complex mission in biotechnology research, they had limited resources but needed to really harmonize their practice across their 47 laboratories in Italy, India and South Africa and set up reliable finance data to report to their donors on the use of the resources they granted. Change management was also a key success factor for this initiative. They achieved 100% compliance in tracking fund reservations, cut financial closure time by 70% and effective statutory and donor reporting.

Finally let's take Maxeda: they were struggling in reaching the flexibility necessary to respond to rapidly changing customer and market demand. We partnered with them in implementing SAP S/4HANA® platform based on the principles of simplification, standardization and single view to create a foundation for its digital transformation journey. They are now able to effectively apply an omnichannel market approach thanks to; real-time analytics, a single view of product and customer data, the ability to connects offline and online retail operations in an agile manner, and they can rapidly adapt to changing customer and market demands.

#### **Forrest Lewis**

Well following those implementation highlights this sounds like it could be a good place to end today's cast. But it has been great getting a deeper look into the unique building blocks necessary for client success and as you mentioned earlier, our next episode in the series will take a closer look at AutoPath, our Path solution for automotive and enhanced with the Capgemini Intelligent Assistant for Auto. Elisabetta, thank you again for joining us and sharing your expertise and insight.

#### **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.

## About Capgemini

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