



# The Renewable Enterprise Podcast Series

**Future Proofing your Enterprise**





## Forrest Lewis

Welcome to this episode in a series of Capgemini podcasts that dissect and discuss the journey which many global organizations take, to becoming a renewable enterprise. I'm Forrest Lewis and I will be your host as we guide you on a journey towards the renewable enterprise. For today's cast, I have the pleasure of being joined by special guest and global digital transformation expert, Elisabetta Spontoni, who, as well as being a Sapienza University of Rome Alumni, is Global SAP Head of Operations and Group Offer leader for Digital Core with SAP S/4HANA® at Capgemini, with 26 years' experience in ICT governance, sales, special projects and operations mostly across SAP solutions. In this and the next handful of episodes, Elisabetta will be sharing her unique insight and perspective into the transformation of SAP platforms and Capgemini's Digital Core with SAP S/4HANA® offer. Elisabetta, a very warm welcome.

## Elisabetta Spontoni

Hi and thank you Forrest. It's a pleasure to be joining you for this podcast series and I'm looking forward to discussing in more detail the impact of digital core, digital transformation and the path to a renewable enterprise.

## Forrest Lewis

Well it's great to have you with us, and for the benefit of our newer listeners it would be great if you could maybe give us a little background around how your early relationship with digital core began and perhaps share some insight into your journey with Capgemini?

## Elisabetta Spontoni

I'm delighted with my long journey in Capgemini (it's now 22 years) as I really had many opportunities to enrich my profile from many different angles. Apart from my early experience on Mainframe (YES can you believe it?) and Client-Server SW developments for the largest Oil company in Italy and a small parenthesis on web projects at my old Ernst & Young days, I spent most of my career working on SAP solutions with growing responsibilities, crossing multiple competencies (production, purchasing, sales, architecture and integration) and cultures in industries like Oil & Gas, Aerospace and Defense and Public Sector. I had the opportunity to also understand how to manage applications in their full lifecycle from ideation and business case to design, implementation, deployment and support. And also, how to position our services to clients and how to successfully drive large deals. My more recent experience as part of a Market Unit presales and delivery leadership I could also expand on other technologies, cloud products, IoT, cloud native applications, analytics. Then I moved to my global role, focusing back on SAP technologies to shape our offer and transform our SAP practice to be ready for the new world.



## Forrest Lewis

So, with that, let's jump right in. As part of our journey on the road to discovering the renewable enterprise, it would be remiss of us to not first explore what's behind it and take a closer look into the range of solutions offered with the implementation of SAP S/4HANA®. So, Elisabetta, it would be great for us to start with the road to digital core as we now know it. What is the day in the life of an organization prior to becoming a Renewable Enterprise, and following? How is SAP S/4HANA® used by businesses to dissect and manage their data? And, what do you feel are the benefits of adopting the platform?

## Elisabetta Spontoni

It all started with SAP giving a deadline for the maintenance of their famous ERP solution: SAP ECC (Enterprise Central Component) then the 35000 clients and their CIOs started to plan to move to SAP S/4HANA®. But very soon, they faced a number of challenges that go much beyond the pure technical upgrade.

These challenges are a combination of new needs dictated by the market and the multiplication of solution options, causing the need of a number of decisions.

Let's start from the new market needs. Consumers are more and more digitally mature and expect personalized products and services. Customer centricity is a must and personalization creates challenges in manufacturing - lot size of 1), in pricing configuration. This granularity creates higher volumes of transactions and therefore higher speed in processing. Transparency and collaboration with all the actors in a supply chain has become a must to be able to demonstrate the quality of products especially in industries such as food and pharma. Markets are mixing and we see telco pricing models being applied to other industries (price per km in fleet services, power by hour in engines) so new business models appear and you need to be able to analyze potential future scenarios in real time to prove these are viable.

And to complicate the picture SAP came up with a new completely different portfolio of products including Cloud solutions for specific lines of business (like SFSF for Human resources and Ariba for procurement to name some famous ones) 4 different options of the new ERP SAP S/4HANA® (on premise, cloud hosted, Single tenant now called extended and Multi-tenant the essential version) and even a cloud platform to consume services like IoT, blockchain, machine learning and their ability to combine enterprise data with external data, from assets, mobile devices, etc. as well as experience data.

Legacy ERP estates, with 10-15 years of custom-built components on top of the standard features are really not able to respond to the need of speed and agility of the new market. Then what started as a pure technical decision turned



very fast into a different question where key drivers were linked to the appetite of the organization to navigate the new market challenges and new business models

This is where our vision of the Renewable Enterprise origins. We strongly believe moving to SAP S/4HANA® is not a technical upgrade, but it is a business driven transformation requiring to turn what used to be an all-inclusive single component (the legacy ERP) highly customized, into an architecture of multiple components in which the ERP (SAP S/4HANA®) is smaller, clean, takes care of running internal processes according to best practices with the speed and automation able to deal with much higher granularity of business transactions. Business innovation and differentiation is built on the edge, on cloud platforms (SCP but also Azure, AWS, Google, you name it) where you can vastly create new business scenarios in a matter of days through DevOps approaches, while keeping your business critical processes safe and stable. With this architecture, constant change is the new standard, enterprises can be flexible and adapt as the business evolves, they can "Renew" in a continuous innovation cycle. They become "Renewable Enterprises".

### **Forrest Lewis**

Staying within the realm of that need for businesses to adapt and pivot to leverage innovation, when you're talking to executives or key decision makers at a strategic level, specifically across critical industries, and you're discussing the path that they need to tread and steps that ultimately need to be taken in order to harness the power of becoming a renewable enterprise by successfully deploying SAP S/4HANA® within their businesses, which of these steps are the most critical? What are you hearing as the top 4-5 challenges they are facing? And, how are these challenges impacting an organization's plans for digital transformation?

### **Elisabetta Spontoni**

There is no single answer to the question on "how" to become a Renewable enterprise. Each one can design a different roadmap in order to find the best balance of early benefit realization and risk mitigation. This is why the key step for us is really the design of the right trajectory and of the business case for the transformation. this is where we help client responding to the key questions behind starting the journey to a Renewable enterprise: why (where is the business case), what (which business model, which operating model, which application components I should look for) , how (what are the key steps, in which sequence, what is the right approach) and when (when is the best time to execute each step in the roadmap).

There are clients like a leading global car manufacturer who decided to start introducing innovation from day one by carving out custom solutions from their old ERP, re-implementing these in cloud platforms, as microservices



and by leveraging innovative technologies such as AI, IoT etc. to increase their impact to the business. For them the setup of SAP S/4HANA® is the last step in the journey, and it is a greenfield approach to fully take advantage of the new way to run business, without the constraints of the old model. The risks of changing the ERP components are clearly lowered by this approach and the benefits of innovating the business are very early in the journey.

Other clients like Maxeda, decided to move to SAP S/4HANA® as the first step, adopting a brownfield approach and starting their innovation journey once the new most powerful ERP is fully in place. Here the risks of introducing changes to the business are limited and the opportunity to unify and harmonize ways of working within the different brands was a key priority with important benefits for the organization.

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.

## **Forrest Lewis**

We often hear business leaders talking about complexity and that complexity is having an impact across their businesses, with it being one of the greatest barriers to achieving digital transformation. Can you tell us about Capgemini's roadmap for a renewable enterprise? How are we addressing those concerns, how does this align with the problems that Capgemini is helping clients and partners solve and what is the added value for clients when building that roadmap?

## **Elisabetta Spontoni**

Because the journey to the renewable enterprise is a business-driven exercise, CXOs are the right audience to start with. And we discuss with them the very hot pain points of their business and their business ambition. Then we identify the levers that the organization can activate to make this ambition happen. Our design thinking approaches, facilitated by showcasing some real use cases we have built, help make the business vision very concrete and work on the prerequisites in terms of operating model, data model and application architecture that support the vision. Once the roadmap is clear the organization has to be mobilized around it, and our ASE (Accelerated Solution Environment) helps in the exercise.



**Forrest Lewis**

I think that mention of business vision and use cases brings me to one of my last questions for today's cast - So before you leave us, it would be great if you could share any of the most recent success stories, or perhaps give our listeners some insight into occasions when Capgemini has worked with a client or partner to successfully pivot and guide them through that journey to becoming a renewable enterprise?

**Elisabetta Spontoni**

We have helped and are helping hundreds of clients in their journey to the renewable enterprise. Some interesting ones; changing a business model of a company selling fertilizers to one selling crop productivity, getting to zero stock of components based on real time visibility of the inbound supply chain using IoT technologies, optimizing in-store stocks for a luxury firm through a consumer self-service order mobile app, and tracking and proofing all the steps of a marine transportation in a highly regulated market like the Oil & Gas one through blockchain technologies.

**Forrest Lewis**

To avoid any spoilers for future episodes this sadly brings us to the end of today's conversation. But it has been great getting a behind-the-scenes look into the inner workings of a renewable enterprise and more importantly, why this transformation is crucial to organizations of all sizes when it comes to the complexities of managing data. 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.

**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 next episode in our Renewable Enterprise Podcast series and find all of our episodes on your favorite podcast platforms. Thanks for listening.

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