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SAPinsider Benchmark Report

The Business Case for SAP S/4HANA

Robert Holland

June 2020

Research Partner



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Table of Contents

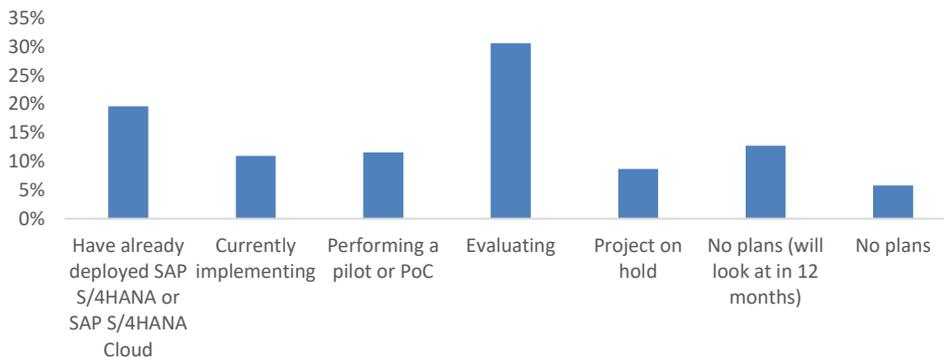
Executive Summary.....	1
Required Actions	4
Chapter One: The Business Case for SAP S/4HANA Overview..	5
Best Practices Model – DART.....	5
What is Driving the Business Case for SAP S/4HANA?	7
How Do Customers Meet Their Business Drivers?.....	8
Key Takeaways.....	9
Chapter Two: How Do SAP Customers Approach the Business Case for SAP S/4HANA?	11
Top Requirements for the Business Case for SAP S/4HANA	11
Which Tools Do Respondents Use in Their Business Case for SAP S/4HANA?.....	13
Key Takeaways.....	15
Chapter Three: Required Actions	16
Steps to Success.....	17
Methodology	19
Appendix A: The DART™ Methodology	20
Report Sponsors.....	21

Executive Summary

As organizations approach their transition to SAP S/4HANA, one of the biggest obstacles they face is the creation of the business case to define and justify that move. While the composition of that business case varies widely, from a single PowerPoint slide to a months-long project that drills into every impacted business process and potential cost, building the business case was one of the top two challenges respondents reported facing in both SAPinsider’s SAP S/4HANA Finance: State of the Market report and our SAP S/4HANA Migration benchmark report. But what does the business case mean to organizations? Where does it focus? And how should they create it?

In Q2 of 2020, SAPinsider surveyed 187 members of our community to understand their current plans for the business case for SAP S/4HANA, their progress so far, what they are building, and how they are putting the case together. Nearly a third of respondents (31%) said that they had either already deployed SAP S/4HANA (20%) or were in the process of implementing (11%), while a further 43% were either running a proof of concept (PoC) (12%) or evaluating the system (31%) (see **Figure 1**). The remaining respondents either said the project was on hold (9%) or that they had no current plans for the transition (19%).

Figure 1: Current adoption of SAP S/4HANA



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The transition to SAP S/4HANA will allow employees to start to spend time on activities that require human intervention as SAP S/4HANA will come with automation, machine learning, and SAP Fiori-based applications that will simplify mundane tasks.

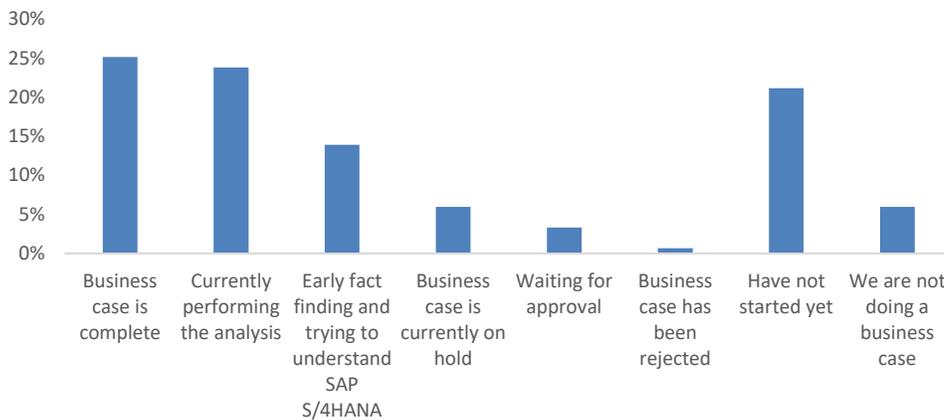
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~ **Technical Team Leader, Regional Manufacturer**

Source: SAPinsider, June 2020

Of those who had not already deployed SAP S/4HANA, we asked how far along they were in the creation of their business case. One quarter of respondents (25%) said that their business case was complete, 24% said that they were currently performing their analysis, and 14% responded that they were in the process of early fact finding and trying to understand SAP S/4HANA (**Figure 2**). Slightly over one quarter of respondents said that they had either not started (21%) or were not planning on building a business case (6%), correlating with those who currently had no plans for the deployment of SAP S/4HANA. Of those who had not yet completed their business case, 59% said that they saw a clear path to doing so, while 41% indicated that they did not—reflecting the difficulties in putting it together.

Figure 2: Status of building the business case



Source: SAPinsider, June 2020

To better understand what was included in a business case, we asked respondents what the business case for SAP S/4HANA meant to their organization. For 17% of respondents, the goal was to build out the future roadmap, which is the long-term planning many organizations need. Another 12% said it was a qualitative indication of use cases and potential pain points, helping them evaluate what areas are most critical to



PERSPECTIVE



Building a business case is hard work that requires collaboration beyond the IT department. As a result, many IT departments are tempted to treat S/4HANA as a technical upgrade. While they will see improvements even with this approach, it will not have the transformative benefits that it otherwise could have.



~ Carl Dubler,
Global Head of SAP
S/4HANA Adoption
Marketing, SAP

address, and 8% said it allowed them to identify the implementation scope and deployment options. The remainder said their business case was an ROI analysis (3%), or used to identify SAP Fiori apps relevant to business users (1%). However, most respondents (58%) indicated that the business case for SAP S/4HANA needed to achieve all these things. The fact that it is addressing so many areas helps explain both the complexity of putting together the business case, and why it has been such a challenge to those transitioning to SAP S/4HANA.

The survey revealed several other trends regarding respondents' plans for the business case for SAP S/4HANA, including:

- The primary focus of the business case for 73% of respondents was Finance, followed closely by Supply Chain, Procurement, and Manufacturing (71%). While finance has always been a focus of SAP S/4HANA, the prominence of supply chain functions is a new data point for the SAPinsider Community.
- Business process efficiency (67%) and digital transformation (65%) were the two issues respondents said were most instrumental for inclusion in their business case.
- Software licenses (58%), infrastructure costs (55%), and operational costs (53%) are the largest cost drivers impacting respondents' business cases for SAP S/4HANA.
- The majority (80%) of respondents said that they are expecting to see financial benefits in improved productivity as a result of their transition to SAP S/4HANA, with 69% expecting financial benefits through increased efficiency.

Required Actions

Based on the responses that we received in the survey, organizations that are determining their current strategy for finance and accounting projects should:

- **Research business impact and transformation.** Members of the SAPinsider Community who are building successful business cases understand how SAP S/4HANA is impacting both potential digital transformation as well as their current businesses processes and infrastructure. Build as much knowledge as possible about the potential impact in these areas.
- **Focus on finance and supply chain.** Most companies are defining their business case around finance and supply chain, so this is where you should focus your search for inefficiencies and opportunities for improvement when it comes to SAP S/4HANA.
- **Look for productivity and efficiency gains.** The highest ROI exists in the productivity and efficiency gains that SAP S/4HANA can provide, and this is where SAPinsiders are looking for financial benefits of their business case. Use tools from SAP and implementation partners to identify where these gains can be delivered.
- **Consider the application of performance improvements and the cost of doing nothing.** SAP S/4HANA offers significant performance improvements, and the focus should be on how these efficiencies can be applied to day-to-day activities. But also consider the cost of maintaining current technical debt. Not only are these costs significant, but the ability to change and react is significantly reduced. Eliminating this debt can offset costs of the transition.

Chapter One: The Business Case for SAP S/4HANA Overview

No matter what organizations include in their business case for SAP S/4HANA and what that business case focuses on, there is a significant amount of data and information that needs to be understood by both the IT and business teams working on the project. That must include the cost of the project and the ROI that an implementation will deliver, the impact on any business processes and key performance indicators (KPIs) that are being tracked within the organization, the infrastructure in which they will deploy the system, and—most importantly—where SAP S/4HANA fits regarding the organization's strategic corporate initiatives. If the transition to SAP S/4HANA must follow infrastructure or digital transformation guidelines, such requirements will dictate a much different approach to the business case than if the implementation was a standalone system. Given these challenges and what must be achieved, it is no surprise that the process of building the business case for SAP S/4HANA can be just as long as the deployment itself.

Best Practices Model – DART

SAPinsider grounds all our research insights in our proprietary DART model. This research model provides practical insights that connect business **D**rivers and **A**ctions to supporting **R**equirements and **T**echnologies. Drivers represent internal and external pressures that shape organizational direction. Organizations take Actions to address those Drivers. They need certain people, processes, and capabilities as Requirements for those strategies to succeed. Finally, they need enabling Technologies to fulfill their Requirements.

In this report, the business focus on digital transformation and the increasing cost of maintaining highly customized environments emerged as the primary drivers for organizations putting together their business case for SAP S/4HANA. To satisfy these drivers, respondents indicated that they are primarily taking four actions: understanding



PERSPECTIVE



Successful business cases never start from S/4HANA technology alone. They need a broader corporate initiative to improve business processes. Customers building their business case should take a step back and consider their overall transformation strategy first. Once that is completed and business process requirements identified, they use that to determine how S/4HANA enables these transformations.



~ Amr El Meleegy,
Principal, Value Advisory
and Customer Success, SAP

how SAP S/4HANA will affect specific business processes and KPIs; defining and understanding the overall costs for the move to SAP S/4HANA; examining the cost/benefit of deploying SAP S/4HANA in private, public, or hybrid cloud environments; and improving abilities to better support organizational change.

In order to build a successful business case, respondents required a strong IT and business relationship. Additionally, they need to understand how they will use extensibility of the standardized core ERP to meet their custom business needs, and know how they will centralize enterprise-wide financial data. Other requirements included identifying the ROI calculation for SAP S/4HANA, as well as performing a delta analysis of existing business functionality. Survey results indicate that respondents use or plan to use a wide range of SAP and partner tools and platforms to support these requirements for building their business case.

Respondents' answers to our survey and interview questions revealed clear trends, which are summarized in **Table 1** and will be examined throughout this report.

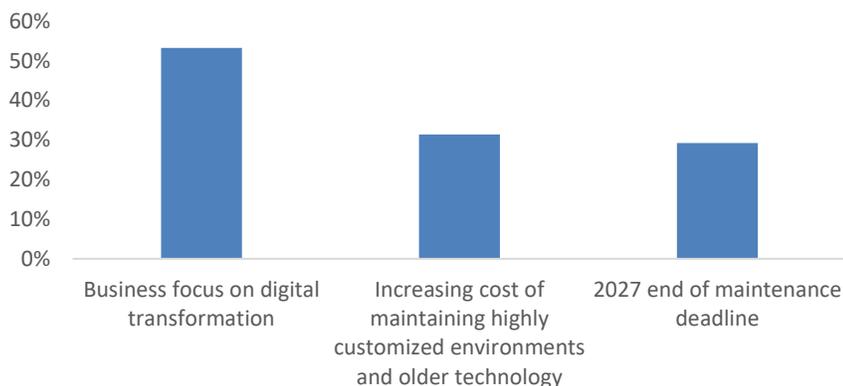
Table 1: DART model framework for building the business case for SAP S/4HANA

Drivers	Actions	Requirements	Technologies
<ul style="list-style-type: none"> Business focus on digital transformation (53%) Increasing cost of maintaining highly customized environments and older technology (31%) 	<ul style="list-style-type: none"> Understanding how SAP S/4HANA will affect specific business processes and KPIs (61%) Defining and understanding the overall costs for the move to SAP S/4HANA (48%) Examining cost/benefit of deploying SAP S/4HANA on private, public, or hybrid cloud environments (42%) Improving abilities to better support organizational change (41%) 	<ul style="list-style-type: none"> Strong IT and business relationship (85%) Extensibility of standardized core ERP to meet custom business needs (82%) Centralized enterprise-wide financial data (79%) ROI calculation for SAP S/4HANA (75%) Delta analysis on existing business functionality (74%) 	<ul style="list-style-type: none"> Improved user experience with SAP Fiori (86%) Financial closing cockpit (80%) Data quality and harmonization (80%) Real-time analytics, such as soft financial close and Material Requirements Planning (79%) Advanced planning and simulations (76%) Machine Learning automation, such as auto reconciliation with AR/AP (74%) Universal Journal (70%)

What is Driving the Business Case for SAP S/4HANA?

Over half (53%) of respondents indicated that their main driver for the SAP S/4HANA business case was that of a business focus on digital transformation. In addition, nearly a third of respondents (31%) cited the increasing costs of maintaining highly customized environments and older technology as their main driver when creating their business case (see **Figure 3**). While the end of maintenance of existing SAP ERP systems continues to impact the SAPinsider Community, only 29% of respondents indicated that this was driving the creation of their business case.

Figure 3: Top drivers for the business case for SAP S/4HANA



Source: SAPinsider, June 2020

This shift away from the end of maintenance of existing ERP systems—the primary driver for organizations planning a transition to SAP S/4HANA—continues a trend that SAPinsider has seen beginning in 2019. While the proportion of respondents who are focused on digital transformation (compared to other drivers impacting the transition) is larger now than it has been in the past, this aligns with what SAPinsider saw as the focus of those who had already completed their business case for SAP S/4HANA in our August 2019 benchmark study. In that report, while a focus

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For us, the business case for SAP S/4HANA was maintenance focused and not growth focused. We are planning to use a deployment template created by our US team as part of a global transformation so that we can get onto SAP S/4HANA with the minimal amount of work, but because the template isn't truly global we will end up with more of a two-stage migration.

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~ Team Lead, SAP CCoE, Global Retailer

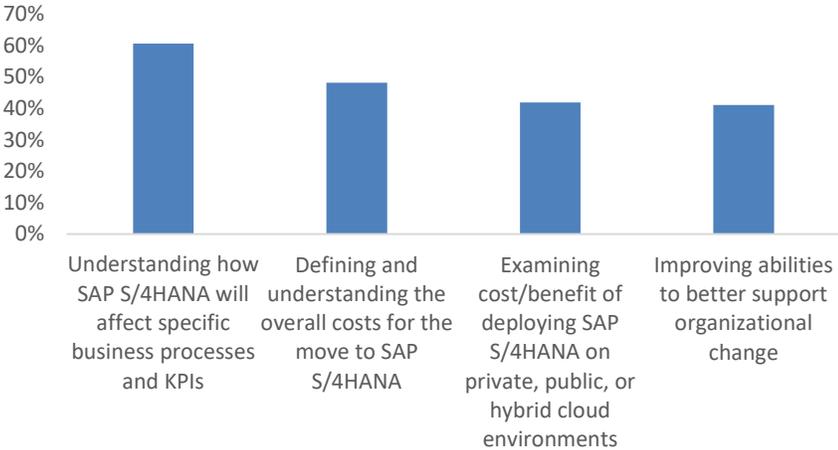
THE BUSINESS CASE FOR SAP S/4HANA

on digital transformation was a driver for all respondents, it was followed very closely by the end of maintenance of existing SAP ERP systems. The large gap between the two now reflects that SAPinsiders are moving ahead with their digital transformation strategies and this is now the most significant reason behind their adoption of SAP S/4HANA. This focus on digital transformation is also indicated by the fact that 49% of respondents have seen an impact on their cloud strategy due to the COVID-19 crisis.

How Do Customers Meet Their Business Drivers?

The majority (61%) of respondents indicated that the main action they are taking to address their drivers is to understand how SAP S/4HANA will affect specific business processes and KPIs (as seen in **Figure 4**). Understanding how the move to SAP S/4HANA will impact critical business processes and KPIs is an important step in limiting disruptions during the transition and supports the driver of a business focus on digital transformation.

Figure 4: Top strategies prioritized to address the top drivers of change



Source: SAPinsider, June 2020

Beyond understanding the business process impact, 48% of respondents said that they were working to define and

understand the costs for the move to SAP S/4HANA—primarily software licenses, infrastructure, and operational costs based on respondent data. Clearly delineating the costs of the move supports all the drivers since cost is a key factor in any business case, but it is also directly connected to the increasing costs of maintaining highly customized environments and older technologies. If the cost of maintaining legacy systems exceeds the cost of the move to SAP S/4HANA, then the business case is already made because the cost savings plus added performance creates an immediate positive ROI.

Nearly half (42%) of respondents said that they were examining the cost/benefit of deploying SAP S/4HANA on private, public, or hybrid cloud environments, a figure that supports the increased focus on digital transformation, as well as the need to contain the increasing costs of maintaining older technologies. Deploying in a cloud-based environment has the potential to reduce the requirement for significant on-premise infrastructure, which has costs not only in terms of hardware maintenance, but also with system administration. It will also allow organizations who see a cost benefit from moving to the cloud to drive further digital transformation of their ERP systems, as well as the related infrastructure.

The final main strategy respondents are taking to create their business case for SAP S/4HANA is that of improving the ability to better support organizational change (41%), which is required to support the focus on digital transformation. While digital transformation is generally looked at as the adoption of new and changing technologies, there are also organizational changes needed in order to fully implement digital transformation—especially where merger and acquisition (M&A) or spinoffs have occurred. Being able to better support this change by consolidating operations from recent acquisitions, or separating operations for a spinoff, requires the flexibility that is only available in a digitally transformed system.

Key Takeaways

Based on our research with respect to building the business case for SAP S/4HANA, the following takeaways are clear:



PERSPECTIVE



Considering direct costs isn't enough. Make the effort to quantify the cost of inaction and the opportunity cost of lost revenue or missed customer experiences. Almost always the opportunity cost ends up far exceeding the cost of transformation with S/4HANA. Additionally, customers should consider the availability of S/4HANA industry best practices with the SAP Model Company that significantly reduce the time and costs of implementation.



~ Amr El Meleegy,
Principal, Value Advisory
and Customer Success, SAP

- **Spend time quantifying how SAP S/4HANA can support digital transformation.** Many organizations look at aging on-premise infrastructure and the lack of agility in business processes and see the transition to SAP S/4HANA as an opportunity to help them drive digital transformation within their organization. Use the tools available from both SAP and third parties to build a business case that highlights how SAP S/4HANA can support that digital transformation.
- **Examine the costs and benefits of different deployment infrastructures.** Although cost is a critical component of any business case, particularly software licenses and infrastructure costs, customers should take the opportunity to examine the cost and benefits of switching to a different infrastructure. Whether private or public cloud or a hybrid scenario, ensure that the costs and benefits of each scenario are covered.
- **Determine how SAP S/4HANA can impact your most critical business KPIs.** Every organization knows their KPIs, but those that are most critical to costs, productivity, and efficiency must be identified as part of building the business case. The business case can then examine how items like infrastructure costs may be reduced, or how ongoing savings made in staffing can be achieved due to productivity or efficiency improvements. Without an understanding of which KPIs are the most critical, the business case will be that much more difficult to develop and justify.
- **Focus on business processes in finance and supply chain that will see the most immediate benefit.** Respondents building the business case indicated that there is increased pressure to link their ERP systems to specific business KPIs and process improvements. Focusing on the most critical business processes within the organization and using tools like SAP Transformation Navigator will help demonstrate the value of SAP S/4HANA and will allow organizations to identify the processes that will demonstrate the most immediate benefit from the transition and hence provide a more immediate ROI.

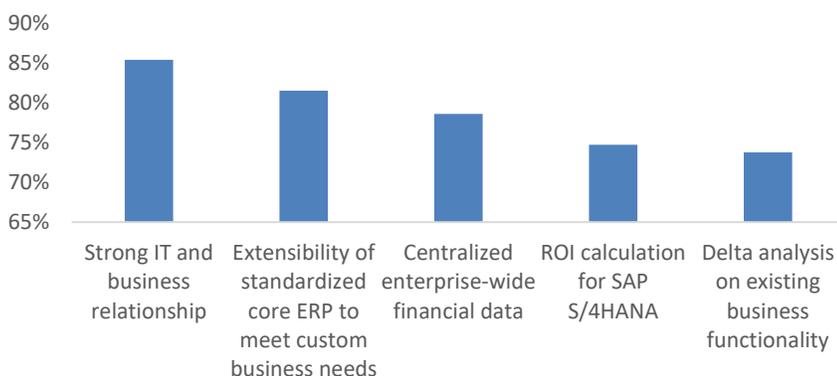
Chapter Two: How Do SAP Customers Approach the Business Case for SAP S/4HANA?

Creating the business case for SAP S/4HANA involves understanding detailed information around cost, infrastructure, and how specific business processes will be impacted, and that requires teams across both IT and line of business functions to work together to ensure that requirements and standards across the organization are understood, considered, and addressed. This section explores how respondents prioritized the different requirements and capabilities that their organizations needed to create their business case for SAP S/4HANA, and the tools they used to support those requirements.

Top Requirements for the Business Case for SAP S/4HANA

A majority of respondents to the survey (85%) indicated that the most important requirement for creating a successful business case was building a strong relationship between IT and business functions (see **Figure 5**).

Figure 5: Top requirements for the business case for SAP S/4HANA



Source: SAPinsider, April 2020



With the business teams actively engaged they were able to provide very detailed feedback on each issue as it came up so that it was addressed quickly. They were batting for us, which really helped with creating our business case for SAP S/4HANA. It was also exciting for the business teams as they could see the what would go into the product very quickly.



~ Global Program Director,
Life Sciences Company

Although it is often the IT team that is building the business case, if they aren't able to work closely with line of business teams there will be an incomplete understanding of how SAP S/4HANA will impact specific business processes, how those processes can be improved, or how they will link the ERP system to specific KPIs. It will also be much more difficult to understand how the upgrade can be effectively connected to the business focus on digital transformation.

The second most important requirement selected by respondents was that of extensibility of standardized core ERP to meet custom business needs. This ties very closely to the driver for the cost of maintaining highly customized environments. By implementing extensions rather than customizing the core ERP system, organizations make it easier to adapt and cheaper to maintain in the long term.

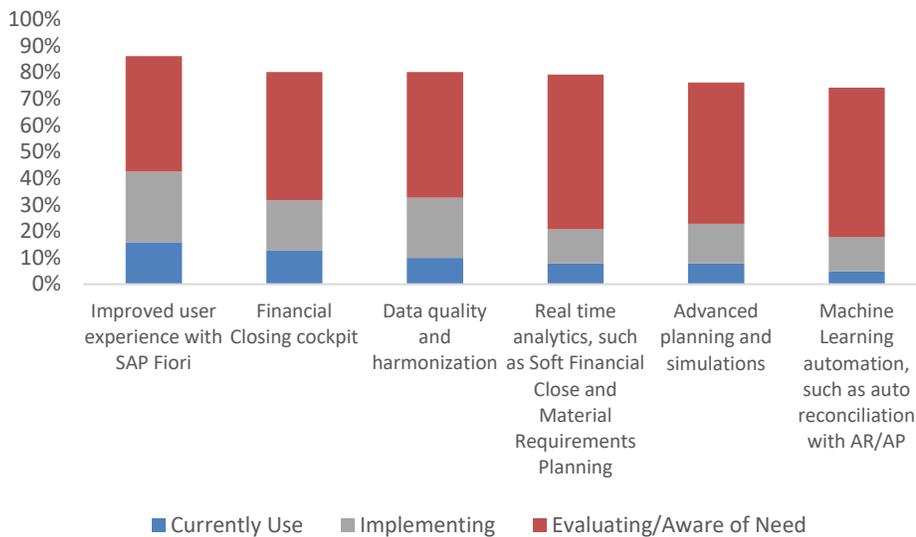
Other top requirements include the need for centralized enterprise-wide financial data (79%), a detailed ROI calculation for SAP S/4HANA (75%), and the need to perform a delta analysis on existing business functionality (74%). Having centralized enterprise-wide financial data allows organizations to better support organizational change and ties very closely with results from the SAP S/4HANA Finance: State of the Market survey, where 42% of respondents said they were taking action to create a single source of truth in their financial data.

The ability to have a detailed ROI calculation for SAP S/4HANA supports the action of examining the costs and benefits of deploying in the cloud by defining and understanding the overall costs for the move to SAP S/4HANA, and also ties to the increasing cost of maintaining highly customized systems. Performing a delta analysis of existing business functionality supports the action of understanding how SAP S/4HANA will affect specific business processes and KPIs, and ties to the number one issue (67%) respondents said would be instrumental in building their business case, which is business process impact and efficiency.

Which Tools Do Respondents Use in Their Business Case for SAP S/4HANA?

Creating an improved user experience with SAP Fiori (86%) was the top technology that users included in the business case for SAP S/4HANA (**Figure 6**). With SAP Fiori-based applications replacing other technologies as the default end-user experience for SAP S/4HANA, this is a significant change from the older transaction-based experience and allows for the rapid creation of new applications to suit specific needs. This provides a faster ROI for SAP S/4HANA, as a better user experience will translate to more usage by business users who are then more willing to engage with the new system.

Figure 6: Popular technologies included in the business case for SAP S/4HANA



Source: SAPinsider, April 2020

Most respondents (80%) also cite the need for including a financial closing cockpit solution in their business case, one of the top pain points in our recently published research on SAP S/4HANA Finance, and something that has been enhanced in SAP S/4HANA. Improving financial close will help drive increased ROI for SAP S/4HANA, provide for

process improvements and better performing KPIs, and allow organizations to move away from older, highly customized environments to a newer, more standardized financial close.

Data quality and harmonization is also playing a big part in business cases for SAP S/4HANA, with 70% of respondents either implementing or aware of the need for these technologies as they move towards SAP S/4HANA, and 80% including it in their business case. This directly supports the requirement of centralized enterprise-wide financial data, and better data will provide a smaller SAP HANA footprint, reducing costs and providing a better ROI on the SAP S/4HANA deployment. It also ties to the need to respond to the increasing cost of maintaining highly customized systems and the strategy associated with supporting organizational change.

A majority (58%) of respondents were aware of the need for real-time analytics and understand how having that functionality can help provide a more resonant business case for SAP S/4HANA. These real-time analytics tie particularly to soft financial close and are critical to providing insight into period-end numbers ahead of time, as well as improving overall ROI on SAP S/4HANA. In addition, organizations see the need for material requirements planning in these real-time analytics, highlighting the fact that they are more aware than ever of the need to better plan, schedule, and control their inventories, especially in the current economic climate.

Other key technologies that respondents planned to include in the business case were: advanced planning and simulations (76%), which connects to the need to improve ROI and supports the strategy of understanding how SAP S/4HANA will affect specific business processes and KPIs; and machine learning and automation (74%), which are new capabilities within SAP S/4HANA that will allow them to do far more than could be done with their older customized systems.

SAP EXPERTS PERSPECTIVE

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Where SAP Fiori helps is that it makes it easier to use the system. With SAP Fiori applications you can have a single screen that has the right buttons and filters to quickly refine your view. If you're performing a task then you have one app which has everything that you need to process what you want to get out of the system. It's another huge driver with deploying SAP S/4HANA.

”

~ Paul Ovigele, CEO,
ERPfixers

Key Takeaways

When it comes to equipping organizations with the capabilities and technologies required for an effective business case for SAP S/4HANA:

- **Business and IT need to work together on the business case from the beginning.** Without input from the business side, it will not be possible to determine the impact the transition will have on specific business processes and KPIs and without input from IT, it will not be possible to determine infrastructure impact and license costs or to combine those into an overall cost.
- **Make Fiori part of your early business case.** SAP Fiori-based applications are one of the most attractive new features to business users in SAP S/4HANA. Including this in the business case will help gain support for the case from those who will be using the system every day and can show some of the immediate UI capabilities that can be leveraged for change management.
- **Emphasize features that will drive ROI to specific business processes and KPIs within areas like finance and supply chain.** While there are many features in SAP S/4HANA that can offer benefits to an organization, focusing on those like soft financial close that provide the most ROI in the initial transition will help make a more successful business case. Invest in learning what will make the most difference to your organization and focus on these features in your business case.
- **Include the costs of data preparation.** Data is at the core of the benefits of SAP S/4HANA, and data preparation should not be overlooked in the cost and ROI of your business case. Whether harmonizing and reconciling different master data values across multiple disparate legacy systems, or simply preparing for changes to table structures in SAP S/4HANA, these costs need to be included.

Chapter Three: Required Actions

The previous chapters clearly show how SAP customers currently align business drivers and actions with supporting requirements and technologies.

Most of the respondents to this survey (73%) have at least started evaluating the business case for SAP S/4HANA, with 25% having already completed the process. Respondents indicated their top challenges to building their business case were in justifying the overall cost investment involved in the transition (42%), and not understanding the business impact of SAP S/4HANA (28%). While the initial cost for the move to SAP S/4HANA can be significant, organizations need to look at the long-term ROI with benefits like improved productivity and increased efficiency, seen by 80% and 69% of respondents respectively, as areas in which they can expect to achieve financial benefits.

For some, having too much information presented challenges when attempting to organize a compelling business case (27%). Given this challenge, SAPinsiders should focus on areas that respondents said were most instrumental to building their business case, for example finance or supply chain, and where they can deliver the most immediate ROI.

Continuing the trend of digital transformation, respondents also saw an opportunity to replace outdated technology and processes, which reflects the fact that they are spending more time examining the costs and benefits of deploying SAP S/4HANA in cloud-based environments. While many organizations will continue to implement their SAP solutions as on-premise solutions, performing a cost-benefit analysis of implementing in the cloud will allow those transitioning to SAP S/4HANA to fully integrate their ERP plans with their organization's overall digital transformation strategy.



PERSPECTIVE

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We feel we are making the migration to SAP S/4HANA at a strategically good time. SAP has moved the compliance date out a bit, but that probably won't soften the hit to consulting resource capacity when the main wave of migrations comes. Resourcing is tight now, but manageable, and resources available to us are of pretty high quality with experience delivering SAP S/4HANA migrations. Reasonable consulting resource availability like this may not be the case down the road.

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~ **SAP Architecture Director,**
Beverage Manufacturer

Steps to Success

Our research reveals that SAP customers should apply the following key steps as they build their business case for SAP S/4HANA.

- **Focus on digital transformation and transforming business processes.** Whether the focus area of your business case is finance or supply chain, universal journal or improved user experience, digital transformation is the number one driver for organizations when building the business case for SAP S/4HANA. Focus on determining how SAP S/4HANA will help provide that digital transformation, eliminating older and more maintenance-intensive highly customized systems, and identifying which business processes will benefit the most from that change. Utilize free tools like SAP Transformation Navigator and SAP Business Scenario Recommendations as these will help build your SAP S/4HANA roadmap and will make the biggest impact.
- **Form a cross-functional team at the beginning of the project.** It is critical that business and IT teams involved in developing the business case work closely together to deliver a cohesive plan. 85% of respondents indicated that this was the most important requirement related to developing the business case, and 20% said that one of the top challenges they faced was getting business and IT on the same page. Putting together a cross-functional team at the beginning of the project will allow cooperation from the start.
- **Take the time to learn about the features, costs, and business impact of SAP S/4HANA, as well as the technical debt of your existing systems.** Some of the biggest challenges that respondents faced when building the business case for SAP S/4HANA were caused by the fact that they didn't understand the business impact of the solution, didn't understand the cost elements of SAP S/4HANA, or that they had too much information to organize into a compelling case. Whether you are already building your business case or have yet to start, it is never too late to educate yourself and your team in key areas

such as improved financial close, Universal Journal, SAP Fiori-based UI, new GL Accounting architecture, and Extended Warehouse Management. But it is also critical that information on the technical debt of your existing systems is included as part of that educational process. Although there is significant cost associated with the move to SAP S/4HANA, not making that move also has costs. All this information needs to be included in your business case.

- **Leverage opportunities to hear from those who have already implemented.** While it is not currently possible to attend in-person educational events, many organizations are running virtual events with customer speakers where it is possible to hear and learn from the experiences that others have had in their transition to SAP S/4HANA. SAPinsider is planning [multiple virtual events](#) over the course of the remainder of 2020 which will provide just such an opportunity. While these speakers may not have identical scenarios to your own, they all have much to offer in terms of the ups and downs of their own SAP S/4HANA experiences. Use the fact that these events are readily available to jump start your learning about the business case and the transition.

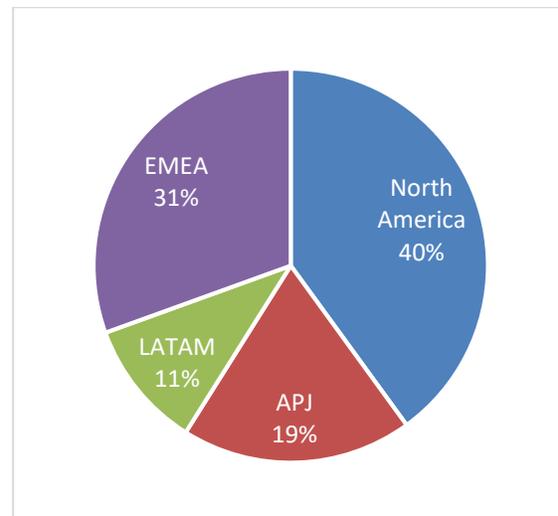
Methodology

In June of 2020, SAPinsider examined the experiences of businesses and technology professionals related to their business case for SAP S/4HANA. Our survey was administered to 187 members of the SAPinsider Community and generated responses from across a wide range of geographies, industries, and company sizes. Respondents completed an online survey and provided feedback in customer interviews that questioned them on topics such as:

- What are the top drivers for the Business Case for SAP S/4HANA at your organization?
- What issues were be instrumental to building your business case?
- What were the biggest cost drivers impacting your business case?
- What were the top 2 challenges of building your SAP S/4HANA business case?

The demographics of the respondents included the following:

- **Job function:** Functional areas reported by respondents include: Information Technology (68%), Finance and Accounting (9%), Supply Chain (7%), and Business Development (4%).
- **Market sector:** The survey respondents came from every major economic sector, including: Industrial (28%), Software and Technology (28%), Retail, Distribution & CPG (17%), Financial Services & Insurance (7%), Public Sector (6%), and Healthcare and Life Sciences (6%).
- **Geography:** Of our survey respondents, 40% were from North America, 31% were from Europe, the Middle East, and Africa, 19% were from Asia-Pacific, Japan, and Australia, and 11% were from Latin America.



Appendix A: The DART™ Methodology

SAPinsider has rewritten the rules of research to provide demonstrable deliverables from its fact-based approach. The DART methodology serves as the very foundation on which SAPinsider educates end users to act, creates market awareness, drives demand, empowers sales forces, and validates return on investments. It's no wonder that organizations worldwide turn to SAPinsider for research with results. The DART methodology provides actionable insights including:

- **Drivers:** These are macro level events that are impacting an organization. They can be both external and internal and require the implementation of strategic plans, people, processes and systems.
- **Actions:** These are strategies that companies can implement to address the drivers impact on the business. These are the integration of people, process and technology. These should be business first but fully leverage technology enabled solutions to be relevant for our focus.
- **Requirements:** These are business and process level requirements to support the strategies. These tend to be end-to-end for a business process.
- **Technology:** There are technology and systems related requirements that enable the business requirements and support the overall strategies that the company is taking, they must consider the current technology architecture and provide for the adoption of new and innovative technology enabled capabilities.

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