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Foreword by DSAG

DSAG appreciates this guide to support decision-makers in our community as they forge their future strategies. It addresses many of the questions SAP customers face when planning their SAP S/4HANA® transformation projects. We at DSAG, in recent years, have raised many similar questions, such as “What preparatory measures are required prior to moving to SAP S/4HANA?”, “How do we decide between a new implementation and a conversion?”, and more.

While in the past SAP has provided answers and assistance to customers for some of these questions, step-by-step guidelines on how companies should prepare for their SAP S/4HANA projects were not available.

Therefore, we support SAP’s initiatives to assist their customers in the move to SAP S/4HANA, in particular the SAP S/4HANA Adoption Starter Engagement, developed and successfully launched in collaboration with DSAG, as well as the wider SAP S/4HANA Movement program. We see this guide as a valuable reference for SAP customers on their journey to SAP S/4HANA.

Ralf Peters
Executive Board Member of DSAG
Responsible for Application Portfolio

Foreword by ASUG

Thank you to SAP for putting together this “must-read” document for customers exploring the migration to SAP S/4HANA.

In so many ways, the move to SAP S/4HANA is reminiscent of the 1990s when organizations transformed themselves from MRP and siloed applications, to the pioneering world of ERP. Back then, the amount of information and guidance that was available was limited – but change needed to occur.

Today, the infusion of change and technology into our business processes and enterprises is staggering – and accelerating. Much of this was simply never conceived when many of our existing ERP systems were first put into productive use.

Our world is changing. Progress is accelerating. And the ERP of yesteryear simply cannot keep pace. It is time to move forward to the next generation of ERP – SAP S/4HANA. This document is your catalyst for conversation. Whether building your business case, evaluating how to structure your project, or considering the technology options that are available to you today, this guide is a great resource for you. Along with ASUG and the rest of the global user group community, SAP has brought the “best of the best” forward.

We encourage you to read on – and let us know how you decide to proceed forward so that we can share your learnings with others. This is what makes our user group network so powerful and impactful to the SAP customer base.

ASUG
May 2019
Introduction – The Way to the Intelligent Enterprise

SAP has long been an undisputed market leader in the ERP space. Today, we are excited to see how SAP S/4HANA helps companies around the world to become intelligent enterprises. As hundreds of new SAP S/4HANA systems go live every month, we see more and more customers asking us for guidance on how to start the journey to the new digital core. That’s why we decided to write this paper as a very practical, condensed, down-to-earth guide for executives, project managers, decision-makers, and senior IT leadership.

The guide has been composed by members of SAP product teams, subject-matter experts, and consultants – in collaboration with ASUG (Americas’ SAP User Group) and DSAG (the German-speaking SAP User Group) – to share with you the combined experience from over 5,000 projects we have seen so far. It has three parts. “Part One” is dedicated to the key decisions to be made when planning your approach to your SAP S/4HANA transition. “Part Two” covers the pivotal elements of a successful project setup. And “Part Three” provides you with the most essential technology knowledge. This guide is not about our product. It’s about you, our customers, and the challenges you face, the decisions you have to make, your aspirations, and your success.

Today, one can hardly imagine running a business without an ERP system. Yet interestingly enough, an ERP has become such a commodity that its value often gets overlooked while the “total cost of implementation” and “total cost of ownership” dominate discussions. In the same way, we don’t regard roads and bridges as valuable assets until we find ourselves in a place without any.

Like any other infrastructure, an ERP ages and accumulates complexity with the ever-increasing intensity of integration, data volumes, change requests, and work-arounds. At the same time, the business processes designed around the technology limitations of the past keep standing in the way of new best practices that can be implemented much more efficiently with the new technologies. All that, in combination, leads to a point where you have to take the next evolutionary step.

For many customers, SAP S/4HANA transition programs start with a debate on how to approach the project and what options to consider. Most of them swiftly come to the conclusion that the company’s vision, readiness to change, and ability to manage these changes play a much bigger role than any technology aspects. We couldn’t agree more.

Irrespective of your chosen transition option, the way you set up and manage your project will determine your ability to turn SAP’s innovations into your company’s advantage. It will also decide if, in a few years from now, your new system will become subject to yet another “back-to-standard” program – or if it will provide the business agility and speed to outplay the competition through the full automation of business processes; user experience based on voice, vision, and messaging; analytics on new data types; and new levels of insights.

They say experience is the enemy of innovation. It takes rigor and stamina to focus on and leverage the new opportunities. We sincerely hope that the following chapters will help keep you on track throughout your journey to the new digital core.
“Part One” of this paper guides you through the key decisions you must make when planning your approach to the SAP S/4HANA transition. In summary, it focuses on the following points:

• The way you plan and execute the SAP S/4HANA program will substantially influence your ability to adopt next-generation business processes and use the new capabilities of SAP® products.

• Customers of the SAP ERP application must decide between system conversion and new implementation. There are eight main considerations that determine this choice.

• Selective data transitions encompass a variety of scenarios that go beyond the standard options. All these require specialized services by the SAP Digital Business Services organization or specialized SAP partners and often entail more effort and cost compared to the standard options.

• One-step is the preferred scenario for conversions.

• After a conversion, you have to plan for an innovation phase.

• Using SAP Model Company services as a baseline for system design in new implementations helps to establish a fit-to-standard and clean-core-by-design mind-set.

• The SAP S/4HANA for central finance foundation solution is a perfect fit for companies in which a central financial department is a key component of the current or future business and enterprise architecture. However, the perception of SAP S/4HANA for central finance foundation as a “first stepping stone” in a transition to SAP S/4HANA in just any landscape is misleading.

• SAP S/4HANA Cloud supports a number of scenarios for a two-tier architecture.
The way you plan and execute the SAP S/4HANA program will substantially influence your ability to adopt next-generation business processes and use the new capabilities of SAP products. Needless to say, making the right choices here is of paramount importance.

With a **new implementation**, you build a new SAP S/4HANA system and either cut over to the new system (the so-called “big-bang” scenario) or migrate the individual business units sequentially from your legacy SAP ERP application to the new system (“a phased rollout”).

With a **system conversion**, you turn your existing SAP ERP system into an SAP S/4HANA system. Technically, the system conversion is a one-step procedure with a single downtime that is comprised of the following:

- For SAP ERP on any database: a database migration to SAP HANA 2.0 (a new database system)
- A conversion of the data from the SAP ERP data model to the SAP S/4HANA data model
- A software upgrade, that is, replacing SAP ERP application code with SAP S/4HANA application code

For SAP ERP powered by SAP HANA, transition to SAP S/4HANA is an in-place upgrade. It also requires an upgrade from SAP HANA 1.0 to SAP HANA 2.0 as an extra step.

Our records over the past three years show that the vast majority of SAP ERP customers decide either on conversion or on new implementation – in almost equal parts. About 5% choose other options because of their specific situations and requirements (see section on “Selective Data Transitions” for more details). In the end, there is no right or wrong. Each customer needs to choose the option that best allows them to continuously adopt SAP innovations in the future.

In practice, we have seen that the choice between conversion and new implementation is largely determined by the eight considerations identified in Figure 1. Not all of them may be equally important in every case. However, they help you understand the essential trade-offs.

**Do Current Business Processes Support Your Long-Term Strategy?**

If your long-term strategy implies the need for business process redesign in the business areas considered key to strategic growth, or the ones expected to deliver substantial cost savings, this is a strong indication for a new implementation.

If your SAP ERP system today takes no advantage of best practices or relies on dated functionality (for instance, business areas instead of profit center accounting), a new implementation is a better choice. Likewise, if you run an oversized, overcomplicated, historically grown system, a new implementation is a more attractive option.

**Can You Adopt SAP Best Practices Packages or Will You Retain Past Customizations?**

Do you plan to make extensive use of SAP Best Practices packages and SAP Model Company services? If so, a new implementation is a better choice.

By contrast, if you see your custom enhancements and modifications as a major asset supporting your company’s unique way of operating and intend to preserve them, a conversion is a more attractive option for you.
Do current business processes support your long-term strategy?
Strategic redesign of the business processes suggests a new implementation.

Can you adopt SAP® Best Practices packages or will you retain past customizations?
A move to standardization brings agility, suggesting a new implementation.

Is your move to SAP S/4HANA® driven by the business or IT?
IT-sponsored projects are typically conversions to SAP S/4HANA, which lay the foundation for incremental innovation projects driven by the business.

Can you convert from the SAP ERP application to SAP S/4HANA in a single step?
Single-step conversion is possible for SAP ERP 6.x (any enhancement pack) single-stack, Unicode systems. Systems that don’t fulfill these criteria have likely experienced little maintenance in the past years. If the system can’t be converted in a single step, a new implementation is likely a better choice.

Do you require previous transactional data in the new system?
The requirement to retain all data in the system is a very strong indication for conversion. Alternatively, consider a new implementation while replatforming your current SAP ERP data on commodity hardware or leveraging data retention solutions.

Are landscape consolidation and process harmonization key value drivers?
Consider a new implementation and consolidate the required configuration and data into that new system.

Do you have a high or low number of interfaces to other systems (SAP and third-party)?
The higher the number of interfaces, the stronger the case is for conversion.

Can your company sustain a multiyear innovation plan with incremental innovations?
If incremental innovation is part of your company’s philosophy, a system conversion followed by innovative projects will lead to the desired outcome. If you are uncertain whether a multiyear innovation plan can be sustained, a new installation is the only chance to harvest the full value.
Is Your Move to SAP S/4HANA Driven by the Business or by IT?

It’s virtually impossible to start a business transformation out of an IT project. IT-sponsored projects are typically system conversions that lay the foundation for later innovation projects driven by the business.

Can You Convert from the SAP ERP application to SAP S/4HANA in a Single Step?

Technically, single-step conversion is possible for SAP ERP 6.0 (any enhancement pack) single-stack, Unicode systems; database and OS-level restrictions may apply. Systems that don’t fulfill these criteria have likely experienced little maintenance in the past years. In practice, systems with dated software release levels may require somewhat more effort than the ones recently updated.

If the system can’t be converted technically in a single step, a new implementation is a better choice, because the combined cost of an upgrade to SAP ERP 6.0 or a Unicode upgrade followed by a conversion to SAP S/4HANA would be prohibitively high. Moreover, combining two upgrades in a single downtime will most probably exceed the maximum system outage your business can afford.

The second factor to consider here is your rollout strategy. If you plan to roll out the system on a company-code-by-company-code basis, then a new implementation approach is a better option. However, if this rollout strategy is a precaution rather than a hard constraint, you should take into account the implied cost of integrating the old and new system landscape, such as for intercompany scenarios, master data synchronization, and consolidation. Often, putting more attention on testing is a far more effective risk mitigation strategy.
Do You Have a High or Low Number of Interfaces to Other Systems (SAP and Third-Party)?

In new implementations, interfaces have to be (re)developed and tested, especially interfaces to third-party solutions. With a system conversion, adjusting existing interfaces typically takes less effort.

Thus, a high number of interfaces in the current system makes a stronger case for conversion. However, before settling on this decision, consider the new integration technologies SAP offers, especially the SAP Cloud Platform Integration and SAP Cloud Platform Integration Advisor services.

See section “SAP Cloud Platform Integration and Integration Advisor” in Part Three.

Do You Require Previous Transactional Data in the New System?

When choosing between conversion and new implementation, the requirement to retain all data in the system is a very strong indication for a system conversion. The first response is often, “Yes, we do need all data in the new system.” However, you should challenge this standpoint and design a data strategy that takes into account the available technological alternatives. (See section on “Selective Data Transitions” for details.)

Are Landscape Consolidation and Process Harmonization Key Value Drivers?

For companies with a track record of mergers and acquisitions, it’s often easier for different divisions to agree on a new neutral set of best practices than to debate which of the current ERPs should become the consolidation target. In this case, opt for a new implementation and consolidate the system configurations and data required to start business operations into this new SAP S/4HANA system.

Can Your Company Sustain a Multiyear Innovation Plan with Incremental Innovations?

Although this aspect is entirely nontechnical, it may in the end overturn all of the above considerations. If incremental innovation is part of your company’s philosophy, a system conversion followed by innovative projects will lead to the desired outcome. However, other companies may not deem themselves capable of persistently executing a multiyear plan because they expect a shift in focus or a major change in strategy. In such cases, a new implementation is the only chance to harvest the full value of SAP S/4HANA.
ONE-STEP VERSUS TWO-STEP DEPLOYMENT AND RISK MITIGATION

Every project needs to develop a risk mitigation strategy. In our experience, the risk in system conversion projects is best mitigated by taking these measures:

• Utilizing appropriate change management to mitigate the changes introduced by simplifications
• Scheduling preparation projects appropriately (see sidebar)
• Reassessing the quality of the master data (especially customer and vendor data) and archiving dispensable transactional data prior to the project
• Planning and executing conversion test cycles carefully in a production-like environment
• Ensuring user enablement

For more on these and other project aspects, see “Part Two” of this guide.

On the contrary, taking a “multistep approach” does not mitigate the transition risk while increasing the total cost of implementation.

PREPARATION PROJECTS
When composing a road map, it’s helpful to distinguish between the mandatory and optional preparation projects.

With SAP S/4HANA®, certain outdated functionality in the SAP® ERP application is no longer available. Mandatory preparation projects are those that replace such functionality with a successor capability or solution. The most frequent one is the mandatory implementation of the business partner data model. Other mandatory changes, such as replacing the revenue recognition functionality in the sales and distribution (SD) module of SAP ERP with the SAP Revenue Accounting and Reporting application, or the real estate classic functionality in SAP ERP with the real estate flexible functionality in SAP S/4HANA, are far less frequent.

Optional preparation projects are the customer’s decision, such as migrating to the new general ledger (G/L) functionality or archiving. (See section on “System Conversion Projects” for more information about the new G/L functionality.)

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Given the combined impact on the timelines and budget, you need to argue very well on what risks you would mitigate by migrating to SAP ERP powered by SAP HANA followed by a system conversion to SAP S/4HANA.

**Doesn’t Mitigate Risk: Process-by-Process Rollouts**

Irrespective of the chosen option, the only recommended unit for rollouts is the company code. Rolling out SAP S/4HANA process by process (or module by module) may not be impossible from a technical point of view, but it is extremely challenging and, therefore, not recommended by SAP. In practice, it leads to complex interim integration scenarios that are hard to sustain for even the most skilled IT operations teams.

If conversion as a “big-bang event” is deemed too risky, consider a new implementation with a phased rollout strategy on a company-code-by-company-code basis.

**Doesn’t Mitigate Risk: Migrating to SAP ERP powered by SAP HANA First**

Companies that adopted SAP ERP powered by SAP HANA soon after its release in 2013 have reaped the benefits early and will experience a significantly easier conversion to SAP S/4HANA. For companies still running SAP ERP 6.x systems on any database today, migrating to SAP ERP powered by SAP HANA followed by a system conversion to SAP S/4HANA would imply a near-double effort leading to higher costs.

From a purely technical point of view, the transition from SAP ERP 6.x on any database to SAP ERP powered by SAP HANA includes an enhancement package upgrade, SAP NetWeaver* technology platform upgrade, and database migration. The hardware investment, effort of potential functional redesign, testing, and change management are comparable to those of an SAP S/4HANA project.

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CENTRAL FINANCE

The SAP S/4HANA for central finance foundation solution has been explicitly designed for the needs of enterprises that have multiple ERP systems in their landscape, as well as a central finance and controlling department serving all business divisions. The capabilities of the solution make it a perfect fit for a divisional setup with operational finance on the divisional level, and central financial reporting and consolidation on the corporate level.

Architecturally, SAP S/4HANA for central finance foundation comes into the landscape as a new, additional SAP S/4HANA system that receives financial transactions replicated from other SAP and third-party systems. In a typical setup, multiple source systems are connected to an SAP Landscape Transformation Replication Server, which, in turn, is connected to one SAP S/4HANA for central finance foundation system. For readers interested in the SAP S/4HANA for central finance foundation, we highly recommend starting with Central Finance FAQ.

For those companies in which a central financial department is a key component of the current or future business architecture, SAP recommends starting with SAP S/4HANA for central finance foundation and planning for the system conversions of each of the source SAP ERP instances later on.

However, the perception of SAP S/4HANA for central finance foundation as a “first stepping stone” in a transition to SAP S/4HANA in just any landscape is misleading. In particular, companies with a single SAP ERP instance should retain their landscape design and focus on the standard options.
System conversion is a well-guided process supported by several tools and utilities provided by SAP for both analysis and execution. As mentioned above, nearly half of SAP ERP customers opt for a conversion. That’s why SAP continuously optimizes the tools to assist customers in the conversion process and to eliminate the manual labor through automation. (See “Part Three” of this guide for more details.)

Most notably, a system conversion preserves your assets, including data, processes, and custom code. However, you should assess the perceived value of these assets very diligently. The new technologies, new business practices, and a changed business environment may have rendered some of these obsolete.

Since SAP S/4HANA is a new product, a conversion is significantly more than an upgrade. Systems that have been kept up-to-date will experience less impact because most simplifications continue the road map of the corresponding strategic developments in SAP ERP. Still, a close examination of the simplifications and the associated technical and functional impact will be an important part of every conversion project.

The SAP Fiori® user experience (UX) enables access to many SAP S/4HANA innovations. You should introduce the new UX for a set of business roles, or even just for a single one, to demonstrate and prove its value and to attract other groups of business users. (See “Part Two” for more information.)

Ultimately, system conversion not only increases your readiness to innovate, but also sets the stage for subsequent business transformation. Having made this first step, you have to continue on this path to leverage the new functionality to the full extent and thus bring the innovations to your company.
NEW IMPLEMENTATIONS

We mainly see two business contexts in which customers prefer new implementations. The first is business model changes that imply rethinking the way a company makes money. Such changes raise new demands on the capabilities and agility of an ERP, so a new implementation becomes a natural choice. The second context is intense business process re-engineering, such as consolidating from numerous order-to-cash process variants to just a few.

In either case, a new implementation provides you with the ability to:

• Build the new system with SAP Model Company services and SAP Best Practices packages
• Build the new system with a “clean core”
• Roll out the solution on a company-code-by-company-code basis to worldwide locations rather than a “big bang” approach

The former two stand for what SAP refers to as a “cloud mind-set.”

SAP Model Company as a Foundation

Using SAP Model Company as a template and foundation for system design means applying a fit-to-standard approach instead of writing a blueprint from scratch or reworking a legacy design. It has at least three advantages. First, it allows for much faster implementation, such as shortening the project’s discovery phase from 65 days to 15 days1 and its implementation phase from 24 months to 12 months. Second, it results in a higher “fit to standard” – for instance, cutting down the custom development efforts by more than 30%. Third, since SAP Model Company services are built to cloud standards, by using them for your new implementation on premise you are, at the same time, preparing a future move to the cloud.

Clean Core

In practical terms, keeping the core clean means:

• Applying a zero-modification policy from the project’s first day
• Using white-listed APIs only
• Leveraging SAP S/4HANA in-app extensibility to its full extent
• Employing the capabilities and services offered by SAP Cloud Platform to build larger extension applications
• Utilizing the SAP Cloud Platform Integration service

Read more about SAP Model Company and the clean-core paradigm in “Part Two” of this guide.

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1. The source for this and other numbers in this chapter are interviews of early adopters of SAP Model Company conducted by an independent global IT consultancy. Please see the “SAP Model Companies White Paper” for more details.
So far, we have discussed the standard options of new implementation and system conversion. From a technical viewpoint, a new implementation means that the software is installed first, and then the data required to start business operations is loaded using the SAP S/4HANA migration cockpit. By contrast, with a standard conversion procedure both the software and the data are converted in a single step.

Selective data transition, also known as landscape transformation, stands for scenarios that go beyond the standard options of system conversion and new implementation (see Figure 2). It comprises a host of options that you need to evaluate carefully as they often increase the project’s risk, effort, and complexity.

There is a great variety of scenarios for selective data transition, and the variety of reasons why some companies may look into these is greater yet. One way to structure these scenarios is by answering the following three questions:

- How many productive SAP ERP systems do you have – one or multiple?
- How do you build the target system?
- How is the data migrated to the new system – and how much of it?

Discussing all these scenarios is beyond the scope of this document. Nevertheless, the two examples below should give you some insight into the nature of selective data transitions.

### Figure 2: Selective Data Transitions with Complex Scenarios Framed with a Purple Dotted Line

<table>
<thead>
<tr>
<th>Number of source systems</th>
<th>Installation with SAPinst tool</th>
<th>Conversion with Software Update Manager</th>
<th>Selective Data Transition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Master data and open items</td>
<td>Standard data migration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Extended data set</td>
<td>Standard conversion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shell creation + reconfiguration + conversion + data migration</td>
<td>1st system: conversion Others: migration of open items</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>System provisioning</th>
<th>Number of source systems</th>
<th>Standard</th>
<th>Extra effort</th>
<th>Specialized services</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>$</td>
<td>$$</td>
<td>$$$$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>2 or more</td>
<td>Extra effort</td>
<td>Specialized services</td>
<td>Standard</td>
<td></td>
</tr>
</tbody>
</table>
**Example 1: ERP Landscape Consolidation**

One common situation is a consolidation of multiple SAP ERP systems into one. A standard transition path is either:

- Implementing the new system based on best practices followed by loading master data and open items from all source systems
- Converting one of the systems and loading open items from the others

If your requirement is to load historic data from all SAP ERP systems that are subject to consolidation, you will have to resort to a selective data transition and employ specialized tools and services.

**Example 2: The Shell Approach**

If the system is deemed to be in good shape, a project team may seek an approach on how to change only a part of the system configuration or functionality, while retaining the rest unaltered. Examples for such selective changes could be to restructure the chart of accounts or introduce the new G/L functionality with a ledger solution for parallel accounting.

Technically, such an approach includes these steps:

1. Performing a shell creation from the current SAP ERP
2. Performing corresponding customizing and configuration changes in this shell system for the simplification list items
3. Executing a standard system conversion of the shell system
4. Performing corresponding customizing and configuration changes in the SAP S/4HANA system to implement improvements and innovations
5. Loading the data

**OPEN ITEMS**

The term “open items” stands for financial open items, but it also includes balances, stocks, open sales and purchase orders, and other business objects. More generally, it refers to the initial data set required to start business operations. When loaded with the SAP S/4HANA® migration cockpit, some business objects have limitations. For example, partially delivered sales orders cannot be migrated along with the corresponding completed deliveries. Such orders have to be closed in the old system first.
As long as you load master data and open items using the SAP S/4HANA migration cockpit, this approach is within the realms of the standard. However, if you want to load historic data into the new system, this entails an extra effort and usage of specialized tools and services. Historical data means completed and closed transactional data, for example, sales orders from the past two years. Therefore, you should first evaluate if the same outcome can be accomplished through a preparation project followed by a standard system conversion. The SAP Digital Business Services organization and SAP partners provide well-established services for such preparation projects, such as migration to the new G/L functionality, reorganization of the chart of accounts, or merge of controlling areas.

Historic Data: Understand What’s Fuel and What’s Ballast

In selective data transition scenarios, the crucial debate is on how much historic data to retain. There is a wide range of arguments and different requirements. Like a race car driver, you need to understand when this data is fuel and when it’s ballast.

Here are three guiding questions:

• **What data do you really need to start your business operations?** You need to have absolute clarity about what business objects you need and why. You may find that you don’t actually need everything you thought you needed.

• **How well do you understand the mechanics of data migration?** SAP S/4HANA migration cockpit uses standard application logic to provision the data. Likewise, the Software Update Manager tool applies software vendor logic to convert the data in place during a system conversion. The tool to migrate the data from the source SAP ERP to SAP S/4HANA has to apply exactly the same logic. Note that this is always a project solution as there is no standard tool to migrate historic data. In complex scenarios, the data is migrated at database-table level, which requires an exceptionally deep knowledge of both the data structures of and complex dependencies between the business objects of SAP ERP. Failing to understand these dependencies poses a high risk of data inconsistencies.

• **Would you rather spend the project’s budget on innovations or data migration?** When migrating historic data, the extra cost comes not only from the specialized services you need to purchase, but also from extensive testing that is required for complex selective data transition scenarios, such as three end-to-end integration tests on migrated productive data.

There are options to consider before you decide to choose a selective data transition:

• Replatforming your current ERP on low-cost hardware while granting business users read-only access to it

• Leveraging data retention solutions with inexpensive archive technologies that allow data retention for a fraction of the cost

If your company’s needs make a selective data transition unavoidable, we strongly advise you to engage SAP Digital Business Services or specialized SAP partners who have the necessary tools and knowledge.
Companies with a clear and committed cloud strategy have to look into the following key aspects when evaluating and comparing our cloud offerings including SAP S/4HANA Cloud, SAP S4HANA Cloud, single tenant edition, and SAP S/4HANA managed by SAP HANA Enterprise Cloud.

Functional Scope and Industry Support
The functional scope includes the supported business processes as well as regulatory, industry, and localization support.

The feature scope of SAP S/4HANA Cloud differs from that of SAP S/4HANA. As any public cloud solution, it enables configurable standard processes. Thus, when evaluating the solution, any company – and especially SAP installed-base customers – should not only review the offered solution scope, but also decide if the available configuration and extension options would serve their business needs.

There are no scope restrictions with SAP S/4HANA managed by SAP HANA Enterprise Cloud. The feature scope of SAP S/4HANA Cloud, single tenant edition, is also identical to that of SAP S/4HANA.

Extensibility and Configurability
SAP S/4HANA Cloud customers can leverage both the side-by-side extensibility and in-app extensibility. The solution is configured in a guided manner through a new configuration app. Direct changes to customizing in the classic Implementation Management Guide (IMG) or modification to the source code are not allowed.

Likewise, SAP S/4HANA Cloud, single tenant edition, offers the above extensibility options and forbids modifications. While this offering allows the usage of the traditional customizing and extensibility mechanisms known from SAP ERP, SAP advises to use those sparsely. This will not only make the upgrades less labor-intensive, but also streamline a future transition from SAP S/4HANA Cloud, single tenant edition, to SAP S/4HANA Cloud.

With SAP S/4HANA managed by SAP HANA Enterprise Cloud, customers can customize, extend, configure, and modify the solution as they see it fit. As in the past, an excessive use of all these options can lead to heavily customized solutions that are expensive to maintain.

Update Schedules and Service Levels
SAP S/4HANA Cloud follows an update and innovation schedule defined by SAP. This schedule includes quarterly updates on the announced dates as well as minor software corrections applied by SAP. The updates include automated application tests for each tenant carried out by SAP.

With SAP S/4HANA Cloud, single tenant edition, customers receive two updates annually, whereas one update per year is mandatory. The exact date is negotiable within the next six months after the update announcement.

For SAP S/4HANA managed by SAP HANA Enterprise Cloud, the customer controls when updates are made. SAP provides one major release and two feature pack stacks per year.

When evaluating the options, one has to take into account not only the software updates, but also the infrastructure updates and the service levels provided.
## Key Aspects for the Evaluation of Cloud Offerings

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<thead>
<tr>
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<tbody>
<tr>
<td><strong>Functional Scope</strong></td>
<td>Configurable standardized processes and best practices for finance, human capital management (HCM), procurement, sales, and more</td>
<td>Full functional scope, identical to SAP S/4HANA</td>
<td>See Feature Scope Description document</td>
</tr>
<tr>
<td><strong>Industry Support</strong></td>
<td>Best support for professional services and component manufacturing**</td>
<td>All industries supported</td>
<td></td>
</tr>
<tr>
<td><strong>Extensibility</strong></td>
<td>SAP S/4HANA in-app extensibility and side-by-side extensions through SAP Cloud Platform</td>
<td>Defined extensibility options and side-by-side extensions through SAP Cloud Platform</td>
<td>All extensibility options, modifications possible</td>
</tr>
<tr>
<td><strong>Software Updates</strong></td>
<td>Quarterly, fixed schedule</td>
<td>Twice a year, one mandatory</td>
<td>Recommended once a year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Must update within the next 6 months</td>
<td></td>
</tr>
<tr>
<td><strong>Service Level</strong></td>
<td>Infrastructure, system, and application management</td>
<td>Infrastructure, system, and application management</td>
<td>Infrastructure and system management Extra contract for application management</td>
</tr>
<tr>
<td><strong>Licensing</strong></td>
<td>Software as a service (SaaS) (subscription)</td>
<td>SaaS (subscription)</td>
<td>Bring your own license (BYOL) and infrastructure as a service (IaaS) (subscription)</td>
</tr>
<tr>
<td><strong>Infrastructure and System Landscape</strong></td>
<td>Shared</td>
<td>Dedicated system landscape</td>
<td>Tailored landscape</td>
</tr>
<tr>
<td><strong>Implementation Options</strong></td>
<td>New implementation with data migration</td>
<td>New implementation with data migration</td>
<td>New implementation with data migration, system conversion, or move of a current SAP S/4HANA system</td>
</tr>
</tbody>
</table>

*Managed by SAP HANA Enterprise Cloud or other cloud providers

**More industries on the road map
Consider Hybrid Two-Tier Architecture

Gartner predicts that by 2021, more than 80% of product-centric companies that currently own a monolithic ERP solution will have considered a federated ERP application approach to fulfill their product-centric business capabilities.\(^2\)

SAP is the only vendor whose cloud and on-premise offerings rely on the same technology; share the same code line, data entities, and analytical structures; and offer the same user experience. This, along with the default integration scenarios, opens up new possibilities for a sustainable hybrid two-tier architecture.

A hybrid two-tier architecture spanning a company’s headquarters operating SAP S/4HANA and its subsidiaries equipped with SAP S/4HANA Cloud is an alternative to the traditional ERP template approach (see Scenario A in Figure 3).

This scenario applies equally well to newly acquired entities and the existing subsidiaries with comparably simple processes. You should closely examine this option, especially if your company pursues an aggressive merger and acquisition (M&A) strategy or if its IT landscape already includes multiple federated SAP ERP systems.

The default integration scenarios delivered with SAP S/4HANA Cloud also enable further scenarios for hybrid two-tier architecture, as shown in Figure 3.

IN-APP AND SIDE-BY-SIDE EXTENSIBILITY

With the in-app extensibility framework introduced with SAP S/4HANA\(^\text{®}\), business experts gain the ability to implement key types of customer extensions on their own. Examples include creating custom business objects with a generated user interface (UI), adding custom fields with processing logic to business objects, adding simple operational reporting, creating custom printout and e-mail forms, and more.

The second pillar of SAP’s new extensibility concept are the side-by-side extensions, that is, custom applications interacting with SAP S/4HANA through a defined set of public APIs or operating on replicated data. For details on the APIs available with SAP S/4HANA Cloud, please visit SAP\(^\text{®}\) API Business Hub.

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Figure 3: Hybrid Two-Tier Scenarios with SAP S/4HANA Cloud

**Scenario A**
Headquarters and subsidiary

SAP S/4HANA Headquarters

SAP S/4HANA Cloud Subsidiary

**Scenario B**
Corporate or non-corporate*

SAP S/4HANA Corporate

SAP S/4HANA Cloud Non-corporate

**Scenario C**
Central services**

SAP S/4HANA Cloud Central services

SAP S/4HANA Cloud Subsidiary

**Scenario D**
Ecosystem***

SAP S/4HANA Corporate

SAP S/4HANA Cloud Subcontractor

SAP S/4HANA Cloud Dealer

*Corporate or non-corporate scenario – for largely autonomous business units or divisions; very attractive if your company fosters entrepreneurship and innovation through the "corporate startup" model

**Central services scenario – to enable central provisioning of certain business services, such as a procurement hub

***Ecosystem – to enable business collaboration with vendors, subcontractors, or dealers
Traditional ERP Template Approach Versus Two-Tier Architecture

<table>
<thead>
<tr>
<th></th>
<th>Traditional ERP Template Approach</th>
<th>Two-Tier Architecture</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Reconciliation</strong></td>
<td>Reconciliation performed inside one system</td>
<td>The universal journal model in SAP S/4HANA® eliminates the need for reconciliation.</td>
</tr>
<tr>
<td><strong>Financial Planning and Consolidation</strong></td>
<td>Consolidation (for example, with the SAP® Business Planning and Consolidation application or other solutions) Standard interfaces exist Need to be set up by the headquarters’ IT team</td>
<td>In Scenarios A and B in Figure 3 (HQ/subsidiary or corporate/non-corporate): SAP Business Planning and Consolidation or other SAP solutions In Scenario C (central services): Deployment through the built-in consolidation functionality of SAP S/4HANA Cloud Standard data sources and interfaces are available as solution’s scope item. The setup is carried out by SAP’s cloud delivery team.</td>
</tr>
<tr>
<td><strong>Master Data Harmonization</strong></td>
<td>Usually with the SAP Master Data Governance application or home-grown solutions</td>
<td>Built-in data replication framework for simple master data replication SAP Master Data Governance or more sophisticated capabilities</td>
</tr>
<tr>
<td><strong>Intercompany Processes</strong></td>
<td>Within the same system, through intercompany transactions (that is, between the headquarters company code and subsidiary company code) Complex integration required for federated ERP landscapes</td>
<td>Smooth sales-order-to-purchase-order automation and billing-to-supplier invoice automation delivered by SAP</td>
</tr>
<tr>
<td><strong>Reporting and Analytics</strong></td>
<td>Usually through the SAP Business Warehouse (SAP BW) application or home-grown solutions</td>
<td>• SAP BW • SAP Analytics Cloud solution</td>
</tr>
<tr>
<td><strong>SAP-to-SAP Integration</strong></td>
<td>Needs to be set up and managed by the headquarters’ IT team</td>
<td>Built-in default integration scenarios managed by SAP</td>
</tr>
<tr>
<td><strong>SAP-to-third-party integration</strong></td>
<td>Needs to be built, set up, and managed by the headquarters’ IT team</td>
<td></td>
</tr>
</tbody>
</table>

*For instance, SAP S/4HANA Cloud to the SAP Business Planning and Consolidation application, SAP Ariba® solutions, or SAP SuccessFactors® solutions
**For instance, SAP S/4HANA Cloud to a third-party warehouse management system or third-party logistics providers

Where to Find More

To learn more about two-tier ERP and the corresponding architectures, please refer to the Two-Tier ERP with SAP S/4HANA Cloud and Deployment Possibilities white paper.

For a comprehensive architectural discussion, we highly recommend the white paper Elements for Designing a Transition Road Map to SAP S/4HANA by SAP Digital Business Services.
For all new implementations and conversion projects, follow these best practices:

• Build up your team’s skills. This will pay off economically and in many other ways.
• Ensure architectural due diligence. Review the five key topics in the “Architectural Due Diligence” section below that your architecture team can’t afford to neglect.
• Understand, explore, and leverage SAP Model Company services in both new implementations and conversions.
• Redesign your business processes for in-memory computing. This is about rethinking, not about doing the same things faster.
• Make sure that your development team fully understands the new software development concepts and technologies.
• Recognize that SAP Fiori is more than a new Web UI. Establish an adoption strategy for SAP Fiori and appoint a UX architect to carry it out.
• Curate your master data prior to the transition to SAP S/4HANA.
• Make sure that there is enough focus on pertinent hardware planning and performance testing.

For conversion projects, consider the following recommendations:

• Take care of your financial data and understand the plans of your finance team to leverage the new G/L, parallel accounting, and document split capabilities.
• Realize that conversion test cycles are the backbone of your project. Follow the guidelines to establish a successful project plan.
• Check the compatibility of your add-ons in advance and decide how to deal with each add-on before the conversion.
• Scrutinize your simplification items and pay close attention to the ones that require a business decision or a preparation project.
• Take advantage of the opportunity to reassess and clean up your custom code. Decide what you need and delete the rest.

Although new implementations and conversion projects are very different by nature, there are a few subjects you shouldn’t leave to chance in either case. In “Part Two” of this guide, we elaborate on these subjects, focus on the specifics of conversion projects and new implementations, and conclude by highlighting the essential aspects of the project setup.
For new implementations, we suggest that you:

- Use SAP Model Company to organize show-and-tell workshops for business users.
- Don’t lift-and-shift your custom code to the new system.
- Define the scope for data migration as early as possible. Make sure your team knows the capabilities of the SAP S/4HANA migration cockpit and reassess the capabilities of your current extract, transform, and load (ETL) solution.

During project setup, remember the following:

- Apply the three pillars of practical governance by setting up a project steering committee, joint design authority, and architecture governance board.
- Make sure you are familiar with our integrated delivery framework, the SAP Activate methodology, and SAP-qualified packaged solutions from SAP partners.
- Consider estimating the duration of your project in one of the following ways: You can either use a past project, or take the median value as a baseline and adjust it by evaluating the key influencing factors.
BUILD YOUR SKILLS

The enablement of users and teams is a significant building block in a project’s success. An IDC white paper\textsuperscript{3} revealed that:

- Well-trained implementation teams can save up to 10% in deployment time. This amounts to an average savings of almost a month.
- Well-trained administrators make fewer support calls and critical tickets. For SAP S/4HANA, this resulted in an average reduction in monthly support calls of 20%.
- Well-trained SAP S/4HANA users improve their performance by over 50% across KPIs.

A perfect start for any conversion project member is the System Conversion to SAP S/4HANA course available on the openSAP platform (openSAP.com).\textsuperscript{4} Furthermore, the Learning Journey interactive guides below are a great resource for the SAP ERP experts on your team to efficiently upskill their ERP business knowledge:

- SAP S/4HANA Finance – Financial and Management Accounting – Upskilling for SAP ERP Financials Experts
- SAP S/4HANA – Sales – Upskilling for SAP ERP Experts
- SAP S/4HANA – Procurement – Upskilling for SAP ERP Experts
- SAP S/4HANA – Manufacturing – Upskilling for SAP ERP Experts

Users of SAP S/4HANA have access to standard enablement content directly through in-app learning. In addition, a license of the SAP Enable Now solution allows customers of SAP S/4HANA to customize this content. The consulting services of the SAP Education organization and the SAP partner ecosystem can support customers and provide content production and enhancement services.

For more information, visit www.sap.com/products/enable-now/features.html.


\textsuperscript{4} Over 21,000 participants from more than 100 countries attended the first course in November 2018. 98% indicated they were very satisfied with both the course and the learning experience on the openSAP platform. The overall course rating was 4.49 out of 5 stars.
ENSURE ARCHITECTURAL DUE DILIGENCE

Transparency in both functional and technical architecture is one of the key success factors for your project. Ensure your architecture team applies the necessary diligence when working on these five tasks:

• Understand what SAP ERP functionality is currently in use, and how it maps onto the functional capabilities of SAP S/4HANA and other SAP solutions. Use the SAP Transformation Navigator tool as your starting point.

• Request a deployment stack (“system’s bill-of-materials”) from your architecture team for both the old and especially the new system, including hardware, operating system, SAP HANA revision, and the software components’ release levels. This information must be accurate and up-to-date.

• Have a plan on how to deal with the installed third-party add-ons. For each add-on, make a conscious decision about whether it can be kept, replaced with standard functionality, or uninstalled.

• Create landscape diagrams depicting the landscape for each conversion cycle. Ensure that these reflect both the connectivity to the satellite systems and the transports and software deployment.

• With very few exceptions, the standard interfaces to and from other SAP Business Suite applications are not impacted by conversion. Nevertheless, ask your teams to reassess the satellites while paying special attention to cross-platform and cross-vendor integration.
LEVERAGE SAP MODEL COMPANY AND SAP BEST PRACTICES

SAP Model Company offers a ready-to-run solution and serves as a market standard for SAP S/4HANA implementations. It includes both best practices and next practices.

SAP Model Company is built on top of the latest SAP Best Practices content. SAP Best Practices are available free of charge with SAP products and provide a solid foundation for each SAP implementation. SAP Model Company services build on and extend these best practices based on the experience of SAP Digital Business Services, which stems from the most successful, real-live transformation projects. Some typical extensions are:

- Additional process models for specific industry segments
- Extended process models across multiple applications (for example, SAP S/4HANA, SAP Customer Experience solutions, and SAP BusinessObjects™ solutions)
- Process elements and capabilities showcasing innovative Big Data or Internet of Things (IoT) scenarios

SAP provides SAP Model Company services for industries (for example, oil and gas, utilities, or retail) and lines of business (such as finance or R&D). Customers can request SAP Model Company, custom edition, which is a blend of multiple SAP Model Company services, such as SAP Model Company for Oil & Gas and SAP Model Company for Finance, for several selected countries. The complete list of SAP Model Company services and the compatibility matrix are available at [www.sap.com/modelcompany](http://www.sap.com/modelcompany).

SAP Model Company includes a service by SAP Digital Business Services and requires a signed contract scope document. SAP partners can extend SAP Model Company services and offer them together with their own services.

Technically, SAP Model Company is a system image containing SAP S/4HANA and, possibly, other SAP solutions, such as the SAP Transportation Management application or SAP Manufacturing Integration and Intelligence (SAP MII) application, which are fully configured to execute a set of business scenarios. For each scenario, SAP Model Company includes a detailed description, process diagram, test or demo script, and configuration guide explaining how to set up the system. These are made available as SAP Solution Manager content (JSON-file) and need to be uploaded to your SAP Solution Manager. Together with the test data contained in SAP Model Company, you can instantly run the provided end-to-end scenarios without any additional effort.
SAP Model Company is not only essential for new installations, but very helpful for conversions too. Use SAP Model Company during the project’s preparation and exploration phase to:

- Demonstrate the functionality and process in show-and-tell sessions for business users
- Have your key users study the preconfigured scenarios with the test scripts
- Build prototypes by using or extending the existing configuration
- Use it as a reference when conducting fit-gap/fit-to-standard analysis

Customers can choose between two deployment options:

- Deploy a sandbox system using the [SAP Cloud Appliance Library](https://help.sap.com) tool. This option requires a third-party infrastructure as a service (IaaS), such as Amazon Web Services, Microsoft Azure, or Google Cloud. SAP Cloud Appliance Library completely automates the provisioning of the virtual machines and deployment of the corresponding system image.

- Download and install the selected SAP Model Company on premise.

A [30-day trial](https://support.sap.com) of SAP Model Company is available on SAP Store.
SAP S/4HANA provides companies with breakthrough technology and brings a new software architecture that exploits this technology to the utmost degree. However, this is of little benefit if a company uses a 2020 system to run its business processes in the same fashion as in the 1990s.

In the past, many steps in a business process executed in a traditional ERP system were actually performance work-arounds aimed at overcoming the limitations of the databases and the hardware. These steps included data preparation, replication, aggregation, and reconciliation – all of which collectively entailed long process-execution times, outdated information, and reactive process-exception handling.

When such “band-aid processes” are used long enough, it becomes increasingly difficult to tell apart the actual business purpose from the work-arounds. In fact, you may have to learn anew how to design business processes with the new degree of freedom provided by SAP S/4HANA. The first step is to understand that performance isn’t all about doing the same things faster.

With SAP S/4HANA, you have a system that is designed to enable information workers to make decisions on the fly. Through the underlying SAP HANA database and the new data model, it largely eliminates the need for work-arounds. This means you can turn a process into an instantaneous self-service that operates directly on the original data set and helps you to prevent process exceptions through instant responses to what-if simulations. As expensive data preparation steps and batch jobs become superfluous, the processes can be shortened to hours instead of days.

### Cue Card for In-Memory Computing Process Design

<table>
<thead>
<tr>
<th>Business Processes</th>
<th>Analytics and Reporting</th>
<th>Business Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Where did we design the processes around performance impasses?</td>
<td>• Where was it particularly difficult to define the correct reporting architecture?</td>
<td>• Where can real-time information and processes make a difference to the business?</td>
</tr>
<tr>
<td>• Which processes are too slow?</td>
<td>• Which processes require variations of existing aggregates?</td>
<td>• Where do end users run an “informal” process through help-yourself tools?</td>
</tr>
<tr>
<td>• Where does outdated information cause process exceptions or rework?</td>
<td>• Where is a drill-down from reports to transactions missing?</td>
<td>• What did we disallow because of system performance constraints?</td>
</tr>
<tr>
<td>• Which processes have not been implemented because of performance requirements or data volume?</td>
<td>• Where do we have frequent change requests for reports?</td>
<td>• What scenarios did business users request that we judged to be unfeasible?</td>
</tr>
<tr>
<td></td>
<td>• Where did we oversimplify the data model?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Where do users resort to spreadsheets?</td>
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</table>
Another key element is embedded analytics, which is an exceptionally cost-efficient model for operational reporting. Rather than collecting all requirements to present the data in a way that suits everyone (and often failing to do so because of the complexity and trade-offs), you can now easily afford to offer specific views for each user. This way, downloading data to spreadsheets becomes a thing of the past. Needless to say, this saves the costs of “shadow IT” and also helps to improve compliance.

Here are some rather general pieces of advice to conclude:

• To find the opportunities for process innovation, you need to ask the right questions. You may want to start with the ones listed in the table on page 30.

• Have an open discussion on how far the users’ actual ways of working resemble the initial blueprints. At times, it is truly impressive how often people work around or outside of the system and only enter the data at the very last moment.

• Be persistent. Raise interest by showing what’s possible. Be assured that your business users will be able to extrapolate what you have shown and to build on these ideas. You should also be prepared to find that some of your peers remain constrained by their experience with the old technology. If that happens, recall the quote attributed to Mr. Henry Ford (rightly or not), “If I had asked people what they wanted, they would have said faster horses.”
SAP Fiori is the go-to user interface of SAP S/4HANA. SAP Fiori launchpad offers a role-based, single-access point for business users to access all UIs of SAP S/4HANA: SAP Fiori apps, visually harmonized SAP GUI transactions, and Web Dynpro for ABAP® applications. It can also be extended to act as a single access point to other cloud solutions, third-party apps, and custom apps.

Many innovations in SAP S/4HANA are made accessible either through SAP Fiori apps or through services within SAP Fiori launchpad, for example, enterprise search or the SAP CoPilot digital assistant. Therefore, customers who don’t implement SAP Fiori or continue to use SAP GUI as their primary UI will have only a limited benefit from the innovations in SAP S/4HANA.

The UX paradigm of SAP Fiori differs fundamentally from the classical transaction pattern. Instead of big multipurpose transactions, SAP Fiori offers a navigation network of task-oriented UIs interconnected through SAP Fiori launchpad content. Selectively implementing only some individual SAP Fiori apps not only breaks the user experience but also results in very high implementation costs. In short, SAP Fiori apps are not designed to be used individually.

Therefore, SAP recommends the following role-based approach to implementing SAP Fiori:

- Copy the SAP-delivered business roles and catalogs and adjust them to your needs
- Implement complete business roles and not just single apps
- Explore the business roles and the related apps in the SAP Fiori apps reference library

RELY ON THE ROLE-BASED SAP FIORI UX
You can control the pace of your transition to SAP Fiori. You can start with as little as introducing SAP Fiori launchpad as a single entry point for business users and choosing a single business role as a first showcase for SAP Fiori apps. The SAP Fiori lighthouse scenarios highlight those scenarios and business roles for which SAP Fiori offers a new user experience and immediate benefits that were not available in SAP Business Suite. You can go about the process as follows:

- As a first step, introduce your business users to the new capabilities. The following videos provide a good overview:
  - For all users: [SAP Fiori User Experience for SAP S/4HANA](#)
  - A video for [procurement specialists](#)
  - A video for [sales representatives](#)
  - A video for [resource managers](#)
- Use the SAP S/4HANA 30-day fully activated [trial appliance](#) to demonstrate the new capabilities to the business in workshops. This appliance includes an activated set of SAP Fiori roles and a demo guide.
- Once your sandbox system is ready, use the [task lists for rapid SAP Fiori activation](#) to quickly experience the business roles delivered by SAP. That’s a starting point for analysis and content adjustment of SAP Fiori launchpad.
- Establish the UX as a workstream of your project, which should be at the same level as functional and technical workstreams. Appoint a UX architect role in your project team to take responsibility for the UX strategy, including common UX components, such as SAP Fiori launchpad, enterprise search, My Inbox, notifications, and SAP CoPilot. Further UX architecture tasks include designing the home page for business roles, coordinating with technical and functional architects, and giving guidance on app activation and extension.
- Plan for the tailoring of role-specific home pages that define how apps are organized and grouped on SAP Fiori launchpad. You need to define these from a business perspective, reflecting the way that users in your organization work, as well as their most important tasks.
- Make an additional effort for authorization management in your project planning. Front-end roles, that is, the assignment of SAP Fiori catalogs to user roles, control the visibility of apps on SAP Fiori launchpad. Users see apps only if they are authorized to use them. That’s a crucial difference from the menu-based approach in SAP GUI.
LEVERAGE THE NEW EFFICIENCIES OF ABAP

ABAP has seen a tremendous evolution over the past decade. The new language constructs help you achieve more with less. The core data services (CDS) are the most advanced concept for enterprise data modeling and database-centric applications to date (see Figure 4). Together with other technologies, they have enabled SAP to rearchitect one of the largest products in the history of software, and it will boost the productivity of your ABAP development team too.

Make sure your team has grasped the new paradigm for database-centric enterprise applications: code-to-data instead of data-to-code. Applying code pushdowns to the most resource-consuming reports can result not only in a performance boost but also in a remarkable reduction of resource consumption.

Ask your development team about the new development technologies from SAP. Setting up an ABAP technology boot camp can be a worthwhile first step on the way to the latest technologies.

Figure 4: ABAP Evolution and Core Data Services

1995

SELECT * FROM Employee INTO TABLE it_empl WHERE orgunit = 4711.
LOOP AT it_empl.
  WRITE it_empl-id.
  WRITE it_empl-name.
  SELECT * FROM Address INTO TABLE it_addrs WHERE id = employees-id.
  LOOP AT it_addrs.
    IF it_addrs-type = 'HOMEADDR'.
      WRITE it_addrs-zipcode.
    ENDIF.
  ENDLOOP.
ENDLOOP.

2018

SELECT id, name, homeAddress.zipCode FROM Employee INTO TABLE @DATA(result) WHERE orgunit=4711.

HIGHLIGHTS OF THE ABAP® PROGRAMMING LANGUAGE

• Simplified and enriched ABAP® syntax with in-line declarations, advanced table operations, and JSON support
• Broader coverage of the SQL standard, code push-down support, and flexible consumption of core data services (CDS) modeling entities and roles
• SAP HANA®-centric development with CDS views and code breakouts with ABAP-managed database procedures
• ABAP channels and ABAP daemons for real-time events, support for industrial Internet of Things (IoT) scenarios, and machine-to-machine (M2M) communication
SAP Cloud Platform is SAP’s strategic development and integration platform. It is also the only platform where your team can leverage the existing ABAP skills along with Java, node.js, and other technologies.

SAP Cloud Platform has two environments – Neo and Cloud Foundry – with different sets of services, offered in a number of data centers from several infrastructure providers around the world. You can choose the locations for your accounts according to the compliance policy in your company. Moreover, you can choose between a subscription-based license model with a predefined set of services and a consumption-based license model for flexible consumption of any service on a pay-as-you-go basis.

You can utilize SAP Cloud Platform for your SAP S/4HANA project in the following three ways.

**Integrate**

To enable SAP S/4HANA integration:

- Use SAP Cloud Platform Integration as the integration layer for on-premise-to-cloud and cloud-to-cloud integration.
- Use standard prepackaged integration content for SAP and third-party system integration. SAP Cloud Platform Integration provides more than 1,100 integration scenarios including government, business-to-business (B2B), and non-SAP-software integration.
- Use the SAP Cloud Platform Open Connectors service for tight integration into more than 160 non-SAP cloud applications.

**Extend**

To create extensions:

- Use SAP Cloud Platform to keep your core clean and to reinforce the “clean core” policy. Use white-listed APIs and avoid native access to non-public APIs. This will pay off in future upgrades.

**Innovate**

To support innovation:

- Use SAP Cloud Platform to create minimum viable products and proof-of-concept apps for your business quickly. Connecting these “playground” accounts to the systems with test data will help convince the business more than anything else.
- Combine the platform’s mobile services and SAP Leonardo Services with third-party data and services from our partner ecosystem to create new apps quickly.

**Make the Right Connections**

Whichever use case you decide to start with, connect your SAP Cloud Platform account to your SAP S/4HANA landscape (on premise or cloud) and your identity provider. This is essential for side-by-side extensibility and will make your innovative apps truly productive from day one.

To explore what other customers have done with SAP Cloud Platform, visit the SAP Cloud Platform Discovery Center to get inspiration for your own new apps.
MANAGE YOUR RICEFWS

As you might be familiar with from the 1990s, the acronym RICEFW stands for “Reports, Interfaces, Conversions, Extensions, Forms, and Workflows.” Regardless of the transition scenario, these need to be managed meticulously, just like it has been the case for migrations to SAP R/3 software or SAP ERP.

Develop an early understanding of the full scope of RICEFW objects in your current system. Catalog them and track which ones require adjustment or replacement, which ones are outdated and can be deleted, and which ones are new. Make sure not to underestimate the importance of this task while dealing with simplification items and conversion activities. Neglecting it will most certainly result in a failure of the first integration test and frustration of the users.

When categorizing RICEFws, consider the new technological options in the following table and leverage these for either new developments or the ones that require considerable rework.

### Traditional RICEFW* Versus New Technologies

<table>
<thead>
<tr>
<th>Traditional RICEFWs</th>
<th>New Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reports</strong></td>
<td>• Analysis Path Framework service, SAP® Smart Business cockpit, or a custom multidimensional report based on a custom core data services (CDS) view&lt;br&gt;• SAP Analytics Cloud solution&lt;br&gt;• SAP Fiori® apps</td>
</tr>
<tr>
<td><strong>Interfaces</strong></td>
<td>• Extension of standard OData services or creation of new ones based on custom CDS views&lt;br&gt;• SAP Cloud Platform Integration and SAP Cloud Platform Integration Advisor services&lt;br&gt;• SAP Application Interface Framework tool (part of SAP S/4HANA*)</td>
</tr>
<tr>
<td><strong>Conversions</strong></td>
<td>• SAP S/4HANA migration cockpit for data load</td>
</tr>
<tr>
<td><strong>Enhancements and Business Add-Ins (BAdIs)</strong></td>
<td>• SAP S/4HANA in-app custom business logic</td>
</tr>
<tr>
<td><strong>Workflows</strong></td>
<td>• Standard SAP S/4HANA workflow applications (for example, Leave Request, Purchase Requisition Average Approval Time)&lt;br&gt;• SAP Cloud Platform Workflow service</td>
</tr>
<tr>
<td><strong>Forms</strong></td>
<td>• SAP S/4HANA output management: custom forms with Adobe LiveCycle Designer using OData as data source</td>
</tr>
<tr>
<td><strong>Custom Tables</strong></td>
<td>• Custom business objects in SAP S/4HANA</td>
</tr>
<tr>
<td><strong>Applications</strong></td>
<td>• Custom applications in SAP Cloud Platform, decoupled from the core through open APIs. To request additional OData services, see the <a href="https://example.com">customer influence page</a> for SAP S/4HANA Cloud integration.</td>
</tr>
<tr>
<td><strong>Modifications</strong></td>
<td>• You shouldn’t have to make any. In-app extensibility in SAP S/4HANA covers a wide range of business requirements for UI adaption and business logic. To request additional extensibility options, see the <a href="https://example.com">customer influence page</a> for SAP S/4HANA Cloud extensibility.</td>
</tr>
</tbody>
</table>

*Reports, interfaces, conversions, extensions, forms, and workflows*

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CURATE YOUR MASTER DATA

SAP S/4HANA puts very high quality standards on master data and coerces these through an extended set of check rules. You need to correct technical inconsistencies found by these checks prior to the transition to SAP S/4HANA, regardless of the transition scenario. It’s important that you curate your master data before, and not during, the project.

A system conversion requires you to implement the business partner data model in SAP ERP. For systems with high amounts of master data and quality issues accumulated over decades, this may take a considerable effort. Make sure to assign a team lead and charge them with the preparation and execution of these tasks:

- Archive unnecessary master data records, such as those pertaining to inactive customers and vendors
- Identify and eliminate duplicates
- Standardize the master data
- Extend the master data records with fields that are relevant for SAP S/4HANA
- Learn from business users how they employ customer and vendor account groups and use this information to guide the design of the business partner data model
- Discuss the new number ranges with business users to allow enough time to agree on a new concept
- Document the business partner concept, including the current usage of account groups mapped to business partner groupings and business partner roles
- Consult the CVI Cookbook for a step-by-step guide, including options for implementation activities

Last but not least, consider implementing the SAP Master Data Governance application as it helps you not only to curate the master data but also to keep it in good shape.
Pertinent hardware planning has to factor in these aspects:

- Regular annual data-volume growth
- Business growth
- New system functionality
- Data volume reduction

**Regular Annual Data-Volume Growth**

Think ahead and plan your hardware for the next three to four years. Use the current system statistics to estimate the regular annual data-volume growth.

**Business Growth**

Understand the plans of your business for the next years and the implied requirements for the hardware. Take into account the planned mergers and acquisitions and understand the associated post-merger integration plans. Estimate how these new business entities will increase the system workload and expected volume of master or transactional data.

**New System Functionality**

Review other projects in your portfolio that plan to introduce a new functionality and estimate the associated system workload and data footprint. Consult your solution architects who assess the simplification items to understand the impact on your solution landscape. Pay close attention to the functionality that will be reintegrated from other solutions, such as the SAP Advanced Planning and Optimization component or stand-alone warehouse management systems, into SAP S/4HANA. Estimate the workload and data footprint of the planned major custom developments.

**Data Volume Reduction**

The following two tasks can help you to reduce the data footprint and, hence, the memory size of the SAP HANA database server:

- Follow the good old advice from SAP: archive your old data and do housekeeping. According to practitioners, you can reduce the data volume in an ERP more than significantly. Start with the SAP_BASIS tables as they are often among the largest tables in a system. Make sure these tables are archived or reorganized regularly.

- Delete obsolete tables after the conversion. Use the obsolete data handling tool in SAP S/4HANA for this.

SAP provides the Quick Sizer tool to help you with planning hardware requirements. In new implementations, use the tool for all application components to establish a baseline for your sizing and adjust it with the above considerations.

Here is some practical advice:

- As was the case with SAP ERP, sizing has to be done for both the database server as well as the application servers.

- There is no fixed CPU-to-RAM ratio for SAP HANA systems; you must size both parameters individually.

- Use the SAP Readiness Check tool for SAP S/4HANA to get a sizing report for the database server. Enrich the results with the above considerations.

- Use Quick Sizer to estimate the additional analytical load from SAP Fiori apps.

- Use Quick Sizer for new embedded functionality in SAP S/4HANA, such as SAP Transportation Management or SAP Business Planning and Consolidation.

- Repeat hardware sizing several times during the project.

- Finally, when choosing the hardware, ask your hardware vendor about the hardware’s extensibility options and the associated procedures.
System performance is one of the project’s go/no-go criteria and, thus, must be managed rigorously. As a matter of fact, a volume test remains the one and only way to ascertain that the solution is ready for productive load. However, performance and volume tests only deliver a reliable result when constructed and executed diligently — that is, with an appropriate scope and correct measurements, on a hardware identical to that of the production system, and with production-like data in terms of volume and quality to recreate a production-like system load.

Here are the most essential lessons learned from the volume and performance tests conducted for some of the largest SAP systems:

- Involve business users well in advance to agree on the objectives, scope, and sign-off criteria of the performance test.
- Experience shows that the root causes for 60% of performance issues reside in custom code.
- Activate SQL Monitor in the system from the moment it is handed over to the project. Having its data readily available will help your team to resolve the reported issues in a timely manner.
- Regardless of the deployment option, perform a single-execution performance test for most business-critical transactions and activated SAP Fiori apps. Work with key users to identify the most business-critical transactions to include in the scope of the performance test.
- Plan for sufficient time in the course of the project for both the test and the optimization. Don’t assume the results of the first performance test will fully meet your expectations.
- SAP Fiori performance is a result of an interplay of multiple technology components: the app itself, network infrastructure, front-end OS, and Web browser. It is worth testing the performance of SAP Fiori apps from different physical locations.
- Constructing a day-in-the-life test, that is, a test to recreate a typical system load, is extremely difficult and may not be achievable with the given resource constraints. However, in practice, you can compose a good load mix through a combination of:
  1. Main load drivers — that is, programs or transactions consuming the largest share of both CPU and database time. You can easily identify these through the system’s statistics.
  2. Most time-critical business process steps — that is, the transactions and reports with variants that should be completed within a given time frame on a given data volume
  3. Other applications that business teams deem performance-critical

- Treat the volume and performance test as a full-fledged project and consider involving an experienced partner. Think of it as a litmus test of your project. Most of the time, you can predict the project outcome by just examining the performance test setup.
This section covers the key elements of a successful system conversion, including how to handle your financial data, conversion test cycles, add-ons, simplification items, and custom code.

Take Care of Your Financial Data

There are two facts that many conversion projects are late to realize. First, financial line items increase runtime during the conversion. With more than 1 billion financial line items in the BSEG table (which stores accounting document information in SAP ERP), the project needs to employ either the downtime-optimized conversion option or the minimized downtime service from SAP Digital Business Services to complete the conversion within an acceptable system outage window.

Secondly, the first system conversion cycle may reveal technical inconsistencies in the financial data, that is, inconsistencies within the old finance (FI) data model. A frequent example is missing open items for an open-item managed account. You need to work out a plan together with your accountants for how to resolve these. Please refer to KBA 2714344 for recommendation on how to deal with the most common error messages.

Consequently, archiving financial data will have two positive effects. On the one hand, it will shorten the downtime and possibly make the desired system outage window achievable with the standard conversion option. On the other hand, your team will likely have fewer technical inconsistencies to fix in the past fiscal years’ data.
The plans of your finance team to leverage the new G/L, parallel accounting, and document split capabilities may also have a major influence on your project. (See the following table for a summary of available transition options.) Note that you can only switch from the accounts approach to the ledger approach for parallel accounting by implementing the new G/L functionality prior to conversion. Make sure the options and future implications are clear to both the business decision-makers and the solution architects to make a conscious decision. Other new functionality, such as asset accounting and new cash management, are also important, but unlike the aspects described above, they won’t affect the general structure of the project.

### Available Transition Options in Finance with SAP S/4HANA® 1809

<table>
<thead>
<tr>
<th>General Ledger (G/L)</th>
<th>Parallel Accounting</th>
<th>Document Split</th>
<th>Transition Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>New G/L Ledger approach</td>
<td>Yes</td>
<td>System conversion</td>
<td></td>
</tr>
<tr>
<td>New G/L Ledger approach</td>
<td>No</td>
<td>1. System conversion 2. Subsequent implementation of document split</td>
<td></td>
</tr>
<tr>
<td>Classic G/L Accounts approach</td>
<td>No</td>
<td>1. System conversion 2. Subsequent implementation of document split</td>
<td></td>
</tr>
<tr>
<td><strong>Currently not possible:</strong> Change from accounts approach to ledger approach</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Options today:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Implement the new G/L functionality before conversion.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Perform system conversion and keep the accounts approach. Please be aware that any new features and functions in parallel accounting will be based on parallel ledgers, not the accounts approach.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Conversion Test Cycles

Conversion test cycles are the backbone of a conversion project (see Figure 5). As a practical approach, SAP recommends that you follow the guidelines below to establish a sustainable project plan:

• Test your first conversion with a copy of the production ERP with the standard Software Update Manager conversion procedure and understand the individual phases, steps, and associated runtimes. Be prepared to see a long runtime of the first-pass conversion on a larger system.

• Using a copy of the current production system as a source system in the first conversion cycle is non-negotiable. Using a production-like hardware for the target SAP S/4HANA system in this cycle is highly recommended, especially to obtain the realistic execution times and make a reliable estimate of the expected business downtime. Conducting the first conversion cycle on a development system certainly helps your team to comprehend the technical procedure, but won’t take them any further. Thus, let your team find potential problems early and track the resolution.

• Carefully execute all functional preparation steps already in the first sandbox cycle. Do not skip or short-cut activities impacting subsequent steps in the conversion procedure to get a full picture of the required tasks.

• Have a detailed project plan for each conversion cycle. Improve and refine it with each iteration.

• Create a conversion runbook. Use it to log all required functional and technical activities in a conversion cycle and the associated completion times.

• After the first conversion cycle, negotiate with business users what system outage window is acceptable and decide on the technology option: standard conversion or downtime-optimized conversion.

• Having chosen the option, plan for at least two additional conversion test cycles with production data and production hardware. One of these cycles should also include tests on the connected satellite systems to validate the integration.

• Once the new development (DEV) system has been built, keep the change requests for the current solution to a minimum (“system freeze”). You need to reimplement the changes manually in the new DEV system. There is no automated retrofit.

• Create the first version of the cutover plan (that is, an end-to-end sequencing of activities for the cutover weekend) for the quality assurance system (QAS) conversion cycle and refine it. It must become perfect by the time of production conversion.
Figure 5: Conversion Cycles in a Three-System Landscape

- SAP S/4HANA development system (DEV)
- SAP S/4HANA quality assurance system (QAS)
- SAP S/4HANA production system (PRD)
- SAP ERP DEV
- SAP ERP QAS
- SAP ERP Sandbox
- SAP ERP PRD
- ATC checks (remotely)
- Sandbox production data and hardware
- System copy
- Software Update Manager conversion
- Resolve technical data inconsistencies
- x2 sandbox + dress rehearsal

Transport path:
- Conversion
- System copy

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## Baseline Plan for System Conversion in a Typical Three-System Landscape

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard</strong></td>
<td>Optional for small systems</td>
<td>• Perform standard conversion, use the prepared transport to delete unused code</td>
<td>• Perform a standard conversion of the QAS</td>
<td>• Production hardware for the SAP HANA® business data platform</td>
<td>N/A</td>
<td>• Production SAP HANA hardware</td>
<td>• Standard conversion and cutover</td>
</tr>
<tr>
<td>• Create or refresh the source sandbox system with a copy from the production system.</td>
<td>• Refresh the source sandbox with a copy from production</td>
<td>• Use the local instance of ATC to check the custom code and apply the ABAP quick fixes</td>
<td></td>
<td>• Conversion runtime optimization – if required</td>
<td></td>
<td>• Execute downtime-optimized conversion on production system until the downtime phase</td>
<td></td>
</tr>
<tr>
<td>• Perform standard conversion of the sandbox including finance conversion.</td>
<td>• Repeat standard conversion, apply lessons learned for runtime optimization</td>
<td></td>
<td></td>
<td>• Production SAP HANA hardware</td>
<td></td>
<td>• Test trigger creation and replay</td>
<td>• Production SAP HANA hardware</td>
</tr>
<tr>
<td>• Analyze and evaluate possible technical data inconsistencies in finance.</td>
<td>• Repeat standard conversion, apply lessons learned for runtime optimization</td>
<td></td>
<td></td>
<td>• Conversion runtime optimization and fine-tuning</td>
<td></td>
<td>• Execute the downtime phase of the conversion on the production system copy</td>
<td>• Exact execution of the cutover plan</td>
</tr>
<tr>
<td>Resolve as many technical data inconsistencies in finance as possible and complete the conversion.</td>
<td></td>
<td>• Perform downtime-optimized conversion, reusing finance customizing from the 1st cycle</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Production SAP HANA hardware</td>
</tr>
<tr>
<td>• Resolve all critical technical data inconsistencies in finance in production system.</td>
<td></td>
<td></td>
<td>• Test trigger creation and replay</td>
<td></td>
<td></td>
<td>• Trigger and data replication test in PRD</td>
<td>• Exact execution of the cutover plan</td>
</tr>
<tr>
<td>• Connect the new sandbox to the development system. Use the new “Custom Code Migration” SAP Fiori® app to perform the scoping and prepare the deletion of unused custom code. Perform custom code analysis with the ABAP® test cockpit (ATC) remotely on the development system to understand the impact and plan the necessary custom code adaptation.</td>
<td></td>
<td></td>
<td>• Downtime tasks executed on PRD copy</td>
<td></td>
<td>• Downtime tasks executed on PRD copy</td>
<td>• Include satellite systems</td>
<td></td>
</tr>
</tbody>
</table>

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Add-Ons

According to our records, three out of five SAP ERP systems have third-party add-ons.

Use SAP Readiness Check for SAP S/4HANA and/or the maintenance planner at least six months prior to the project’s start to draw up the list of currently installed add-ons. Ask the architecture team to prepare a simple catalog listing these add-ons, together with the answers to the following questions:

- Is the add-on’s compatibility with SAP S/4HANA confirmed by the vendor, and if so, for which SAP S/4HANA releases?
- Is the add-on functionality still required?
- Is a corresponding functionality available in SAP S/4HANA?
- Is there an upgrade package or de-installation package for this add-on?

Depending on the combination of the answers, formulate a plan about how to deal with each of the installed third-party add-ons:

- Keep it in the system
- De-install
- Start the project with the highest release of SAP S/4HANA for which this add-on is available
- Contact SAP’s customer care program to help you with the resolution
Know Your Simplification Items

The actual usage of functionality offered by SAP ERP varies greatly from one system to another. However, on average, the simplification check report identifies some 50 to 80 simplification items as relevant for a given system – out of the more than 600 currently in SAP’s simplification list.

Here is some practical advice on organizing the work:

• Execute SAP Readiness Check for SAP S/4HANA at least six months in advance of the planned project to give your team time to assess the changes and associated impact.

• Scrutinize the relevant simplification items and pay close attention to the topics that involve business decisions and, possibly, entail a business process redesign or require preparations and changes in the existing ERP system. An example is the succession of the foreign trade functionality available as part of standard material management in SAP ERP by the SAP Global Trade Services application.

• Incorporate the respective action items into the corresponding work packages per project phase (before, during, or after conversion) and start the execution. Don’t wait until the first sandbox conversion cycle.

• Some simplification items have corresponding consistency checks. Attach high priority to the issues reported by those as “yellow” and “red.” You must resolve the red ones before triggering the conversion with Software Update Manager.

• Repeat the check with /SDF/RC_START_CHECK prior to the first conversion cycle.
**Custom Code: Rethink and Clean Up, Not Just Rework**

Over the past years, many long-term SAP customers have heavily extended and modified their SAP solutions. There are SAP ERP systems with a few million lines of custom code.\(^5\)

Take the transition as an opportunity to clean up your system. Put “clean core” and “zero modifications” on the list of your project’s goals and ensure that all custom code objects are either adapted or deleted during system conversion (see Figure 6).

The custom code workstream should have these three major work packages:

- Removal of unused code
- Automated and manual code adaptation
- Review of modifications, clones, and implicit enhancements

**Removing Unused Code**

In an average SAP ERP system, 30% to 60% of custom code is never executed in the production system. Use ABAP call monitor statistics and the “Custom Code Migration” SAP Fiori app to remove unused code upon conversion. This step is now technically integrated into the conversion process and makes the execution very easy. Keep collecting the data with usage procedural logging (UPL) if you already have it active. Alternatively, activate the ABAP call monitor and enable aggregation of statistics in the production system as soon as possible to have a reliable data set by the time of system conversion.

---

5. One of the biggest SAP ERP systems we know has more than 7 million lines of custom code. To get an idea of the size of commercial software products, please visit [www.informationisbeautiful.net/visualizations/million-lines-of-code](http://www.informationisbeautiful.net/visualizations/million-lines-of-code)
Automated and Manual Code Adaptation
Correcting the ABAP statements in custom code to re-establish compatibility with the new data model or the APIs of SAP S/4HANA is known as custom code adaptation. The ABAP test cockpit (ATC) and ABAP development tools (ADT) in Eclipse are the only tools you need to identify the required corrections and adapt the code. Expect ABAP quick fixes to automatically resolve the majority of findings. When correcting the rest manually, focus on ATC findings with priority one (errors) and two (warnings).

Contrary to popular belief, you need to correct findings in the unused code just as in the used code objects. Failing to do so not only poses a risk of system dumps, but also that of data inconsistencies that may go unnoticed. Thus, retaining unused code upon conversion will increase the effort for adaptation.

Your ABAP development team has to complete the code adaptation after the development system has been converted and before it is handed over to the functional team.

You can usually defer the execution of ATC checks until the first conversion cycle. Customers with a large custom code footprint, such as 20,000 objects or more, may choose to execute ATC earlier to get an accurate impact assessment and make a more reliable effort estimation.

Review of Modifications, Clones, and Implicit Enhancements
Many SAP ERP systems contain a high number of obsolete modifications, that is, with the code actually identical to the standard. There is no reason to take these over to SAP S/4HANA as they can be reverted without any impact. During several reviews performed in customers’ systems over 50% of all modifications in a given system were classified as obsolete. Another large group of modifications will become dispensable upon system conversion and thus can be reverted too.

Analyze all modifications and classify them into the categories listed in the following table. Don’t be deterred by numbers; the actual modifications are much fewer. Include the clones (that is, the custom programs created as copies of SAP code) and implicit enhancements into your review and treat both as modifications.

<table>
<thead>
<tr>
<th>Modification Category</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obsolete – object identical to the SAP® version</td>
<td>Revert</td>
</tr>
<tr>
<td>Unused – according to code usage statistics</td>
<td>Revert</td>
</tr>
<tr>
<td>Dispensable – become irrelevant on SAP S/4HANA® (for example, indices) or standard objects that belong to deprecated application components</td>
<td>Revert</td>
</tr>
<tr>
<td>Replaceable – when you can fulfill business requirement with standard SAP functionality, in-app extensibility (such as UI adaptation), or partner solution</td>
<td>Revert and redesign upon conversion</td>
</tr>
<tr>
<td>Required – modification that supports critical business process</td>
<td>Document business requirements and contact SAP to get advice on those modifications</td>
</tr>
</tbody>
</table>
This section covers our recommendations for a successful new implementation. These include the use of SAP Model Company, the downside of using a lift-and-shift approach to custom code, and the use of the SAP S/4HANA migration cockpit for data migration.

Use SAP Model Company for a Jump Start

As stated above, we see SAP Model Company as an essential element of every implementation project. However, there are a few decisions your team has to make to allow for a project’s jump start:

- Decide which SAP Model Company service you want to employ and see if you need to request a custom edition from SAP.
- Choose a deployment option. With SAP Cloud Appliance Library, you can deploy SAP Model Company within hours to your account at third-party IaaS providers (for example, Amazon Web Services, Microsoft Azure, or Google Cloud). The same holds true for an instance of SAP Solution Manager to upload the content.
- You either take the chosen SAP Model Company as a whole or only employ selected scenarios. If you intend to use the full scope as a baseline, copy the customizing client of SAP Model Company into your development system. Otherwise, follow the configuration guides and apply these in your DEV system.
- In either case, a sandbox with SAP Model Company is a perfect instrument for both show-and-tell sessions with your business users and as a reference system for the project’s joint design authority. (See section on “Project Setup.”)

Avoid Lift-and-Shift of Custom Code

Reusing the custom code from today’s SAP ERP by applying a simple lift-and-shift policy is tempting. However, before copying it to the new system, consider the following:

- With SAP S/4HANA in-app extensibility, business users can now easily perform simple reporting or minor UI adjustments without IT involvement.
- Leveraging SAP Cloud Platform for complex extensions is an investment that will pay back in each future upgrade.
- The more code you copy, the higher are code adaptation costs.
- Complex code with quality issues will require rework and performance optimization.
- A new user experience doesn’t happen by itself. However, building a new SAP Fiori UX for old custom transactions might lead to application redesign.
- Don’t opt for “import-all” as that might ruin your implementation.
Data Migration

The setup of the data migration team and its ways of working are determined by many factors. These include the number and variety of data sources, the required data transformations and business rules, the amount of data construction required, and the need to improve data quality, as well as the project’s team size and the resulting intensity of collaboration.

For new implementations, SAP recommends using the SAP S/4HANA migration cockpit. Depending on the above factors, you may also want to employ complementary tools. (See “Part Three” for an overview of the data migration tools.)

Irrespective of the tool set, consider these practical pieces of advice:

- Define the scope for data migration as early as possible. The functional design doesn’t have to be 100% complete for this. You can start evaluating what business data is required for a smooth start of business operations as soon as the first scope items have been agreed.
- Create a data migration concept – a document to capture the scope (what data), the rationale (why it is needed), and the associated requirements (that is, mappings, data construction, sign-offs, auditing, reconciliation, and more).
- Make sure your data migration team knows the SAP S/4HANA migration cockpit and understands its capabilities. Start with this overview presentation and the learning material it references, as well as the application help for the targeted product version.
- Depending on the expected data volume decide between using files or using staging tables. If you deal with large data volumes per object, use staging tables. The technical limit for a zip file is 100 MB for SAP S/4HANA Cloud and 160 MB for SAP S/4HANA. Our experience shows that business users feel comfortable with up to about 50,000 records in an XLS file.
- Assess your system landscape requirements early to decide which system can be used to host the staging tables. For more information on staging tables, please refer to KBA 2733253.
- Reassess your data migration scope against the set of migration objects provided by SAP, and understand if there are any migration objects that your team needs to develop.
- Make sure the people involved in the data migration process are clear on their roles and responsibilities, as well as which tools are used in the project.
- Reassess the capabilities of your current ETL solution. Discuss with your team:
  - The way in which the data will be extracted from each source system
  - What data transformation and data cleansing needs to be done, and how
  - Auditing, reconciliation, and sign-off requirements, and how to address these
  - Possible reuse of mappings and other assets across projects and waves
- Following this discussion, reassess the capabilities of your current ETL solution. If you need additional capabilities, SAP Data Services and SAP Advanced Data Migration can help.

6. For data that is required to operate SAP S/4HANA but not available in this source and, thus, has to be created manually
This section identifies the critical elements for effectively governing your SAP S/4HANA project. It also describes how SAP’s partner ecosystem, integrated delivery framework, and SAP service offerings can facilitate project success.

Establish a Practical Governance
These three elements are crucial to an efficient and effective governance for SAP S/4HANA projects:

• Project’s steering committee
• Joint design authority
• Architecture governance board

By definition, the steering committee is the project’s principal authority. It should include senior leaders from business and IT, as well as senior management from your implementation partner and a representative from SAP (for instance, your designated contact in the SAP customer care program).

A joint design authority is a decision body that provides guidance on major functional design topics. Like the steering committee, the joint design authority has to include representatives from the respective business departments, IT, and implementation partner(s).

The architecture governance board is a decision-making board concerned with the key architectural topics. It should include at least the chief enterprise architect, leading IT architects, senior staff from IT operations, and representatives from your cloud or hosting provider.

Apply SAP Activate
The SAP Activate methodology is a harmonized implementation approach for cloud, on-premise, and hybrid deployments. The methodology scales extremely well, becoming lightweight for smaller engagements or more robust for larger projects or programs.

The workstreams and work packages defined by SAP Activate build a solid baseline for your project plan (see Figure 7). Make sure these are reflected in your project’s work breakdown structure and responsibilities.

For more information, please visit:

• Roadmap Viewer
• SAP Activate Web page
• SAP Activate FAQ
# Figure 7: SAP S/4HANA (On-Premise) Transition Road Map

<table>
<thead>
<tr>
<th>Project management</th>
<th>DISCOVER</th>
<th>PREPARE</th>
<th>EXPLORE</th>
<th>REALIZE</th>
<th>DEPLOY</th>
<th>RUN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project initiation</td>
<td>Execution/Monitoring/Controlling</td>
<td>Closing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Application: Solution adoption**

- **Project initiation**
  - Learning design
  - Learning realization

**Application: Design and configuration**

- **Strategic planning**
  - Prototype planning
  - Transition planning

**Analytics**

- **Analytics design**
  - Analytics configuration

**Custom code extensions**

- **CC cleanup and improve**
  - CC impact analysis
  - CC quality

**Testing**

- **Test planning**
  - Test preparation
  - Test execution

**Application: Integration**

- **Integration design**
  - Integration implementation

**System and data migration**

- **Trial system provisioning**
  - Project Delivery platform setup
  - Sandbox system setup
  - DEV setup
  - QAS setup
  - Cutover preparation
  - Dress rehearsal

**Technical architecture and infrastructure**

- **Sizing**
  - Sizing and scalability verification

**Transition to operations**

- **Operations impact evaluation**
  - Operations implementation
  - Operations readiness

---

**Quality gates**

<table>
<thead>
<tr>
<th>Task/activity type:</th>
<th>Project management</th>
<th>Functional</th>
<th>Technical and functional</th>
<th>Technical</th>
<th>Multiple aspects</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC = Custom Code; DEV = Development System; QAS = Quality Assurance System</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Leverage the Strength of the SAP Ecosystem

SAP has a powerful partner ecosystem ready to help enterprises of any size to make the move to SAP S/4HANA.

The largest 17 SAP partners specializing in system integration – also referred to as global strategic service partners (GSSPs) – have more than 60,000 trained SAP S/4HANA professionals globally, with more than 5,000 SAP S/4HANA consultants certified by SAP. All of them offer unique value-adding solutions, tools, and accelerators to speed up transition from SAP ERP to SAP S/4HANA.

These 17 partners include Accenture, Atos, Capgemini, Cognizant, Deloitte, DXC Technology, EY, HCL Technologies, IBM, Infosys, LTi, NTT Data, PwC, Tata Consultancy Services (TCS), Tech Mahindra, T-Systems, and Wipro.

In addition, there are hundreds of regional system integration partners who offer specialized expertise and services to make the transition to SAP S/4HANA easier for our SAP ERP customers in all segments of the market. Notable regional system integration partners include Abeam Consulting, BearingPoint, Birlasoft, Bristlecone, Fujitsu, Hitachi, MHP, and Neoris.

SAP’s wider ecosystem includes more than 2,000 members of the SAP PartnerEdge® program who specialize in selling and servicing SAP S/4HANA mainly to small and medium-size enterprises. These partners have made significant investments in SAP S/4HANA practices too, such as educating their consultants in the “10 Steps to SAP S/4HANA” program offered by SAP.

Ask Your System Integrator for Integrated Delivery Framework

Together with its global and regional system integration partners, SAP has established an integrated delivery framework to form the basis for successful SAP S/4HANA engagements. With SAP Value Assurance service packages and SAP Model Company as the foundation, the integrated delivery framework aligns the delivery roles, methodologies, and services of SAP with those of global SAP partners to create a holistic delivery plan and approach. The framework clearly defines the roles and responsibilities of the customer, implementation partner, and SAP at each stage of the project in a RACI\(^7\) matrix, thus simplifying customer engagement, removing delivery inefficiencies, and accelerating time to value.

To learn more about our integrated delivery framework, contact your SAP representative or global system integrator account team.

\(^7\) Responsible, accountable, consulted, and informed
Explore SAP-Qualified Partner-Packaged Solutions

Many regional SAP partners offer SAP-qualified partner-packaged solutions, which are end-to-end, fixed-price, fixed-scope offerings for either new implementations or system conversions, tailored to the needs of small and medium-size enterprises. They leverage the concept of SAP Best Practices and combine it with our partners’ industry expertise and regional specifics.

Each SAP-qualified partner-packaged solution includes an SAP software license, partner services, and associated documentation necessary for a successful implementation. By choosing an SAP-qualified partner-packaged solution for your SAP S/4HANA implementation, you can expect a proven solution that offers rapid implementation, low risk, and a predictable outcome.

For more information, please visit www.sap.com/partner/partner-package-finder.html.

Ask for SAP Service Offerings

If you want SAP to play a more prominent role in your project, ask your account representative for SAP service offerings: SAP Value Assurance, SAP MaxAttention™, and SAP ActiveAttention services.

For more information, please visit us online:

- www.sap.com/maxattention
- www.sap.com/activeattention
Both the project’s effort and its duration depend on a number of factors. The most obvious hard factors are the system’s functional scope, the degree of process harmonization, and customizations. In system conversions, another hard factor is the number of simplification items relevant for the given system. The most prominent soft factors are the company’s culture, structure, and speed of decision-making; however, these soft factors are hard to quantify.

A practical way to estimate the project duration is to take a past project (such as the initial implementation of SAP R/3 or the upgrade to SAP ERP) as a baseline and adjust it according to the influencing factors listed in the tables below.

In the absence of reference values from past projects, assume nine months for a new implementation of SAP S/4HANA on premise, six months for a new implementation of SAP S/4HANA Cloud, and nine months for a single system conversion.

Please see the table on the next page for project reference durations and influencing factors.
Reference Durations for Preparation Projects

<table>
<thead>
<tr>
<th>Preparation Projects</th>
<th>Reference Durations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer vendor integration</td>
<td>3 to 9 months</td>
</tr>
<tr>
<td>Migration to new G/L functionality</td>
<td>3 to 9 months</td>
</tr>
<tr>
<td>SAP® Global Trade Services application</td>
<td>2 to 3 months</td>
</tr>
<tr>
<td>SAP Global Trade Services, foreign trade zone</td>
<td></td>
</tr>
<tr>
<td>Archiving</td>
<td>1 month per object type archived</td>
</tr>
</tbody>
</table>

Influencing Factors for Conversion Projects

<table>
<thead>
<tr>
<th>Influencing Factor</th>
<th>Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target system size</td>
<td>+1 month for systems larger than 5 TB and/or using downtime-optimized conversion</td>
</tr>
<tr>
<td>Functional scope</td>
<td>-2 months if fewer than 3 modules are used</td>
</tr>
<tr>
<td>Satellite systems (SAP and third party)</td>
<td>+1 month per module if more than 8 modules</td>
</tr>
<tr>
<td>Satellite systems (SAP and third party)</td>
<td>+1 month if more than 5 satellite systems</td>
</tr>
<tr>
<td>Custom code</td>
<td>+1 month per 1,000 manual adaptations if there are more than 3,000 manual adaptations in total</td>
</tr>
<tr>
<td>Functional impact</td>
<td>+1 month for asset accounting</td>
</tr>
<tr>
<td>Functional impact</td>
<td>+1 month for material ledger</td>
</tr>
<tr>
<td>Data center move from on-premise to infrastructure as a service (IaaS)</td>
<td>+1 month</td>
</tr>
</tbody>
</table>

Influencing Factors for New Implementations

<table>
<thead>
<tr>
<th>Influencing Factor</th>
<th>Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional scope</td>
<td>-2 months if fewer than 3 modules are used</td>
</tr>
<tr>
<td>Satellite systems (SAP and third party)</td>
<td>+1 month per module if more than 8 modules</td>
</tr>
<tr>
<td>Satellite systems (SAP and third party)</td>
<td>+1 month for more than 5 systems</td>
</tr>
<tr>
<td>SAP® Model Company service</td>
<td>-25% if using SAP Model Company (conservative estimate)</td>
</tr>
</tbody>
</table>

In the new SAP business capability model, the highest entity is called “line of business.” We use the term “module” here because it is still widely used in the context of SAP ERP.
This section is for technology-savvy IT leaders who want to understand the most influential technology aspects for successful project planning and execution, such as system readiness, downtime, custom code adaptation, and data loading. It delves into the following topics:

- SAP continues to invest in tools for both new implementations and system conversions to reduce complexity, increase automation, and make the tools easier to use.
- Starting with SAP S/4HANA 1809, the ABAP test cockpit offers automated custom code adaptation. With the first available set of rules, the so-called “quick fixes,” you can expect an automation rate of up to 60%.
- For midsize and large systems, the common downtime window requirements are achievable using the standard tool set. For extra-large systems, SAP offers specialized services. Therefore, the downtime requirements should not influence your choice of implementation options.
- With SAP S/4HANA 1809, the SAP S/4HANA migration cockpit is far more advanced than SAP’s legacy system migration workbench has ever been.
- SAP Cloud Platform Integration Advisor reduces integration efforts for new interfaces by 60% or more.

DISCLAIMER: Please be advised that this section doesn’t replace the official SAP product descriptions, road maps, and documentation.
SAP Transformation Navigator is a Web-based and free self-service road-mapping tool (see Figure 8). It uses the information about your SAP system landscape that is stored in your instance of SAP Solution Manager to create a recommendation for a new SAP S/4HANA-centric landscape with the latest SAP solutions. It also provides information about possible benefits that you can achieve with the new solution capabilities. At the end of your analysis, you can download a comprehensive report that contains recommendations for SAP products that are tailored to your system requirements.

Figure 8: SAP Transformation Navigator
The business scenario recommendations for SAP S/4HANA report has been redesigned to help you discover where SAP S/4HANA can make a difference in your company (see Figure 9).

It analyzes the functional system usage of your SAP ERP application and computes the key process performance indicators (PPIs) for the relevant process areas, such as degree of automation, process failures, and on-time execution. Next, it highlights the new or improved functionality of SAP S/4HANA, SAP Leonardo technologies, and other SAP innovations that can help improve the performance and efficiency of the respective business processes. You can download your report as a PDF for offline viewing.

Thus, the tool allows for a very focused discussion between business decision-makers and IT based on hard facts and measurable business objectives.

Figure 9: Next-Generation Business Scenario Recommendations for SAP S/4HANA Report
The SAP Readiness Check tool for SAP S/4HANA performs functional and technical assessments for SAP ERP systems prior to a planned conversion to SAP S/4HANA (see Figure 10).

The tool’s main focus is on the functional assessment that evaluates all available SAP S/4HANA simplification items and identifies the ones that are relevant for your system. This assessment provides a basis for the functional system redesign that is necessary upon conversion.

The technical assessment includes system sizing and data volume management, assertion of the software prerequisites for conversion, inspection of SAP Business Warehouse (BW) extractors, and a first-pass estimate of the impact on the custom code.

The software prerequisites cover OS and database versions of the ERP system, as well as the installed industry solutions, add-ons, and activated business functions. The list of non-supported SAP industry solutions and business functions is reduced continually, and there are only very few left with SAP S/4HANA 1809.

The technology used by SAP Readiness Check to estimate the impact on custom code (SYCM report) is a trade-off between the speed and precision of the code scan. The results of the report are sufficient to get a first impression of the magnitude of the necessary changes. For an exact analysis and subsequent adaptation of custom code, SAP recommends the ABAP test cockpit.

Even if you decide on a new implementation, SAP recommends running SAP Readiness Check for your SAP ERP. The results will help you better understand the state of your current system from an SAP S/4HANA point of view. In particular, the check highlights the incompatible add-ons and functionality that you need to replace.
To help you meet system downtime requirements, SAP offers the following options for system conversion (see Figure 11):

- **Standard conversion** for smaller SAP ERP systems
- **Downtime-optimized conversion** for midsize and large systems
- **Minimized downtime service** by SAP Digital Business Services for extra-large systems

As a rule of thumb, a small system has data volumes of less than 5 TB, and extra-large systems have data volumes of more than 20 TB.

**Standard Conversion with Software Update Manager**

Software Update Manager is a multipurpose tool used for SAP software maintenance (for example, for installing support packages, migrating an SAP system to another database, installing add-ons, and other tasks). It is also the tool that technically converts an SAP ERP system into an SAP S/4HANA system. It combines the migration of the system to the SAP HANA database (if required), conversion of data, and software upgrade into one single step.

A single-step conversion is supported for SAP ERP 6.x (any enhancement pack) single-stack, Unicode systems; however, database and OS-level restrictions may apply.

Most of the data conversion (that is, the transfer into the new data model) is carried out by Software Update Manager with the help of special programs, namely XPRAs and XCLAs. The conversion is partially executed directly in SAP HANA and partially in the ABAP application server(s). However, both the conversion of financial data and the conversion of material ledger data are special steps that are performed after the actual conversion procedure of Software Update Manager.

**Figure 11: Conversion Options in Relation to Downtime Requirements**

<table>
<thead>
<tr>
<th>Achievable downtime</th>
<th>Downtime-optimized conversion</th>
<th>Near-zero downtime technology</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard conversion</strong></td>
<td>Generally available</td>
<td>Pilot phase</td>
</tr>
<tr>
<td><strong>Downtime-optimized conversion</strong></td>
<td><strong>Near-zero downtime technology</strong></td>
<td><strong>Minimized downtime service</strong> from SAP Digital Business Services</td>
</tr>
</tbody>
</table>

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To make this cutover window achievable for midsize and large systems, SAP has developed the downtime-optimized conversion option and has included it in the standard Software Update Manager tool. In a nutshell, it converts large parts of the SAP ERP data during uptime and uses record-and-reply technology to incorporate the data changes. This way, midsize and large systems are able to comply with the common downtime requirements using the standard tool set.

**Downtime-Optimized Conversion with Software Update Manager**

For larger systems, converting the data into the new data structures may take a long runtime.

In practice, project teams and business users can usually negotiate a cutover window between 8 hours (that is, one factory shift) and 60 hours (that is, from Friday 6 p.m. to Monday 6 a.m.). This time window includes not only the actual downtime but all phases of the cutover procedure (see Figure 12).

---

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---

9. Available upon request since November 2018
Minimized Downtime Service by SAP Digital Business Services

The minimized downtime service offered by SAP Digital Business Services is designed to help customers operating extra-large systems with:

• Data volumes of 20 TB or more
• A large data footprint in finance and/or logistics
• A high volume of application changes

The minimized downtime service also makes it possible to combine multiple maintenance events – such as Unicode conversion, a move to another data center, and system conversion – into a single system downtime.

The technology applied within this service is known as near-zero downtime technology (NZDT). In essence, this conversion procedure is composed of the following steps:

• Activating change recording in the productive SAP ERP system with database triggers
• Creating a copy (clone) of the production system
• Performing a standard system conversion with Software Update Manager using the clone as the source system
• Synchronizing the newly converted system with the original production system
• Performing the cutover to the newly converted system

With this approach, a cutover window of 24 hours is usually achievable. However, given the complexity of the procedure, the exact runtimes have to be confirmed individually for any given environment.

For more information, please visit https://launchpad.support.sap.com/#/notes/693168.
This section focuses on the use of ABAP development tools for adapting and testing custom code prior to your SAP S/4HANA transition.

**ABAP Test Cockpit**

The ABAP test cockpit (ATC) offers SAP S/4HANA-specific checks available with SAP NetWeaver 7.51 or higher. While you can use these checks with a stand-alone installation of SAP NetWeaver 7.51 or 7.52, ATC in SAP S/4HANA brings important additional features. SAP recommends running ATC out of the sandbox once it has been converted to SAP S/4HANA.

With SAP S/4HANA, the ABAP development tools in Eclipse enable automated adaptation of custom code with only a few clicks through the ABAP quick fixes (see Figure 13). These can resolve the most frequent findings that don’t necessarily require deep functional knowledge, such as ORDER_BY issues, MATNR issues, and issues related to data model changes, such as database access to tables KONV, VBFA, VBUK, VBUP, BSEG, and others. SAP’s goal is to achieve an automation rate of 60% to 80% in any given system.

The new “Custom Code Migration” app built with SAP Fiori offers analytical capabilities that can help you understand the impact on the custom code and structure your work accordingly (see Figure 14). The app also helps you remove unused custom code upon system conversion. To do this, it can load the code execution statistics directly from the SAP ERP production system and delete the custom code that has not been executed in the monitored period of time during the conversion. To benefit from this feature, SAP advises you to activate the ABAP call monitor in the productive SAP ERP system today and thus start collecting these statistics as soon as possible.

Note that the above features are part of SAP S/4HANA and do not require a separate license.

**SQL Monitor**

The ABAP test cockpit also offers performance checks to identify poorly performing ABAP code. However, optimizing the entire body of custom code is usually impractical because of the associated effort. Instead, you can achieve considerable performance improvements with only a fraction of the effort by using SQL Monitor, which analyzes all database queries in the production system.

The SQL Performance Tuning Worklist highlights the most critical ABAP statements by combining the results of the static code checks with the runtime SQL performance data supplied by SQL Monitor.

To learn more about ABAP development tools, visit [www.sap.com/community/topics/abap-testing-analysis.html](http://www.sap.com/community/topics/abap-testing-analysis.html).
Figure 13: Quick Fixes in ABAP Development Tools

Figure 14: Custom Code Migration App
SAP’s recommended tool for SAP S/4HANA data migrations in new implementations is the SAP S/4HANA migration cockpit (see Figure 15). As already mentioned, you may also want to employ complementary tools depending on the following factors:

- Number and variety of data sources
- Required data transformations and business rules
- Amount of data construction required
- Data quality
- Project team size and the resulting intensity of collaboration

**Figure 15: Data Migration Tools for New Implementations**

<table>
<thead>
<tr>
<th>Third-party extract, transform, and load (ETL) tools</th>
<th>SAP Advanced Data Migration application by Syniti</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAP Data Services software</td>
<td>Data migration orchestration</td>
</tr>
<tr>
<td>SAP S/4HANA migration cockpit</td>
<td>Data extraction, transformation, and cleansing</td>
</tr>
<tr>
<td></td>
<td>Data transformation, mapping, and loading</td>
</tr>
</tbody>
</table>
SAP S/4HANA Migration Cockpit

For SAP S/4HANA data migrations, SAP recommends using the SAP S/4HANA migration cockpit. It comes as part of both SAP S/4HANA and SAP S/4HANA Cloud without any extra license and cost. This is also the only tool to migrate data to SAP S/4HANA Cloud.

The tool allows migrating data from both SAP and third-party systems and offers step-by-step guidance throughout the data migration process. That includes automatic generation of migration programs, simulation mode for migration to verify data quality and help ensure error-free data loading, cross-object value mappings to optimize data consistency, progress monitoring, and more.

The tool enables you to choose between two scenarios for data upload: files or staging tables. A third option – direct transfer of data from SAP source systems – is currently available for piloting within SAP’s customer care program, as indicated in the table on the next page.

Figure 16: SAP S/4HANA Migration Cockpit for Direct Transfer of Data from SAP Sources (lab preview)
Scenarios Supported by SAP S/4HANA® Migration Cockpit

<table>
<thead>
<tr>
<th>Migrating to:</th>
<th>Scenario</th>
<th>Staging tables</th>
<th>Direct transfer of data from SAP® sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAP S/4HANA® (on premise)</td>
<td>File</td>
<td>Available</td>
<td>Currently available within SAP’s customer care program with release 1809 FPS01*</td>
</tr>
<tr>
<td>SAP S/4HANA Cloud</td>
<td>Available</td>
<td>Available with release 1811 upon request</td>
<td>Planned, please refer to the product road map</td>
</tr>
</tbody>
</table>

*Available for pilots based on 1809 FPS01; please refer to OSS note 2747566 for details.

The software comes with a ready-made set of migration objects and rules. A migration object represents a business entity in SAP S/4HANA, such as a customer, sales order, or invoice. It encapsulates the logic to create the specific business entities through the corresponding APIs offered by SAP S/4HANA. All migration objects are ready for immediate use. The tool allows you to extend existing migration objects and rules and to create custom-specific objects with the migration object modeler (the latter is available for SAP S/4HANA on premise only).

Working with the SAP S/4HANA migration cockpit is easy and does not require developer skills. These are only needed when you want to create your own migration objects or transformation rules.

With the above functions and features, SAP S/4HANA migration cockpit has generally superseded SAP’s legacy system migration workbench. The usage of the latter with SAP S/4HANA is neither supported nor recommended by SAP.
SAP Data Services

Customers migrating from multiple legacy systems by different third-party vendors to their SAP S/4HANA instance will face an increased level of complexity in data migration. The goal of data migration should not just be to move and transform the data, but also to improve data quality so that you go live with clean, valid, trusted data. SAP’s flagship ETL solution for profiling, extracting, transforming, and improving data quality is SAP Data Services. This solution can play an important role in a data migration project.

Employing SAP Data Services in your migration project gives you the ability to:

- Profile the source system data to discover data quality problems within those systems – from simple technical profiling (such as how many records miss a certain attribute) to complex cross-table checks (such as how many vendors have no corresponding orders)
- Extract source system data efficiently and transform it into the target SAP S/4HANA format and structure
- Apply data cleansing jobs
- Implement data validations against the target system configuration to help ensure technical alignment of the transformation logic
- Deliver the data in the correct format (staging tables or files) to the SAP S/4HANA migration cockpit to reduce the amount of work needed to be done there

As data migration projects become larger, collaboration is required in designing, transforming, and validating the data. For these projects, it is recommended to use SAP Advanced Data Migration by Syniti.
The solution automates the creation of up to 80% of the code and reports needed to execute data migration.

• The ready-to-load data is handed over to the SAP S/4HANA migration cockpit either through files or staging tables.

• Technical reconciliation capabilities support the comparison and review of source and target data, as well as the approval of the migration process by the business owners.

• You can reuse the business knowledge and assets created during the migration for both subsequent migrations and future information management initiatives (that is, post-go-live data quality initiatives).

Projects employing the solution indicate savings of 30% to 40% versus traditional approaches.

For further information on SAP Advanced Data Migration, including an overview of the functionality and savings possible with the solution, please check out the overview, demo, and ROI calculator.

**SAP Advanced Data Migration by Syniti**

Midsize and large projects require extensive collaboration within the data team and with other stakeholders. A combination of the SAP Advanced Data Migration application by Syniti with SAP Data Services provides the orchestration, extraction, transformation, and data quality capabilities that are essential for migrating complex data to SAP S/4HANA.

SAP Advanced Data Migration is built specifically to automate a best-practice process for data migration and to orchestrate the process of SAP and third-party data migrations to SAP S/4HANA (see Figure 17). It offers a collaboration platform enabling all stakeholders to deliver their tasks in a guided, controlled, auditable, and secure environment.

The key features of the solution are:

• A single view into what your team is working on: mappings, data cleansing, data construction, sign-off workflows, and more. The solution provides the metrics and KPIs you need to drive project progress.

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Key Benefits of SAP® Advanced Data Migration by Syniti

<table>
<thead>
<tr>
<th>Project Manager</th>
<th>Business User/Subject-Matter Expert</th>
<th>Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Automated reporting into the exact status of your migration program</td>
<td>• No more spreadsheets to populate and manage</td>
<td>• Auto-generated code for data extraction, transformation, validation, and reconciliation</td>
</tr>
<tr>
<td>• Timelines and data quality metrics</td>
<td>• Web portal to design, view, check, and remediate data – with a minimum effort</td>
<td>• Focus on high-value business validation rules</td>
</tr>
</tbody>
</table>

Figure 17: Migration Dashboard of SAP Advanced Data Migration by Syniti
The SAP Cloud Platform Integration service is SAP’s strategic platform for solution integration across cloud-based and on-premise environments. It provides features such as:

- Core runtime for transactional message exchange including message processing, transformation, and routing with tenant isolation
- Built-in connectivity support through technology and application adapters (for example, JDBC, IDOC, SFTP, AS2, HTTP, SAP S/4HANA, SAP SuccessFactors, SAP Ariba, and more)
- Predefined integration content as integration packages containing integration flows
- Advanced security

The integration content advisor for the SAP Cloud Platform Integration service is a unique feature. It is an intelligent integration content management system for designing and managing your interface and mapping content, designed to make B2B and application-to-application (A2A) integration as simple as never before.

Through a smart combination of machine learning and crowdsourcing, it generates proposals for interfaces and mappings tailored for a specific industry, country, and business context – ultimately saving the most labor-intensive part of integration projects (see Figures 18 and 19).

The early adopters of the integration content advisor report savings of 60% and more in their integration projects.

Figure 18: Generated Interface Proposal for Purchase Order in Specific Industry Context
Figure 19: Generated Mapping Proposal
SAP Solution Manager has been designed to support the entire lifecycle of SAP solutions and is available to every customer with an SAP maintenance contract.

SAP Solution Manager offers a number of tools to support individual project tasks, such as business process documentation, test management, and software deployment. As of version 7.2, it also offers the Focused Build solution, which enables a preconfigured requirement-to-deploy process within SAP Solution Manager (see Figure 20). It includes business demand and requirements management, integrated risk management, and collaboration features that help business and IT work together more closely while also helping manage global development teams. This methodology and approach were ideated in SAP MaxAttention engagements and cater to the needs of SAP S/4HANA projects with a high innovation ratio.

Figure 20: Solution Readiness Dashboard in Focused Build for SAP Solution Manager
Consider Focused Build for SAP Solution Manager if any of the points below holds true:

- You consider the project a business-driven project.
- You plan your new implementation based on the best practices of SAP Model Company or SAP Activate, and the content is provided through SAP Solution Manager.
- You expect a considerable number (more than 100) of RICEFWs to be developed.
- The project team works across several locations, or you expect a high share of remote delivery.
- The project management office wants to use a project tool that supports standardized and transparent activities in the project and helps accelerate onboarding.
- You already employ, or intend to employ, SAP Solution Manager for IT operations after the go-live.
- You intend to apply agile development principles in your project.

Using a tool with guided project procedures decreases the risk of deployment failures, enables a real-time status view of all project activities, and helps to keep a centralized source of truth for business processes and documentations.

For more information, please visit https://support.sap.com/en/alm/focused-solutions/focused-build.html.
Conclusion

We hope that this guide helps you find your way to the new digital core and shape your strategy by:

• Identifying the strategic choices and understanding the trade-offs
• Knowing the right questions to ask your project teams
• Understanding the essential tools that SAP provides – and continuously improves – for both new implementations and conversions

While we have highlighted the pivotal elements of your journey to the new digital core, we certainly haven’t cover all of them.

For those who want to learn more about SAP S/4HANA and its functional capabilities, the ultimate source are the respective product pages: SAP S/4HANA and SAP S/4HANA Cloud.

For customers who have yet to make their case, we recommend the SAP S/4HANA Adoption Starter Engagement, which is available to all customers with a valid support agreement without any additional fee. This 90-day program consists of weekly virtual classes. At the end of the program, you will have built your first implementation plan for your SAP S/4HANA transition, including benchmarking, value assessment, and transition strategy.

Most companies accomplish digital transformation through a combination of on-premise and cloud components with different provisioning models (such as IaaS, SaaS, PaaS) in one landscape. This implies significant changes for IT operations. For readers who are new to this topic, we recommend the document Efficient Hybrid IT Operations for SAP Customers.

Last but not least, we would like to direct you to the SAP S/4HANA Movement program page, which offers plenty of resources, including customer stories, event announcements, and Webinars. In the future, we intend to publish more guides on the practical aspects of the transition to SAP S/4HANA.
Acknowledgments

We would like to thank Ralf Peters from DSAG and Geoff Scott and Chris Crone from ASUG for their contributions, which helped us to combine SAP’s point of view as a software vendor with the collective experience of customers to focus on the right subjects. We would also like to thank Christian Freytag and Rudolf Hois for initiating the creation of this handbook, and Peter Datsichin and Aleksandr Kirov for making it happen. Finally, we would like to thank all of our coworkers at SAP for their tireless support, especially:

Jan Abadschieff
Sandra Adamson
Kathrin Baumann, PhD
Christoph Barth
Julia Batzdorf
Stefan Berndt, PhD
David Birkenbach
Stefan Borcherdin
Michael Boss
William Bowers
Bjoern Braemer
Matthias Bruehl
John Cardaris
Ronald Chermin
Alina Christophel
Cornelius Clauser
Jocelyn Dart
Sven Denecken
Bastian Distler
Olga Dolinskaia
Oliver Draskovic
Carl Dubler
Michael Eacrett
Franz Felkel
Astrid Fiedler
Thomas Fiedler
Stefan Fischer
Sten Frellesvig
Johan Friedrich
Markus Goebel
Tilman Goettke
Jon Green (Syniti)
Nadine Haesner
Roland Hamm
Christian Hauschild
Stefan Hauschild
Carsten Hesse
Carsten Hilker
Kira Hoffmann, PhD
Maximilian Hoffmann
Helmut Hofmann
Christian Horak
Susanne Janssen
Vahid Khamis
Stefan Kienzle
Rene Kirchhoff
Peter Klee
Benjamin Korder
Sven Krueppel-Berndt
Stefanie Kuebler
Michael Lamade
Christian Langpape, PhD
Bernd Lauer
Christoph Liebig
Markus Lenz, PhD
Wassilios Lolas
Raj Manghnani
Raphael Maultzsch
Paul Medaille
Jan Meyer
Marco Michel
Gerd Moosmann
Christopher Naab
Christoph Nake
Tony J. Naylor
Ulrike Raidl
Abdul Rajbho
Eric Raubuch
Dirk Reibmann
Corinne Reisert
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Anke Riebel
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Lars Rueter
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Srivatsan Santhanam
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Henner Schlies
Bernd Schreck
Peter Schreiber
Timo Schuette
Dietmar Schulz
Robert Schweisthal
Devesh Sharma
Klaus Sickinger
Kai Siegmund
Frank Sieraveld
Christine Sievi
Gregor Staubach
Andrea Stokvis
Gerald Stricker
Astrid Stroemer
Gunther Stuhc
Hari Prasad Subramanyam
Nora Topfmeier
Hans Georg Uebe
Alexey Ukrainsky, PhD
Axel Vetter
Robert Vetter
Giovanni Antonio Francesco Vorstenbosch
David Waibel
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Arend Weil
Maic Wintel
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