

# SAP Landscape Transformation

Adapting SAP landscapes to fulfill new business requirements

Introduction – SAP Landscape Transformation

April, 2010

THE BEST-RUN BUSINESSES RUN SAP™



# Agenda



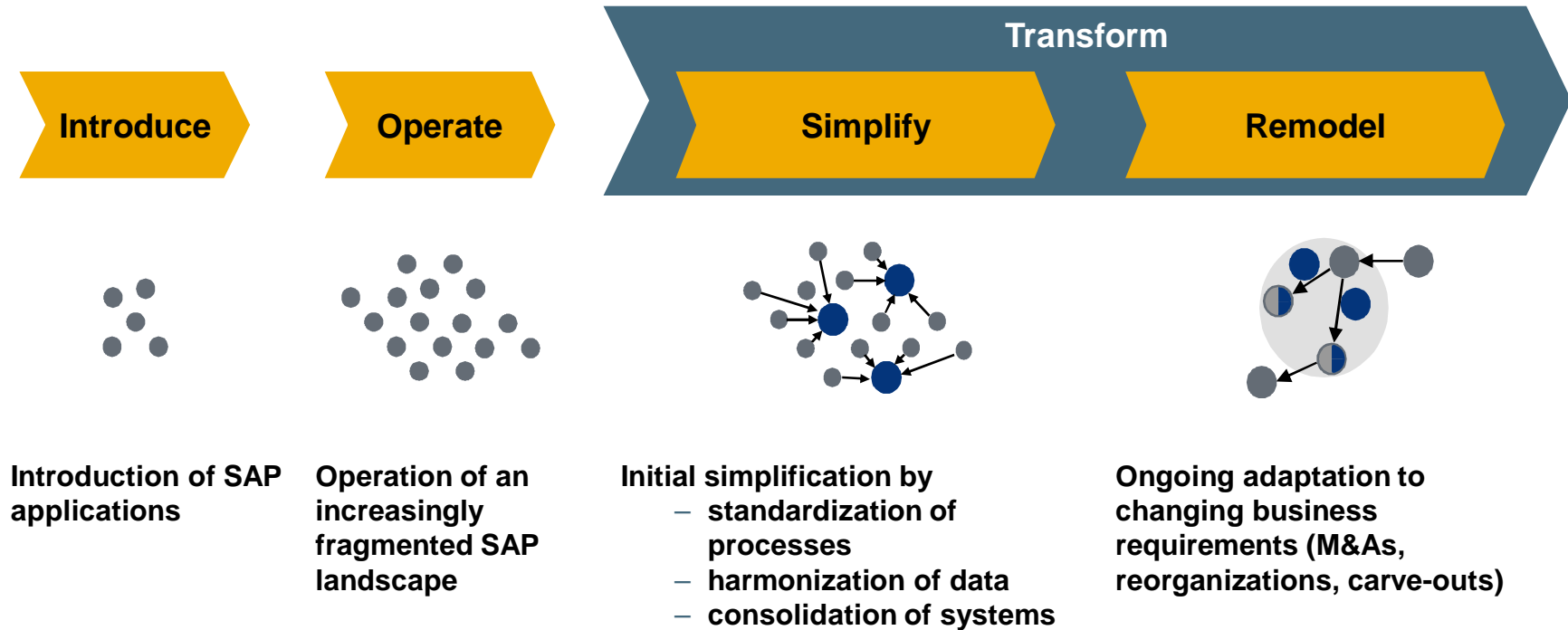
- 1. Market Situation**
- 2. New SAP Landscape Transformation Approach and Benefits**
- 3. SAP Landscape Transformation Offering**

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# Business transformation is driving major SAP landscape transformation initiatives



The ability to seamlessly transform a corporate SAP landscape has become a key value driver

# SAP customers invest huge budgets in ERP transformation



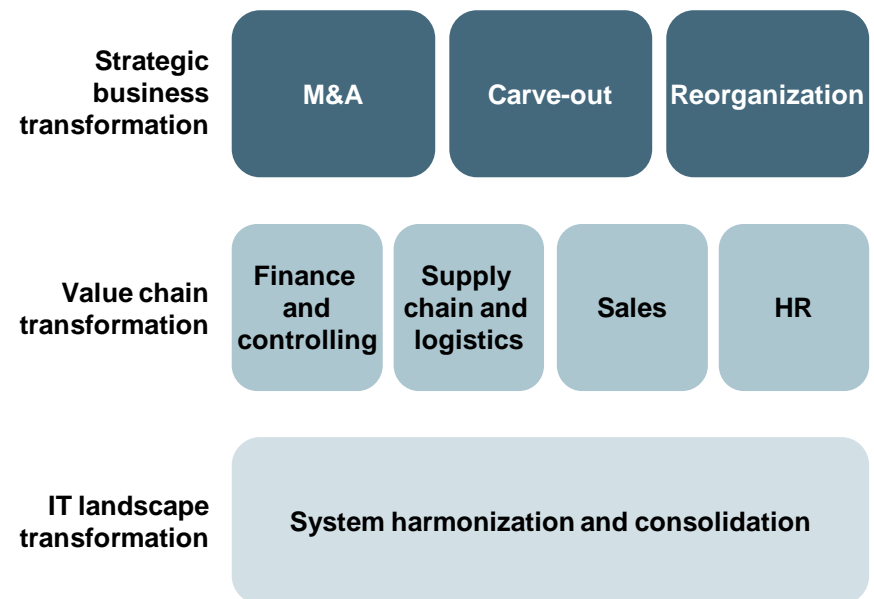
## SAP transformation requirements...

SAP has become quasi-standard and business process backbone in many industries

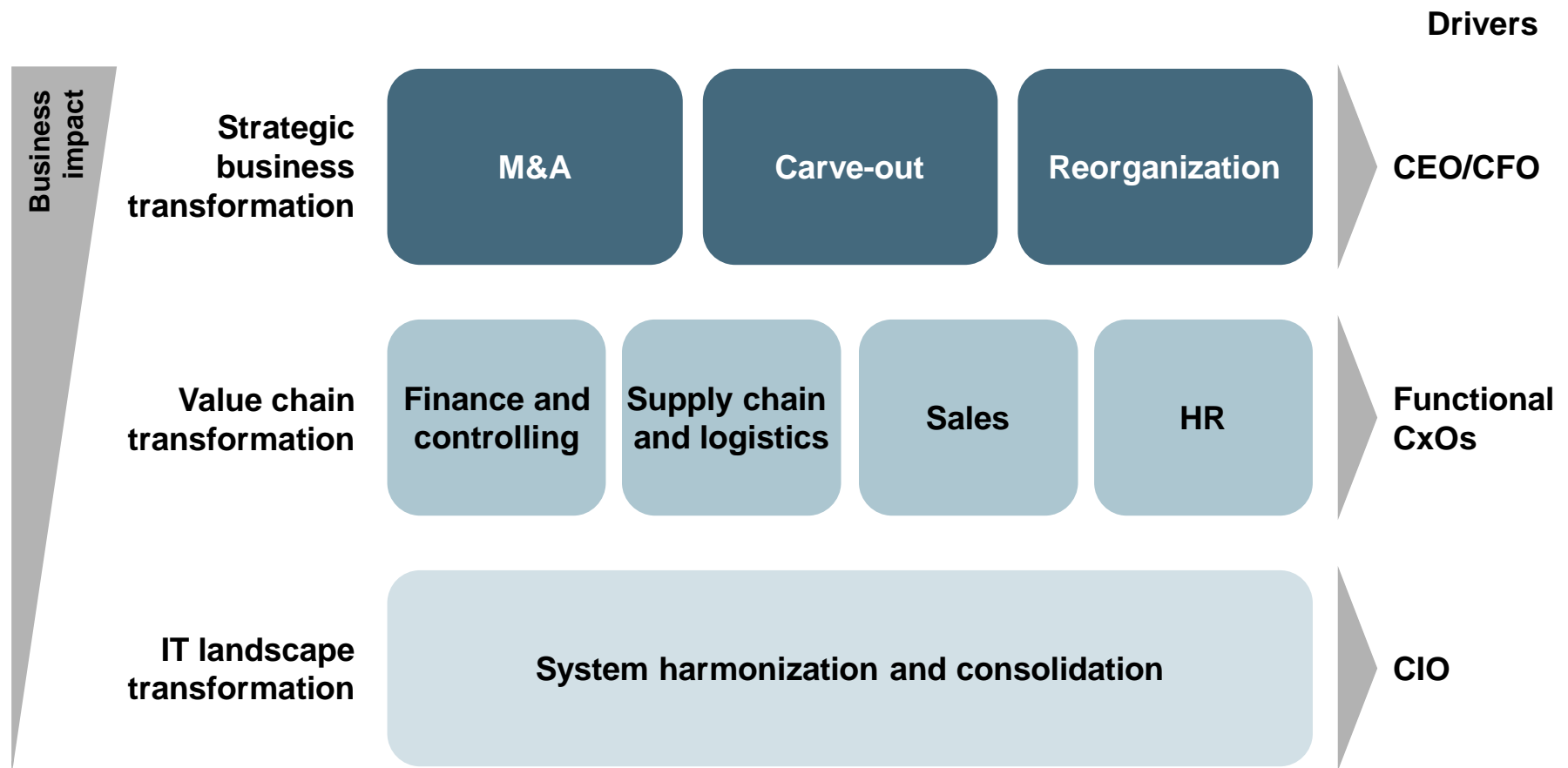
But the often fragmented SAP landscape requires simplification and ongoing adaptation to new business requirements

- Multiple instances and different versions
- Different coverage of value chain
- Different process design
- Business processes spanning across multiple instances rely on manual re-entry, Excel sheets and maintenance intensive interfaces
- Master data on various systems are redundant and inconsistent
- ...

...in every occasion  
from M&A to system consolidation



# Transformation scenarios driven by top management...



# ...with scenario specific expectations

## Typical transformation value drivers



### M&A

- Maximize net profit
- Reduce time for integration and synergies
- Ensure business running smoothly

### Carve-out

- Maximize net profit
- Reduce overall timeframe
- Reduce risk endangering transaction

### Reorganization

- Maximize cost savings
- Reduce transformation time
- Support upcoming changes in business

### Finance and controlling

- Accurate and timely financial reporting and controlling
- Reduce transformation time

### Supply chain and logistics

- Ensure business continuity
- Reduce transformation time
- Support upcoming changes

### Sales

- Increased customer loyalty
- Optimized sales processes
- Reduce transformation time

### HR

- More efficient HR services
- Globally standardized HR processes
- Reduce transformation time

### System harmonization and consolidation

- Reduce run and project costs and IT spending
- Reduce complexity in operations and development
- Ensure business continuity
- Support changes in business

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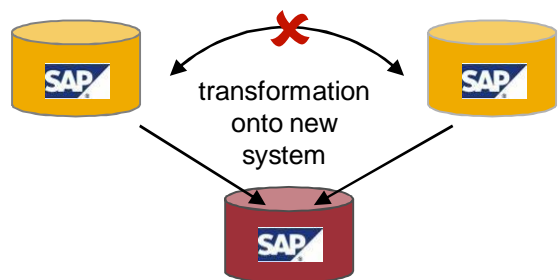


# SAP offers new ERP transformation solution: SAP Landscape Transformation



## Traditional approach insufficient

Typical approach replaces all existing ERP applications with a new target ERP system



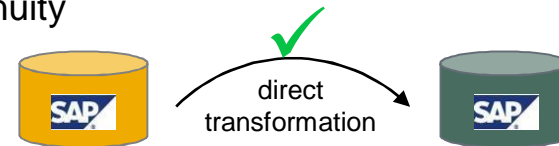
## Very expensive, high-risk approach

- Leads to multi-year projects
- Ignores functional expertise embodied in existing ERP assets
- Historical data and running processes usually not transferred to new system
- Clients at risk of losing SAP maintenance coverage, if data is converted on database level

## New software-based SAP approach: SAP Landscape Transformation

SAP develops powerful tool: SAP Landscape Transformation (SAP LT)

- **Operates on** running systems ensuring business continuity



- **Starts with scenario analysis** to choose best solution and target system



- **Saves time** and money by operating directly on database level



- **Guarantees preservation of historical data, running processes** and persistence of maintenance

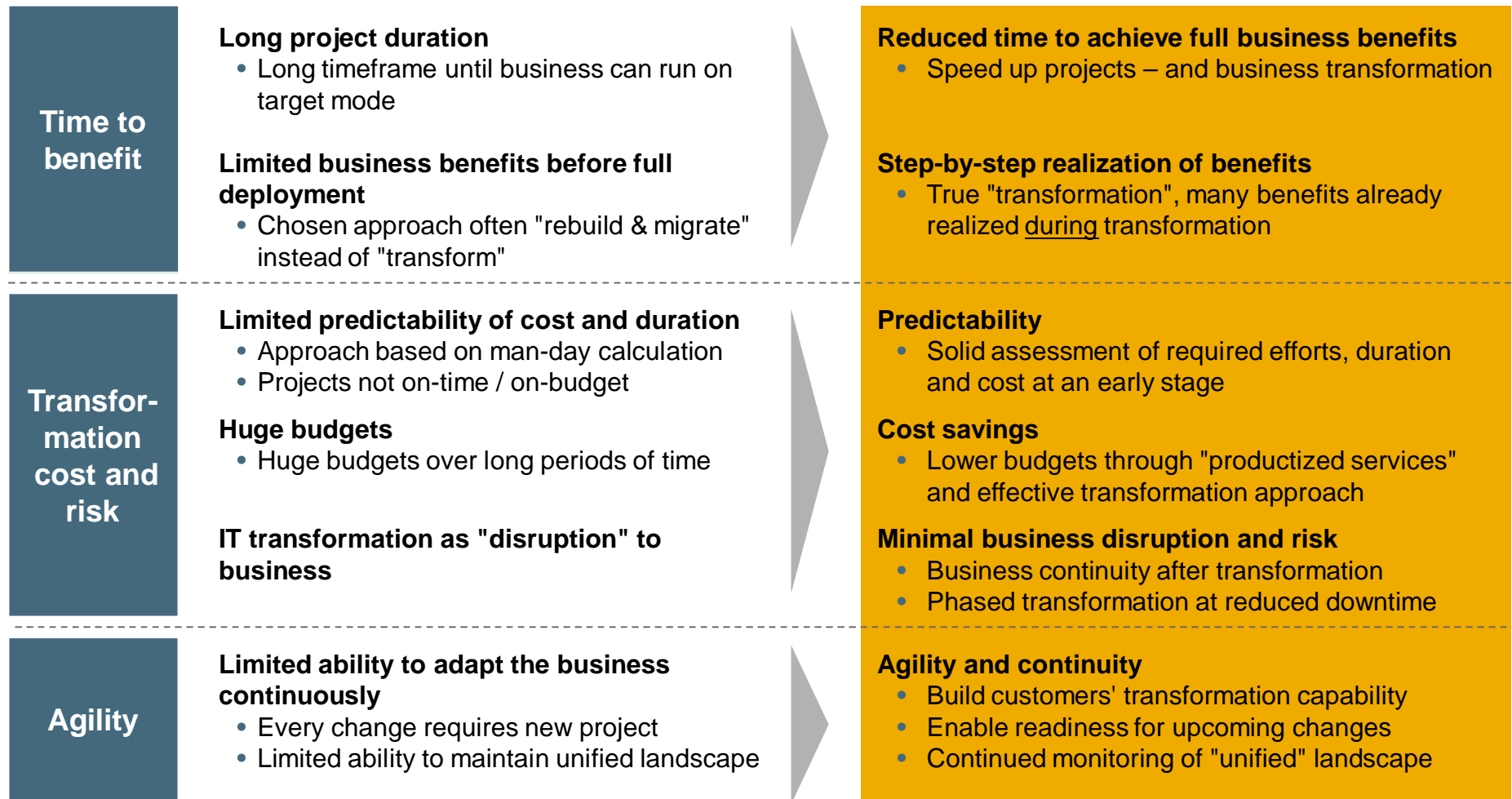


# High value proposition: SAP LT sets new standard for transformation projects



## Customers' pain points

## SAP LT value proposition



Source: Project team, BCG analysis

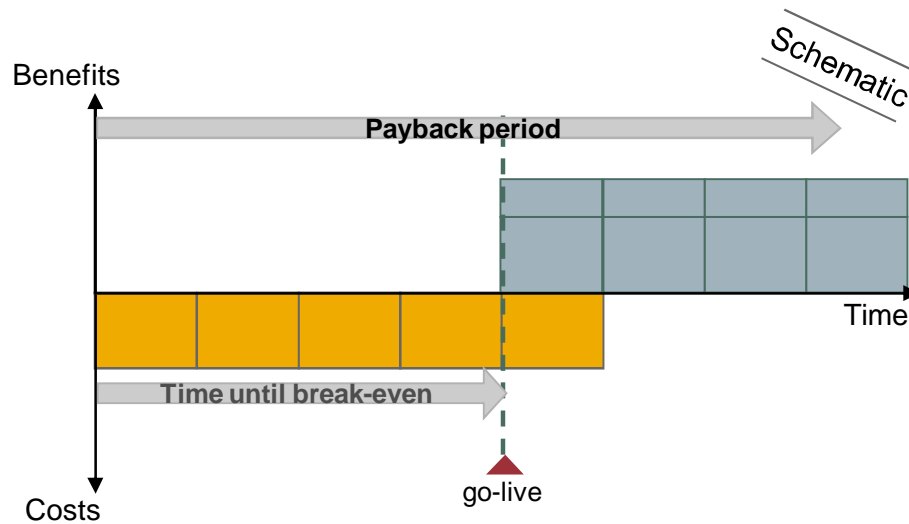
# SAP LT approach saves costs and time

## Quicker benefit ramp-up and reduced time to full benefit

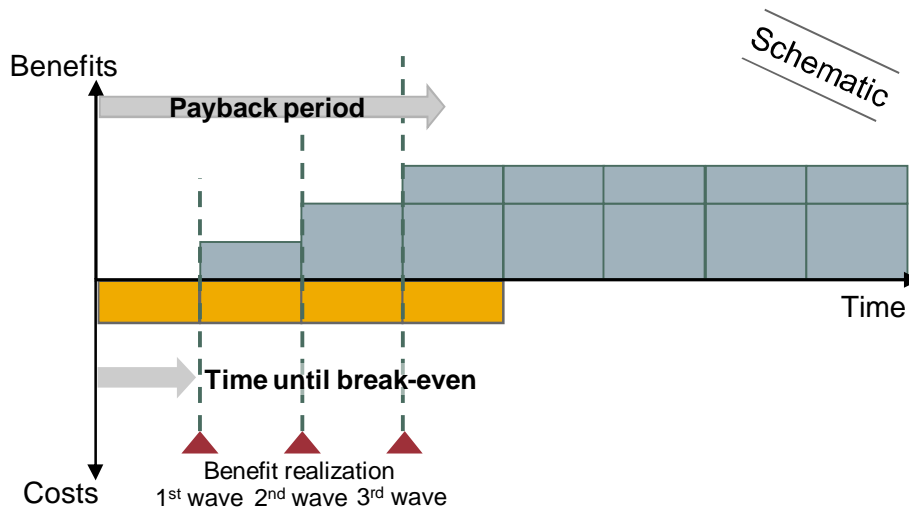


### Advantages of SAP LT

**Typical "big-bang" approach**



**SAP LT approach**



Source: Project team, BCG analysis



**Total costs and project length significantly reduced**

- Lower project costs due tool based analysis functions
- Replacement of manual coding



**Significant advantages on the benefit-side**

- Break-even reached sooner
- Total benefits higher
- Increased ROI

# Case examples show significant added value



## European beverage company

### Project overview

Major standardization project along entire value chain for company using several SAP instances throughout Europe



## Major European utility company

Consolidation project for business units focusing on sales and distribution with heterogeneous IT architectures and processes

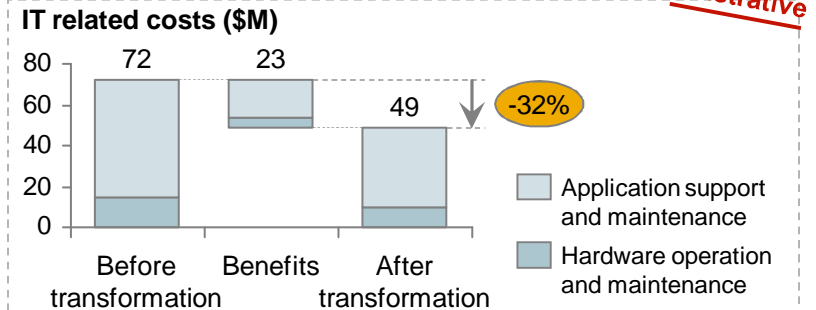
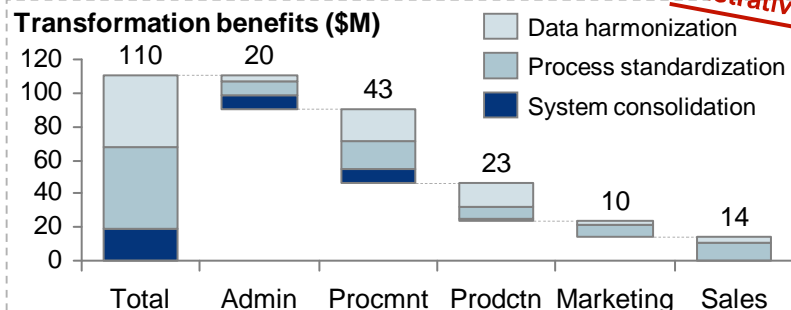


### Exemplary transformation activities

- Consolidate functions and standardize processes in shared service center
  - Cost reduction due scale effects and lower wages
- Harmonize spend data and standardize procurement processes
  - Improved forecasting and reduction of purchasing costs
- Consolidate spare part management systems
  - Reduction of spare part stock and capital lockup

- Standardize processes and consolidate application landscape
  - Reduction of maintenance and support costs
  - Efficiency improvement of DB management and data center services
- Consolidate hardware platforms
  - Reduction of depreciation and hardware maintenance costs

### Impact



Source: BCG case studies

# Agenda



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# SAP Landscape Transformation solution combines different offerings



## SAP Landscape Transformation software

## SAP Landscape Transformation services

### Business Consulting

- Customer-specific offering: Individual consulting and services times and material base

### Productized SLO<sup>1</sup> Service

- Standardized SAP SLO consulting performs conversion or migration in customers productive landscape

### Safeguarded Customer Action

- Tailor-made solution proposal, customer empowerment, step-by-step guidance and execution support
- Exclusively offered within SAP MaxAttention

- **Fast growing product functionality from analysis to transformation**  
*Version 1 covers: Chart of Accounts, Client Transfer, Company Carve-out*
- **Complementary Service Offering**  
*Support customer transformation projects*

### SAP Landscape Transformation software

Knowledgeware

#### Best practice and guidance in project evaluation and preparation methodology and project execution

- ✓ Roadmap for Chart of Accounts Conversion
- ✓ Roadmap for Company Carve-out
- ✓ Roadmap for Client Transfer

Software

#### Analysis Capabilities

- Identification of most suitable transformation approach
- Scoping and technical feasibility assessment for transformation projects
- Includes predefined analysis profiles
- ✓ Generic analysis functions
- ✓ Company Carve-out analysis
- ✓ Scenario and Mapping analysis for Chart of Accounts
- ✓ Repository comparison analysis
- ✓ Customizing comparison analysis

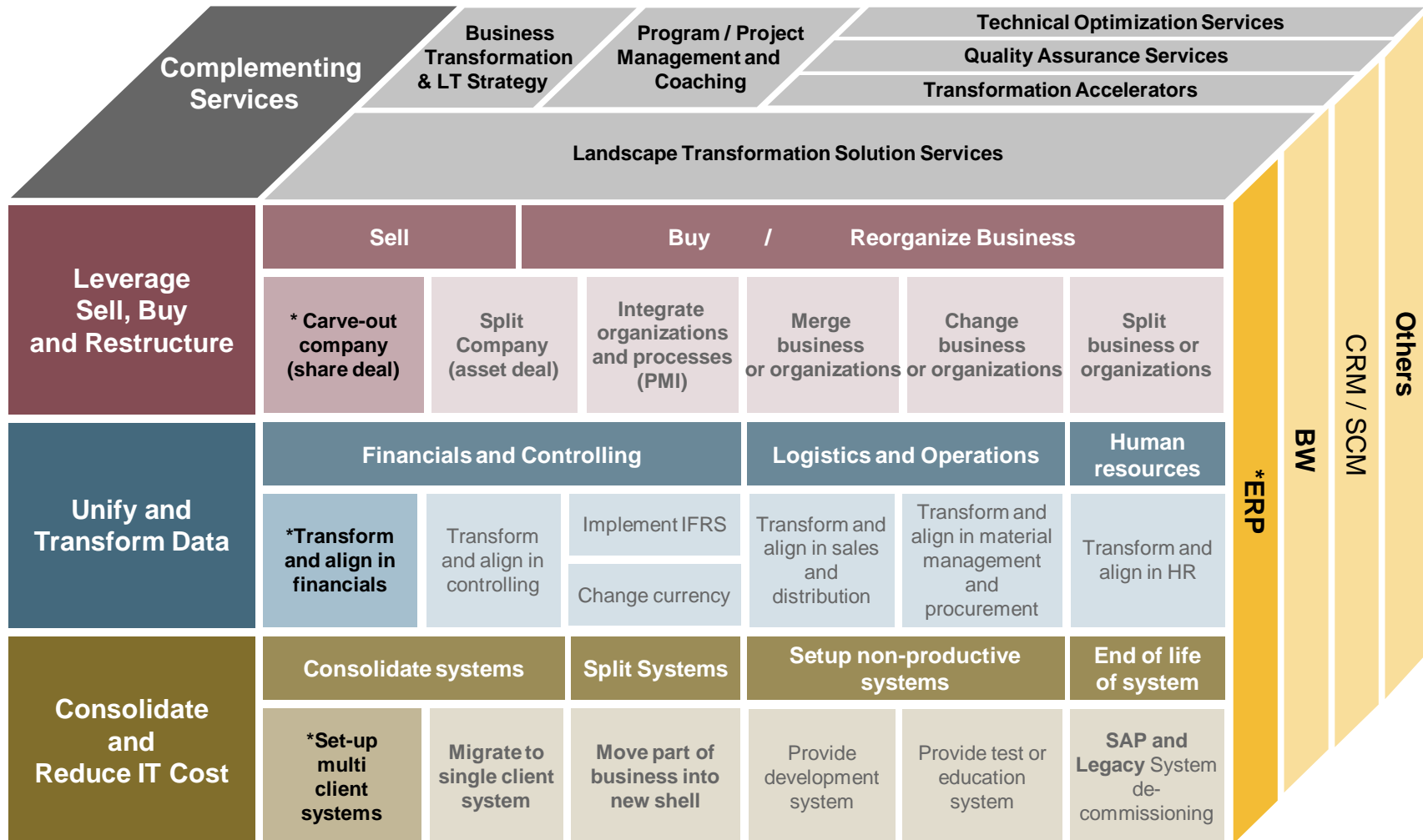
#### Transformation Capabilities

- Efficient execution of technical transformations with reduced downtime
- Consistent transformation on data base level including historical data
- Includes predefined C&M packages
- ✓ Chart of Accounts Conversion
- ✓ Company Carve-out
- ✓ Client Transfer including Upgrade and Unicode Conversion

# SAP LT solution map summarizes entire offering including product and complements



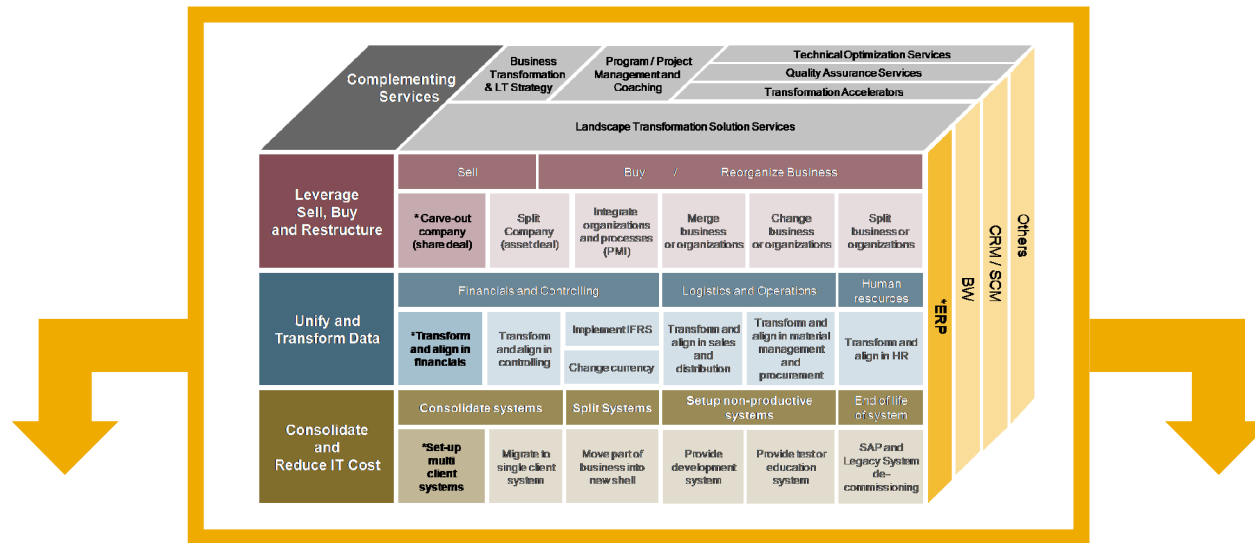
## Landscape Transformation



\* Focus of SAP LT software – Version 1



# SAP LT solution supports customers depending on their requirements



## Transformation as one-time effort

## Transformation as frequent effort

### Productized Service:

- Certified consultants deliver SAP LT services
- SAP LT (Software & Knowledge) as part of the service



### License:

- SAP LT (Software & Knowledge) as SAP standard product
- Focus on platform
- Build-up own skills
- Support via SAP LT services

**SAP Landscape Transformation gives customers full flexibility to focus on their business**

# Further Information For Customers and Partners



## Web Pages:

- **SAP Service Marketplace:** <http://service.sap.com/sapLT>
- **SAP.COM:** in preparation

SAP LT Solution Map: <http://service.sap.com/sapLT-solutionmap>

## SAP LT Software - Key Information Sources:

- [SAP LT - Getting Started presentation](#)
- [SAP LT software – Master Guide](#)
- [SAP LT software – Security Guide](#)

## SAP LT Services:

- **Complementing services for SAP LT software:** see SAP Note 1454883
- **General service requests:** [slo.consulting@sap.com](mailto:slo.consulting@sap.com)

## Key Contacts:

- **APJ:** Miles J, Sascha Pfrommer
- **EMEA:** Nilgün Atasoy, Jürgen Schäfer
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