

Don't migrate to S/4HANA

until you have read this research

A RESEARCH STUDY BY **RESULTING IT** AND **DR DEREK PRIOR**,
FORMER SAP RESEARCH DIRECTOR AT GARTNER

Resulting
it



S/4 background

S/4HANA is SAP's flagship ERP platform.

It runs exclusively on SAP's own in-memory HANA database technology. Prior versions of SAP business applications were database independent and ran on DB2, Oracle, MS SQL Server or whatever floats your database boat.

Annoyingly for SAP though, this meant that every ERP sale was followed by an echoing ker-ching for the database vendors.

With S/4, SAP rectified that commercial wrinkle and simultaneously offered their customers a faster, simpler ERP platform. At the same time, they neatly locked their huge customer base into SAP technology.

Respecting that some customers would prefer to run SAP on their own infrastructure (or private/public cloud), SAP continued with an on-premises version, spawning a cloudy cousin which would run on SAP's own cloud infrastructure and be managed directly by SAP.

This adds greater wallet share for SAP by displacing infrastructure providers and moves SAP software from traditional up-front licence plus maintenance to an annuity revenue model where customer satisfaction comes into sharper focus. But, like its licence fees, SAP's future relationship with customers will be ongoing rather than transactional.



The first barrier...

How does SAP flip the world of ECC 6.0 customers to S/4?

And how does the SAP ecosystem tool up to support this mass migration?

Numbers game

There are estimated to be up to 40,000 companies running SAP ECC solutions globally.

SAP doesn't call this number out specifically - it's lost somewhere in a claim of 413,000 customers and a published linear growth rate of S/4HANA licence sales.

Despite a lack of specific published facts, our best guess is somewhere between 38,000 and 42,000.

Although SAP claims that 20% of these (9,500) have already licensed S/4HANA as of October 2018, the number of live S/4 customers is a little harder to establish.

SAP CORPORATE FACT SHEET - OCTOBER 18

SAP customers

SAP serves >413,000 customers in >180 countries

Approx. 80% of SAP customers are SMEs

SAP customers include...

92% of the Forbes Global 2000 companies

98% of the 100 most valued brands

100% of the Dow Jones top-scoring sustainability companies

SAP customers produce...

78% of the world's food

82% of the world's medical devices

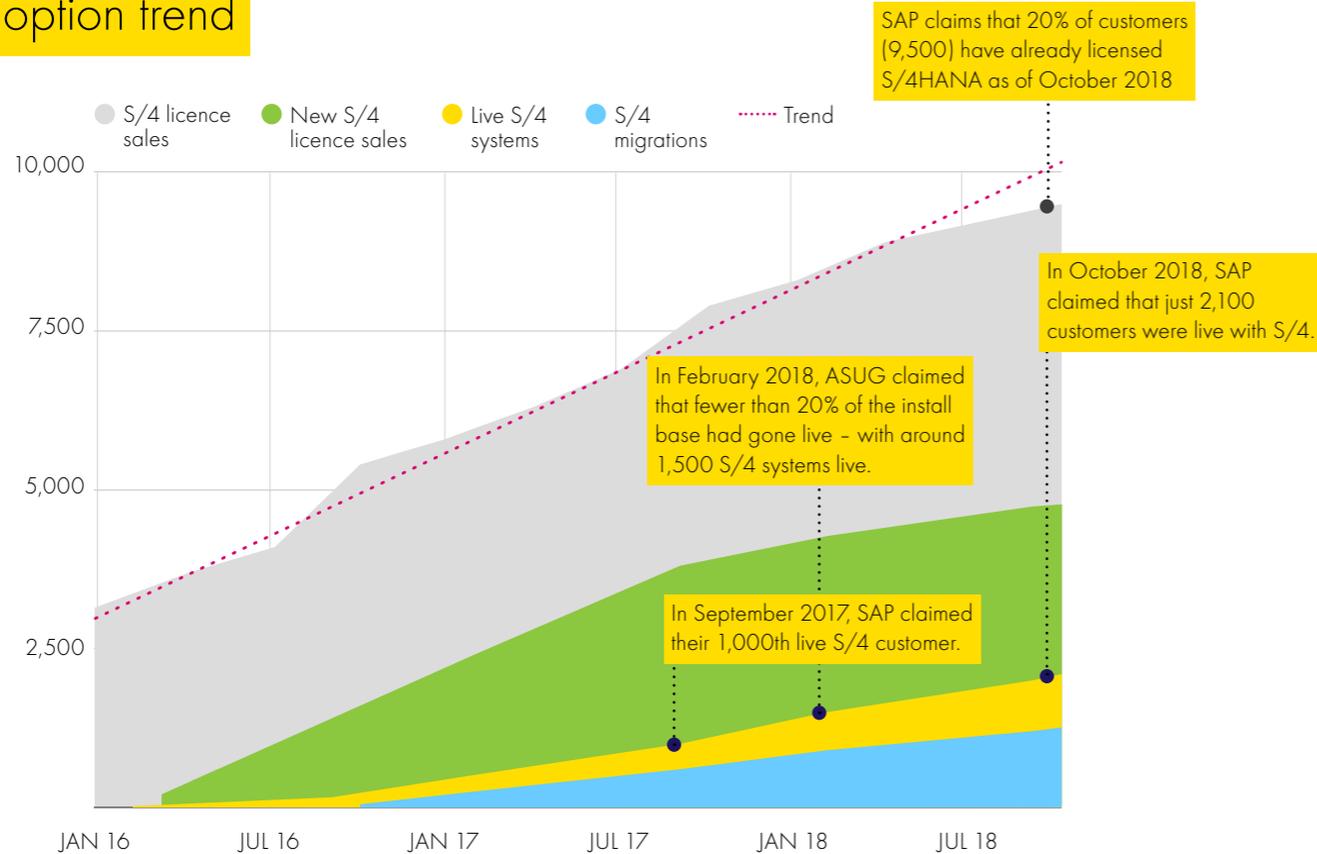
78% of the world's transaction revenue touches an SAP system

SAP S/4HANA market performance



SOURCE: SAP Global Corporate Affairs, October 2018

S/4 adoption trend



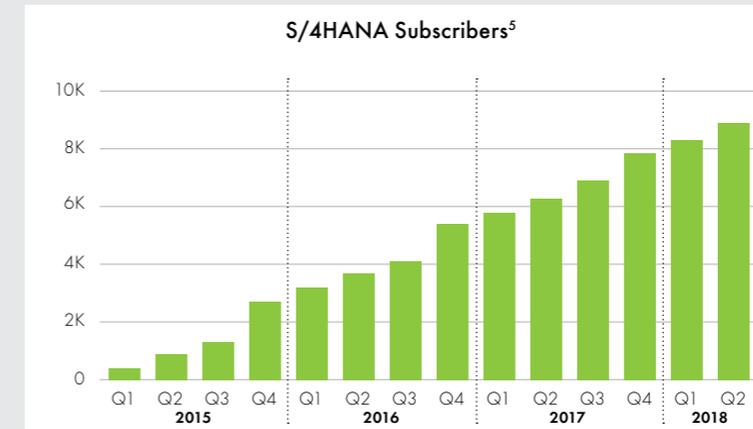
SUPPORTING FACTS

SAP claims that 1,500 customers are live with S/4, claiming an 80% penetration of licensed to live customers (at the time of the report, 7,900 had licensed S/4). A ratio which seems far fetched when correlated with our ongoing discussions with systems integrators, SAP consultants and Project Managers in Europe and the US.¹

9,500 customers, up 37% year over year. In the third quarter, approximately 50% of the additional S/4HANA customers were not new.²

SAP reaches milestone with more than 1,000 companies now live on SAP S/4HANA.³

In October 2018, SAP claimed that just 2,100 customers were live with S/4.⁴



SOURCES

- <https://www.asug.com/news/sap-s-4hana-customer-adoption-live-customers-implementations>
- Q4 and Full Year 2018 Preliminary Results
<https://www.sap.com/investors/en.html#pdf-asset=865dec61-237d-0010-87a3-c30de2ffd8ff&page=3>
- September 27, 2017 by SAP News
<https://news.sap.com/2017/09/sap-reaches-milestone-with-more-than-1000-companies-now-live-on-sap-s4hana/>
- <https://news.sap.com/2018/10/sap-s4hana-adoption-starter-engagement-launch/>
- <https://www.statista.com/statistics/590976/sap-hana-s4hana-customer-numbers/>

The S/4 gold rush

SAP has published (and then revised and re-published) an end-of-support date of 2025 for ECC 6.0, effectively giving customers a plank to walk.

"Migrate to S/4 by 2025 or your support will end and you'll stop receiving new functionality."

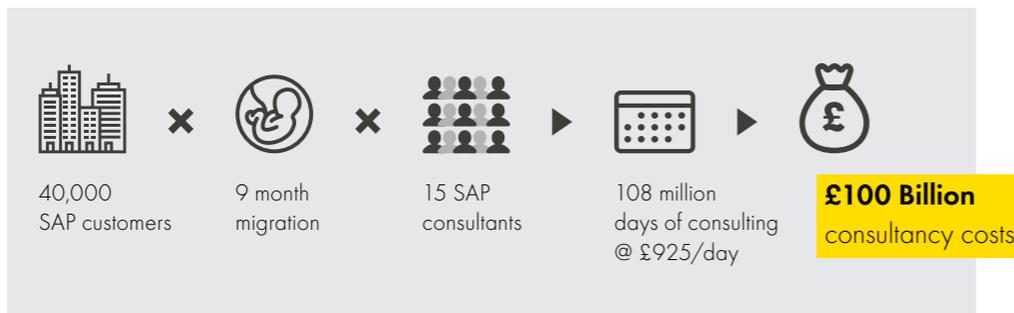
Many people question whether the 2025 date is brinkmanship or a firm strategy. Third party maintenance and support providers including Rimini Street and Spinnaker are rubbing their hands at the prospect of SAP customers feeling pressured to migrate to S/4 for reasons that suit SAP more than their customers.

Just to put the numbers into perspective...

Assuming an optimistic 9 month S/4 migration, with an optimistic 15 SAP consultants.

Equates to 108m days of consulting effort across 40k SAP customers.

At a rate of £925 per day (which is an average), that equates to **£100 Billion of consultancy costs** - in addition to the software licences.



Surely, then there must be a compelling S/4 business case?

Where exactly will the SAP ecosystem find 64,000* SAP consultants with both the skills and capacity to do these S/4 migrations in a 7 year timeframe?

In a recent Blog, Resulting founder, Stuart Browne raised the concern that the SAP ecosystem has a looming skills shortage due to an aging workforce and potential demand for 40,000 SAP upgrades in the next 7 years.

The blog received a lot of attention and kicked off a number of interesting discussions around customer attitudes to S/4HANA.

So, at the 2018 UKISUG Connect Conference in Birmingham, we decided to run a live research session to find out more about SAP customer attitudes towards their S/4 migrations and better understand their thoughts, plans and concerns.

The session polled 47 existing SAP customers who are primarily running ECC. By virtue of the fact that these customers had voluntarily attended an SAP User Group conference, one would expect they represent the positive side of the normal distribution curve.

The research was facilitated by Dr Derek Prior, former Gartner Research Director of 19 years - who was responsible in his time for a large body of SAP research.

Derek hand-picked 4 of the 15 Success Levers highlighted in Resulting's SAP Success Research Report, exploring how they relate to S/4 programmes.

Business case

Solution standardisation

Vendor selection

Adoption

*360,000 months of projects over 7 years = 4,285 concurrent, each with 15 consultants.



Read Stuart's blog
www.resulting-it.com/rozes



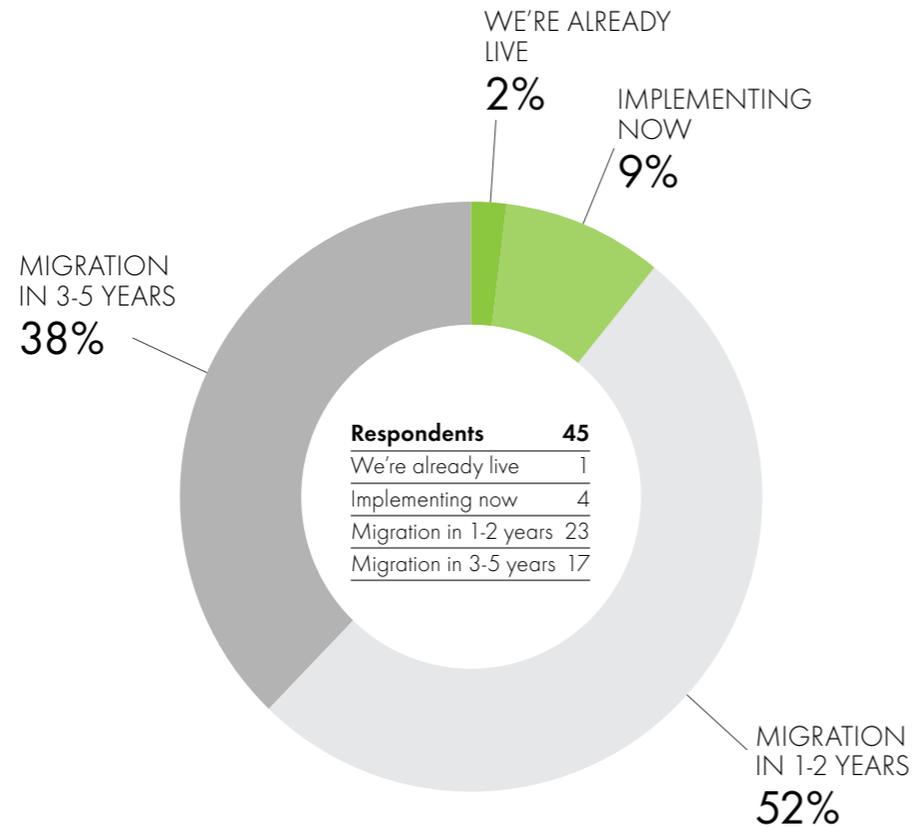
Download the SAP Success Report
www.resulting-it.com/sapsuccess

NOTES ON METHODOLOGY:

Not all participants responded to every question.

Voting was carried out live using digital voting tools. It is possible that early voting within each question may have affected later voters opinion (as in an exit poll).

How far out is your S/4HANA plan?



60% of respondents expect to be moving to S/4HANA within two years although fewer than 10% are currently implementing. Just over a third of respondents are waiting and plan to move to S/4 in the next 3-5 years.



No real surprises here. This reflects what we see in our ongoing discussions with SAP customers - but it is certainly worrying for SAP and large SIs.

With over a third not likely to start to move until up to the end of 2024 it's fair to say that they are not that bothered by SAP's declared 2025 end of support deadline.

What we hear...

"Show me proof"

"Let me talk to reference customers"

"Why should I be the guinea pig with S/4?"

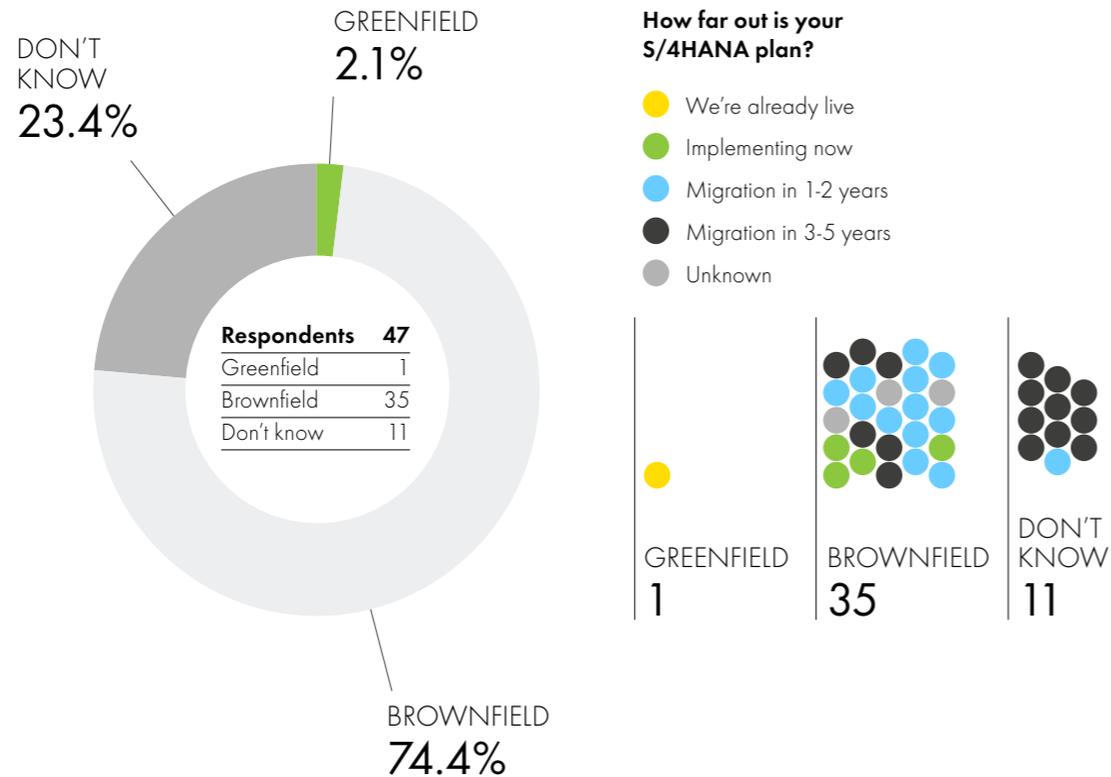


Dr Derek Prior

Former Gartner
Research Director,
Non-Executive
Director Resulting IT



As is stands today how will you migrate to S/4HANA?



The large majority (75%) expect to move their current ECC systems to S/4 by way of a migration (so called brownfield). This implies that SAP customers feel that a technical migration is the simplest route and therefore intend to carry over most of their existing master data, configuration and custom code.

This is despite SAP's own assessment of the average SAP customer solution:

65% of custom code objects have not been used within the last 4 weeks

77% of custom code objects were not supporting critical processes*

This indicates that SAP customers are placing high levels of trust in SAP's inbuilt migration software tools, services and code conversion technology.

It also implies that the majority of SAP customers are not using the migration to S/4HANA as an opportunity to truly simplify and standardise their business process.

23% of SAP customers do not yet know how they will migrate to S/4. The majority of these people are those planning to migrate in 3-5 years.



Only SAP customers whose ECC systems are in a complete mess are going to throw their config away and start over from scratch in greenfield fashion. I have spoken to several customers in this unfortunate position.

For customers who spent heavily to customise their ECC solutions, and where the customisation is delivering critical business processes, brownfield migration makes total sense.

However, they also run the risk of not adopting improved S/4 functionality if they simply treat the ECC to S/4 migration as an upgrade.

It's a once in a lifetime chance to truly simplify and transform.



Dr Derek Prior

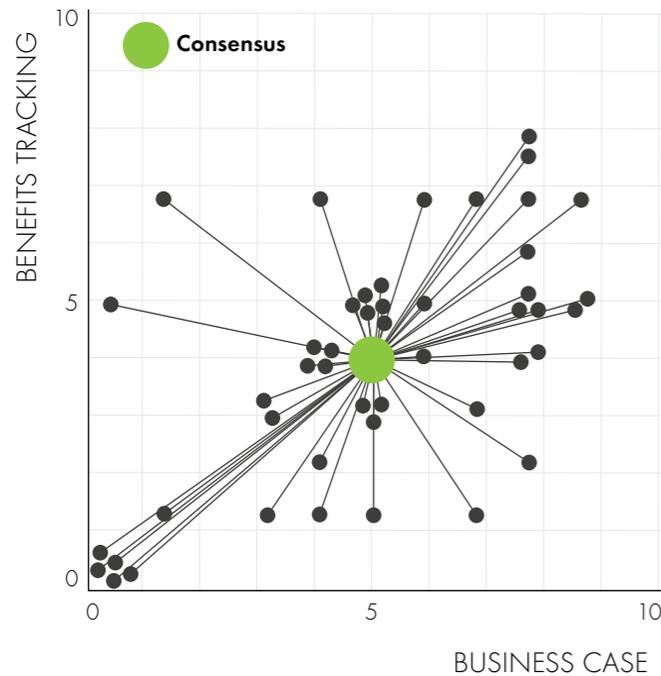
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*Source: SAP White Paper, Custom Code within SAP S/4HANA On-Premise, Document Version: 1.00 -2016-02-08

Creating your business case



How would you rate your SAP business cases and benefits tracking?



Respondents **48**

Choices	Consensus
Business cases	5/10
Benefits tracking	4/10

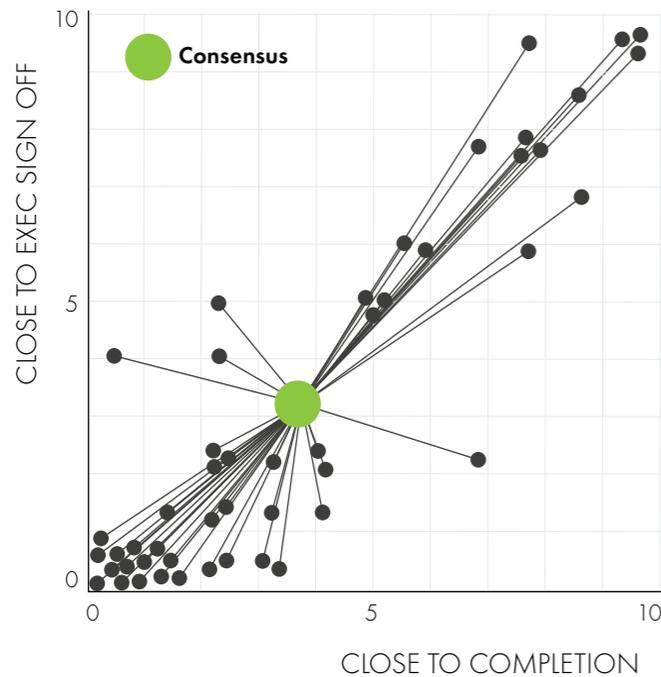
When questioned on business cases for SAP projects, the consensus amongst respondents was that the quality of their own business cases is generally mediocre and that the benefits tracking against business cases is somewhat lacking with a mean score of 3.9 out of a possible 10.

This implies that despite large investments in SAP software and services, SAP customers do not generally produce compelling business cases, nor are they highly motivated to track ROI.

The spread of results however was highly linear with 10% of respondents ranking both business case quality and benefits tracking at 1/10.

Only 5% of respondents scored both at 8/10.

How complete is your business case for S/4?



Respondents **48**

Choices	Consensus
Close to completion	3.5/10
Close to exec sign-off	3/10

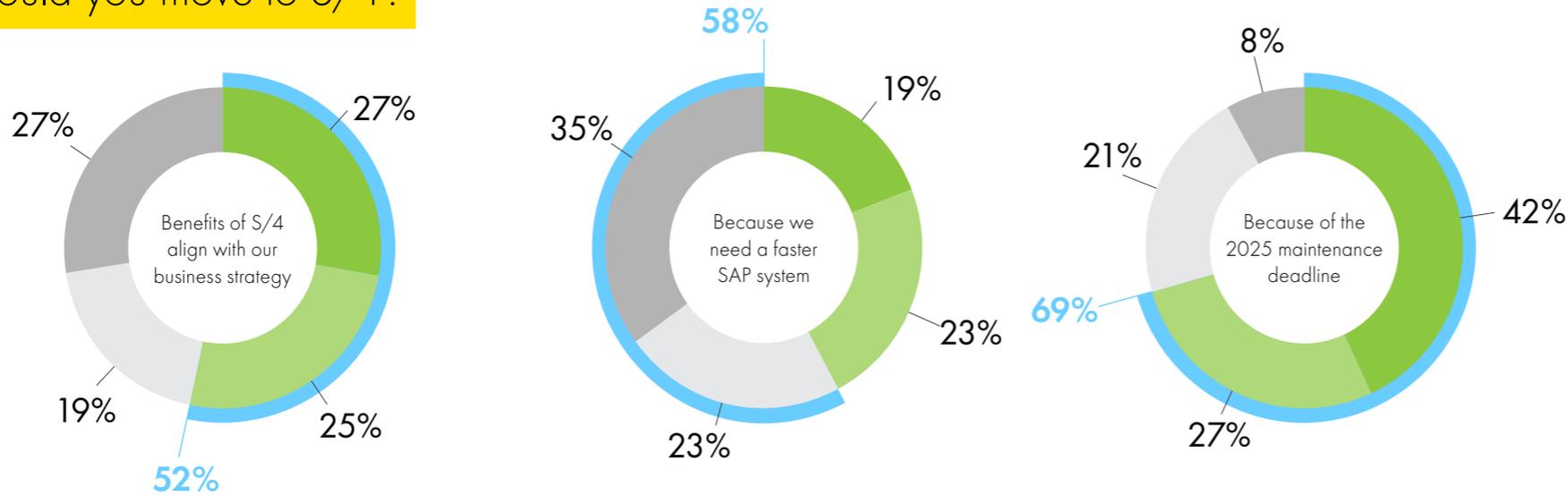
When looking at their S/4HANA business case development, the consensus among SAP customers was that their current business cases are incomplete and not in a state to be signed off.

Only 6% of SAP customers claimed that their S/4 business case was complete and signed off.

25% of SAP customers rated their business's S/4 business case as being half complete/signed off.

This implies that the majority of SAP customers are either struggling or putting off their S/4 business case. Or, in line with the previous question, are content to accept that a robust business case and benefit tracking are not required for their S/4 investment.

Why would you move to S/4?



SAP's current solution (ECC) goes out of support in 2025. Even if SAP choose to extend this date, new functionality will only be added to S/4 solutions.

The 2025 deadline was stated as the main reason for moving to S/4 with 69% of SAP customers rating it as important. 42% ranked it as a very important reason to move to S/4.

This compares with only 19% placing a high importance on the benefits of faster SAP solution. 58% of SAP customers felt that the speed improvement afforded by S/4 was not a compelling reason to migrate.

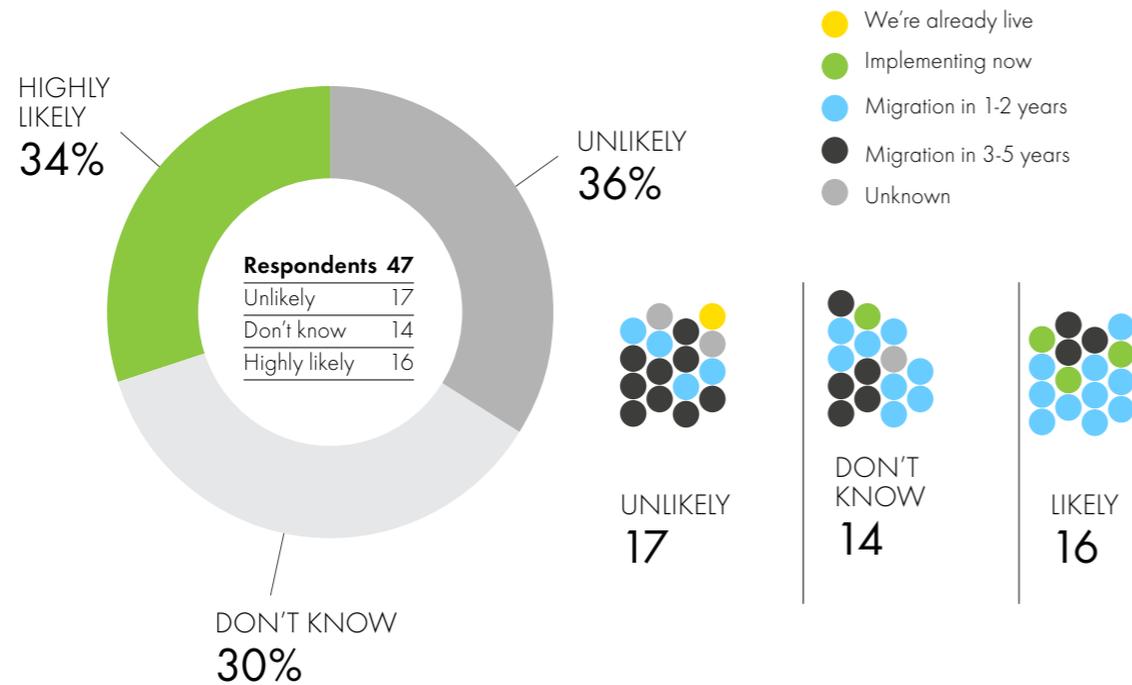
In terms of new S/4 functionality aligning with business strategy, the group was divided in a Brexit-esque proportion of 52% vs. 48%.



Respondents **48**

- + Very important
- Quite important
- Not very important
- Not at all important

What's the likelihood your CEO or CFO would sign off an S/4 business case now?



Only a third of SAP customers felt that it was highly likely that they would be able to secure sign-off for their S/4 business case from their CEO or CFO.

A third felt it was unlikely that they would be able to secure sign-off. 47% of these were those who plan to migrate in the next 3-5 years. However, around 23% of this group are those who plan to migrate in the next 1-2 years.

Equally worrying, of the third who were unsure whether they'd be able to secure business case sign-off, 57% were those planning to migrate to S/4 in the next 1-2 years.

Overall, of the two thirds who are not confident in securing sign off for their S/4 business case, 39% are planning to migrate in the next 1-2 years.

This again supports prior business case findings, implying that despite an imminent plan to migrate to S/4, securing executive sponsorship is proving difficult for SAP customers.



It is all too true that securing executive sign-off is one of the biggest challenges facing potential future S/4 projects. As a Gartner ERP analyst I lost count of how many clients told me they needed help making their S/4 business case believable for the board.

Some Systems Integrators claim you can get away with a purely technical, cost savings business case (e.g. smaller databases, fewer servers) - but I never found one customer who had achieved this in reality.

Clever companies build a business case based on strategic enablement and lose the S/4 migration costs in a broader business transformation programme.

To do this, you need to know what new functionality and benefits S/4 offers for each area of your business.



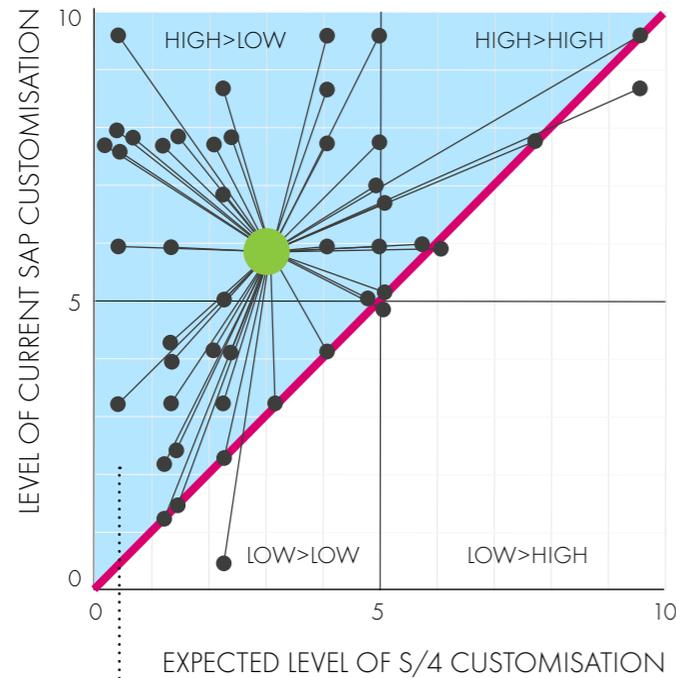
Dr Derek Prior

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Solution standardisation



How customised is your current ERP and how likely are you to strive for vanilla S/4?



32 SAP customers expect to reduce the level of customisation in S/4 compared with ECC.

Respondents **46**

Choices	Consensus
Current SAP system	5.9/10
Plans for S/4	2.9/10

- **Consensus**
- Levels of customisation will be the same (20% of SAP customers)
- Simplifiers (70% of SAP customers)

Across the 15 Success Levers in our SAP Success Report, we identified that standardising the SAP solution has by far the biggest impact on cost of ownership.

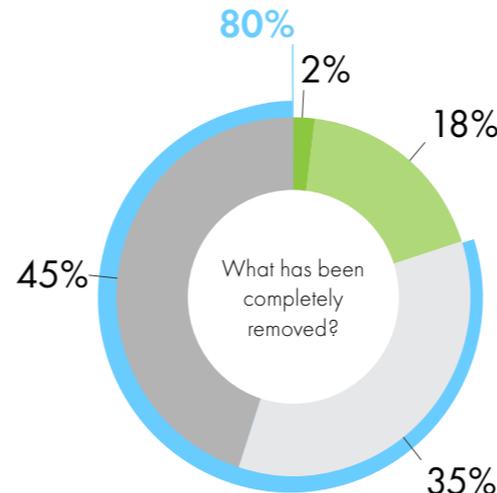
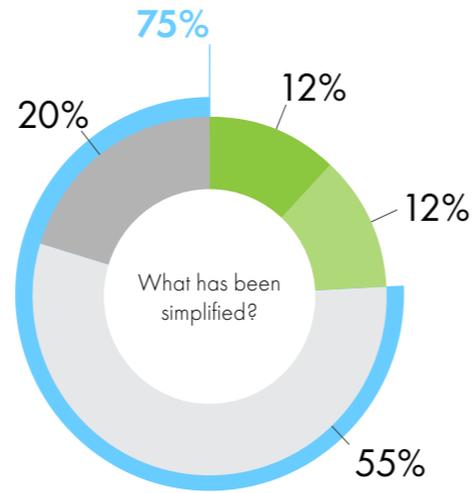
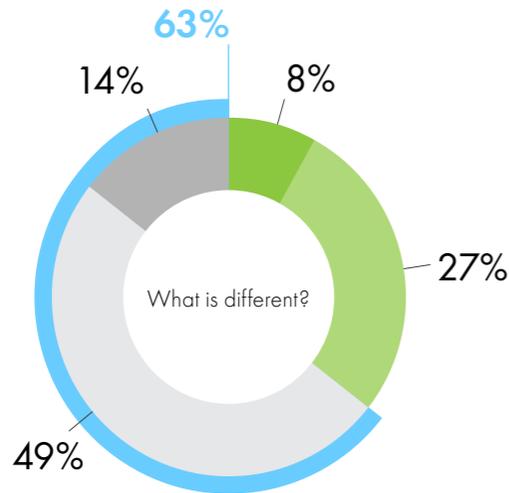
The move to S/4 then provides an opportunity to simplify SAP functionality and shift to a more vanilla solution. This strategy is also likely to reduce the migration lead time – but may require additional business change effort.

The consensus 70% (32 out of 46) of SAP customers interviewed showed a clear intention to reduce the level of customisation as part of S/4 migration projects.

25% intend to retain the same level of customisation in S/4 as ECC (12 out of 46).



When it comes to S/4 how confident are you that you understand...



SAP has spent a great deal marketing the benefits of S/4. However, the majority of SAP marketing material focuses on high level messaging around speed and simplicity. This is supported by highly technical content that explains new table structures and information to aid migration projects.

The go-to content for most SAP customers is the S/4 Simplification List - a 900-page PDF document that explains what has changed between ECC and S/4. SAP customers must digest this, and the relevant associated SAP notes, to gain a clear view of the impact of moving to S/4.

But it turns out that much of the simplicity in S/4 is under the hood - table changes and technical tweaks. It's not user-centric simplicity. Not the kind of simplicity that consumers have come to expect from technology.

Alternatively, there is the SAP Best Practices catalogue - an online database of S/4 functionality bundled into 230 individual process Scope Items - which is also a challenge to digest.

When questioned on the differences between ECC and S/4...

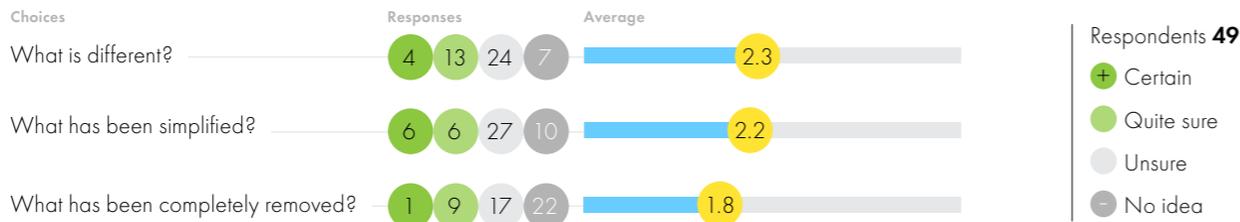
63% felt that they don't really understand what is different between ECC and S/4.

80% felt that they don't really understand which functionality has been removed in S/4.

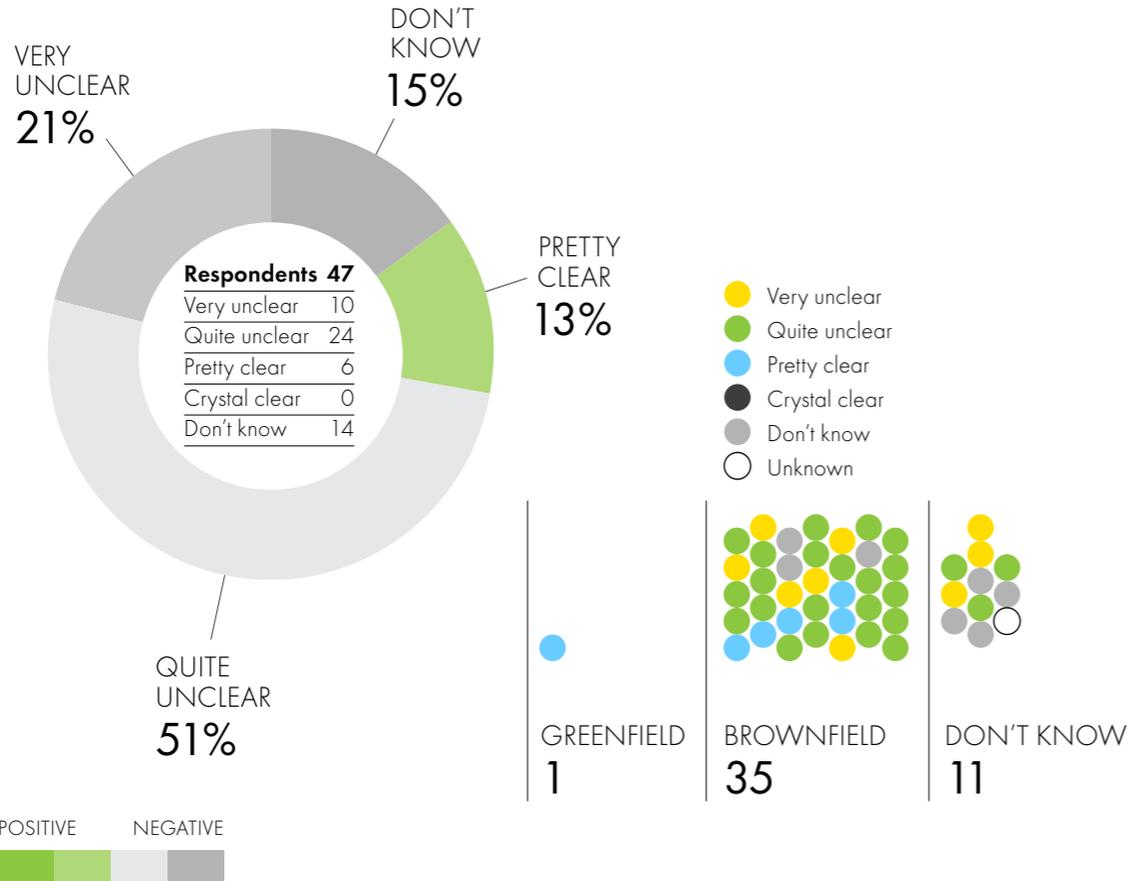
75% of SAP customers felt they don't understand what has been simplified between ECC and S/4.

Given SAP's marketing focus on simplicity, it is deeply concerning that three quarters of SAP customers don't understand why S/4 is simpler than ECC.

This further emphasises the challenges customers face in producing a compelling S/4 business case.



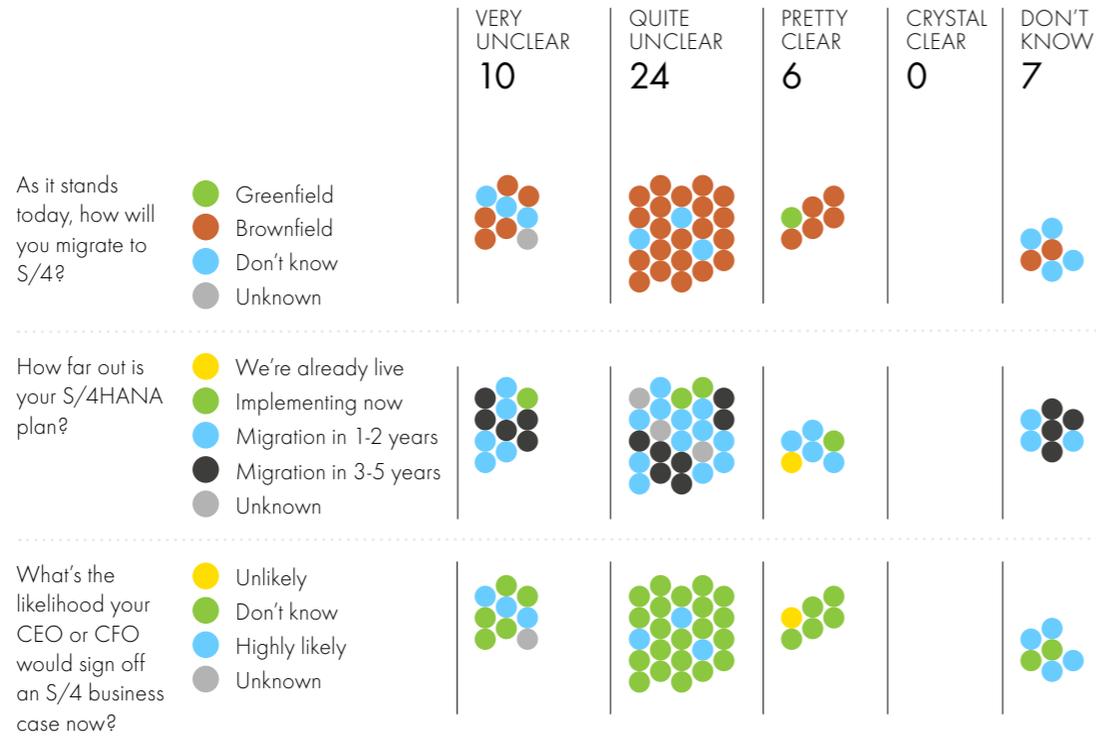
As it stands today, how clear is your S/4 blueprint?



The lack of clarity in S/4 functionality and differences between ECC and S/4 spill over into customer views on their ability to produce a blueprint for their own S/4 implementation. 87% of SAP customers felt that they are unable to produce a clear S/4 blueprint.

Nobody questioned was crystal clear on their S/4 blueprint.

As it stands today, how clear is your S/4 blueprint?



Looking back at the results for plans for migrating to S/4, of the 75% who plan a brownfield migration, 92% of this group felt they were unable to produce a clear S/4 blueprint.

This begs the question - is the thought process of brownfield an informed decision based on available functionality or simply the path of least resistance?

Are SAP companies, faced with the once-in-a-generation opportunity to simplify and re-baseline their ERP platforms, simply opting for the lowest disruption option?

Of the 13% who are clear on their S/4 blueprint - when faced with a choice of being 'crystal clear' and 'pretty clear' on their S/4 blueprint - **no customer felt they were crystal clear.**

Only one SAP customer in our group is planning on a greenfield S/4 migration (23% were unclear on brownfield vs. greenfield) - this was one of only a 13% cohort who felt that their S/4 blueprint was 'pretty clear'.



Julian Rawlinson
S/4 Architect
Resulting IT

The danger of a brownfield approach is that you may end up doing the wrong things quicker. SAP customers should avoid the easy option of viewing the move to S/4 as an upgrade project and kicking the real process improvements into the long green grass.

A good example is enterprise structure which may have been compromised previously as a workaround in the original implementation of R/3. Plenty of SAP customers have these kind of issues, which are a result of changes in the business over time or bad advice from the original SI.

Let's say you're using storage locations to represent physical areas of your plant or different stock statuses rather than a logical grouping of stock.

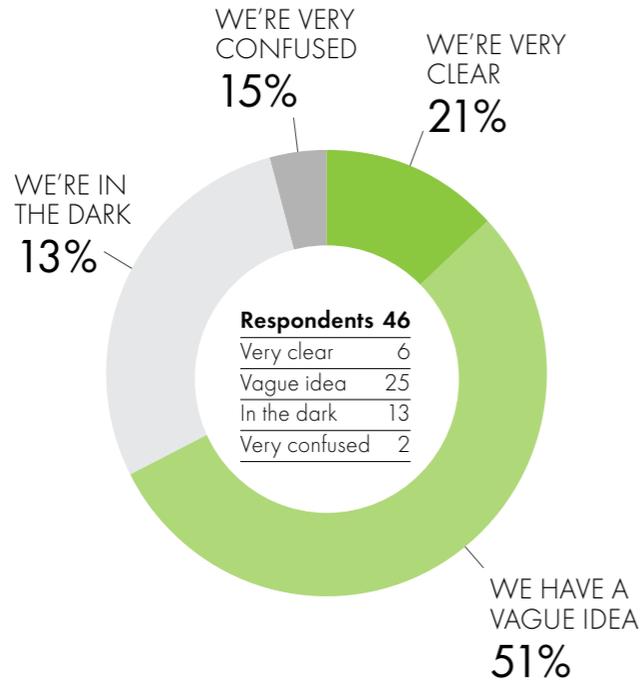
This structure may in turn have master data and reporting issues. When you bend or break the logic in one area of SAP, you generally have to pay for it with a development somewhere else.

By just migrating this Enterprise Structure and saying 'we will sort it out later' you also have to bring the associated master data and convert any custom reports you may have written to bridge the gap in logic.

You then have the double whammy of cost of conversion and preventing the use of new functionality as your Enterprise Structure is still being used incorrectly.

Greenfield migrations may be more painful up front, but result in a fresh ERP solution more aligned with your business needs.

How well do you understand your roadmap for S/4HANA?



Respondents 46

Very clear	6
Vague idea	25
In the dark	13
Very confused	2

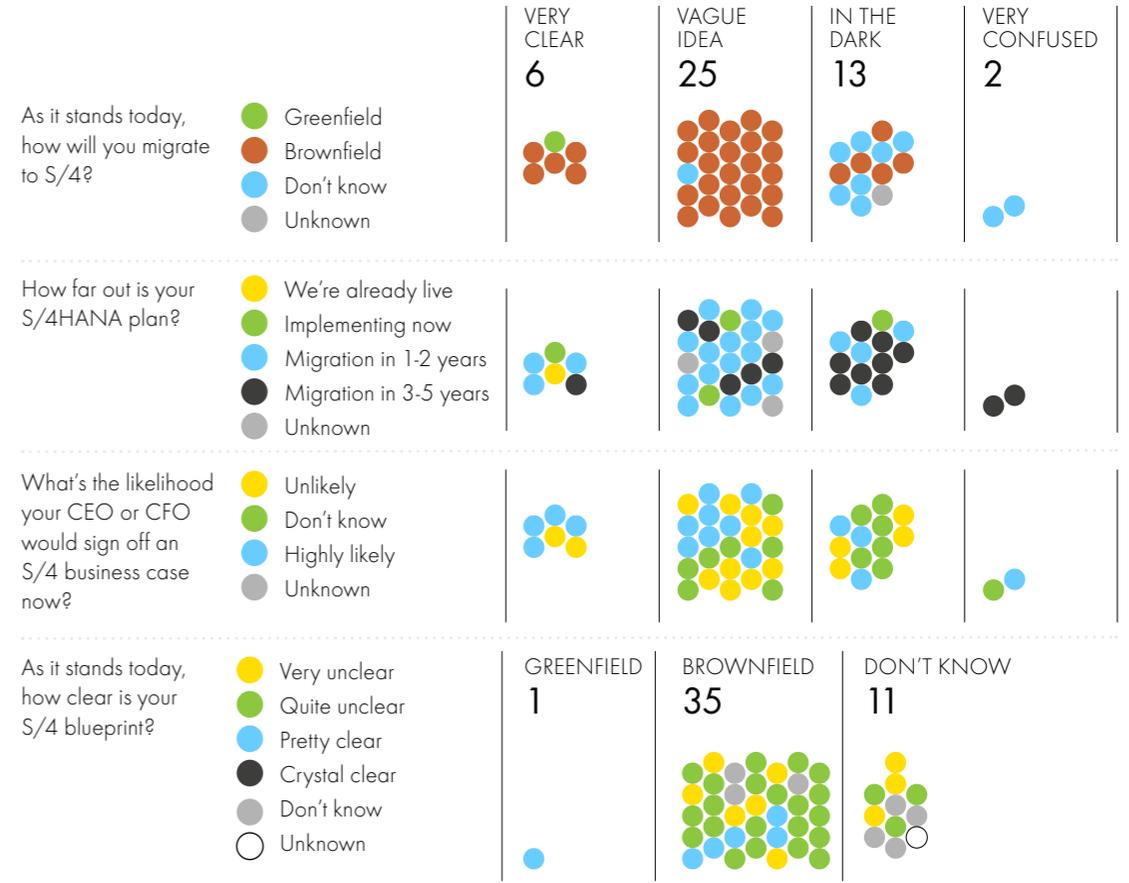


Working with a long term SAP customer recently, I was alarmed that their understanding of S/4 vs. ECC was largely based on user interface and performance. There was no real understanding of new business functionality that could underpin a business case.

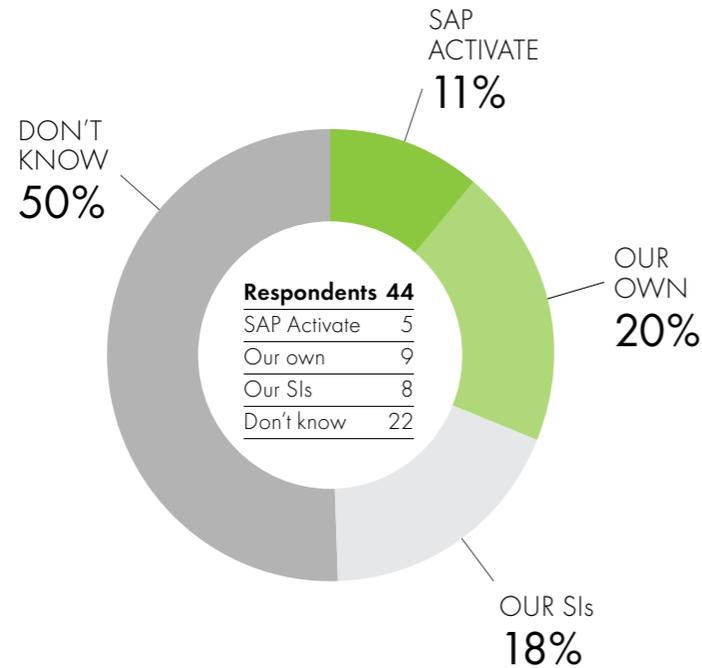
What SAP customers really need is a clear, concise view of what's better, different in S/4, and what has been removed or changed at a technical level. Armed with this, SAP customers can make an informed decision and properly plan their S/4 roadmap.



Sean Baber
Delivery Director
Resulting IT



Which methodology will you use in your S/4 transition?



The methodology used to migrate to S/4 is likely to influence project success significantly – in terms of time and budget, but crucially, in terms of business value.

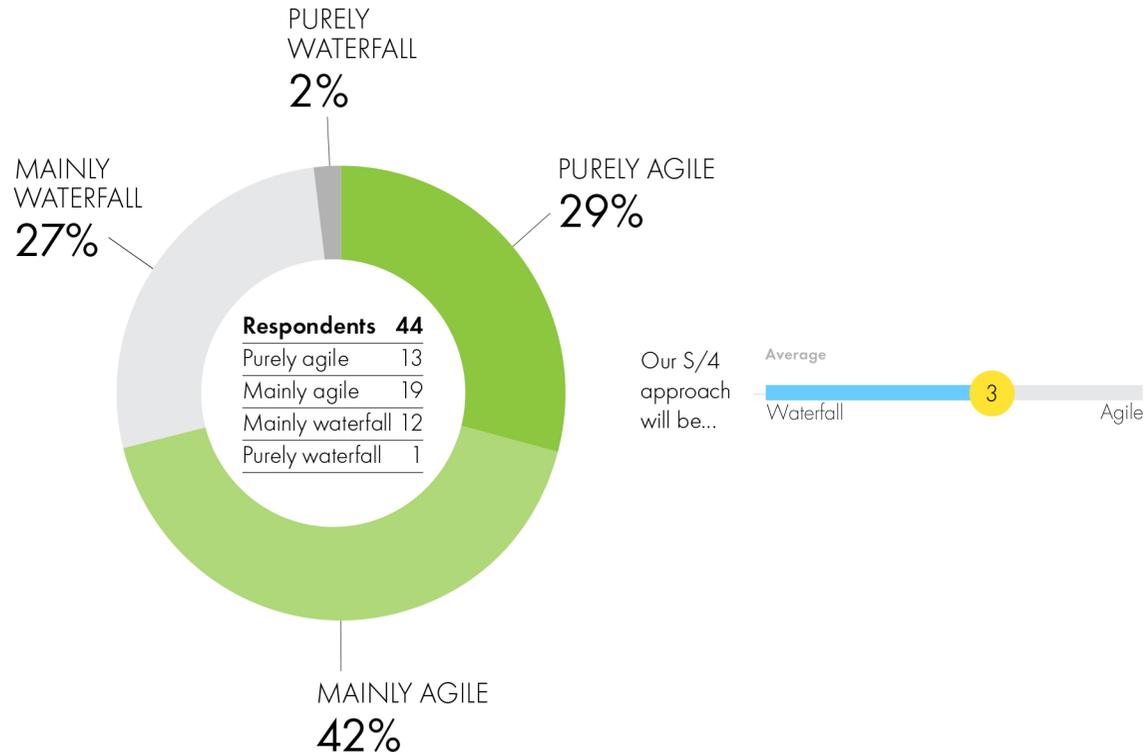
It is alarming then that 50% of SAP customers don't yet know which methodology they will use to migrate to S/4.

Only 11% of SAP customers are planning to use SAP's Activate methodology.

Despite being unclear on the specific methodology, SAP customers showed a strong preference for a more agile approach, with 71% claiming that they will use either a pure agile or mainly agile methodology.

Given the prominence of waterfall methodologies used in traditional SAP implementations and the relative immaturity of agile in the ERP space, this intent may prove difficult to apply in practice. In particular, with a vague S/4 blueprint (84% unclear), many SAP customers will be unable to define clear requirements to feed an agile methodology.

Will your S/4 methodology be...?



It's crazy that 70% of SAP customers want to be more agile but half don't know which methodology they'll use to move to S/4HANA. Systems Integrators and SAP aren't doing enough to drive pragmatic methods that offer a true alternative to waterfall.

Ultimately, the migration to S/4 is a burndown process. But, if you don't have a clear view of scope, you have no baseline for your burndown chart. Agile requires explicit scope - that's the start point for an S/4 migration.



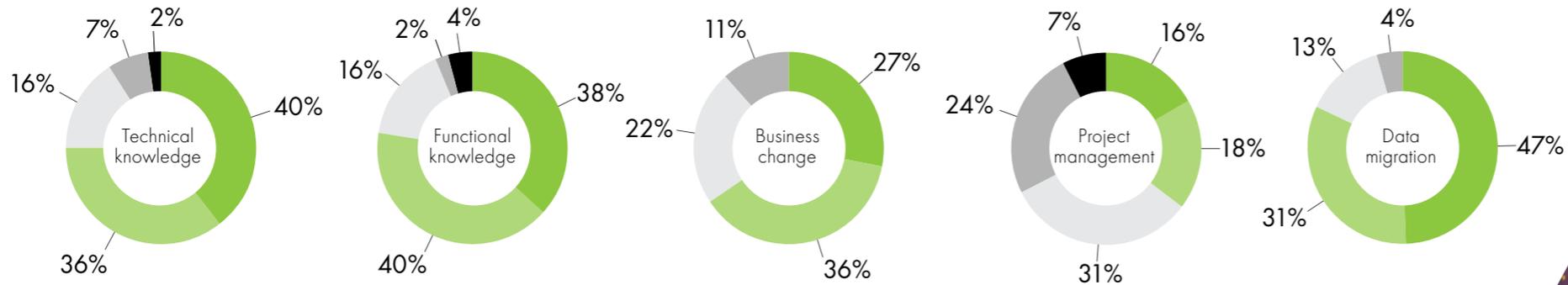
Stuart Browne
Managing Director
Resulting IT



Vendor selection



What are the most important S/4 skills?



Respondents **44**

- + Vital
- Important
- Indifferent
- Not very important
- Unimportant



What are the most important S/4 skills?

When considering the skills necessary to move to S/4, SAP customers placed the highest emphasis on data migration and technical knowledge (47% and 40% ranked these as vital respectively).

Functional knowledge of S/4 ranks highly alongside these skills with all 3 being ranked by >70% of SAP customers as vital or important.

We feel however that functional knowledge should be marked out with greater emphasis. Data migration is a one-off exercise. Technical knowledge is also transient in nature or can be outsourced as part of a platform service.

Functional knowledge is required in greater quantity and variety - to cover all functional areas of S/4 - and will be critical to the ongoing support and evolution of business processes beyond the initial migration.

Alongside S/4 functional knowledge, the skills required to manage adoption and business change also rank highly.

Both of these skills are fundamental to gaining clarity of the S/4 blueprint.

Finally, despite an overwhelming desire to move to a more agile methodology and a lack of blueprint clarity, SAP customers do not feel that project management skills are as important - with 62% feeling that this skillset is not vital or important to an S/4 project.



The SAP ecosystem is at a cross-roads. Experienced SAP consultants are a part of an ageing workforce who are fast retiring. There's a lack of local in-country skills available following two generations of offshore outsourcing. Overlay this with an increased demand for SAP skills to migrate 40,000 ECC systems to S/4 and you have the makings of a resourcing tsunami.

Functional skills are the most important overall. They can define the scope and roadmap. They can work out what different functionality can be adopted. They can drive the input required to plan business change.

SAP customers should be thinking about using the migration to S/4 as an opportunity to bolster internal functional skills and become less dependent on external partners.



Stuart Browne
Managing Director
Resulting IT

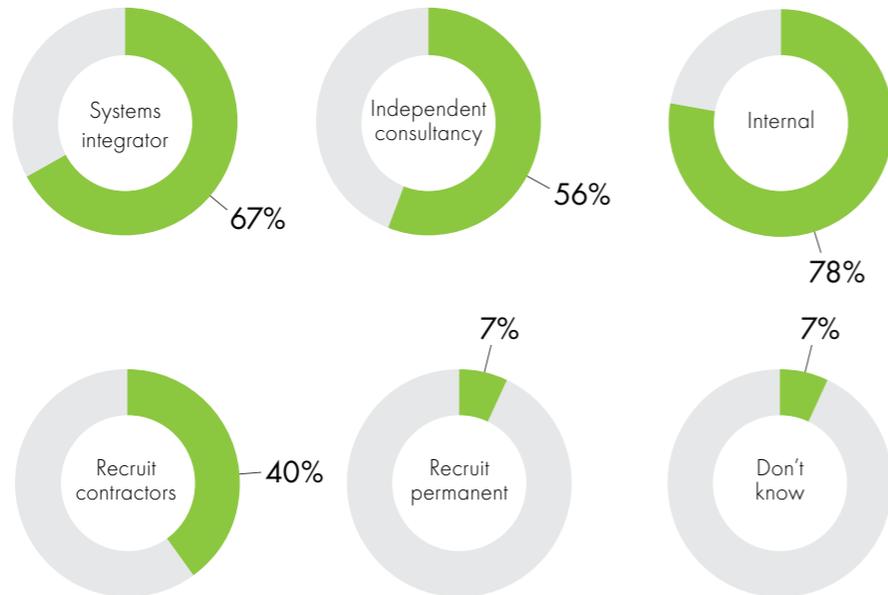


If SAP customers are opting for a brownfield S/4 migration, then maybe project management isn't so critical. Maybe they want a faster horse rather than a car...



Julian Rawlinson
S/4 Architect
Resulting IT

How will you address your S/4 skills requirement?



Respondents **45**
(respondents were
able to choose up
to 3 from 6)

Systems integrator	31
Independent consultancy	25
Internal	35

Recruit contractors	18
Recruit permanent	3
Don't know	3

We have been advocates of SAP Centres of Excellence and building customer self-sufficiency for more than 20 years. There is a strong correlation between SAP customers who place strategic emphasis on these things and delivering business value from an SAP investment. So, it was both surprising and encouraging that the majority (78%) of SAP customers intend to address their S/4 skills requirement using internal resources. This also underscores the recent trend in SAP customers reversing wholesale outsourcing of critical SAP knowledge.

A large proportion (67%) of SAP customers intend to rely on Systems Integrators, with 56% opting instead for independent consultancies who have little or no affiliation with SAP. Independent consultancies often fill a niche position (e.g. advisory, architecture, data migration, security, supply chain) so can be combined to provide a best-of-breed resourcing model. With the right delivery model and PMO in place, this can be a highly effective model.

Many systems integrators are incentivised by SAP to promote S/4HANA and often invest in joint marketing initiatives. The trend towards independent consultancies demonstrates that SAP customers are also looking for a more balanced view.

40% of SAP customers intend to use contractors. However, it is anticipated that supply and demand for S/4 skills will continue to be imbalanced for the next 7 years. This is compounded by an aging workforce of traditional SAP R/3 and ECC consultants allied to a spike in demand for new S/4 skills. As a result, contract rates are likely to rise to a premium in the run up to 2025.

The strategy of combining internal skills with independent consultancies and advisors alongside the judicious use of contractors appears to be a common strategy amongst SAP customers planning a move to S/4.



These results are encouraging. It is impressive that so many respondents have a desire to optimise use of their own internal resources. I've long held the view that SAP customers with a mature Centre of Excellence are the most likely to deliver business benefits from their SAP investment.

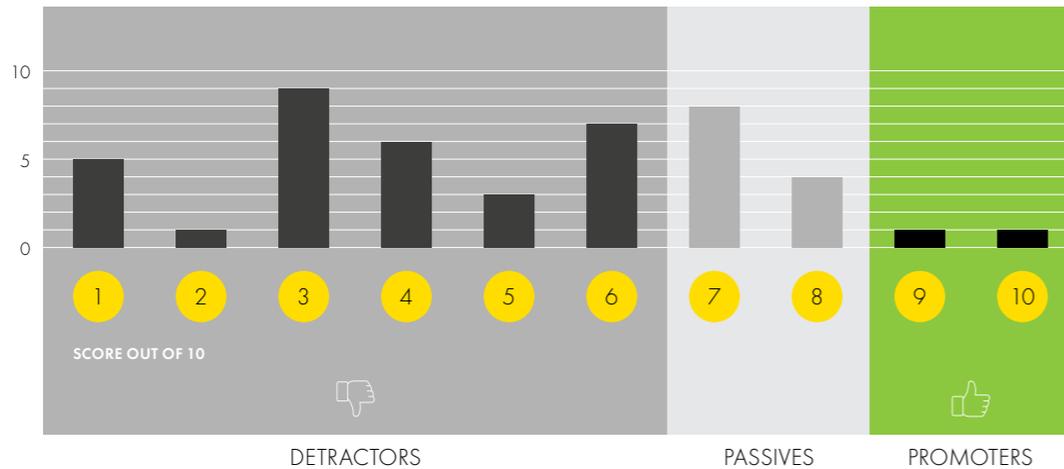
In my time at Gartner, I saw a marked increase in the number of SAP customers who were working with niche independent consultancies rather than large Systems Integrators. Their reason? Niche consultancies are more customer-centric and outcome oriented. These results support that shift in sourcing.



Dr Derek Prior

Former Gartner
Research Director,
Non-Executive
Director Resulting IT

How confident are you that the SAP ecosystem can deliver S/4 skills?



Respondents **45**



NPS = % PROMOTERS - % DETRACTORS

To calculate your Net Promoter Score, deduct the percentage of Detractors from the percentage of Promoters. It is that simple. So, if 50% of respondents were Promoters and 10% were Detractors, your Net Promoter is a score of 40.

NPS scores range from -100 to +100.

A positive NPS above 0 is considered "good"

+50 is "excellent"

Above 70 is considered "world class."

Net promoter score

Detractors	31	68,8%
Passives	12	26.6%
Promoters	2	4.4%
NPS		-64.4



SAP customers are not hugely confident that the SAP ecosystem can deliver the skills required to support a mass migration to S/4.

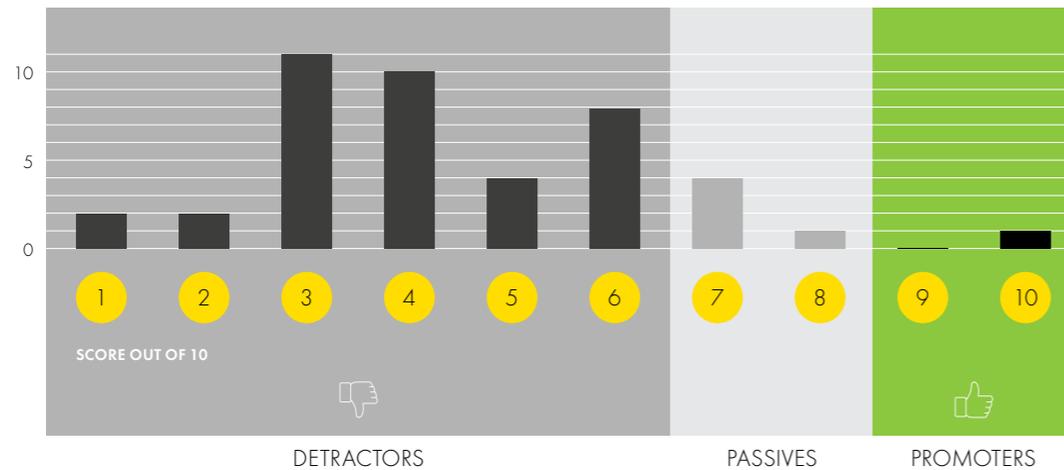
When asked to rank the SAP ecosystem from 1-10 (1 being zero confidence and 10 being complete confidence), the average score was 4.9.

However, if we were to apply an NPS score to these results (SAP just bought Qualtrics - an NPS company - for \$8 Bn so why not?), the score would be an astonishing **-64 on a scale of -100 to 100**.

Whichever way we interpret the results on this question - at best there's 50% confidence that the SAP ecosystem can provide the necessary skills required.

Given that the UK is a relatively mature SAP marketplace, global confidence is likely to be lower still.

How confident are you that SIs will improve S/4 delivery compared to R/3 and ECC?



Respondents **45**



Confidence in Systems Integrators shows a similar trend. When asked for a level of confidence in SIs in their ability to improve delivery of S/4 projects over traditional R/3 and ECC projects using the same scale, the average score was 4.4 out of 10.

NPS would be -84.

Not great reading.



Net promoter score

Detractors	39	86.6%
Passives	5	11%
Promoters	1	2.2%
NPS		-84

To calculate your Net Promoter Score, deduct the percentage of Detractors from the percentage of Promoters. It is that simple. So, if 50% of respondents were Promoters and 10% were Detractors, your Net Promoter is a score of 40.



In the real world, consumer review websites like TripAdvisor and Trustpilot have revolutionised the way customers express their level of satisfaction. ebay and Amazon have had star-ratings and reviews for over a decade.

But in the consulting world we don't have the same visceral real-time feedback.

Whilst there's a tongue-in-cheek element in the way we've applied NPS to this research, there's a serious point here too - SAP customers have lost confidence in large Systems Integrators.

They're often applying two-decade-old practices to SAP projects when the real world has moved on significantly.

There are plenty of examples where SAP projects have gone badly wrong. Our SAP Success Report revealed that 50% of implementations don't achieve their business objectives.

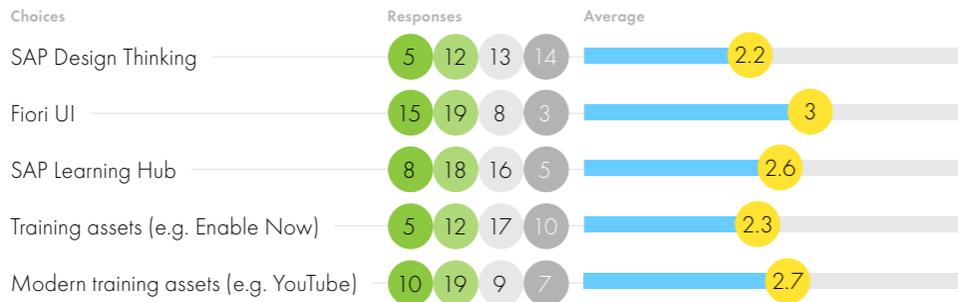
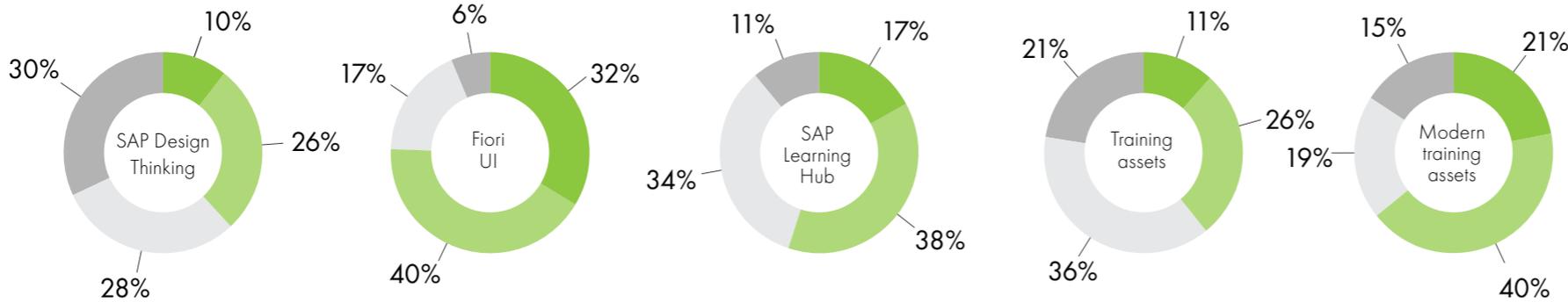
With S/4, SAP customers are going to be more sceptical and they'll expect the SAP ecosystem to have learned from past mistakes. Time will tell if it has.



Stuart Browne

Managing Director
Resulting IT

Rate these tools in order of their usefulness in improving user-adoption of S/4



Respondents **47**

- Very useful
- Quite useful
- Not very useful
- Not useful

SAP has promoted a range of solutions and services alongside the marketing of S/4HANA which purport to improve user adoption.

Among these, Design Thinking promises to deliver better solutions by putting customer empathy at the forefront of solution design. 58% of SAP customers felt that Design Thinking was of no use to improving user adoption of S/4.

72% felt that the Fiori UI within S/4 will prove useful in driving adoption, with a third expecting Fiori to prove very useful. However, the Fiori UI is not dependent on S/4HANA - SAP customers who use ECC 6.0 (with NetWeaver Gateway 7.3) can also use elements of the Fiori UI and are able to build their own apps.

But, Netweaver is slower and the true value of Fiori lies in new apps that have been designed with the user in mind, rather than a rehash of existing SAP screens. But working out what is new in S/4 is another matter.

Just over half of SAP customers felt that the SAP Learning Hub will prove useful to improving S/4 adoption. Conversely, just under half did not - 45% felt that Learning Hub would be of no use.

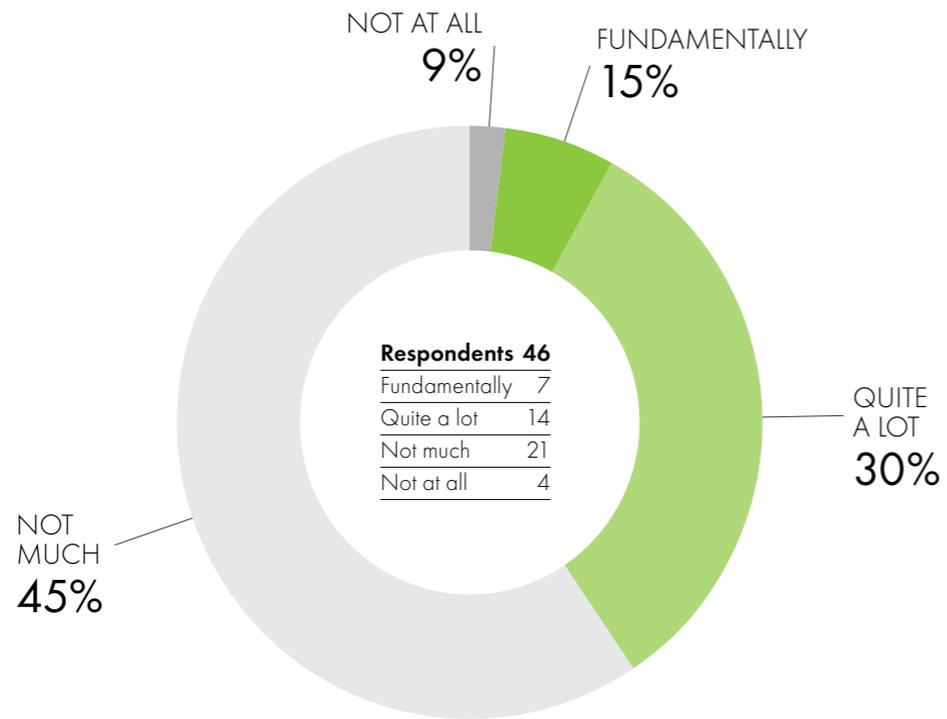
Only 37% of SAP customers felt that traditional training assets such as Enable Now would be useful in driving adoption, with a much larger majority (61%) favouring more modern training assets such as YouTube style video content.

In a world where consumer technology adoption is underpinned by user-generated content, social videos and quick, snack-able content with a reduced emphasis on production values, it appears that SAP customers are anticipating this material to permeate the enterprise software space too.

Adoption focus



To what extent do you believe your transition to S/4 will transform user adoption?



Respondents 46

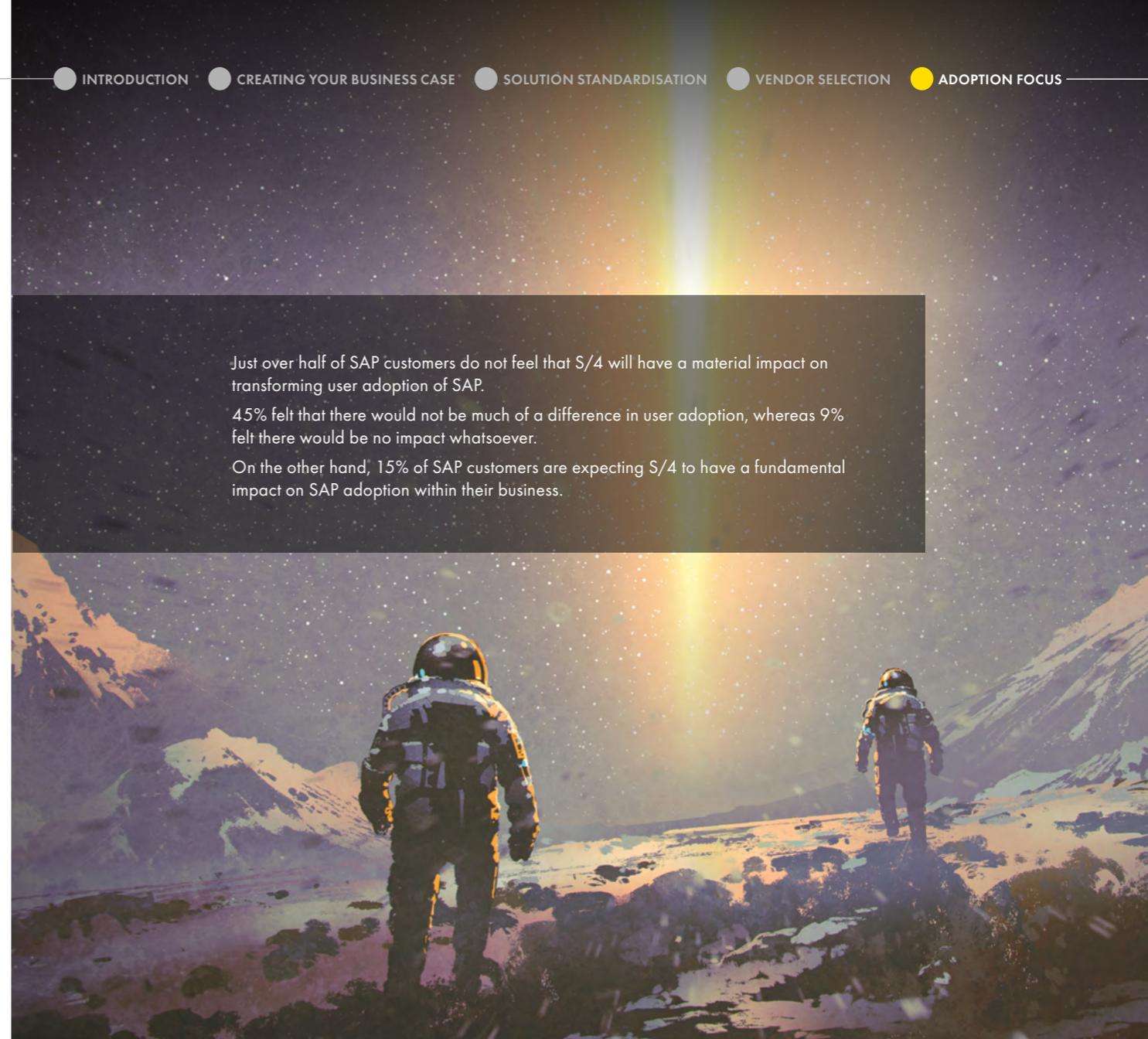
Fundamentally	7
Quite a lot	14
Not much	21
Not at all	4



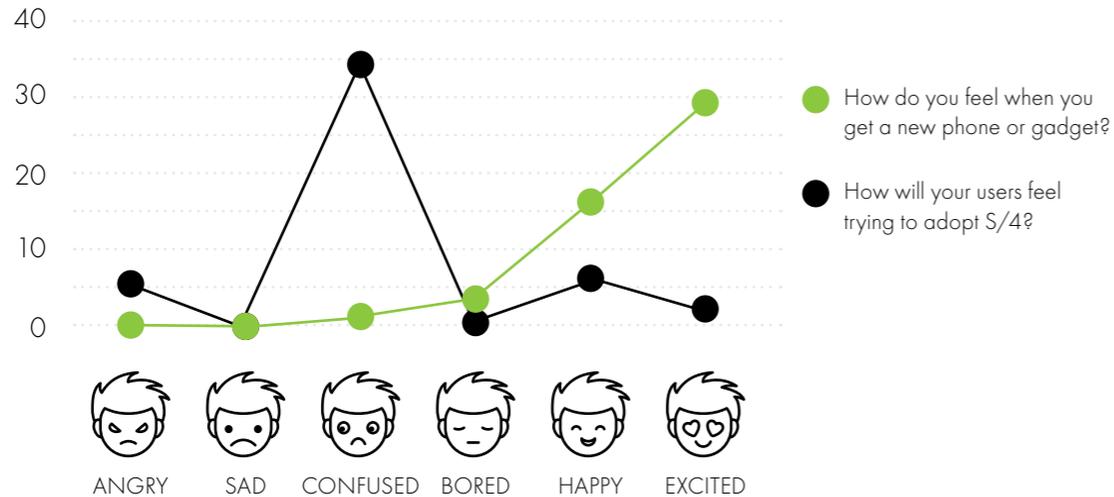
S/4 will transform user adoption



Just over half of SAP customers do not feel that S/4 will have a material impact on transforming user adoption of SAP. 45% felt that there would not be much of a difference in user adoption, whereas 9% felt there would be no impact whatsoever. On the other hand, 15% of SAP customers are expecting S/4 to have a fundamental impact on SAP adoption within their business.



How will your users feel trying to adopt S/4?



72% of SAP customers, when given a range of choices expect their users will feel confused when trying to adopt S/4. They expected a further 10% would feel angry.

To emphasise the chasm between the adoption of modern enterprise technology and modern consumer technology, we asked our group of SAP customers the same question relating to a new gadget.



SAP customers have lived with a pretty antiquated UI for decades. Show millennials an SAP transaction and watch the bemusement on their faces. If you've grown up with iPhones, Facebook and Snapchat, SAP looks like something from another planet.

Although SAP has rightly sought to address this with Fiori, these results don't seem to show a great deal of confidence that S/4 is going to move the needle in terms of adoption and usability.

If a better UI is part of your business case, you should probably test the new Fiori apps with business people, well before letting them loose in the wild with real business users.



Sean Baber

Delivery Director
Resulting IT

Takeaways if you're thinking of migrating to S/4

To create your S/4 business case you need to understand what's different in S/4 so that you can build a business-driven business case rather than a technical upgrade cost justification.

If you're looking at a brownfield migration, don't simply lift and shift all of your old complexity and process workarounds. Find a way to improve processes and adopt new functionality as part of the migration - whether that's a big bang or gradual transition.

The skills to migrate to S/4 and ensure the new solution lands are largely functional. Data migration and technical skills are also important, but functional knowledge of SAP and the differences in S/4 is critical.

To build a clear roadmap for your S/4 solution you need to understand what your current ECC solution does and then compare this with what's new, different or deleted in S/4. If you can't produce a clear roadmap, you can't plan your migration with confidence.

If you want to be more agile, you need to define a clear baseline scope. This way, you can plan a burndown or kanban type approach to the migration.

Get new functionality and Fiori apps in front of business users early to iron out adoption challenges and improve change management.

If you do one thing as a result of this research...

Define your current ECC scope in a way that allows you to map what's different in S/4 for your business case, roadmap and migration plan.

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