

SAP S/4HANA Services 2020 RadarView™

Laying a foundation for digital
transformation

June 2020

Table of Contents

About the Report (page 3)

Executive Summary (pages 4-8)

- Defining SAP S/4HANA
- Key enterprise S/4HANA trends shaping the market
- Recommendations for enterprises
- RadarView assessment

Lay of the Land (pages 9-28)

- Growth in S/4HANA adoption and changing trends
- Adoption by industries and size of the enterprise
- Greenfield vs. brownfield approach
- Cloud acceleration programs and implementations
- Standardization enabled by automation and industry templates
- Focus of S/4HANA investments made by service providers
- Building a business case and overall strategy for S/4HANA
- Implementation approach for a complex S/4HANA initiative
- Recommendations for enterprises and providers

RadarView Overview (pages 29-31)

- Assessment dimensions
- Research methodology and coverage

SAP S/4HANA Services RadarView 2020 (pages 32-34)

- Reading the RadarView
- RadarView assessment

Service Provider Profiles (pages 35-71)

- Service providers covered – Accenture, Atos, Capgemini, Cognizant, Delaware, Deloitte, DXC, HCL, IBM, Infosys, LSI Consulting, LTI, NTT DATA, TCS, Tech Mahindra, UST Global, Wipro, and Zensar.





Executive Summary

Recommendations for enterprises

View S/4HANA as a pillar for fundamental transformation and not just for quick-hit enhancements

- S/4HANA for immediate enhancements may deliver quick ROI and cost benefits; however, it will not be the best approach to redefine processes and improve the user experience.
- Focus on building an intelligent and connected enterprise for business continuity and digital transformation.

Start S/4HANA implementations early and leverage SAP best practices and resources

- S/4HANA-enabled transformation is a lengthy and complex process and by starting early enterprises can innovate faster and save cost and time by securing the best resources and deployment options.
- Build your S/4HANA journey on SAP best practices and leverage SAP expertise/resources to support technical aspects of S/4HANA implementations.

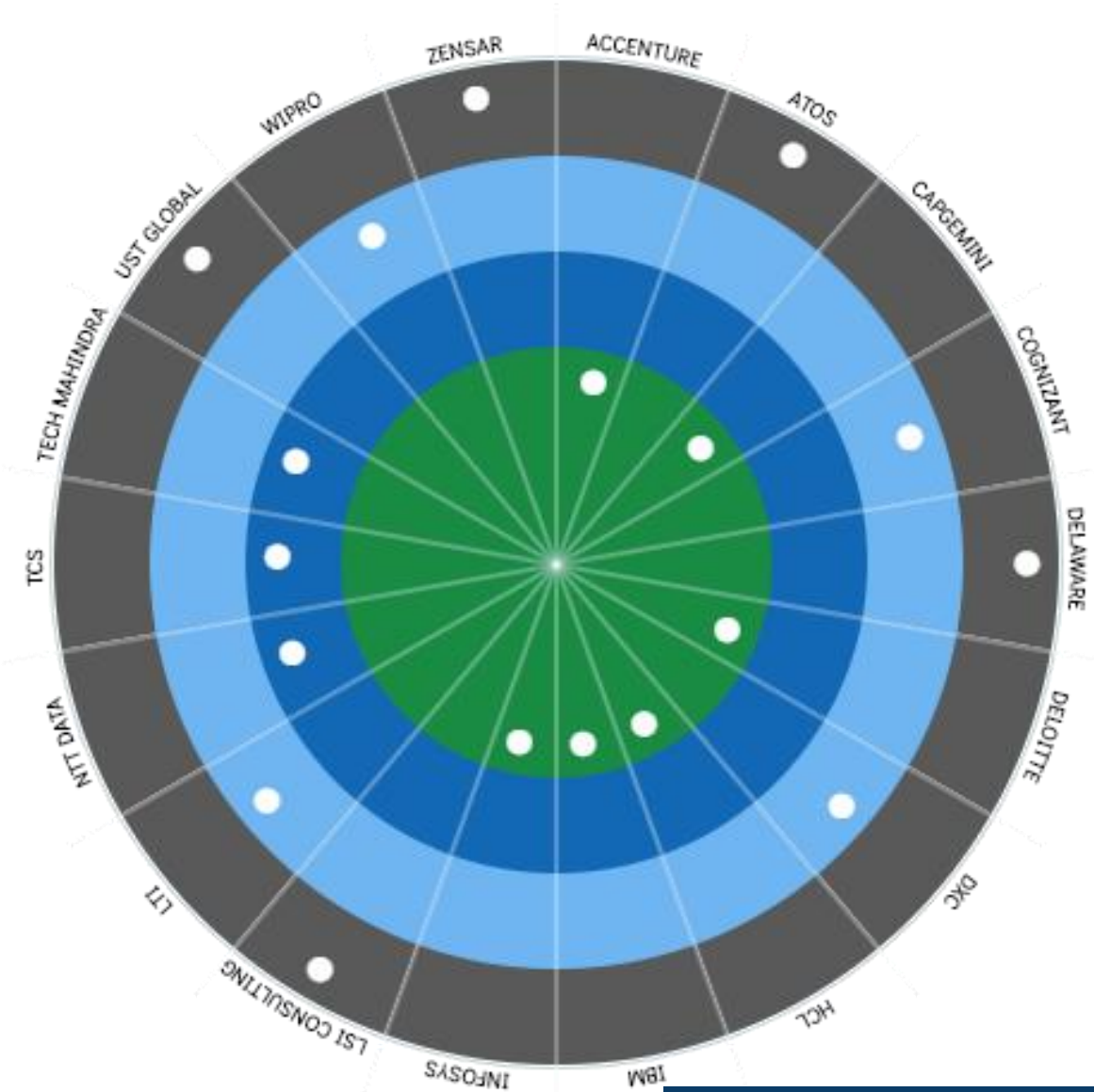
Prepare for a robust change management program to tackle inefficiencies

- Enterprises should include S/4HANA change management activities early in the implementation, as a few days of training before go-live is not enough.
- Establish a change enablement team at the start of the S/4HANA project to develop a change management program aimed at role-specific changes, process changes, system and process optimization, and day-in-life scenarios.

Use SAP partners across the entire S/4HANA implementation cycle

- Bring in the expertise of implementation partners, starting with the strategy discussion to implementation. Build a business case and a road map by identifying the impact of S/4HANA on business processes, using impact-assessment tools.
- Choose an implementation partner that leverages automation for repetitive tasks, allowing it to focus on customization and innovation.

Avasant recognizes 18 top-tier providers supporting the enterprise adoption of SAP S/4HANA



LEADERS

Accenture	Capgemini
Deloitte	HCL
IBM	Infosys

INNOVATORS

NTT DATA	TCS
Tech Mahindra	

DISRUPTORS

Cognizant	DXC
LTI	Wipro

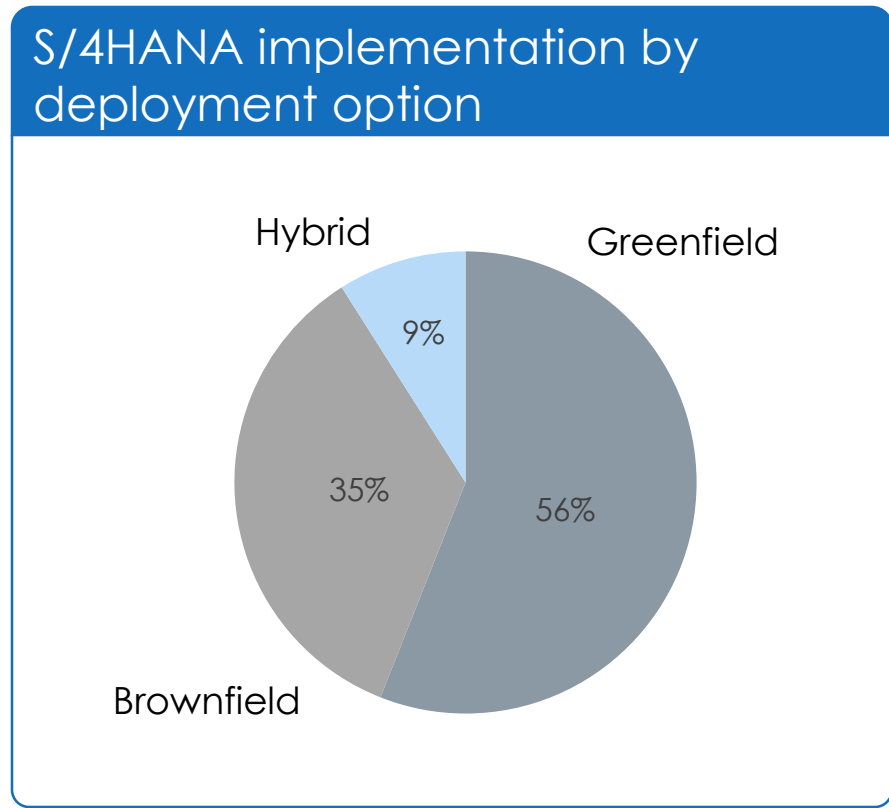
CHALLENGERS

Atos	Delaware
LSI Consulting	UST Global
Zensar	

Enterprises are considering S/4HANA to drive business model reimagination not just marginal system improvements



Enterprises should assess their IT landscape in terms of their business models, best practices, custom programs, appetite for risk, transformation goals, and IT budgets against the available deployment options



Deployment Option	Approach	Suitability	Implications
Greenfield	Business process re-engineering and simplification to enable rapid innovation	Ideal for enterprises who want to redesign their operating systems, applications, and data to run operations in a simplified and low-code environment	Lowers time-to-value and TCO and increases ROI in the long run
Brownfield	Technical upgrade to S/4HANA	Ideal for enterprises who want to continue their existing processes and customizations. Primarily for those that have completed an SAP implementation in last few years and further want to leverage the S/4HANA platform	Faster time-to-market, lower disruption, and more cost-effective

Note: The % split is based on implementations being executed by participating service providers
 Source: Avasant Research; Avasant SAP S/4HANA Services RadarView Survey, February 2020 – March 2020

Very large enterprises are at the forefront of S/4HANA adoption

S/4HANA adoption based on enterprise size (Revenue)

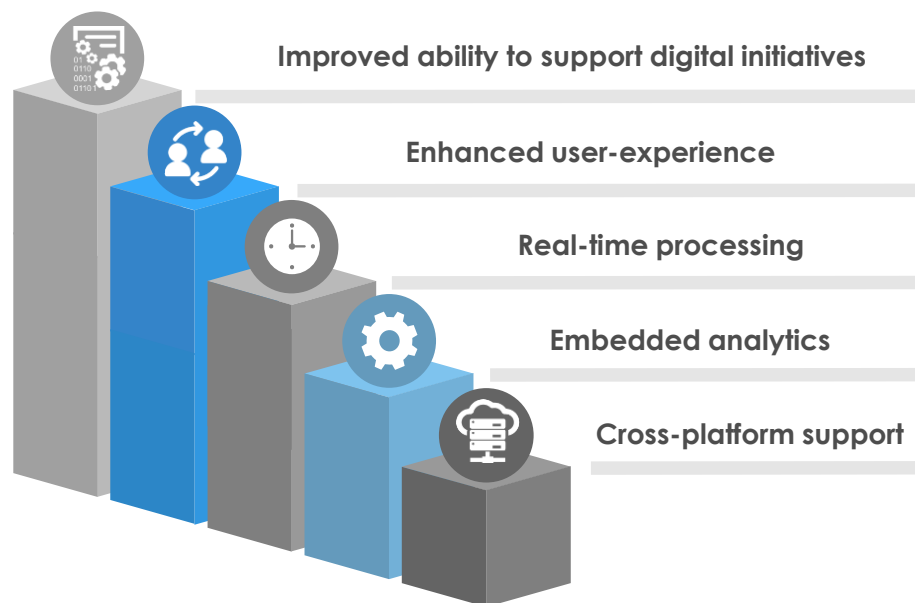


- Most large enterprises are rebuilding their ERP landscapes from the ground up as the technical innovations offered by S/4HANA gives them an opportunity to future-proof their businesses for the digital age.
- Medium and small organizations usually prefer a cost-optimized and lower risk approach. They tend to leave their IT landscape intact but adopt the new enhancements offered by S/4HANA to upgrade their systems for SAP compliance and process improvement.

Note: Small: < USD 50M; Mid: USD 50M – USD 500M; Large: USD 500M – USD 1B; Very Large: > USD 1B revenue
 Source: Avasant Research; Avasant SAP S/4HANA Services RadarView Survey, February 2020 – March 2020

S/4HANA is a key SAP initiative to lay the foundation for business transformation

Key criteria for S/4HANA implementation (in the order of enterprise preference)



Examples of integrated digital scenarios offered by service providers to support full-scale digital transformation on S/4HANA

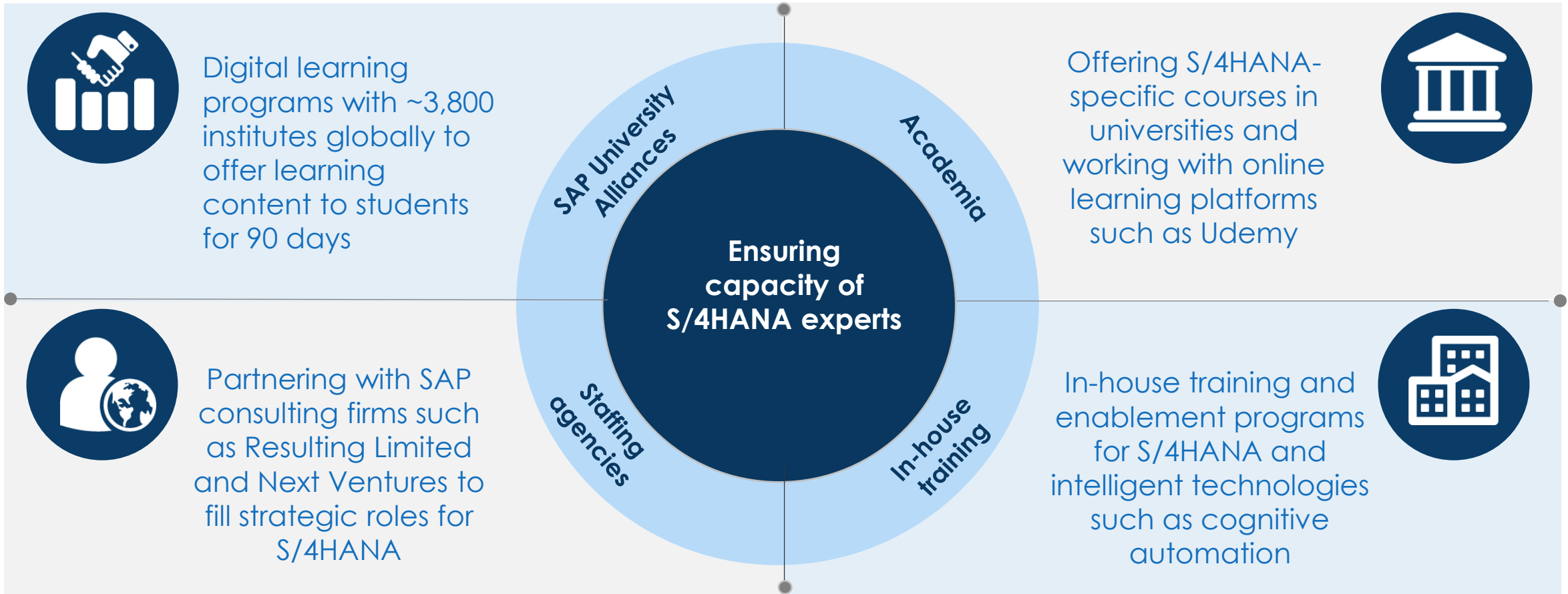
Manufacturing	
<ul style="list-style-type: none"> Intelligent contract management AI-based invoice processing Shop floor automation Intelligent shipping Predictive inventory planning 	<ul style="list-style-type: none"> Demand-driven material resource planning (MRP) Tax efficient supply chain Warehouse planner Smart asset maintenance
Retail and CPG	
<ul style="list-style-type: none"> Planogram compliance Demand sensing Mobile warehouse management Predictive returns management Talk-to-order 	<ul style="list-style-type: none"> On time delivery prediction Track and trace Smart farm-to-fork supply chain Predictive procurement Cold chain quality assurance
Utilities and Resources	
<ul style="list-style-type: none"> Connected asset Dynamic pricing Smart meter Energy demand optimization Product cost predictions 	<ul style="list-style-type: none"> Worker safety and compliance Yard management Machine health monitoring Blockchain-based green energy tracking
Healthcare	
<ul style="list-style-type: none"> MRP shelf-life planning Sampling based advanced track and trace for pharmaceutical (ATTP) ML-based product testing Intelligent recipe management 	<ul style="list-style-type: none"> Drug Enforcement Administration (DEA) compliance Suspicious order management Smart medicine assistant Blockchain-base product recall

Note: This is not an exhaustive list of digital scenarios

Sources: Avasant Research, Avasant SAP S/4HANA Services RadarView Survey, February 2020 – March 2020

Certified resources for S/4HANA implementations will become increasingly scarce as the deadline approaches

Initiatives have been taken by SAP and service providers to balance resource supply and demand as implementations gain momentum

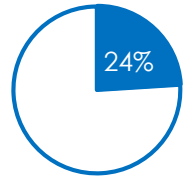


Source: Avasant Research; Avasant SAP S/4HANA Services RadarView Survey, February 2020 – March 2020

Service providers are making notable investments to support enterprises in their S/4HANA journey

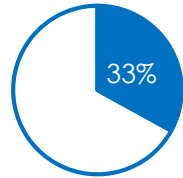


Investment budget for next 12 months (%)



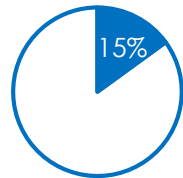
Asset Development

- New offerings, IP, and patents
- Solution accelerators and industry-specific assets development, prototypes



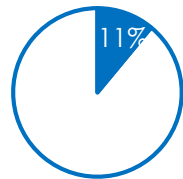
Human capital development

- Certifications and trainings
- Creative hiring and upskilling of resources
- Online training



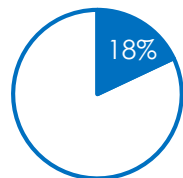
GTM enablement

- New channels development
- New product roadmap and marketing initiatives
- Geographic expansion



Leveraging ecosystem

- Increasing partner collaboration
- Crowdsourcing, hackathons
- CoEs and joint labs



Inorganic expansion

- Acquisitions
- Strategic investments

Key investments undertaken by service providers in 2020

 Developed a new utility solution on S/4HANA Cloud called SAP Cloud for Utilities	 Integrated SAP Enable Now Cloud solution as part of its change management services	 Launched IBM Rapid Move for SAP S/4HANA to reduce the migration time by up to 50%
 Collaborating with SAP to offer S/4HANA-specific courses in its network of 61 universities	 Enabled over 10,000 SAP consultants through its Infosys S/4HANA Enablement Program	 Partnering with SAP consulting companies such as Resulting Limited to fill strategic roles for S/4
 Expanding its global network of 35 SAP delivery centers for business consulting capabilities	 Expanding its global reach and capabilities for S/4HANA by acquiring SAP partners	 Expanding in mid-sized segment with SAP for pharma and medical devices segment
 Launched a cloud acceleration program for SAP called 'Quick Cloud Start' program on GCP	 Conducts co-innovation competitions with SAP across universities in the US	 Partnering with various startups for innovative solutions enabled by digital technologies
 Acquired Blueleader to enhance SAP customer experience and S/4HANA skills in Australia	 Scouting for acquisitions to accelerate S/4 global delivery capability and headcount	 Announced a JV with Audi to offer technology and consulting services for S/4HANA and cloud

Source: Avasant SAP S/4HANA Services RadarView Survey, February 2020 – March 2020

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