Transformations from the Digital Assembly Line

Whether it's business or IT transformation – they are on every company's agenda. In most cases, these projects are completed individually, one by one. Yet an industrialized approach also makes sense for transformations.

By Oliver Schwede, General Manager Central Europe at SNP

hanks to the factory approach based on SNP's standard software, SAP user companies can implement transformations from the digital assembly line. Many companies are facing enormous challenges: A number of industries, such as the automotive and energy sectors, need to adapt their business models to a completely new technological environment, and there are also rapid developments in e-commerce and supply chains in the retail industry. Likewise, the pharmaceutical industry is facing new challenges and opportunities as a result of the pandemic, while the public sector is confronted with an evergrowing investment backlog in the area of digitalization - a development that became more visible than ever during the coronavirus pandemic, especially in schools and universities. These are just a few examples that show how we, both as a society and in the economy, are in the midst of an upheaval that is massively impacting the way we work and live and will leave no one untouched.

How are companies adapting to this situation? Some are repositioning themselves partly or even completely and reorganizing their corporate structures. Others are increasing their merger and acquisition activities in order to sell off business areas or seize new opportunities and enter new markets. Yet other companies are focusing on consolidating their own convoluted IT landscapes and using new services to manage their own IT applications in the cloud. Here, companies that rely on SAP for their core processes also have to implement their transformation to S/4 at the same time.

All these activities have one thing in common: Business and IT transformations mean that SAP systems have to be split, merged, moved to the cloud or migrated to SAP S/4, and often involve a combination of these. And as a result, the data in SAP systems also needs to be restructured, migrated, reassembled and archived. Transformation is not possible without the right data in the right place.

Sustainable Infrastructure

It is very rare for planned digitalization to result in just a single project. Usually, IT departments have to introduce many changes to their IT and SAP system landscape and set up projects for this purpose. These projects are traditionally well planned and then implemented. Depending on the project, SAP user companies then look for suitable partners and carry out the projects more or less independently of one another by using individual tools. This results in long-term, recurring and sometimes very costly projects that do not create synergies through standards and learning effects.

Companies that have understood this are now taking a different approach to meeting the perpetual transformation challenges within IT: They are setting up their own transformation factories. These factories create a sustainable infrastructure for solving transformation tasks, which essentially has three goals: shorten transformation projects, minimize risks and scale resources. Which components does such a factory consist of? The transformation factory consists of three layers: an intelligent software platform, industrialized services, and standardized me-

thodologies and governance.

Standardized methodology and governance

Industrialized services

Intelligent software platform

CrystalBridge, a flexible self-learning data transformation platform, forms the basis for the factory and ensures a high degree of automation through prepackaged content. CrystalBridge makes it possible to combine several transformation projects in a single go-live, therefore reducing project durations, downtimes, test phases and the resulting overall costs.

CrystalBridge®

CrystalBridge, a flexible self-learning data transformation platform, forms the basis for the factory and ensures a high degree of automation through prepackaged content. The software supports decisionmaking and planning during the analysis phase of transformation projects by providing an "X-ray image" of the characteristics and usage of the affected SAP systems.

The results achieved in this phase can then be seamlessly applied in order to carry out the project, while the software ensures that the right data is transferred to the right target environment. Topics such as business disruption are relevant here, so it is important to minimize the system downtime during the go-live.

Building on this, CrystalBridge allows users to migrate data selectively, archive historical data, and make informed decisions about which historical data only requires limited access and which is still relevant for processing. CrystalBridge makes it possible to combine several transformation projects in a single go-live, therefore reducing project durations, downtimes, test phases and the resulting overall costs.

The Service Layer

The second layer of the factory consists of the service layer, which brings together the required experts to execute the transformations. This is where professional experts come together with technicians to provide on-site support with scalability through nearshore and offshore resources and act as "fire fighters" to assist in critical project situations.

Many companies are particularly interested in bringing their own employees into the factory. This has several advantages: First, it significantly improves the business case of a transformation, because fewer services have to be outsourced. Secondly, the company develops its own expertise and takes its employees along on its journey. And thirdly, this enables better control over purchased services from external partners. In the factory's "production lines," individual projects such as the transformation of a system to SAP S/4 or the carveout of a business unit are implemented with the maximum possible degree of standardization.

Of course, combinations are also possible – for example, consolidating the SAP system landscape while migrating to S/4 or carving out a system with a target environment in the cloud. Even in more complex projects, it is possible to significantly accelerate the individual project phases by industrializing the processes and to reduce risks through well-coordinated teams and procedures. In addition, the combination of the software platform and the corresponding expertise provides the flexibility to adapt to individual project requirements.

It is an individual decision as to which "production lines" are implemented for a particular user. Depending on requirements, for example, a factory can initially be set up to migrate to S/4 and move SAP systems to the cloud. At a later stage, the factory can then be expanded with additional production lines for mergers and acquisitions or other activities based on the implemented methodology and existing capabilities.

Standards and Governance

Standardized methodologies and governance form the third layer of the factory. They make sure that a consistent project methodology is used. Standardized reporting and reporting systems ensure that everyone involved has access to the necessary information, such as project progress or troubleshooting.

Here, CrystalBridge provides support with Mission Control, a guided procedure that reliably leads the user through all the steps of a transformation project and uses quality gates to guarantee that activities are not overlooked. Mission Control, e-learnings, certified training courses and corresponding co-delivery models guarantee smooth onboarding for our employees and external partners. Other practices include accelerated rollout sequences by running projects in parallel, as well as flexible project scenarios for go-live dates, big bangs and wave-based approaches.



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A Holistic Concept

In summary, the factory accelerates business and IT transformations with three layers: the CrystalBridge platform, expertise from thousands of transformation projects and a consistent approach. The factory also provides customers with a high degree of certainty by ensuring that they can meet their transformation needs with the required quality. This way, companies receive a sustainable infrastructure for a "transformation from the digital assembly line" involving their own employees and the individual partner ecosystem. Companies that are currently setting up a factory are planning to significantly reduce the duration and cut the costs of IT migrations.

The Business Case

By achieving a high degree of automation and utilizing in-house resources, our customers' business case considerations anticipate potential IT savings of 30 to 50 percent, while simultaneously reducing project durations. Large corporations that are planning a very complex transformation to S/4 even intend to shorten the total duration of the migration by years. The business cases therefore pay off, but it takes forward-looking planning, a holistic approach and bold decisions to realize them. This basis enables companies to achieve synergies such as these while minimizing risks.



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