

# Lock in business value and drive sales with S/4HANA

DataXstream White Paper

# DATASTREAM



Todd Hudson

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# Forward

Wow. Over my thirty years in industry, never have I experienced a year like the one we just left. Never. COVID-19 has left an indelible mark on both our business communities and our personal lives. Some have lost loved ones and truly that is the worst of it. Businesses have suffered; many have ceased operations. But all have not. For those us responsible for leading businesses, managing people, and driving results, we must persevere. Obviously, SAP and its eco-system of customers and partners has not been immune to the struggle. SAP lost over 30% of its market cap in 2020 Q4 when it announced concerning Q3 results and realigned its full-year earnings expectations.<sup>1</sup>

But I encourage you to remain focused and seek out a path forward. There are brighter days ahead as we look to overcome hurdles and reach new heights. SAP and other like-minded companies with an eye towards innovation are rebounding and pushing forward. This eBook looks beyond day-to-day crisis management. Instead it takes a longer-term perspective towards how SAP customers can and should approach investing their infrastructure dollars.

As an industry we must, and we will move beyond the challenges placed upon us by the economic hardships associated with the lingering pandemic. Companies that lead the way will be well positioned to capitalize upon technology advancements in the marketplace. Specially we want to examine the industry's current migration

to SAP S/4HANA and offer recommendations for how DataXstream can help. To that end, DataXstream products enhance the value proposition of SAP and increase our customers' ROI for their existing SAP investment. Our order management and point-of-sale software **OMS+** recently achieved **Endorsed App** certification by SAP and continues to delight customers in various industries.

At DataXstream, we continue to weather the storm and stand at the ready to serve you as you overcome the challenges of today and look forward to a brighter tomorrow.

**Todd A. Hudson**  
**Principal, DataXstream LLC**

# Introduction

We live in an age where there is no shortage of technological opportunities for advancement. Options for new horizons appear faster than they can be embarked upon. Emerging technologies such as artificial intelligence, machine learning, blockchain, 5G, automation, Internet of Things and a host of others compete for our attention and our dollars. In a recent Gartner report “**Gartner Top Strategic Technology Trends for 2010**” they push the envelope even further<sup>2</sup> providing fellow technologists with even more to think about.

Furthermore, sole focus on **emerging** trends creates the potential for another, although undesirable, trend to develop - **core technology blight**. Just as we see urban blight exist in many of our cities where the focus remains on suburban expansion rather than core renewal, the same can occur in companies where the focus remains on the emergent while simultaneously ignoring the core.

The problem with many of these technologies and trends is rooted in the word emerging. While these domains offer much to think about, they all exist today at varying degrees of maturity. Many are not ready for mainstream adoption yet they fight for your attention often capturing it along with your investment. The promise of new technology captivates with the appeal of a new, exciting tomorrow. However, this excitement must be balanced with realistic expectations and proper understanding of returns on investment.

This white paper reminds the reader that the core of your SAP infrastructure remains ERP. Your ERP serves as the foundation for your operations and will continue to be the backbone that supports the realization of your future technology aspirations. If you have not yet completed your journey to S/4HANA, it provides reasons for why you should do so.

Additionally, with all the focus on technology, we cannot lose sight of the end customer and their satisfaction. After all, that is why we are in business in the first place. Customers today expect more than ever, and OMS+ helps companies meet that demand. When partnered with or prior to an S/4HANA implementation, OMS+ mitigates risk, spreads workload, minimizes business disruption, and smooths your transition to S/4HANA.

OMS+ and S/4HANA provide a one-two combination that simultaneously excites your customers, empowers your employees, and delivers the technology you need to win in today's marketplace.



**Complete your journey  
to S/4HANA sooner  
than later. There are  
benefits to be reaped,  
and**

**OMS+ Can Help You Get There**



# Key Insights

Of course, you are encouraged to read the entire paper, but for the reader that just wants the answers, here are several key insights just for you.

- SAP S/4HANA is in your future – ECC mainstream maintenance will EOL in 2027
- SAP continues to spend billions of dollars in R&D – they have always been future focused.
- ECC is dead from an innovation perspective. Even if you are happy with your ECC solution, new solutions for you to leverage will emerge. SAP S/4HANA will provide the roadmap to leverage these future technologies.
- Data growth is ginormous. You need to harness power of SAP S/4HANA to manage it effectively. All the data in the world is useless if you can't manage it effectively, turn it into information and act upon it. You need actionable analytics.
- OMS+ mitigates risk, spreads workload, minimizes business disruption, smooths your transition to S4HANA.
- SAP S/4HANA and OMS+ provide a winning combination to help you win in today's challenging business climate.
- All the data in the world is useless if you can't manage it effectively, turn it into information and act upon it. You need actionable analytics.
- Every day you don't move to S/4HANA you fall behind your competition.

# Innovation

To win in today's marketplace innovation is paramount. In business, you are either moving forward or falling behind. There is no standing still. This simple truth applies to strategy, sales, marketing, and operations. Boston Consulting Group reported that 75% of companies put innovation in their top three management priorities with 35% ranking it as number one.<sup>3</sup> However, being a successful innovator requires more than change for change's sake. Successful innovation requires intentionality and focus. Many companies struggle with this. And regarding technology, innovation should not be limited solely to the emerging. Resources and attention must be dedicated to keeping the essentials at their optimum.

**35% of companies rank  
innovation as their  
number one management  
priority**



## Customer Experience

One such essential is a favorable customer experience. This makes innovating the customer experience mandatory for survival. Leveraging data from 45,000 companies across 140 countries, Zendesk reports that customer loyalty is anything, but a given. It must be cultivated and maintained, and without the right care, it is easily lost. IBM, in its SAP S/4HANA research, notes that customer trust must be earned with every transaction and that every touchpoint contributes to the customer experience.<sup>5</sup>

### **Innovation brings freshness and relevance to the customer experience.**

Customers continually push the envelope of what defines a great customer experience; and what was sufficient yesterday may not be good enough for tomorrow.

## Customer Advocates

One of the more powerful ways a company can improve their customer experience is by empowering customer facing employees with innovative technology. Whether in person or on the phone, a customer can immediately tell if they are working with an associate or **advocate** that enjoys their job and has the tools, they need to be successful at what they do. The point simply is this - never stop looking for opportunities to innovate when it comes to your customer and the way your customer interacts with your employees, products and services.



# A Quick History Lesson

Often in business when faced with difficult decisions, a historical perspective can provide insight and direction for the path forward. With that in mind, let's take a brief look at SAP. SAP is the undisputed market leader of world class ERP Software. In the nineties, while still enjoying the successes of its R/2 mainframe-based platform, SAP moves into the client-server domain with R/3. Through the expansion of R/3, SAP led the revolution of companies moving from their various disparate home-grown systems to a platform that provided more capability and scalability than the typical company could aspire to on their own. That transformation ultimately transformed SAP into the global player that it is today.

From the outset, SAP has always been an industry leader. This forward-thinking mindset pushes SAP beyond the boundaries of its ERP roots as it moves into the e-commerce space with mySAP.com.

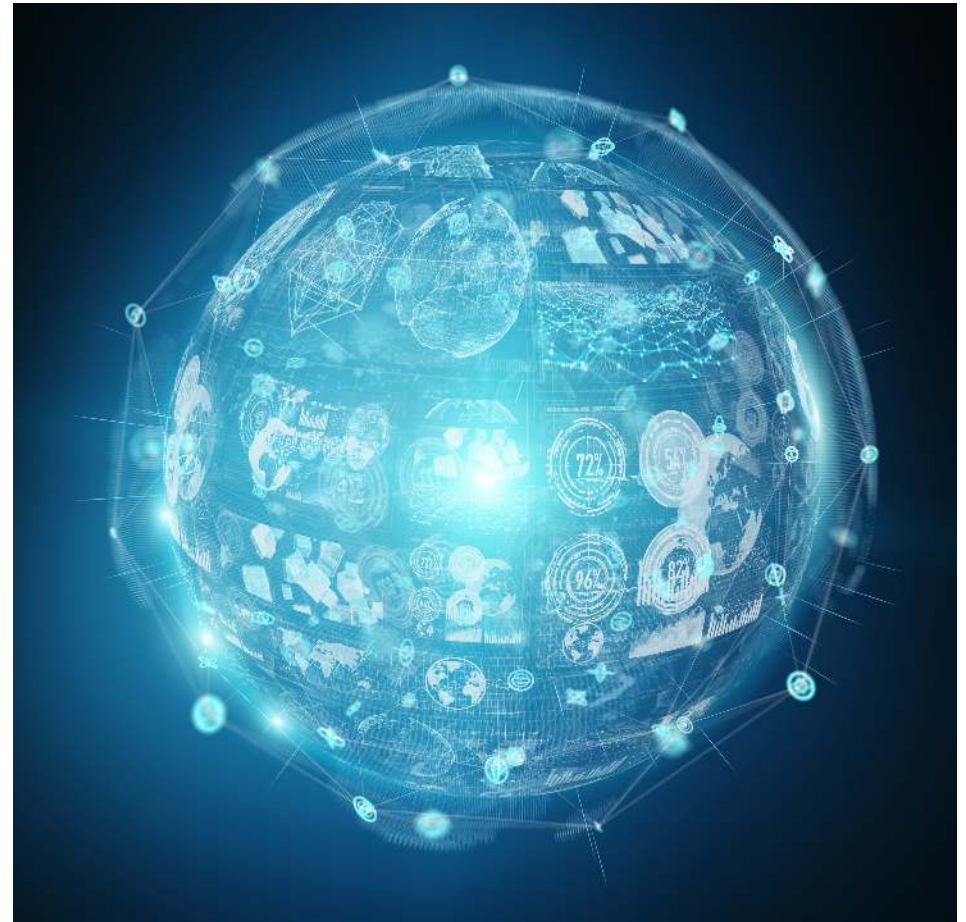
By the mid-2000s, SAP launches SAP NetWeaver as it moves into service-oriented architecture and allows for SAP to provide end-to-end business solutions that can more readily integrate SAP platforms with solutions from outside providers. In the process, R/3 is "rebranded" as SAP ERP Central Component or as it is most commonly referred to today—simply ECC.

In 2011 SAP launches its in-memory database SAP HANA. Yes, that was ten years ago. Four years later in 2015, SAP launches SAP S/4HANA, its newly envisioned ERP designed to take advantage of its proprietary SAP HANA database.

SAP was started by five guys (not the burger chain) that had a vision for changing the world through better software. Prof. Dr. h.c. mult. Hasso Plattner, one of the five founders, is still actively engaged in charting SAP's future. In his current roles of Chairman of SAP's Supervisory Board and Chief Software Advisor he concentrates on defining the medium and long-term technology strategy of SAP.

He also heads the Technology Committee of the SAP Supervisory Board. SAP, SAP S/4HANA, SAP HANA and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries.

So why the history lesson? SAP is synonymous with business software and having been in the game so long, it is easy to forget its origins and furthermore not recognize its forward trajectory in context. The history lesson serves to draw attention to the fact that SAP has always pushed the boundaries of what enterprises can achieve through the evolution of software. And with SAP S/4HANA they continue to do so.



**With over 440,000  
business and public  
customers, SAP ERP  
applications are  
responsible for  
touching 77% of the  
world's global  
transaction revenue.**

## **Challenges to SAP S/4 HANA**

So, when I entered the SAP ecosystem, we were working with R/3 version 2.1H. Obviously, that was quite a while ago; and since then, I have been a part of more SAP projects than I can count. Knowing SAP is not without its naysayers, I could not in good conscience write this eBook without exploring the potential challenges of implementing SAP S/4HANA.

Granted, your ERP system is the backbone of your entire operation and replacing your current ECC system with SAP S/4HANA should not be taken lightly. That said, the challenges raised by most do not provide the justification or reasoning for postponing a move to SAP S/4HANA.

Researching the topic will yield comments like Expensive, Complex, and Lacking Value Proposition. It will refer to potential challenges with data, architecture, training, and lack of skilled resources to assist. Although these challenges are not baseless, they are not unique to SAP S/4HANA. In fact, the same arguments could be made about any large-scale software initiative. What top-tier enterprise grade software isn't expensive? All enterprise wide projects require proper justification, funding, planning, and staffing. SAP S/4HANA is neither immune from nor unique in these regards.

So why the slow adoption rates? A careful study of the situation will reveal two significant underlying causes - confusion and functional challenges.

## Confusion

It is hard to believe that SAP S/4HANA first launched in February 2015. So, going back six years, what is memorable? The messaging went like this...

Leverage the power of the SAP HANA in-memory database. SAP S/4HANA is evolutionary. It was not to be considered simply an ECC upgrade. No, it was an entirely new product complete with new name, new database, and a new price tag. Everything would be simple; that was the high-level pitch. But this quickly plummeted into a world of technical requirements and language that confused and scared the customer base into paralysis.

As a result, there were more questions than answers in terms of what are the differences between ECC and SAP S/4HANA, why are tables disappearing, what exactly is a columnar database, and how does that affect all my existing reports and customizations? This ultimately led to a majority of customers choosing to take a wait-and-see approach. Many customers decided the risk of being an early adopter did not justify the touted benefits or the risk.

## Functional Challenges

Technical changes aside, SAP S/4HANA had its initial share of functional issues to deal with as well. Yes, SAP S/4HANA did contain new functionality, but the main issue was with the existing functionality. In short, all ECC functionality was not available in SAP S/4HANA.

By design, certain ECC functionality will never matriculate to SAP S/4HANA. One can ascertain that SAP is abandoning edge functionality in favor of a slimmer code base, one that is more manageable for ultimately planned migrations to the cloud. Furthermore, streamlining or removal of low use functionality frees SAP internal resources to focus on broader customer demands.

Other ECC functionality existed on the SAP S/4HANA roadmap, but it would not arrive until some future release. This left the customer base mapping functionality into three buckets - SAP S/4HANA functionality that exists today, functionality that will exist at some point in the future, and functionality that has been permanently deprecated. If you were a customer with functionality in the last bucket you had additional work to revamp certain business processes.

**"The road to SAP S/4HANA may appear difficult, but in general those who've completed the journey agree that it isn't as difficult as expected."**

## Challenge Met

SAP has worked hard to minimize the confusion. Today, now that we are six years in, SAP's customer base is much more educated on all aspects of the migration to SAP S/4HANA. Additionally, significantly more pre-existing ECC functionality has completed the journey to the SAP S/4HANA solution set providing customers less reason for angst.

Recently, PwC conducted a study where they interviewed hundreds of their clients to determine the outcomes, barriers and work involved with the transformation to SAP S/4HANA.<sup>9</sup> Use the link below to see the full results. The most telling finding is this, "The road to SAP S/4HANA may appear difficult, but in general those who've completed the journey agree that it isn't as difficult as expected."<sup>10</sup>

So yes, challenges do exist; but they are not insurmountable nor are they as daunting as once anticipated.





# Points to Consider

## SAP S/4HANA Migration

The migration to S/4HANA is happening. Though not as fast as SAP would like; it is inevitable, the migration will occur. Concerning where customers are in the SAP S/4HANA journey, ASUG's 2019 State of the Community reveals, "56% have plans to move to SAP S/4HANA in the future; 16% have started to move; 16% are live; and 12% have no plans to migrate."<sup>11</sup> In January, ASUG delivered its 2021 Pulse of the SAP Customer, where it shared its latest customer research and assessment of the adoption of SAP S/4HANA.

512 SAP customers were surveyed, and in comparing results across years, the only significant change is that 18% of SAP customers have put their SAP S/4HANA plans on hold.<sup>12</sup> The major reason for placing existing plans on hold can be attributed to the pandemic-induced disruption. Obviously, this is not a trend that is unique to SAP S/4HANA, and as businesses around the world move back towards normalcy, we will see these plans reinstated.

**In their 2020 Q3 quarterly statement, SAP divulged that over 15,000 SAP customers have committed to SAP S/4HANA and over 8100 of these are now live in production.<sup>13</sup>**

# SAP Research and Development

SAP continues to pour billions of Euros into research and development. The graphic below depicts the growing level of spend over the last fifteen years.<sup>14</sup> As an SAP customer, you don't stand to benefit from this investment while remaining on generation old software. Meanwhile, for the SAP customers that have completed their journey to SAP S/4HANA, they are reaping the benefits of the latest generation of ERP software from the world's largest ERP provider.

In its 2020 Q3 quarterly statement, SAP summarizes the power of its latest generation ERP software with the following definition. "SAP S/4HANA is an intelligent, integrated ERP system that runs on SAP's real time in-memory platform, SAP HANA. It addresses industry-specific requirements with proven best practices for 25 verticals and enables new business models as marketplaces evolve. It revolutionizes business processes with intelligent automation, supported by artificial intelligence and robotic process automation. It helps users make better decisions faster with embedded analytics, a conversational interface, and digital assistants."<sup>15</sup>

Furthermore, beyond its native power SAP S/4HANA provides the foundation to leverage additional SAP products seamlessly. On its product page, SAP highlights that "SAP S/4HANA allows for native integration with other SAP solutions via the SAP Cloud Platform."<sup>16</sup> Additionally, SAP announced a maintenance commitment for SAP S/4HANA until the end of 2040, thus solidifying SAP's long-term commitment to the product and its future.<sup>17</sup>

In summary, SAP's continued research and development is paving the way for the future of the Intelligent Enterprise.

## Big Data

The amount of data generated today borders on incalculable. Numerous think tanks and research groups continue to monitor growth rates and attempt to provide measurable statistics. Now in its eight iteration, DOMO generates a snapshot of how much data is created by digital companies in a single minute.<sup>18</sup> Indeed the 2020 snapshot shown at the right speaks loudly. One can easily hop on their favorite search engine and research “big data” and it will undoubtedly return countless articles pertaining to the size and growth rates of data being generated in today’s economy. So, let’s take that as a given. Also, as a given, if you can’t convert this gigantic pile of raw data into to useful, consumable information, it is not worth much beyond entertainment value. The point is this, ever-increasing data volumes are not limited to the behemoth internet companies; every company doing business today is generating more data than ever before. And if a company can’t interact with the data in a timely fashion, it becomes more of a boat anchor than a competitive advantage.

**The longer you wait to  
migrate to SAP  
S/4HANA, the further  
you will fall behind  
your competitors.**



## Keep Pushing Forward

2020 was a year filled with wait and trepidation. Many put plans on hold. This cannot continue. Granted, 2020 was unprecedented, but businesses must adapt and push forward, even in the face of adversity. Consider the future and move forward with SAP S/4HANA.

SAP S/4HANA, running on its propriety in-memory SAP HANA platform, makes accessing all this data a reality. On its product page, SAP touts a “50% reduction in data footprint” and “100 times faster reporting” when using SAP S/4HANA. With this type of computing power at one’s fingertips, real-time decision making can occur more often, in more business scenarios, with greater accuracy than ever before.

# Improve Your SAP S/4HANA Business Case

## OMS+ Enables

OMS+ mitigates risk, spreads workload, minimizes business disruption, and enables a smooth transition to SAP S/4HANA. Customers still reading this e-book most likely are still developing the business case for their impending migration to SAP S/4HANA. OMS+ can help.

For years, SAP customers have enjoyed the powerful business capabilities of SAP ECC but are aware that the overall SAP experience has not been without challenge. Companies complain about steep learning curves, poor user experience, and adaptability to changing business requirements. For order management, all that changes with OMS+. OMS+ removes SAP's traditional GUI interface and transforms the order management landscape with a modern, process-centric platform that unlocks the capability of SAP and empowers your sales force and customer service organizations to flourish.

DataXstream understands the industry migration to SAP S/4HANA. That is why OMS+ is designed from the ground up with the capability to deploy directly into an SAP ECC or SAP S/4HANA environment. The same OMS+ codebase runs natively in either SAP ERP. Because of this, OMS+ mitigates risk and enables a smooth transition to SAP S/4HANA by ensuring no disruption to your order management platform. In preparation for migrating to SAP S/4HANA, many companies execute smaller, preparatory projects to ensure their existing ECC environments are ready for the move. Installing OMS+ in this manner effectively removes 95% of order management processing from the scope of any SAP S/4HANA implementation.

Additionally, OMS+ as a component of your SAP S/4HANA initiative can increase your ROI adding valuable enhancements and capability to your overall business case. SAP S/4HANA and OMS+ provide a winning combination to help you win in today's challenging business climate.

# Your Future Starts Today

In life or in business, overcoming any major obstacle or barrier requires first establishing a path forward and committing to it. Where challenges exist, opportunities abound. The time to move to SAP S/4HANA is now. No meaningful reward is without some measure of risk, and careful consideration will show moving to SAP S/4HANA sooner than later is the right next step for most companies.

In its recent report FutureScape: Worldwide Digital Transformation 2021 Predictions, International Data Corporation (IDC), a leading digital transformation market research firm, revealed that “despite a global pandemic, direct digital transformation (DX) investment is still growing at a compound annual growth rate (CAGR) of 15.5% from 2020 to 2023 and is expected to approach \$6.8 trillion as companies build on existing strategies and investments, becoming digital-at-scale future enterprises.” Leaders will move their companies forward today, breaking the pandemic-induced shackles and charting the course for tomorrow.

Complete your journey to SAP S/4HANA sooner than later. There are benefits to be reaped, and OMS+ can help you get there.

IBM reinforces SAP's messaging when it states, “Instead of being seen as a like-for-like replacement for existing ERP capabilities, SAP S/4HANA should be regarded as a new digital core for the business: a flexible foundation that connects the entire enterprise, upon which next-generation technologies can be built.”



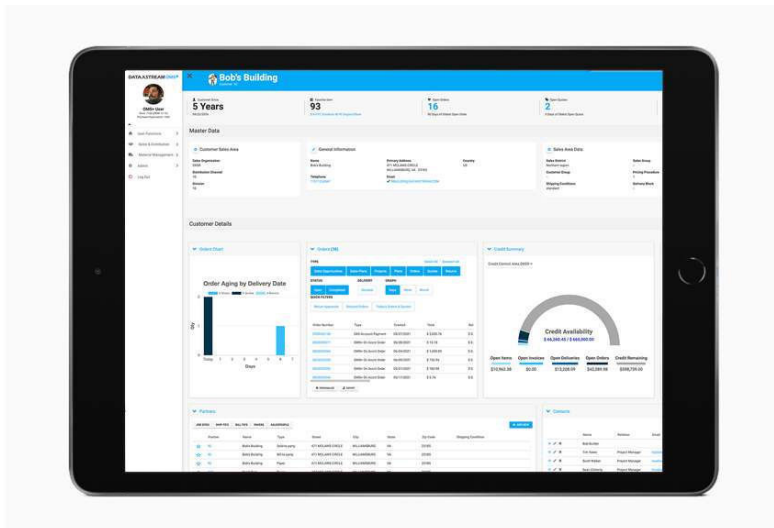
# For Additional Information

[Learn more about OMS+](#)

[Discover OMS+ in the SAP Store](#)

[Learn more about SAP S/4HANA](#)

[Learn more about DataXstream](#)



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