# Northwest Utilities Day 2020

## Move to SAP S/4HANA

**Dennis Kurlandski**
Utegration

February 27, 2020

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# Agenda

Attendee's Environment & S/4 Plans

- Hear from you

Top S/4 Drivers for Utilities

- SI
- Analyst
- ASUG Pulse

Timing

- Other Considerations
- What you should be doing now

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# Attendee’s Environment & S/4HANA Plans

# Example

| | |
|---|---|
| **Who** | Electric and Gas Utility<br>Upper Mid West US |
| **What** | 725k Customers<br>Vertically integrated electric: hydro, fossil, wind |
| **SAP Environment** | Went live with SAP ERP in 1998<br>Today - ECC EHP8, Oracle DB |
| **S/4HANA Progress** | • Completed enterprise-wide roadmap exercise in 2019<br>• Why: innovation platform for digital Utility<br>• When: 2021<br>• How: technical migration that lays foundation for future / incremental innovation<br>• Migration budgeted and approved |

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# Attendee's Environment, where are you at on your S/4HANA journey?

| Utility | Current Environment |
|---|---|
| **BC Hydro** | ECC on Oracle<br>IS-U, CIC), Looking at C/4<br>AMI - Electric |
| **FortisBC** | ECC on MS-SQL<br>IS-U, CRM<br>AMI for 130,000 Electric in Kelona, performing AMI upgrade<br>Replacing Click Schedule/Work Manager with Clevest Suite<br>Gas/Electric (Small) |
| **Puget Sound Energy** | Suite on HANA 2.0<br>IS-U, CRM, C/4 HANA for Business Account Execs<br>AMR to AMI in progress<br>Portal in progress (Get to Zero) – Electric/Gas |
| **Snohomish PUD** | Suite on HANA 2.0<br>IS-U, CRM<br>Planning AMI<br>Portal in progress (AI)  Electric/Water (Small) |
| **Tacoma Public Utilities** | Suite on HANA 2.0<br>IS-U, CIC (CIC0 replacement planned for 2021)<br>Doing AMI<br>Portal in progress (SEW) Electric/Water/Waste Water/etc. |

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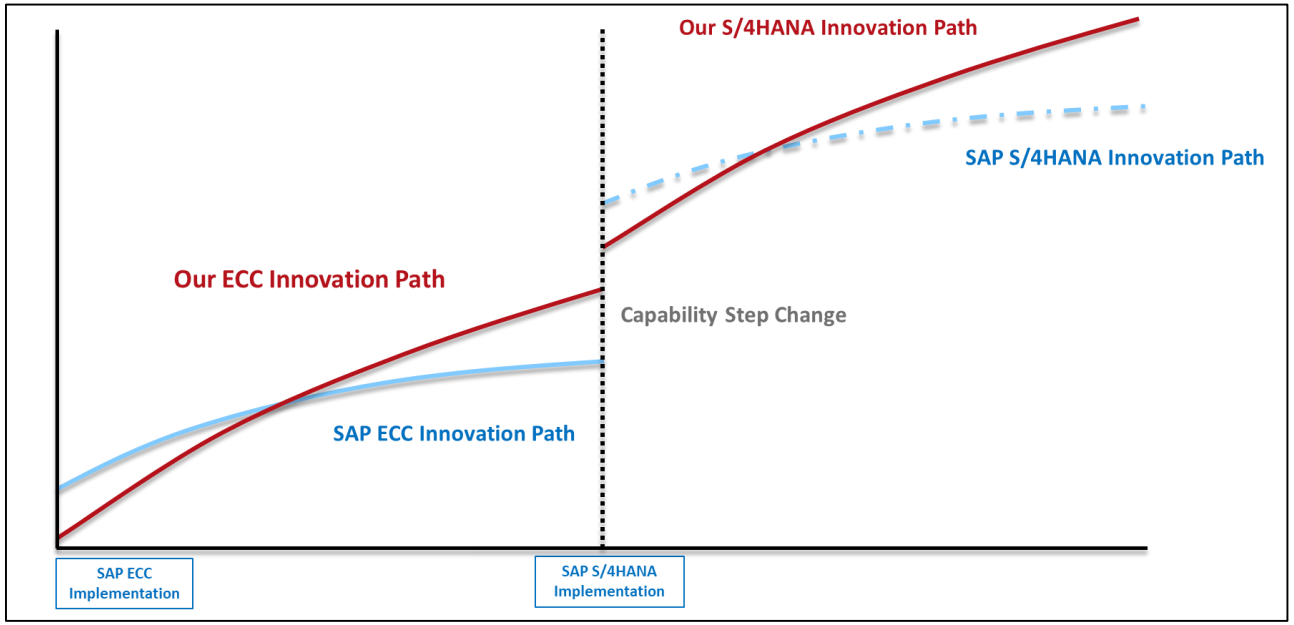
# Top S/4 Drivers for Utilities

# Top Drivers

From an SI's perspective

Customer examples:

- Foundational platform for innovation to address the digital disruption
- Record to Report finally realized in one technology stack!
- Opportunity for call center innovation
- Unleash the business innovation capabilities of Cloud Computing
- Address customer and next generation employee expectations
- Focus on customer in uncertain times when competitors are emerging daily
- System landscape rationalization




Major O&G companies are rapidly investing in renewable distributed energy for the next generation.

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# Digital Disruption

Plenty of relevant Analyst content to pull from

*"While digital is the highest ranking single priority this year, operational excellence and cost optimization closely follow …"*

**Gartner**

**2019 CIO Agenda: Utility Industry Insights**

*"Only 8 percent of companies we surveyed recently said their current business model would remain economically viable if their industry keeps digitizing at is current course and speed."*

**McKinsey&Company**

**Quarterly, Q1 2018 – Why digital strategies fail**

*"By 2020, 65% of power, gas, and water companies will have invested in edge analytics/computing as they strive for operational excellence and the best optimization of their assets."*

**International Data Corporation**

**IDC FutureScape – Worldwide Utilities 2019 Predictions**

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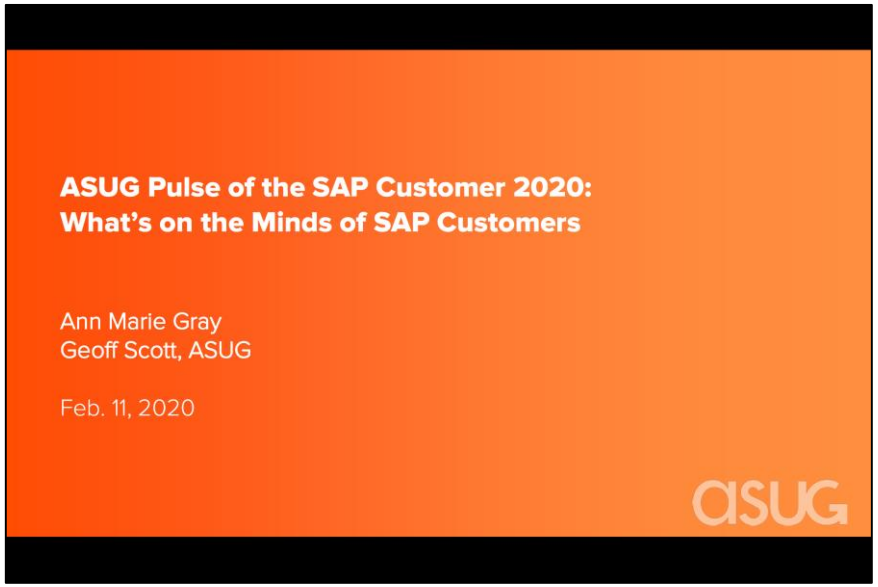
# ASUG Survey

## Ecosystem Perspective




**Audience**

**Participants** (n=625)
**Top industries represented:**
Public sector (n=104)
Consumer goods (n=60)
Technology/software (n=56)
**Current SAP S/4HANA Customers** (n=232)

| INDUSTRY | |
|---|---|
| Public sector | 17% |
| Consumer goods | 10% |
| Technology/software | 9% |
| Retail | 7% |
| Manufacturing | 6% |
| Utilities | 6% |
| Medical | 5% |
| Chemicals | 5% |
| Distribution | 5% |
| Oil and gas | 4% |
| Automotive | 3% |
| Financial services | 2% |
| Mining | 2% |
| Aerospace | 1% |
| Transportation | 1% |
| Other | 16% |

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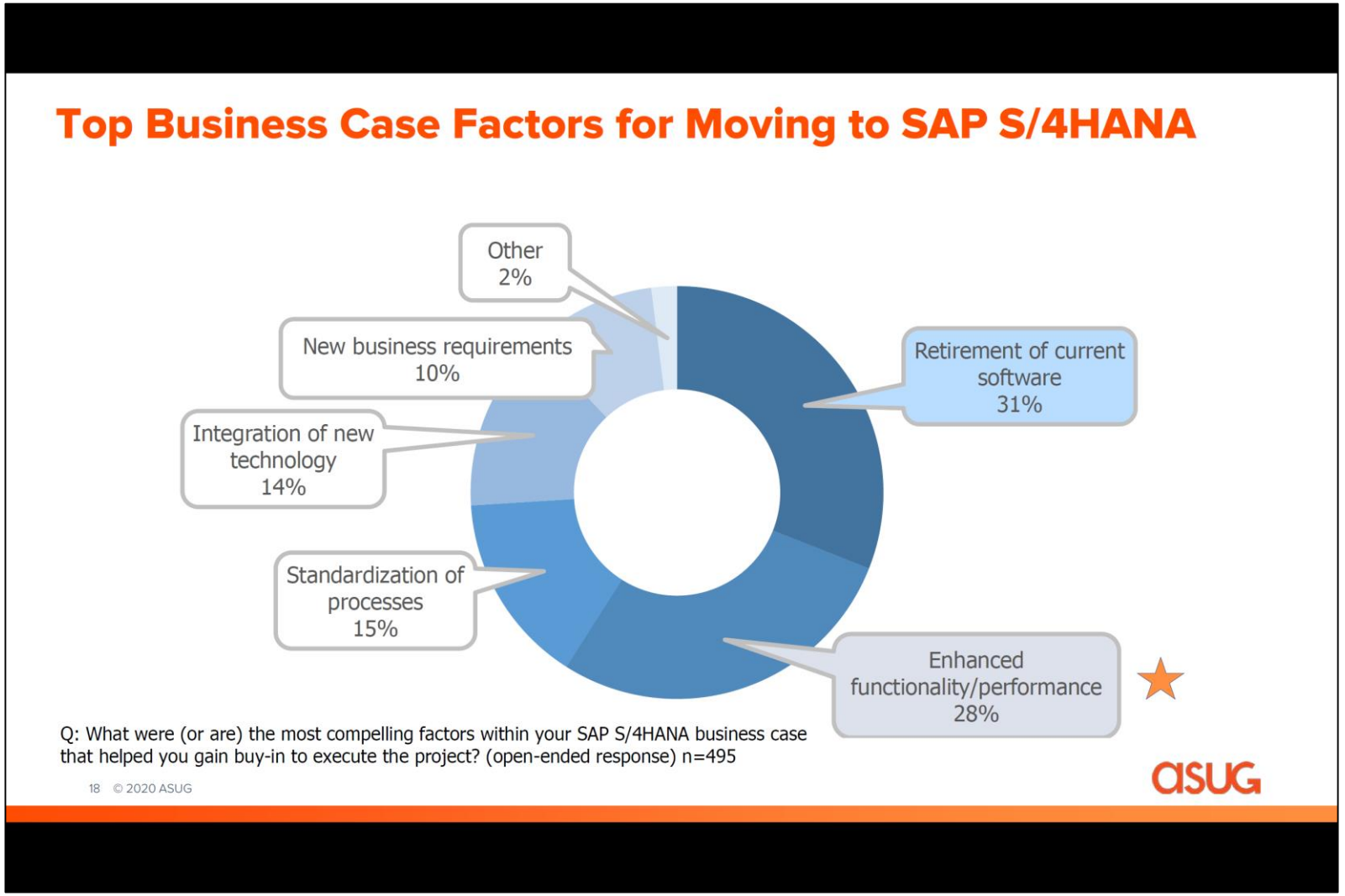
# ASUG Survey

Business Case - ecosystem Perspective

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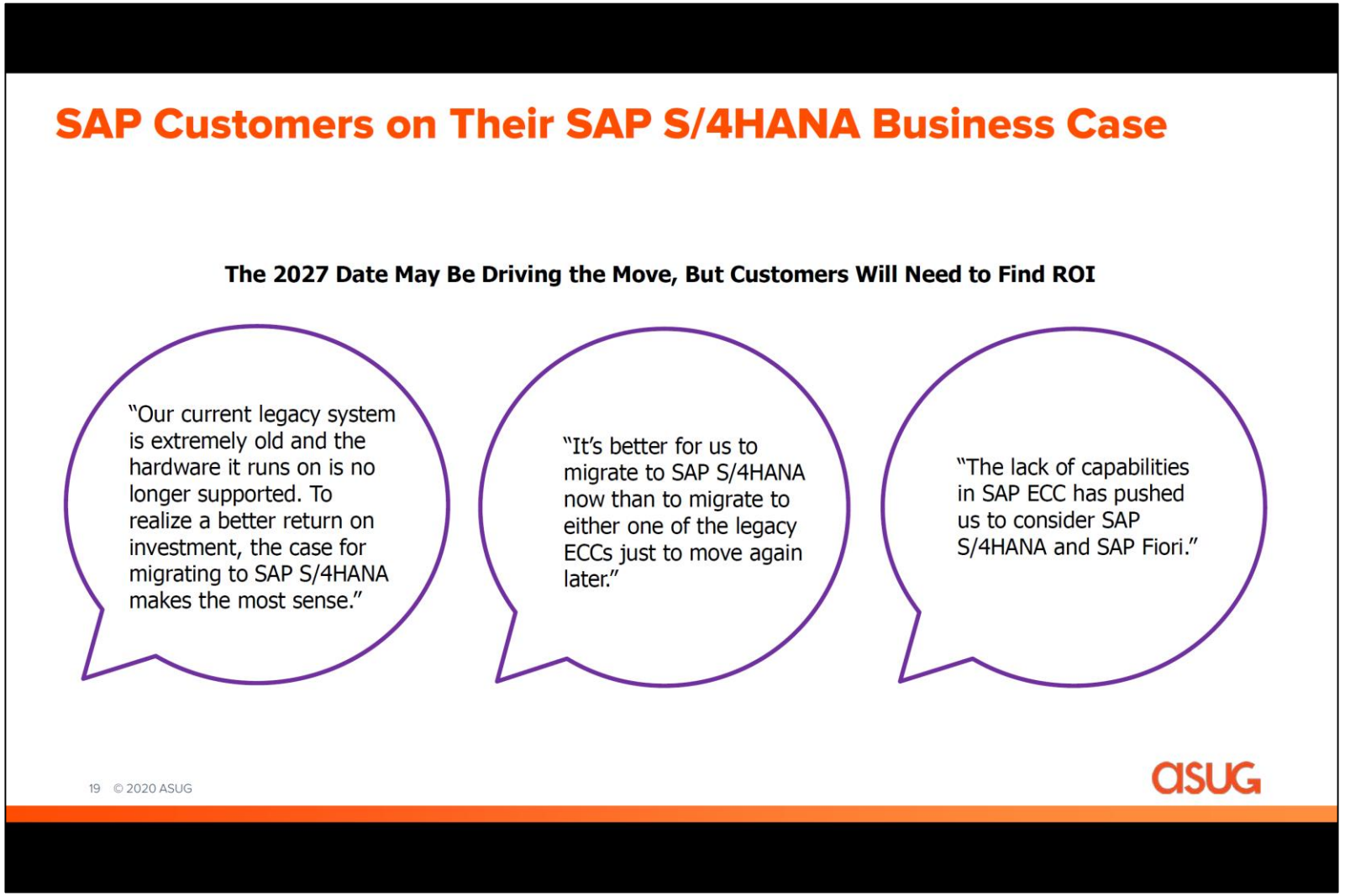
# ASUG Survey

Business Case - ecosystem Perspective

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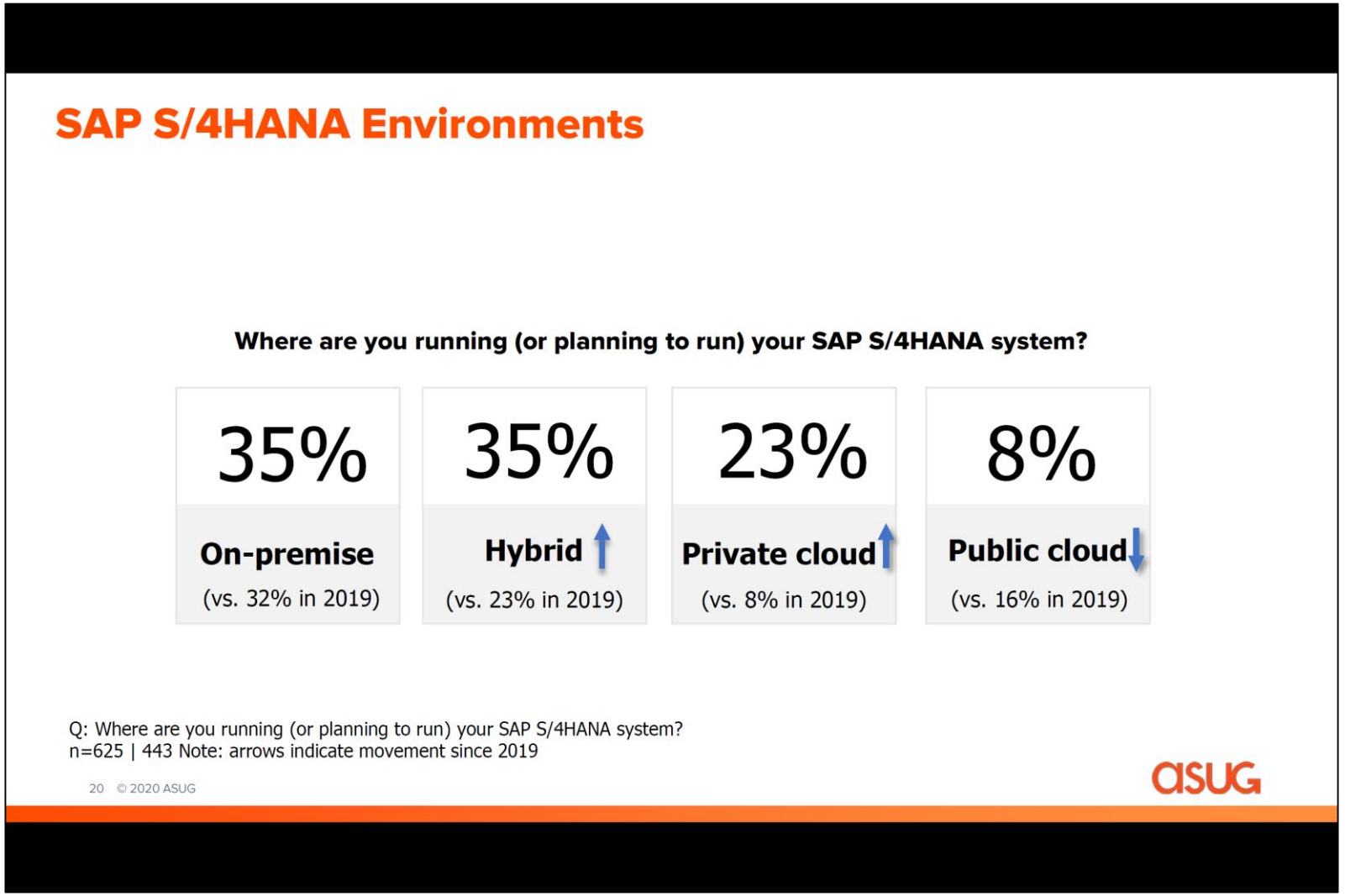
# ASUG Survey

Cloud

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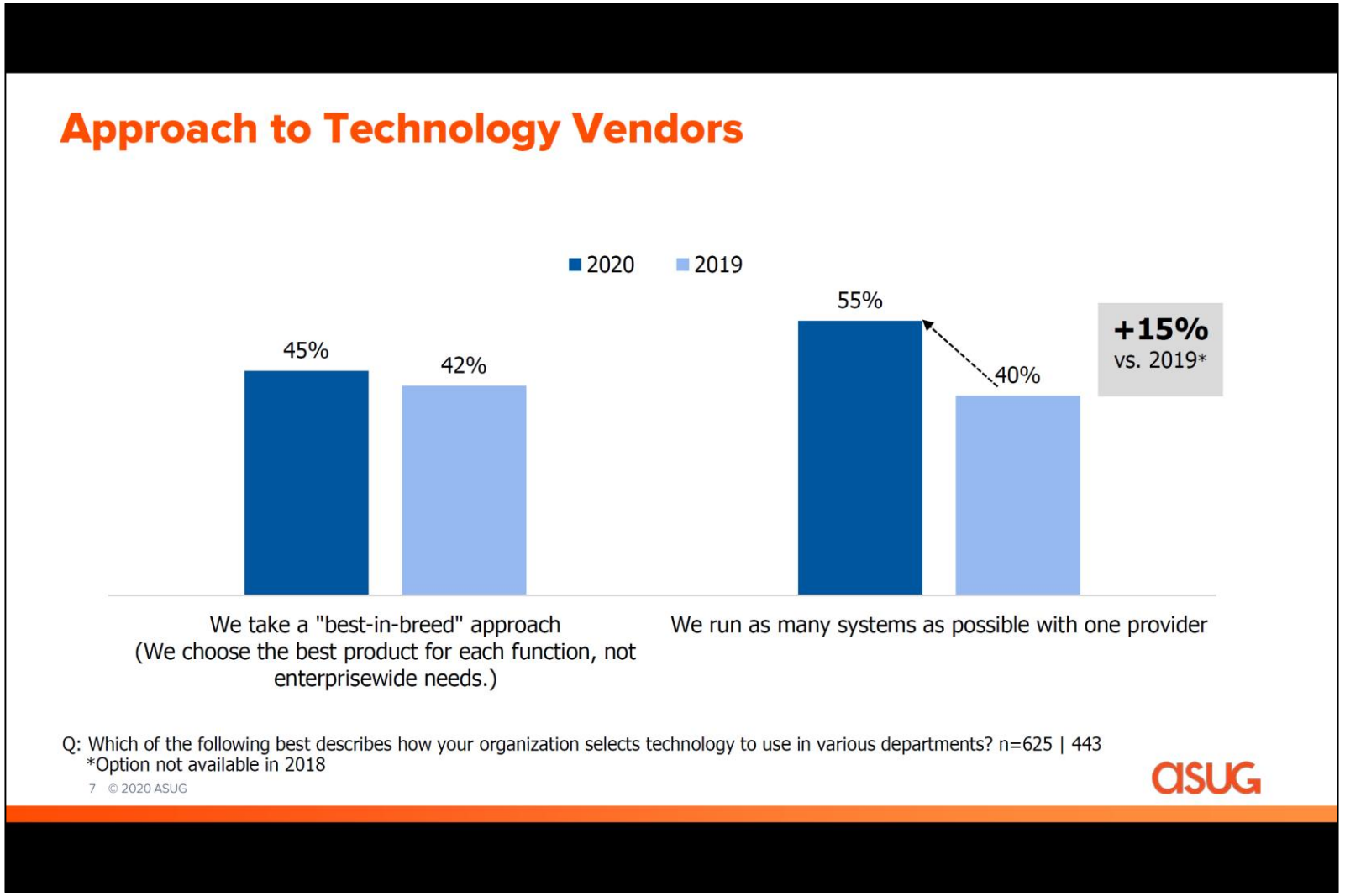
# ASUG Survey

System Rationalization

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# Timing

# ASUG Survey

System Rationalization

## SAP S/4HANA: The Current Market Situation

63% have plans to move

21% have started to move

16% are live

0% currently have no plans to move

+12% Planned involvement from Jan. 2019–Jan. 2020

Q: When are you planning to start your SAP S/4HANA project?
n=625 | 443

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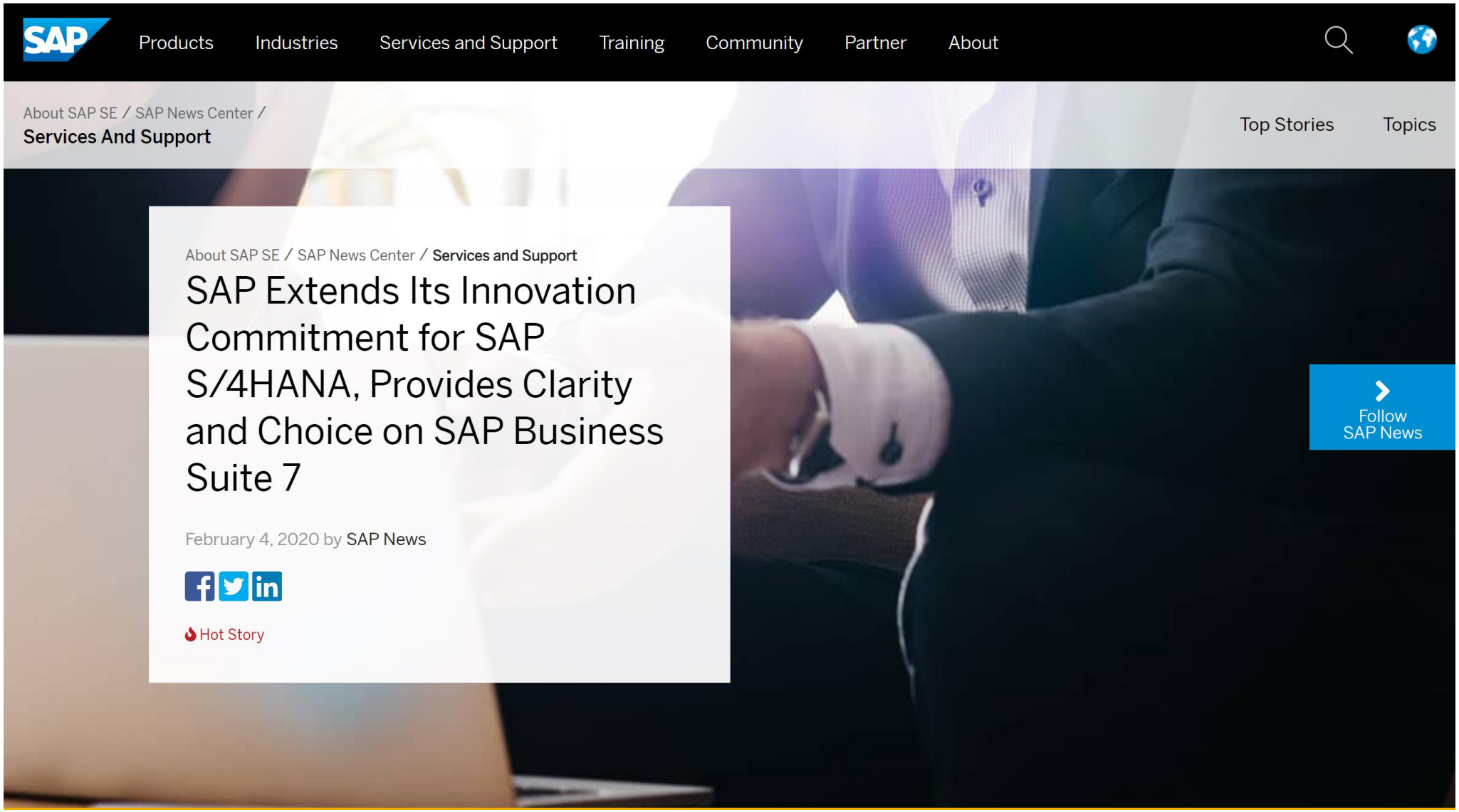
# Timing

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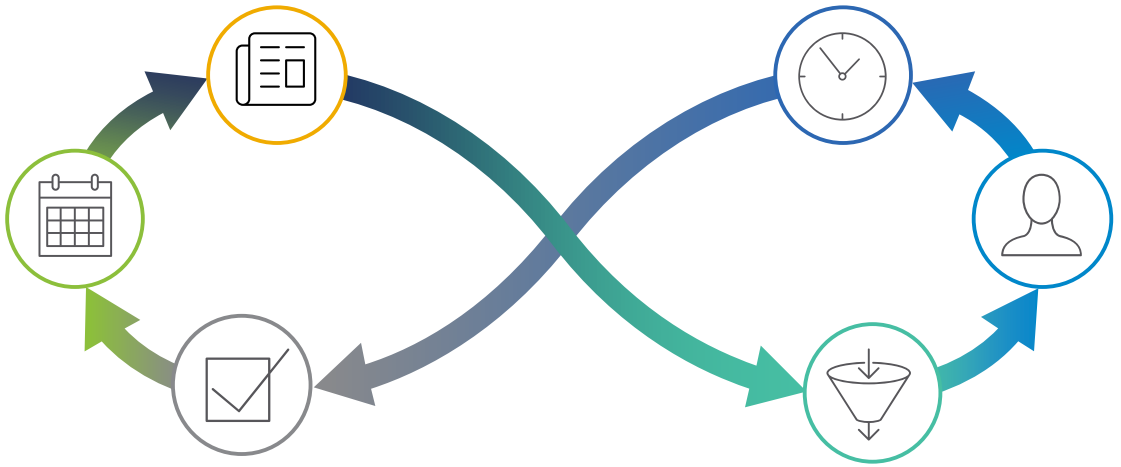
# Considerations



### Plan and Budget

Estimate & Roadmap

Approval

One or more Fiscal years

### Alignment with other projects in the portfolio

Optimize timelines to reduce risk

### Rates & Regulatory

Forward or Recovery

Approval

### Socialize – early and often

Who can help build consensus

Who could be a challenge

### Business

Alignment of goals and objectives

Buy in to the SAP Solution

Identify Change Impacts

### Pending / Potential M&A activity

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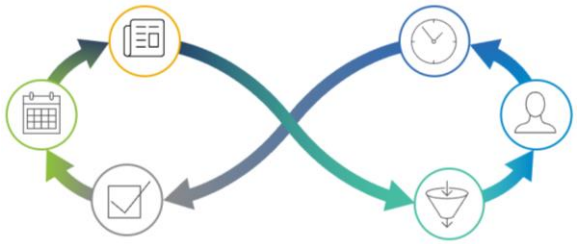
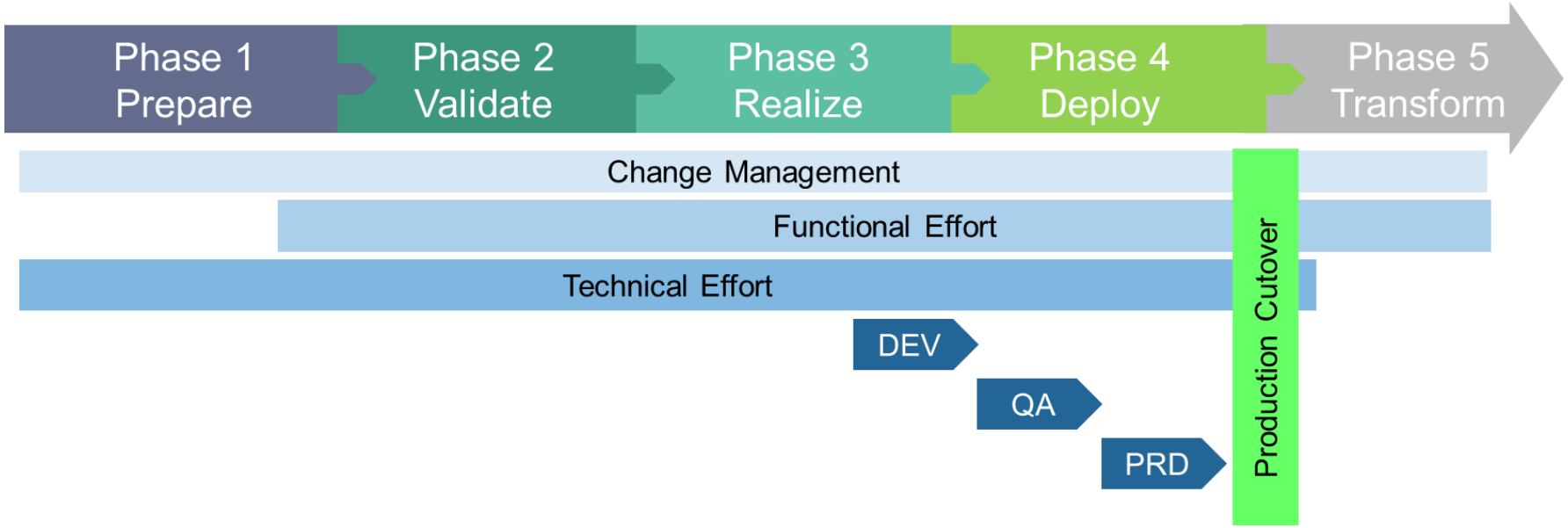
# Overall Timeline



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# S/4HANA Journey – what you can be doing now

- Tools:
  - SAP Transformation Navigator
  - SAP Readiness Check for SAP S/4HANA
  - Business Scenario Report
- Technical:
  - Unicode Upgrade
  - Perform Cloud assessment
  - Data archiving strategy
  - Custom code compatibility validation
  - Add S/4HANA upgrade to your IT Roadmap
  - Are your third-party applications S/4 compliant?
- Change Management / Organizational Readiness:
  - Understand Business and IT Goals & Objectives and how they can be enabled by S/4HANA
  - Begin to socialize S/4HANA and the opportunities that it brings to the table

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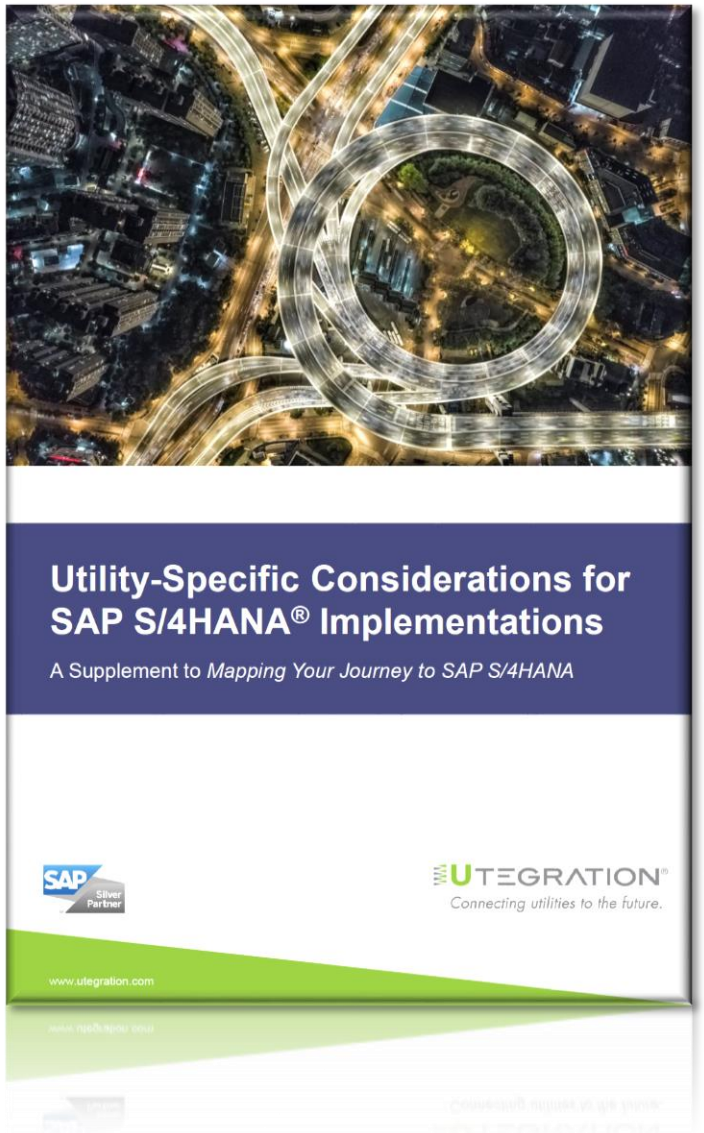
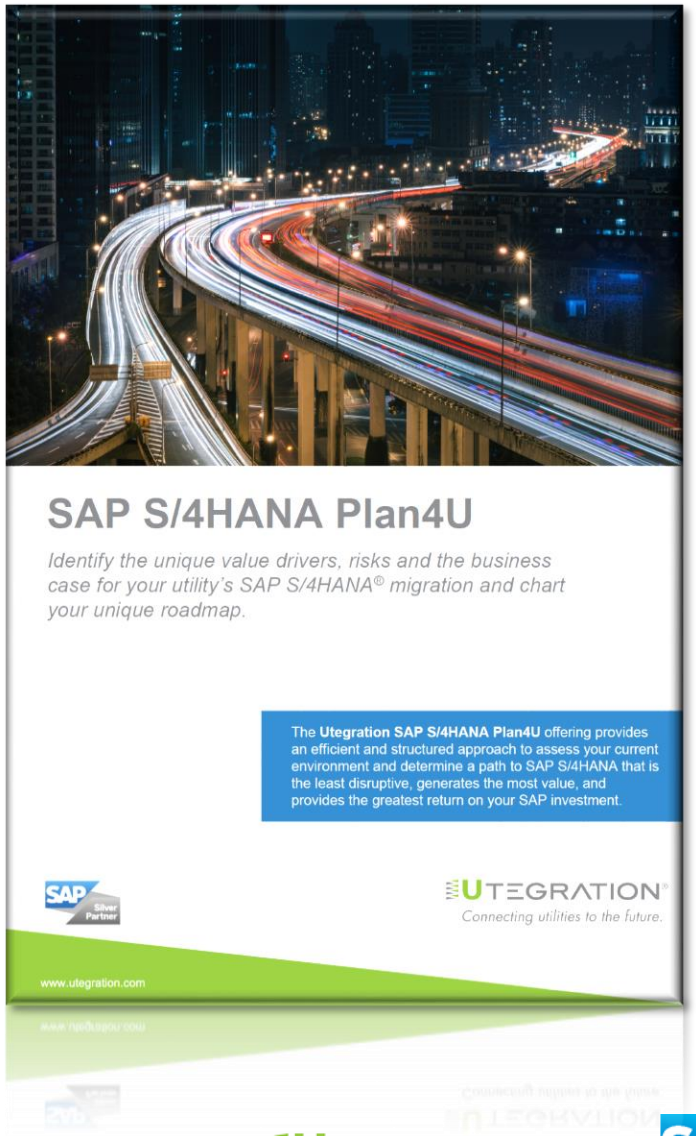
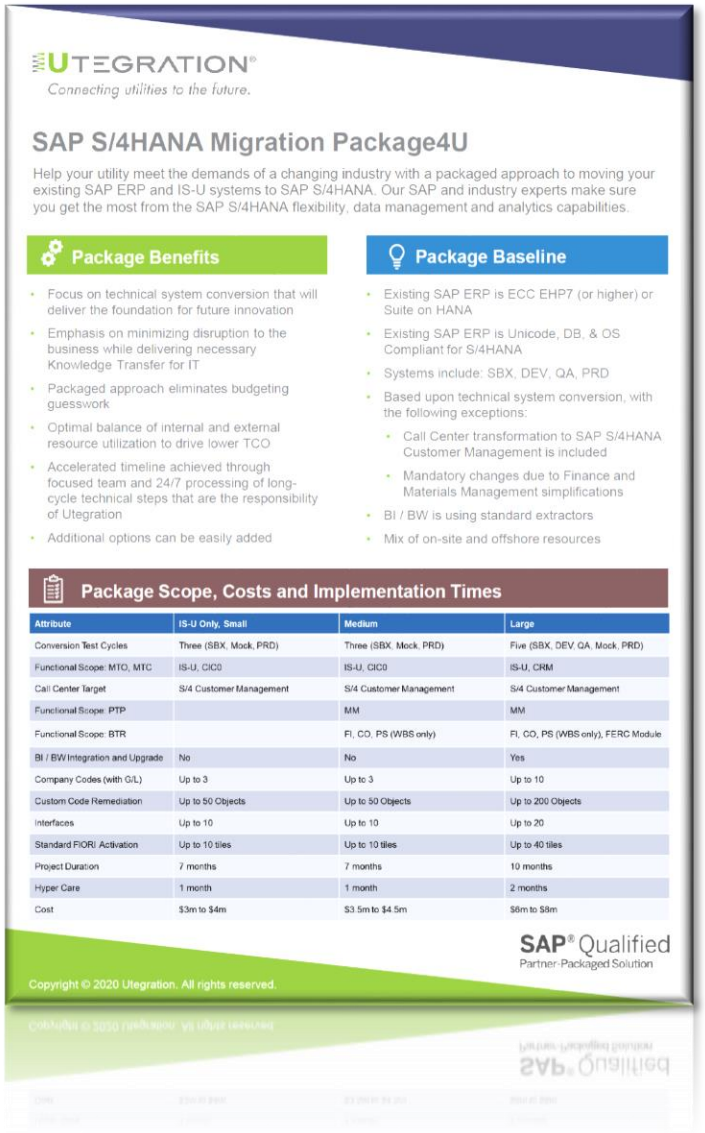
# Utegration Information and Offerings

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# Thank you.

Contact information:

**Dennis Kurlandski**
Managing Director
Utegration, LLC
m: 724.799.9995
dennis.kurlandski@utegration.com

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