



Northwest Utilities Day 2020

Move to SAP S/4HANA

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Integration

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PUBLIC

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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

Attendee's Environment & S/4HANA Plans



Example

Who	Electric and Gas Utility Upper Mid West US
What	725k Customers Vertically integrated electric: hydro, fossil, wind
SAP Environment	Went live with SAP ERP in 1998 Today - ECC EHP8, Oracle DB
S/4HANA Progress	<ul style="list-style-type: none">• Completed enterprise-wide roadmap exercise in 2019• Why: innovation platform for digital Utility• When: 2021• How: technical migration that lays foundation for future / incremental innovation• Migration budgeted and approved

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

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

Top S/4 Drivers for Utilities

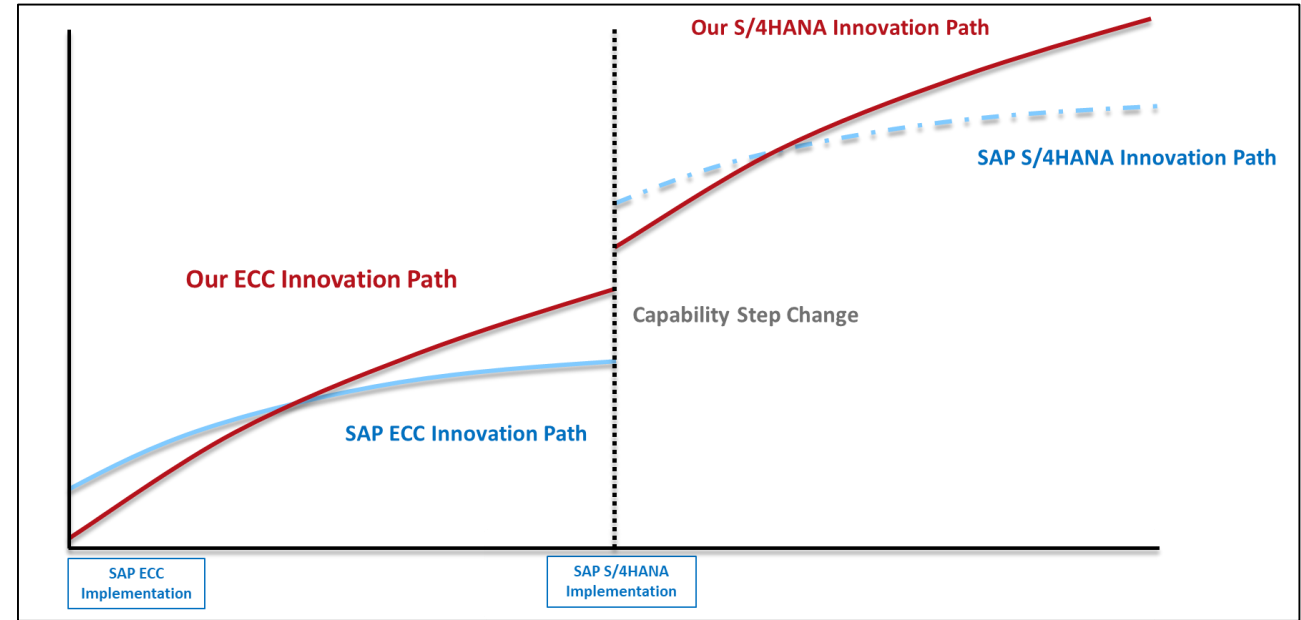


Top Drivers

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.



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 its 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



ASUG Survey

Ecosystem Perspective

ASUG Pulse of the SAP Customer 2020: What's on the Minds of SAP Customers

Ann Marie Gray
Geoff Scott, ASUG

Feb. 11, 2020

ASUG

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)

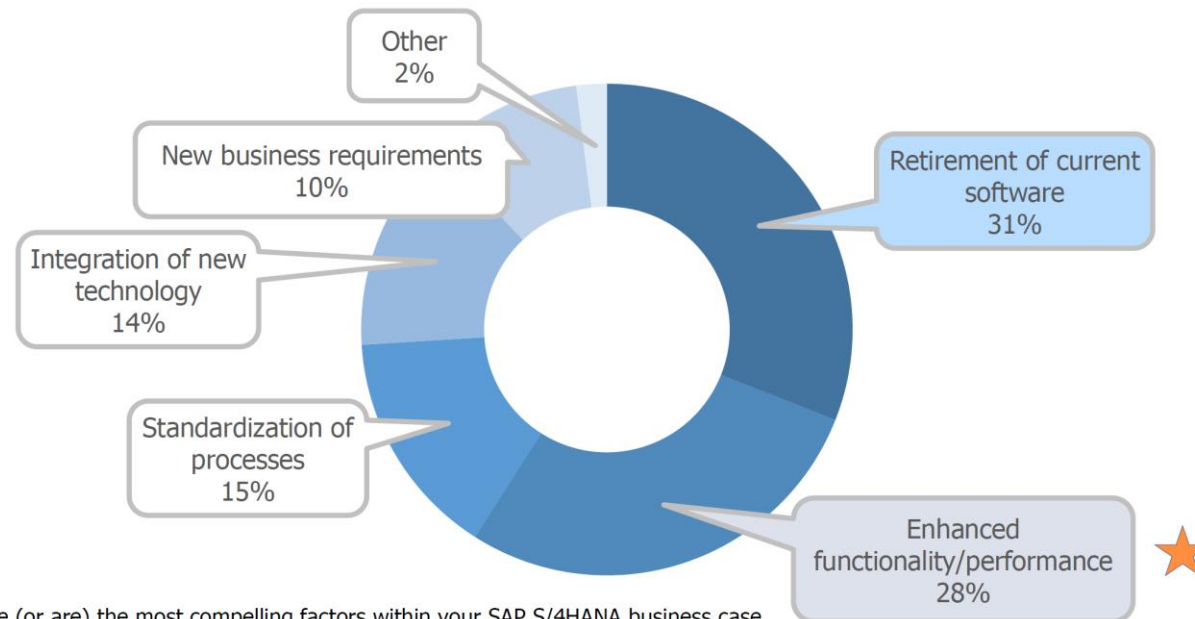
INDUSTRY

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%

ASUG Survey

Business Case - ecosystem Perspective

Top Business Case Factors for Moving to SAP S/4HANA



Q: What were (or are) the most compelling factors within your SAP S/4HANA business case that helped you gain buy-in to execute the project? (open-ended response) n=495

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ASUG Survey

Business Case - ecosystem Perspective

SAP Customers on Their SAP S/4HANA Business Case

The 2027 Date May Be Driving the Move, But Customers Will Need to Find ROI

"Our current legacy system is extremely old and the hardware it runs on is no longer supported. To realize a better return on investment, the case for migrating to SAP S/4HANA makes the most sense."

"It's better for us to migrate to SAP S/4HANA now than to migrate to either one of the legacy ECCs just to move again later."

"The lack of capabilities in SAP ECC has pushed us to consider SAP S/4HANA and SAP Fiori."

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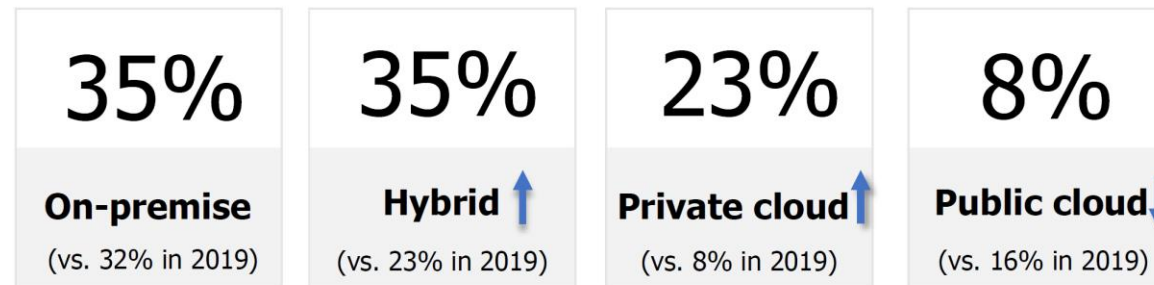
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ASUG Survey

Cloud

SAP S/4HANA Environments

Where are you running (or planning to run) your SAP S/4HANA system?



Q: Where are you running (or planning to run) your SAP S/4HANA system?
n=625 | 443 Note: arrows indicate movement since 2019

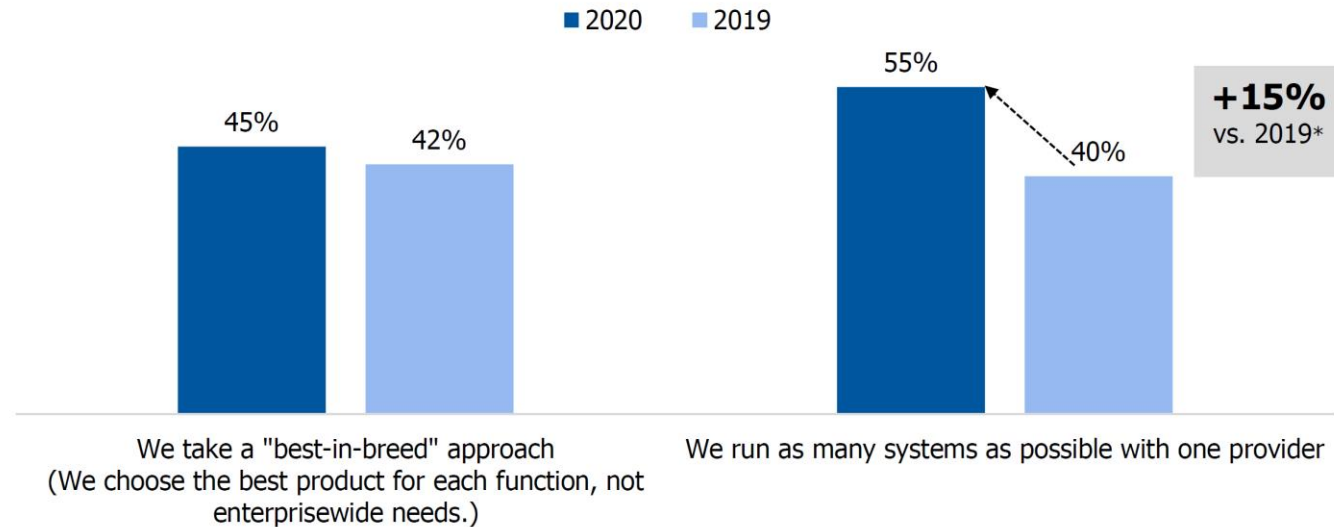
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System Rationalization

Approach to Technology Vendors



Q: Which of the following best describes how your organization selects technology to use in various departments? n=625 | 443

*Option not available in 2018

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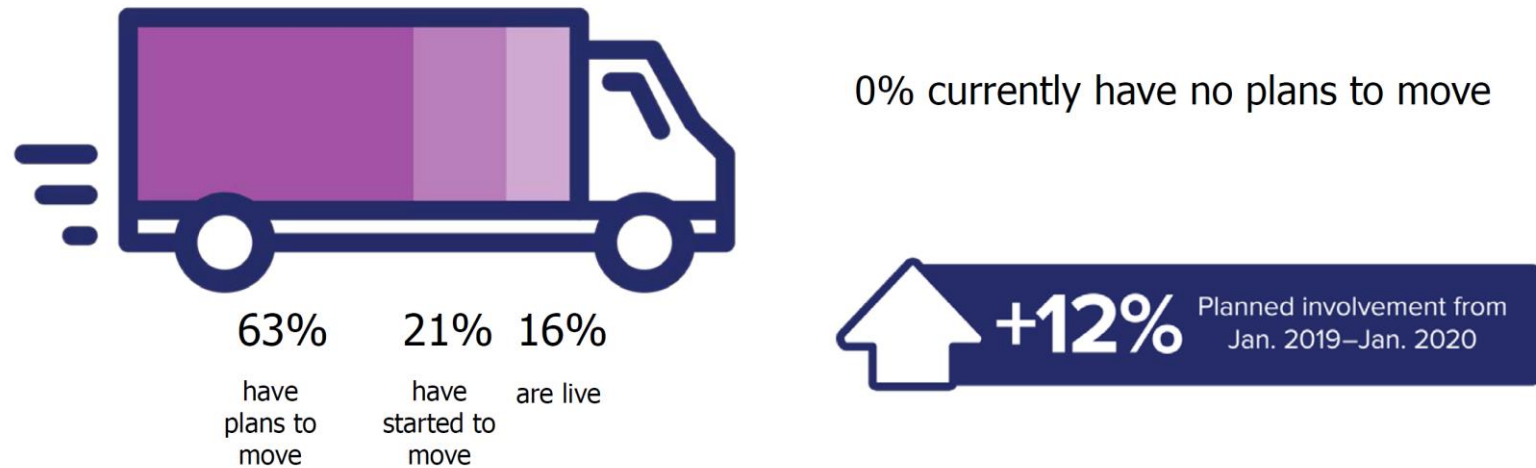
Timing



ASUG Survey

System Rationalization

SAP S/4HANA: The Current Market Situation

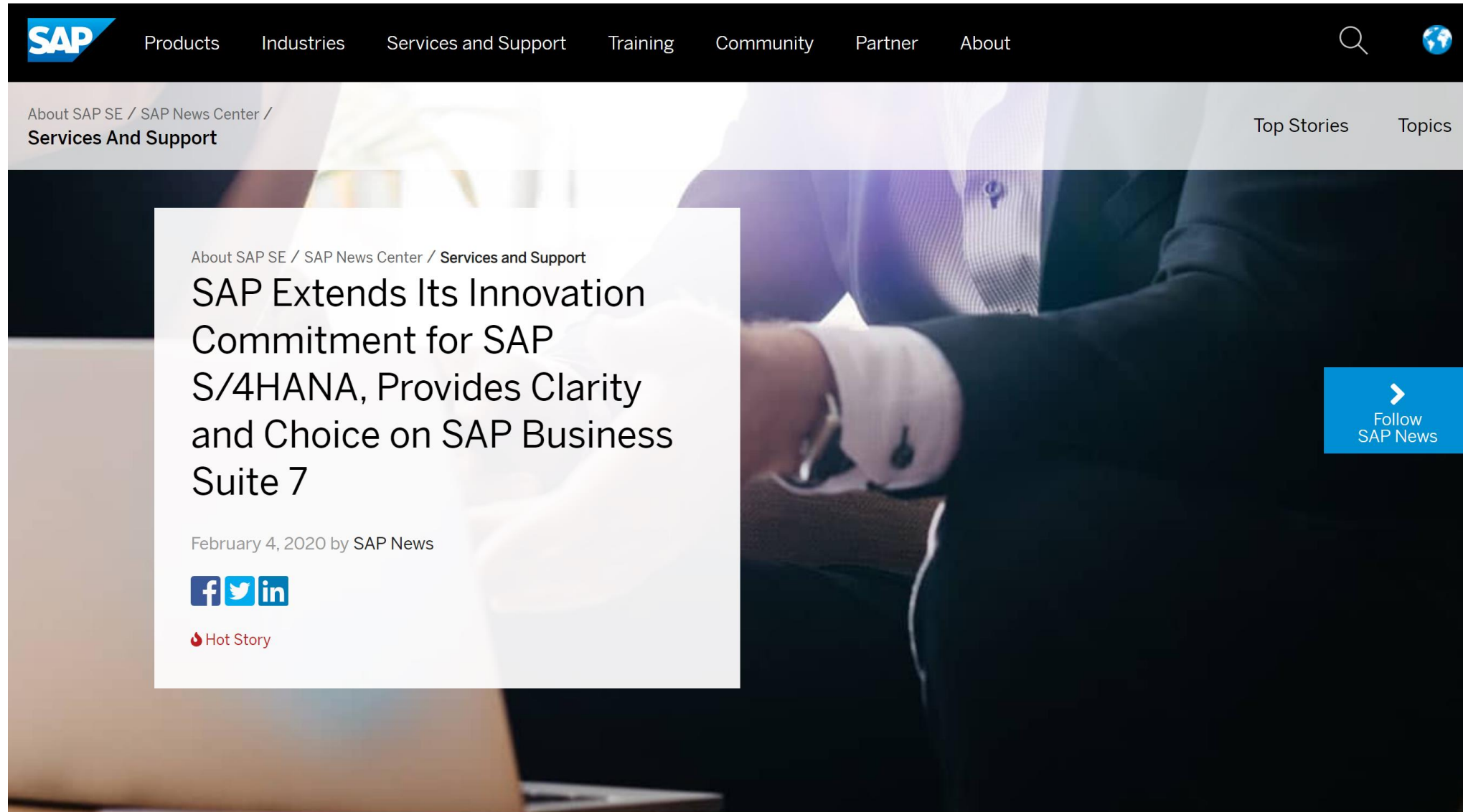


Q: When are you planning to start your SAP S/4HANA project?
n=625 | 443

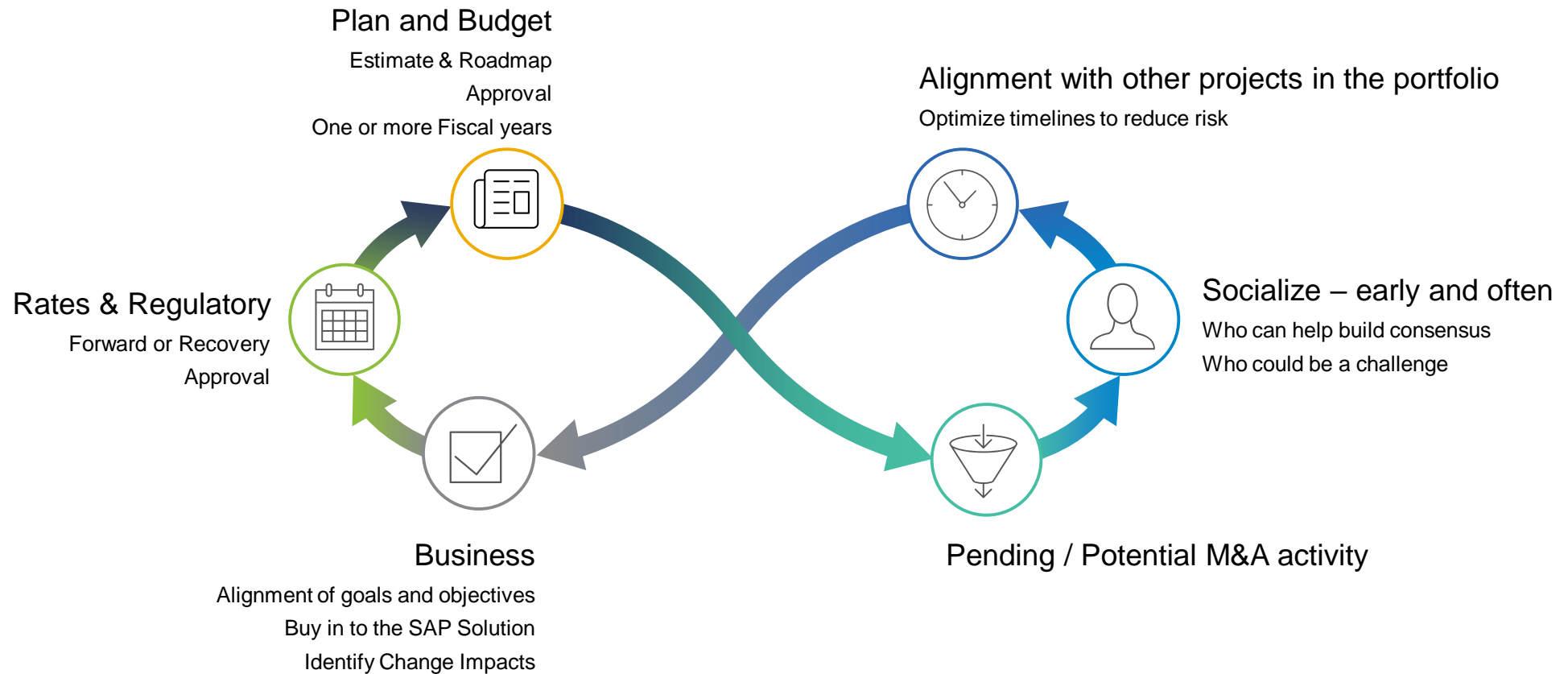
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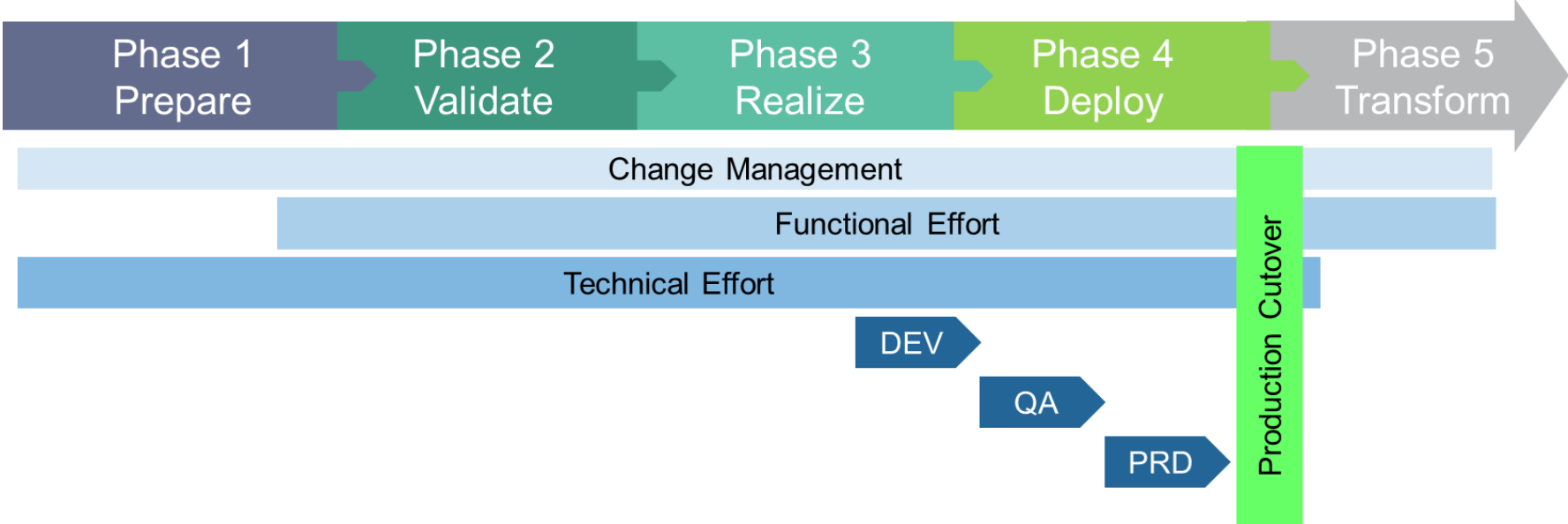
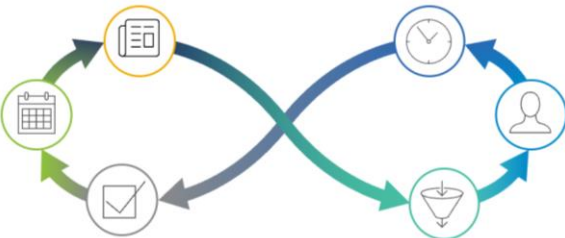
Timing



Considerations



Overall Timeline



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



Utegration Information and Offerings

Utility-Specific Considerations for SAP S/4HANA® Implementations

A Supplement to *Mapping Your Journey to SAP S/4HANA*

www.utegration.com

SAP S/4HANA Plan4U

Identify the unique value drivers, risks and the business case for your utility's SAP S/4HANA® migration and chart your unique roadmap.

The Utegration SAP S/4HANA Plan4U offering provides an efficient and structured approach to assess your current environment and determine a path to SAP S/4HANA that is the least disruptive, generates the most value, and provides the greatest return on your SAP investment.

www.utegration.com

SAP S/4HANA Migration Package4U

Help your utility meet the demands of a changing industry with a packaged approach to moving your existing SAP ERP and IS-U systems to SAP S/4HANA. Our SAP and industry experts make sure you get the most from the SAP S/4HANA flexibility, data management and analytics capabilities.

Package Benefits

- Focus on technical system conversion that will deliver the foundation for future innovation
- Emphasis on minimizing disruption to the business while delivering necessary Knowledge Transfer for IT
- Packaged approach eliminates budgeting guesswork
- Optimal balance of internal and external resource utilization to drive lower TCO
- Accelerated timeline achieved through focused team and 24/7 processing of long-cycle technical steps that are the responsibility of Utegration
- Additional options can be easily added

Package Baseline

- Existing SAP ERP is ECC EHP7 (or higher) or Suite on HANA
- Existing SAP ERP is Unicode, DB, & OS Compliant for S/4HANA
- Systems include: SBX, DEV, QA, PRD
- Based upon technical system conversion, with the following exceptions:
 - Call Center transformation to SAP S/4HANA Customer Management is included
 - Mandatory changes due to Finance and Materials Management simplifications
 - BI / BW is using standard extractors
 - Mix of on-site and offshore resources

Package Scope, Costs and Implementation Times

Attribute	IS-U Only, Small	Medium	Large
Conversion Test Cycles	Three (SBX, Mock, PRD)	Three (SBX, Mock, PRD)	Five (SBX, DEV, QA, Mock, PRD)
Functional Scope: MTO, MTC	IS-U, CIC0	IS-U, CIC0	IS-U, CHM
Call Center Target	S/4 Customer Management	S/4 Customer Management	S/4 Customer Management
Functional Scope: PTP		MM	MM
Functional Scope: BTR		FI, CO, PS (WBS only)	FI, CO, PS (WBS only), FERC Module
BI / BW Integration and Upgrade	No	No	Yes
Company Codes (with GL)	Up to 3	Up to 3	Up to 10
Custom Code Remediation	Up to 50 Objects	Up to 50 Objects	Up to 200 Objects
Interfaces	Up to 10	Up to 10	Up to 20
Standard Fiori Activation	Up to 10 tiles	Up to 10 tiles	Up to 40 tiles
Project Duration	7 months	7 months	10 months
Hyper Care	1 month	1 month	2 months
Cost	\$3m to \$4m	\$3.5m to \$4.5m	\$5m to \$8m

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Partner-Packaged Solution

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Thank you.

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