Navigating a Successful SAP S/4HANA® Implementation

How SAP and Knoa Can Make the Digital Transformation Easier for Your Organization

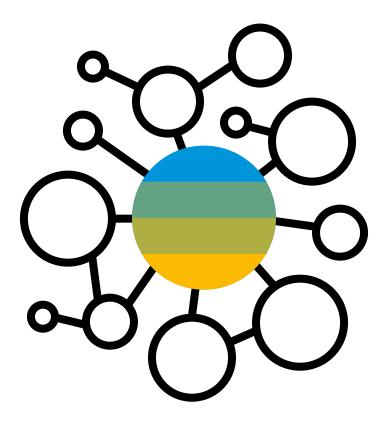




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To seize opportunities in today's digital economy, enterprises need to be able to capture and use data in creative and complex ways, digitize core processes, and create new business models that meet the demands of real-time business.

Within the SAP ecosystem, companies embarking on digital transformation choose SAP S/4HANA® to ensure the significant performance improvements across their organization that are required to compete in the digital economy.

Start at the Beginning

THE CHALLENGES

While it is clear that organizations need to use the latest technology to adapt to new business situations, only 3% of companies have completed digital transformation projects across the enterprise, while a majority (55%) are still in the Piloting phase 1.

Companies embarking on an S/4HANA migration project need to consider a number of technology and deployment choices. Those choices are summarized in the TechTarget guide, <u>"S/4HANA</u> <u>Migration: What You Need to Know."</u>

However, beyond making a major technology investment, fundamental change needs to permeate the organization as a whole to make the digital transformation journey a success. Specifically, your workforce needs to be fully prepared to use the new technology and be able to leverage it to achieve the desired business goals. This level of change doesn't happen on its own; it takes careful planning, preparation and follow-through. But most of all, it requires that user experience and adoption become key success criteria for your digital transformation project, and not just an afterthought.

THE IMPORTANCE OF USER ANALYTICS

Digital transformation is about more than just deploying a new technology or implementing a new business model. It's about changing the way business is done and the way people work. Therefore, organizations must pay attention to how employees interact with the technology. To ensure successful change and drive digital transformation, the business must nurture change, and must ensure that change is adopted. This is where user analytics come into play.

SAP S/4HANA simplifies the data model for ERP and provides an **award-winning user experience**; it also helps with automating key tasks and running next-generation processes that accelerate and improve decision-making.



1. SAP Digital Transformation Executive Study, "4 Ways Leaders Set Themselves Apart".

Full Visibility Through SAP and Knoa

Organizations using SAP UEM by Knoa can identify user adoption gaps, training needs, application performance issues impacting user productivity, as well as process or application design changes to streamline user workflows.

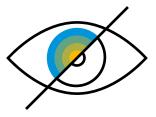
Here are some of the non-technical questions that companies need to answer when implementing organizational change during a digital transformation project:

- · What parts of the organization will be affected?
- How will this impact people's jobs/roles/ responsibilities?
- How to properly communicate the changes, and then measure their adoption?
- What help do employees need to complete the transformation journey?

This white paper describes several SAP best practices for customers undertaking the digital transformation journey, as outlined by a recent study by IDC of businesses that have been through the experience: <u>"Voice of the Customer:</u> 10 Insights, Direct from SAP 1S/4HANA Pioneers".

These best practices cover a wide range of topics across all stages of an SAP S/4HANA implementation project, from planning and preparation to go-live and hypercare. In each case, we will highlight how user analytics can help you ensure a successful outcome.

SAP User Experience Management (UEM) by Knoa **gives you full visibility** into how your employees interact with applications within the entire SAP landscape, measuring their experience, adoption of the software, and performance in executing business processes.



Best Practices for a Successful SAP S/4HANA Implementation

DIGITIZE YOUR ORGANIZATION'S DATA, EVEN IF IT CURRENTLY RESIDES OUTSIDE THE ERP SYSTEM, AND UNIFY IT

A major driver for moving to SAP S/4HANA is the need to support new digital business models, with the ability to capture knowledge in real-time and create more seamless, efficient, and accurate processes. Your most important data may reside outside of your main system of record, particularly the valuable institutional knowledge and "homegrown" practices that your workforce relies on.

SAP UEM by Knoa helps overcome this hurdle by giving you visibility into how employees actually get work done, across your entire SAP landscape and beyond. By tracking use of commonly used SAP and even non-SAP applications, you can get a clear understanding of how your critical business processes are actually being executed, so you can identify where opportunities exist to integrate disparate silos of information into your core SAP system.

DIGITAL PROCESSES INCORPORATE NEW LEVELS OF AUTOMATION TO DRIVE PRODUCTIVITY

The next step is deciding what information should be digitized so your business can reach new levels of automation to increase productivity. Once you've identified where and how the work is done, you can then identify all of the repetitive tasks that can be streamlined or even automated.

SAP UEM by Knoa helps identify these repetitive tasks by observing user interactions with software applications across all lines of business, directly in the production environment, 24x7. These insights can be used to streamline user workflows, improve process design, and identify priorities for automation.

In this vein, one of the largest public power utilities in the United States, Salt River Project (SRP), leveraged Knoa's user analytics to get an accurate measurement of utilization of its SAP ERP system in order to identify targets for new UX design, through SAP Fiori[®]. For more details, see <u>"How Did a Phoenix Power Utility Boost</u> <u>User Experience and Adoption of Its Enterprise</u> <u>Applications? ".</u>

PREPARE THE ORGANIZATION AND TAKE THE TIME TO DO IT RIGHT

A common theme in the IDC report that emerged from executive interviews was that setting aside time to prepare your organization is an important practice to ensure a successful deployment: "Get people on board before the change comes, and be sure to get senior management support."

You need to be fully aware of what problems currently exist, where they reside, and what their impact is, so you can focus your implementation efforts in addressing those problems head-on. As you are defining the blueprint of your SAP S/4HANA implementation, you need to take a baseline of your current environment and identify precise benefits that the new system will bring. By measuring user performance before and after the migration, you'll be able to quantify improvements and build a robust ROI for your project.

IT SHOULD PARTNER WITH THE BUSINESS TO ENABLE DIRECT, REAL-TIME ACCESS TO DATA

Having access to real-time user experience data throughout the project forges a stronger partnership between business and IT. As your digital transformation begins, everyone in the organization needs to be on the same page regarding the current state of the business.

Although business leaders and IT typically look at things from different perspectives, SAP UEM by Knoa brings the two groups together by giving you access to system performance data captured from the perspective of actual business users. This creates a common language where everyone is able to talk about technology changes on the basis of their true business impact.

As an example, the cosmetics company Boticário Group used SAP UEM by Knoa to gain visibility into employee interactions with its SAP ERP application, in order to identify opportunities for improvement across key business areas. For more details, see <u>"How Did a Leading</u> <u>Cosmetics Company Beautify its Enterprise</u> <u>Software to Provide Customers with Their</u> <u>Beloved Products?"</u>

PREPARING THE DATA IS THE BIGGEST TECHNICAL HURDLE

Participants in the IDC study identified data preparation as the single biggest technical hurdle in a SAP S/4HANA implementation. Although data cleansing and data quality work can be time-consuming, it is an absolutely necessary step in migrating to a new system. After all, a business process is only as good as the underlying data.

With SAP UEM by Knoa, you can further ensure data quality by capturing data quality issues directly at the point of entry, when errors are generated by the system on the user interface. SAP UEM by Knoa enables you to easily monitor where and when those errors are happening, as well as when new errors are introduced in the system.

CONNECT SIGNALS AND INSIGHTS TO BUSINESS ACTION

Real-time access to user behavior data is an important prerequisite for implementing process improvements. Visibility into real-time process execution, coupled with real-time detection of anomalies, eliminates information delays and enables faster responses. For example, giving users with support before an issue gets escalated through the help desk helps you improve user productivity and reduce overall support costs. You need to operate proactively in both user and application support functions by identifying in real-time issues with impact on user productivity.

Russia's largest steel company, Severstal, used SAP UEM by Knoa for this, quickly identifying ERP performance issues. This empowered the IT department to proactively solve error tickets and significantly reduce the amount of time spent investigating user errors. According to Alexey Maksimenko, Senior Consultant, Change Management, Severstal-Infocom, "SAP UEM data helps our support consultants reduce the time spent on user surveys by visually showing the who, when, how and where behind error messages. SAP UEM is a storehouse of useful information." ("How Did Russia's Largest Steel Company Identify SAP HANA® Database Performance Issues and Boost Productivity?")

USE STANDARD PROCESSES IN S/4HANA RATHER THAN REAPPLYING OLD CUSTOMIZATIONS

Rather than re-applying old, possibly outdated and never used customizations from your legacy environment into the new SAP S/4HANA system, the best practice is to standardize wherever possible. But how do you do that without knowing which customizations are truly needed, as to avoid business disruptions?

SAP UEM by Knoa helps you identify how your customizations are actually being used, so you can safely eliminate the ones that have fallen below the economic level of support and keep only those that are used regularly and are driven by legitimate business needs.

ERP IS THE LIFEBLOOD OF THE BUSINESS, NOT JUST A PROCESSOR OF TRANSACTIONS

Your enterprise system should be the lifeblood of your business, not just a central processing location. You need to be able to monitor what's happening in the system in real-time and have the ability to alert the appropriate business or IT stakeholders when issues arise.

SAP UEM by Knoa helps drive six sigma initiatives by identifying improvement opportunities across your entire SAP landscape and business user community. Specific improvements can be identified across a wide range of functional areas, from user training and enablement, to process or UX design. And with any changes you implement in your SAP environment, you need to ensure full adoption, for those changes to be effective.

How to Measure Success

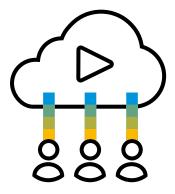
Finally, to gauge whether your SAP S/4HANA implementation has been a success, you need to be able to quantify improvements in both user adoption and user experience.

SAP UEM by Knoa does exactly that.

In the case of power company Salt River Project, the company leveraged Knoa's user analytics to guide its move to SAP Business Suite on SAP S/4HANA and measure post-deployment performance improvements. The functional support team was able to accurately measure the extent to which the new Fiori and SAP S/4HANA-based applications were being adopted, without having to wait for user feedback.

Based on the Knoa data, SAP was also able to identify residual usage of legacy transactions where it needed to further drive adoption through user interface improvements, training, or simply through a more effective communication plan. For more information on this transformation, see **"Using Analytics to Speed Time to** Implementation".

Here is how the team responsible for the SAP project summed up their experience with SAP UEM by Knoa: "From a solution perspective, the ability to have **true insight of how users are interacting with SAP** is invaluable."



Summary

If you're embarking on a digital transformation with an SAP S/4HANA implementation, keep in mind these critical ways that you can leverage SAP UEM by Knoa's user analytics to ensure the success of your project:

Before migration:

- · Assess current pain points and inefficiencies
- Prioritize migration scenarios focus on specific business transactions and user profiles
- Establish user-centric success criteria

During migration:

- Provide empirical user behavior data for the design thinking process
- Validate new application or process designs early, before a production rollout

After migration:

- Measure user adoption to identify gaps or training issues
- Provide proactive support during hypercare
- Quantify improvements by comparing "before" and "after" KPIs

Remember, change doesn't stop when SAP S/4HANA is deployed. Digital transformation is a continuous process that requires creating positive expectations before the implementation, building skills during the implementation and sustaining engagement and motivation after golive. Based on the data, you can build the knowledge and skills your users need to harness new technology to deliver successful business outcomes.

To learn more about how your organization can benefit from SAP UEM by Knoa, visit <u>https://</u> www.sap.com/products/knoa-user-experience. html



SAP UEM by Knoa gives your organization the analytics needed to **truly empower your users** during your digital transformation journey.

www.sap.com/contactsap

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