

## Possibilities and limits: What SAP S/4HANA can really do



Digital transformation is changing the role of the ERP system within the company. The application suite SAP S/4HANA, which is to be the digital core of the digital business models, illustrates what the enterprise resource planning of the future could look like. A critical review shows where the advantages, but also the limits of SAP S/4HANA lie.

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The complexity of processes and value chains is growing and at the same time, the use of Internet of Things (IoT) technologies in Industry 4.0 scenarios generates huge amounts of data (big data).

## Simplifying complex processes

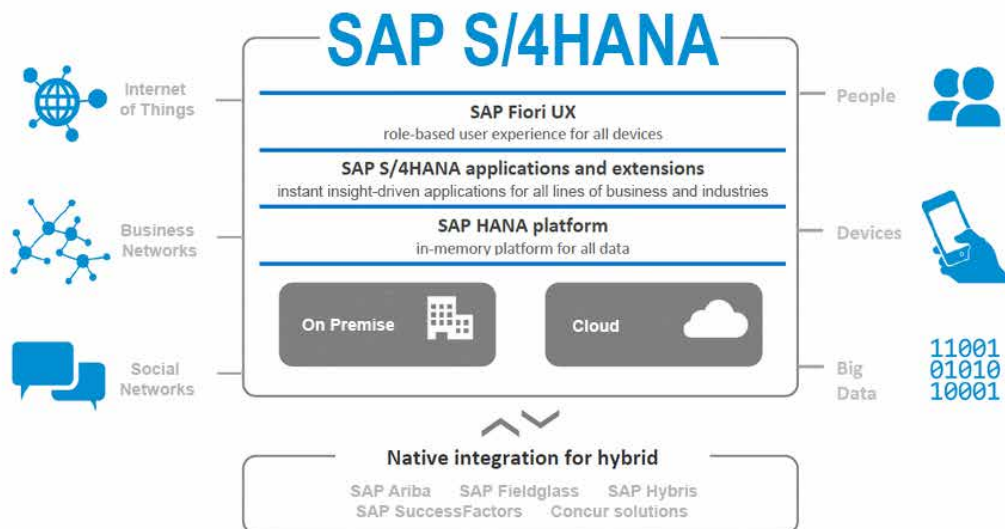
The requirements associated with digital transformation can no longer be met with a "classic" ERP system, such as SAP ERP, in a satisfactory manner. SAP has now launched SAP S/4HANA, an application suite combining the advantages of the SAP HANA in-memory platform in terms of data processing, analysis and real-time simulation with the advantages of the intuitive user interfaces of SAP Fiori. It can be installed on the premises or used as an individual system in a managed cloud or as a standardized edition in the public cloud as well as in the form of a hybrid model.

True to the motto "Run Simple", SAP S/4HANA enables a smooth transition to the digitalized world with the help of digital and simplified business processes. The streamlined data model - redundant data layers, aggregates and indices have been eliminated - reduces the amount of data to be processed by a factor of ten on average, and the IT infrastructure also has been streamlined. A significant factor is that PLM, SCM, CRM, SRM and BI functions or the global availability check (Global ATP) are retrieved from SAP APO back into the ERP core. In the case of SAP APO, this eliminates the need to install your own system and thus redundant data storage or duplication of data between ERP and APO.

## Process-oriented instead of modular architecture

Unlike the modular application SAP ERP, SAP S/4HANA is structured in a consistently process-oriented manner and has as a consequence a significantly simpler architecture. The tasks and data of individual business areas such as finance sales or logistics are pooled in the SAP S/4HANA suite - namely in SAP S/4HANA Sales, SAP S/4HANA Finance (previously SAP Simple Finance) or SAP S/4HANA Supply Chain so that totally new possibilities become available to the end user.

In SAP S/4HANA Finance, for example from now on it is possible to carry out a soft close of the income statement in great detail at any time. All financial data is stored centrally in a repository and processed almost in real-time at the line item level. This eliminates the separation between controlling and accounting, which in turn means greater transparency. This way, every incident that is posted in Accounting now immediately appears in Controlling and vice versa. Complex MRP runs requiring up to one day in batch mode can be simulated ad hoc in SAP S/4HANA Supply Chain. This also makes it possible to complete them several times a day. This is particularly beneficial for production processes, as decisions regarding the use of materials, machines and personnel can now be made on the basis of real-time data.



Other SAP solutions - whether on premise or in the cloud - can be integrated seamlessly into the application packages that form the "digital core" of the new suite until completely digitalized end-to-end processes are finally created. For example, by linking SAP S/4HANA Sales with the customer management solution SAP Cloud for Customer, an integrated customer engagement concept can be realized - online as well as offline and on any end device.

### **Easy to use**

The run simple principle becomes manifest externally in the SAP Fiori apps. The apps are customized for each user group and, depending on the role and authorization, display all the relevant data on the desktop, smartphone or tablet for the user. The SAP Fiori Launchpad enables the user to access the transactional and analytical apps that are assigned to him, as well as factsheets and SAP Smart Business Apps.

The SAP Smart Business Apps pool important operational and strategic real-time key figures for specific areas such as demand and sales planning or project management in a clearly arranged cockpit. The material planner knows at any time how many unsecured orders, shortfalls with top priority or late orders there are currently. And the project manager can track all cases of cost variances, missing parts, overdue milestones or WBS elements. The ability to drill down KPIs down to the smallest detail allows those responsible to identify deviations or problems at an early stage and to take immediate countermeasures.

### **Alternatives for SAP Fiori**

In certain cases, as an alternative to SAP Fiori, a user-friendly, personalized web interface can be created using the SAP Screen Personas add-on for transactions executed in an SAP GUI and ABAP developments. Activities such as creating, editing and displaying a production order, for example, can be integrated into one user interface and carried out efficiently by the user.

The ORBIS Multi-Process Suite (ORBIS MPS), an ABAP-based, secure and stable application developed by ORBIS AG, is the ideal solution for production and intralogistics applications. ORBIS MPS automatically integrates real-time data from sensors, actuators, barcodes and RFID tags as well as production and intralogistics processes into SAP software and visualizes the data using the push principle, based on roles and clearly arranged on industry-standard interfaces. Because the application can be used on the desktop as well as on a mobile device such as a smartphone or tablet, the business user always has up-to-date information at hand - even while on the move, both online and offline. In addition, ORBIS MPS offers the possibility to combine different SAP Fiori apps in one user interface.

### **Migration with an experienced partner**

Companies considering a migration to SAP S/4HANA are advised not to do so without the support of an experienced partner with cross-module consulting and process expertise as well as comprehensive technological know-how in the SAP environment. The consultant can advise the customer competently on the selection of the right user interfaces (SAP Fiori, SAP Screen Personas, ORBIS MPS), the suitable operating model (on premise, cloud, hybrid) and determines the exact sizing of the SAP-HANA database (working memory, discs, CPU). To ensure that the implementation is carried out on schedule and within budget, the partner must use an agile implementation method such as SAP Activate.

### **The path to SAP S/4HANA**

If an existing SAP customer already uses SAP ERP 6.0 with Unicode, an upgrade to the current Enhancement Package (EHP) must first be carried out, in this case to EHP 7. It is only then that the changeover to the SAP-HANA database takes place and ultimately the import of the SAP-S/4HANA innovations. The conversion of the individual SAP installations can take place either in one go or step by step. If the customer already uses the SAP Business Suite powered by SAP HANA, only the "old" code has to be replaced by new ones when changing.

For new customers only the complete new introduction of SAP S/4HANA is possible, but it is also recommended for existing customers with a multi-ERP environment. In the case of the latter, the suite should first be introduced in a branch that does not yet use SAP software before it is rolled out to all other locations.



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