

**Postpone
SAP S/4HANA®
for another
5 years?**

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Postpone SAP S/4HANA® migration for another 5 years: will your company survive?

More and more often I hear that enterprises continue to postpone the SAP S/4HANA® migration. SAP SE recently announced to support legacy SAP® Enterprise Resource Planning (ERP) packages not until 2025 but until 2027. Good news you would think. After all, this will give SAP user companies more time for the migration to the latest generation of the ERP platform SAP S/4HANA®. But is another postponement a wise choice in today's competitive markets?

Great innovation ambitions

During my regularly conversations with clients visiting our innovation centre I recognize great ambitions to innovate. They want to be able to respond more quickly and flexibly to their customer requirements, develop innovative business models and are looking for real-time insight into their business. Then in turn I ask, whether the old SAP® Business Suite system still fits these ambitions. Because, this requires a platform that provides optimal support for developments such as Artificial Intelligence (AI), Machine Learning (ML) and Internet of Things (IoT).

Why right now?

By making smart use of new technological solutions you can innovate your business. In this blog, I give some examples of companies that have already done this successfully. Migrating in time to SAP S/4HANA® is especially interesting, because the platform uses the latest technology and because innovative applications and functionalities can be implemented quickly and easily. This gives companies the opportunity to accelerate digital innovation, within any organization with AI, ML, IoT and blockchain. In this way, you can change your entire business model to work even more innovatively, more efficiently and smarter.

Case: Kaeser's smart air

A good example of digital innovation is the project we did for Kaeser. They produce compressors and compressed air systems for small to large businesses. For seventy years it was Kaeser's business model, to sell these systems. Then, Kaeser recently changed the business model by no longer offering products but services with a pay-per-use payment model. Special compressors are equipped with sensors to determine predictive maintenance including pay-per-use. This is made possible thanks to IoT technologies based on the SAP S/4HANA® platform. Now Kaeser is not just selling compressors, but a service: "air-as-a-service".

Case: The new Signify

I also have great appreciation for Signify. Signify, the former Philips Lighting, is market leader for lighting and offers customers high-quality, energy-efficient products and systems. It was a traditional business that started selling incandescent lamps at the end of the nineteenth century. Recently, Signify has already adapted its business from incandescent lamp to LED and smart lighting. And today, Signify is once again completely changing the business model; from manufacturing to service provider. Lighting has become a service, that Signify uses to relieve the burden on local authorities by taking over the entire lighting system, including maintenance. Of course, this requires a completely different design of the ERP suite, and the digital core of SAP S/4HANA® fits perfectly.

Avoid investments in old technology

As I mentioned earlier, SAP SE no longer provide innovations in the traditional SAP® ERP suite. This makes it more and more difficult for organisations to implement digital innovations and, there is a risk of lagging behind the competition. And if you are going to implement these innovations regardless, you will be investing in "old technologies and old platforms" and the unavoidable migration step to SAP S/4HANA® will become an increasingly complex process - and one that may turn out to be very bad once it has to be done.

Avoid unnecessary risks and remain flexible

The migration of the legacy SAP® ERP Suite to SAP S/4HANA® is of course a significant step and is also associated with costs. Moreover, a war of talent is raging and existing SAP S/4HANA® know-how is not very widespread. Therefore, start now to draw up a clear migration path, including housekeeping of SAP® systems and think about new business processes in a future-oriented way. In order to remain flexible in terms of platform services, the selection of the best combination of cloud infrastructure is crucial. This prevents unnecessarily high platform costs.

Look ahead and start

Customization legacy SAP® system environments leads to higher costs. And postponing a migration is probably not cheaper than switching to a new platform. Ask yourself the question, where you want to be in 5 to 10 years? What is your company's vision for the future and what do you need for implementation? SAP S/4HANA® is the ideal foundation for the future of an intelligent enterprise. It is now time to act strategically, to ensure that we always stay at the top of the market.

Still in doubt or need help?

Please contact us for a consultation, without obligation.

Just recently, SAP SE awarded T-Systems with its 2020 Partner Excellence Award as "Service Partner of the Year" for the EMEA North Region. With this award, SAP SE honors partners who have made an outstanding contribution to advancing the digital transformation of SAP user companies.



About Occu Vreezen

Occu Vreezen has spent his entire life dealing with business-related IT issues. SAP solutions has been the common thread in a number of implementations and hosting projects. Important keywords: SAP®, Hosting Services, Business Intelligence, Large Data, Architecture and SAP S/4HANA®.

About T-Systems

T-Systems is one of the world's leading digital service providers. It is based in Europe and offers integrated solutions for business customers. The company uses a global infrastructure of data centers and networks to operate information and communication technology. As a leading end-to-end service provider for SAP® solutions, it covers the entire value-added chain of the SAP® lifecycle. And it provides everything from a single source: from secure operation of existing systems and classic IT and telecommunications services to transformation to the cloud and SAP S/4HANA®, and from needs-based infrastructure, platforms, and software to new business models and innovation projects in the Internet of Things.

Further information is available at www.t-systems.com

More Information

T-Systems SAP S/4HANA® Readiness Scan

An experienced and responsible partner like T-Systems will accompany you on your path into the digital age with end-to-end expertise – and most importantly, at the speed that is right for you. To achieve this, we offer a comprehensive end-to-end SAP® transformation package in which we have brought together our best modular solutions in the areas of design, transformation and operation.

[More information](#)

T-Systems SAP® Leonardo Initiation Package

Benefit from the advantages of an innovative and intelligent enterprise by enter a new dimension of digitization with regard to your SAP® system world. Find the optimum path for your company to discover new opportunities and possibilities regarding the Internet of Things, Blockchain, Machine Learning, Analytics, Big Data, and Data Intelligence.

[More information](#)

T-Systems Public Cloud for SAP®

With this platform, you can use SAP® applications flexibly at any time. All applications are available as fully functional appliances – complete setups instead of individual Lego bricks. The predefined services are provided in the familiar operating quality on the SAP-certified T-Systems Public Cloud.

[More information](#)

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