



How to Customize Your SAP S/4 HANA Cloud Strategy?

Make it As Unique As Your Business

In the ever-changing enterprise tech landscape, organizations using SAP face the challenge of customizing solutions to meet their unique business needs. SAP S/4HANA Cloud emerges as a pivotal player in this dynamic scenario, providing a platform for business innovation. The decision between SAP S/4HANA On-Premise and SAP S/4HANA Cloud is contingent upon the nuanced requirements and priorities of each company, demanding a thorough evaluation of organizational needs to determine the most suitable path forward.

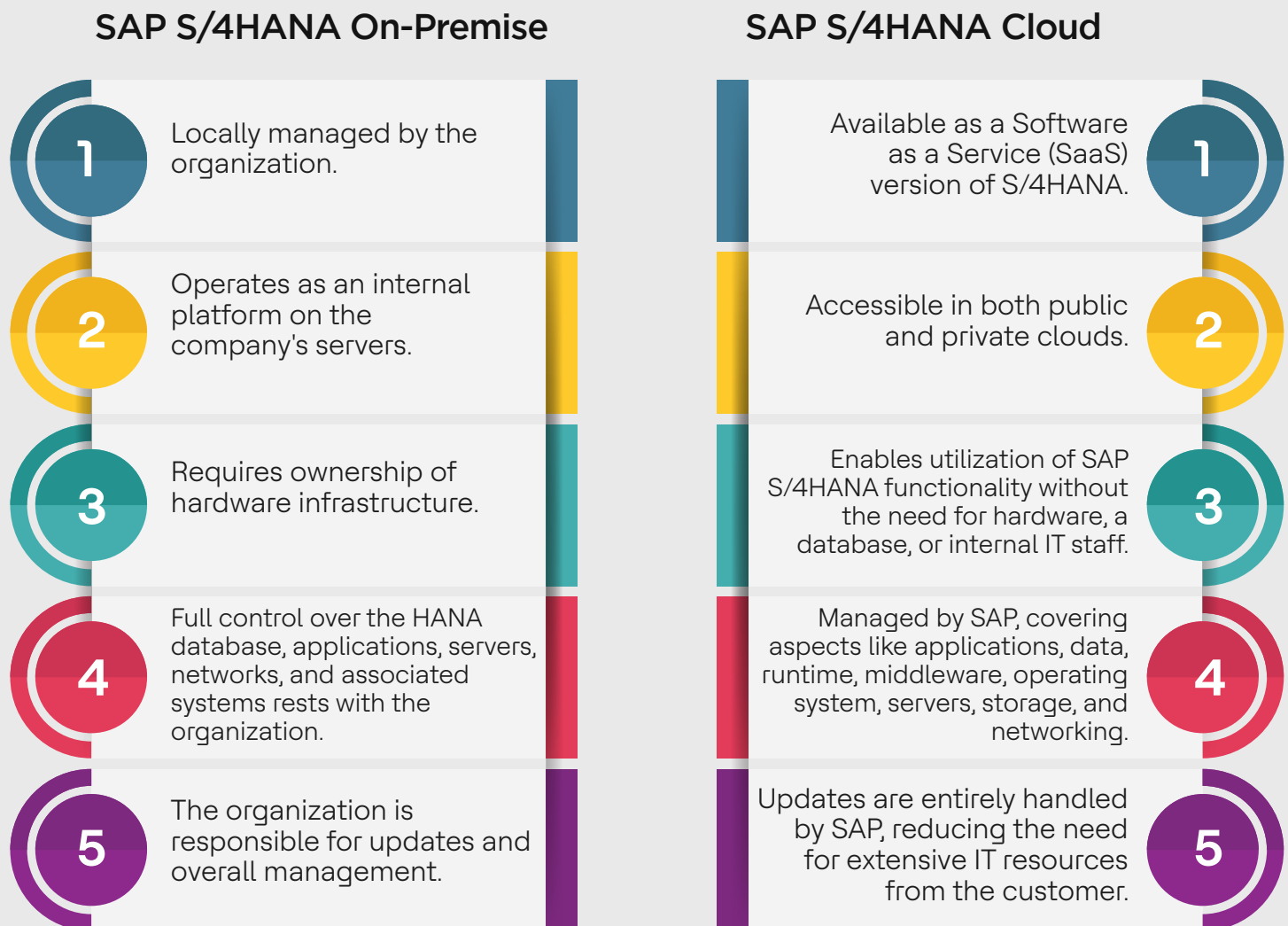
This article delves into the intricacies of customizing a SAP S/4HANA deployment strategy. As we progress, we will explore the reasons behind organizations opting for SAP S/4HANA Cloud deployment. Additionally, we'll discuss where and how organizations can leverage SAP S/4HANA and provide insights on customizing your SAP S/4HANA Cloud strategy for out-of-the-box business success.

Customizing a SAP S/4HANA Deployment Strategy

Delving into the intricacies of customizing a SAP S/4HANA deployment strategy, it is essential to unfold the distinctions between SAP Cloud and On-Premise. Understanding these differences is essential for making informed decisions that align with a company's unique needs and assessing the long-term impact on business operations.

The difference between SAP Cloud and On-Premise lies in the deployment and management of SAP S/4HANA:

Difference between SAP Cloud and On-Premise



Private Cloud Deployment

Involves hosting SAP S/4HANA in a third-party provider's data centers.

The organization retains ownership of the software licenses.

Offers a middle ground between full on-premise control and a fully managed cloud service.

SAP S/4HANA On-Premise requires local management and ownership of hardware, SAP S/4HANA Cloud, including private cloud deployment, offers a managed service where various aspects are handled by SAP or a third-party provider, reducing the operational burden on the organization.

Choosing between SAP Cloud vs On-Premise depends entirely on the needs and priorities of your company. Organizations with data regulations or existing IT infrastructure may find that on-premises suit them better. So it is essential to evaluate your organization's needs before deciding which way to go.

Let's explore the compelling reasons behind organizations choosing SAP S/4HANA Cloud deployment.

Why Organizations Opt for SAP S/4HANA Cloud Deployment?

Enterprises opt for SAP S/4HANA Cloud deployment for its ability to provide advanced functionality without requiring in-house hardware or an extensive internal IT staff. The comprehensive management provided by SAP S/4HANA Cloud covers various critical aspects, including applications, data, runtime, middleware, operating systems, servers, storage, and networking. With SAP handling updates, organizations can free themselves from the extensive burden of managing IT resources, making SAP S/4HANA Cloud an attractive choice for companies looking for a scalable ERP solution that simplifies IT infrastructure management.

This streamlined and scalable solution is particularly appealing to companies envisioning future growth, as it eliminates the need for dedicated IT resources, allowing organizations to focus on strategic initiatives rather than managing complex IT infrastructure.

Down the section let's explore, how organizations of different sizes and markets can benefit from SAP S/4HANA's adaptability across diverse scenarios.

Where and How Organizations Can Leverage SAP S/4HANA

Here are some potential strategies to help meet the requirements of professional services divisions.

For Two-Tier ERP strategy:

Some organizations find success in a "two-tier ERP" strategy, combining the flexibility of the cloud with on premise deployment. For instance, consider on premise SAP S/4HANA for core processes and public cloud deployment for non-core processes. A "two-tier ERP" approach works for some organizations. For instance, on premise SAP S/4HANA supports core processes, while a public cloud deployment serves non-core processes. Solutions from the same vendor with the same code base minimize non-core ERP systems, facilitating the sharing of master data and business processes, and reducing manual reconciliation.

To Support non-core processes

Traditionally organizations using Microsoft Excel for non-core processes to support non-core processes and smaller-scale operations complicate the IT landscape, necessitating costly integration. A cloud-based ERP system simplifies this, offering faster time-to-value, reduced total cost of ownership, and seamless integration with the main ERP system, meeting small entities' business requirements without a full-blown ERP implementation. This can result in faster time-to-value, reduced total cost of ownership, and smoother integration with the main ERP system.

To meet the requirements of its professional services division:

In one instance, a consumer product organization opted for a cloud deployment for its professional business

unit, contributing to revenue growth, while favoring an on premise infrastructure for its core consumer branch. In another instance, a high-tech manufacturing company chose a cloud deployment of SAP S/4HANA to meet the requirements of its professional services division.

Thus SAP S/4HANA cloud approach proves valuable across various scenarios, irrespective of the business unit's size or the market in which it operates.

Choosing the Right Migration Path

Transitioning to SAP S/4HANA requires a strategic approach. Choosing the right migration path is critical for a successful transition. Choices between Greenfield, Brownfield, or Hybrid migration paths should consider factors such as technical requirements, deployment location, and motivations behind the migration. The migration strategy must align with the business model and system requirements.

A Greenfield strategy

involves implementing the software from scratch, migrating only master data while managing transactional data through deletion or archiving.

A Brownfield approach

necessitates migrating an existing SAP ERP system, including all master and transactional data, to SAP S/4HANA.

A Hybrid approach

allows for a gradual implementation of the new software with concurrent conversion of master and transactional data.

The IT environments of businesses vary significantly, influencing the path to be taken in transitioning to SAP S/4HANA.

Key determinants include the starting system, technical requirements, deployment location (on-premise or in the cloud), and the motivations behind the migration. It is essential to assess the viability of directly converting data from the current system to SAP S/4HANA, determining the volume of data to be converted, and planning for custom code remediation. Beyond the technical considerations, a critical aspect involves reflecting on how the overall business model may have evolved since the initial implementation of the original ERP system.

When determining the migration path to SAP S/4HANA, organizations should carefully assess their business requirements, ensuring alignment with a Greenfield, Brownfield, or Phased approach. For example, if the objective is to transition to a digital platform from a non-digitized system, opting for a Greenfield approach might be the most logical choice.

Are you ready to build the best-fit strategy?

In summary, the success of a SAP S/4HANA deployment strategy hinges on a nuanced understanding of the organization's specific needs and objectives. Steering clear of a one-size-fits-all approach, a thorough examination of the implementation type, location, and execution plan becomes pivotal. Through this thoughtful consideration, organizations can craft a tailored strategy that not only meets current requirements but ensures the success of their SAP S/4HANA deployment and also lays a resilient foundation for future growth.



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