Overcoming Challenges to Delivering the Promise of SAP S/4HANA

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How organizations unlock operational excellence in times of uncertainty and beyond

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Index.

Stability in Times of Uncertainty

Now, more than ever, enterprises need their SAP applications and the infrastructures they run on to help generate revenue, control costs and protect their bottom lines.

After all, 77% of the world's transaction revenue touches an SAP system[1] at some point, making SAP the market leader in enterprise application software. But as a global pandemic wreaks havoc on global supply chains, throws millions out of work, flattens demand in the travel and food services industries, creates volatility in global markets, and generally establishes a reality that no one wants, organizations are looking for stability.

In particular, organizations are looking for ways to maintain a strong, stable competitive position in their markets in the face of uncertainty. And this is driving many of them to take advantage of the advanced capabilities supported by SAP S/4HANA. These capabilities include embedded artificial intelligence, machine learning, faster reporting, and real-time advanced analytics, with the ability to easily expand beyond on-premises implementations to cloud and hybrid cloud environments.

Drivers Leading the Change to SAP S/4HANA

Enterprises are looking for up to three key returns on their investment in SAP S/4HANA according to *The Total Economic Impact™ of SAP S/4HANA*, a 2018 study published by Forrester Group and commissioned by SAP[2].

1. Grow revenue ahead of the market
2. Reduce customer turnover
3. Improve operational excellence with higher employee productivity

The Forrester study found that customers implementing SAP S/4HANA grew their revenue ahead of the market average by 6% in the first three years. They reduced annual customer turnover from 10% to 6%. And they saw 35% higher employee productivity.

These are clear motivations leading the change to SAP S/4HANA, and organizations may be closely focused on one or more of the benefits, depending on company size and growth aspirations. But one thing is certain — achieving these returns in times of uncertainty is more complex than it was before.

Your Goals and the New Economy

The current economic environment adds a new level of difficulty to achieving business goals for many industries.

Healthcare providers such as hospitals, family physicians, and public health entities, are experiencing a surge in demand, but also a huge disruption in normal operations. Their goals in preparing for the recovery include managing patient volumes with pre-screening and prevention, finding reliable suppliers, managing supplies, and hiring contingent workers.

The impact on **food and drug retailers** is severe in many dimensions. Demand is skyrocketing for products in some crisis-related categories due to consumer hoarding, while demand on other products is diminishing, leading to significant inventory issues. Retailers need to improve staff morale and safety, maintain customer trust, enable online ordering with in-store pickup and delivery, and gain better supply chain visibility.

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1   https://www.sap.com/corporate/en/company/faq.html#
2   https://www.sap.com/documents/2018/06/
    2a911745-0b7d-0010-87a3-c30de2ffd8ff.html

The impact on **wholesale distributors** depends on the customers they serve. Some have seen a demand surge and are stretched to find inventory, while others have seen demand dry up and have needed to be creative. This new reality means wholesale distributors are keen to improve supply chain resiliency and flexibility, and keep staff safe and productive, while maintaining strong customer relationships.

Manufacturing is facing similar pressures, experiencing operational losses and delivery challenges due to labor shortages, supply chain disruptions, and logistical barriers. This is giving manufacturers a new set of goals, including keeping workers safe and productive, recognizing customer expectations in real time, diversifying supply chains, and optimizing them based on supplier delivery capabilities.

The impact of the pandemic on the **travel and leisure** industry has been devastating with severe limitations on non-essential movement of people, limits on large gatherings, and general reticence of people to leave home. New goals for this sector include enabling remote work and providing safe work environments, managing liquidity, testing re-opening scenarios, and personalizing engagements by understanding evolving customer buying patterns.

Some **transportation** providers are faced with sky-rocketing demand, while others are faced with little or no demand at all, generally based on consumer reaction to the pandemic. Companies in this industry are re-thinking their goals to include minimizing shipping delays, gaining total workforce visibility, and ensuring business continuity.

Another consideration for achieving business goals is the unique complexity that can be encountered in deploying IT infrastructures for SAP S/4HANA.

Obstacles to Smooth Delivery of SAP S/4HANA

SAP S/4HANA gives you tools to grow your revenue ahead of the market, reduce customer turnover and boost employee productivity. But you will encounter obstacles to getting the full value from the solution – roadblocks that have nothing to do with SAP S/4HANA and everything to do with the infrastructure you deploy it on.

Enterprises running legacy systems before implementing SAP S/4HANA experience as many as 17 outages a day, resulting in lost productivity costing nearly $1.9 million (risk-adjusted present-value over three years) according to the Forrester Group study, **The Total Economic Impact™ of SAP S/4HANA.**

Organizations face similar challenges if the infrastructure they use to run SAP S/4HANA is inadequate. For example, enterprises won't realize the full value of SAP S/4HANA if their IT service infrastructure is so inflexible that it takes weeks or even months to deliver a new business service. And they cannot realize the full value of SAP S/4HANA if the data required to make procurement decisions is late or missing due to poor system performance or outages.

These are not necessarily uncommon circumstances. Yet migrating to SAP S/4HANA adds another element of complexity to the IT infrastructure that organizations need to manage to ensure smooth service delivery and fastest time to value.

Transformation. Complication.

Enterprises can face obstacles on their journey to SAP S/4HANA.

Slow delivery of new services
- Missed revenue opportunities
- Customer turnover

Late or missing data
- Production stoppages
- Increased costs

Service outages
- Lost productivity
- Lost customers, reputation

The Ins and Outs of Inadequate Infrastructure

An IT infrastructure with frequent outages and slow response times, one that is inflexible to meet service delivery requirements, puts any organization at risk. In particular, when the infrastructure used to run SAP S/4HANA is inadequate, goals for reducing customer turnover and improving revenue and profitability likely won't be met.

A poor foundation means you must frequently enter crisis management mode to fix supply chain issues caused by service outages. This disrupts operations and diverts money and personnel away from activities that should be used to grow the business.

Another result of inadequate infrastructure? Lost market share. Organizations run the risk of being displaced by more responsive competitors. And you run out of opportunities to deliver innovative, differentiated products and services.
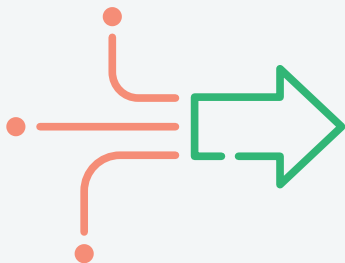
The Costs of Inadequate Infrastructure

Running SAP S/4HANA on legacy platforms, or any infrastructure that's not built for the purpose, puts your organization at risk of:

- Missed financial targets
- Lost consumer confidence
- Disruptive crisis management
- Competitive displacement
- Lack of innovation, differentiation

SUSE's Infrastructure Solution Maximizes the Value of SAP S/4HANA

SUSE is the market-leading platform for SAP S/4HANA deployments. **Two-thirds of the 100 Most Valuable Brands run SAP on SUSE.** For enterprises that recognize the importance of mitigating risk when moving to SAP S/4HANA, the marketplace says SUSE is clearly the safest and best choice.

Maximize Service Reliability

SAP S/4HANA services must be up and running 24/7. SUSE provides automated system recovery – in the event of a major system problem, it takes just a few seconds to switch to a backup system.

If hackers create security exposures for the operating system, SUSE provides patches that can be applied while the SAP services are running. There's never a system slowdown, even for the update.
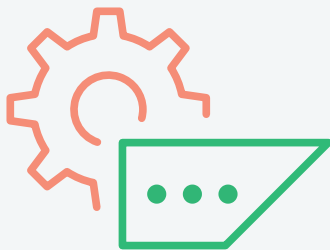
SUSE also provides important tools that help IT staff find potential problems and take corrective action before services are affected.

Improve Operations

Productivity is a key goal for any organization, and SUSE provides tools to automatically tune SAP S/4HANA for optimum performance. This includes the ability to prioritize SAP applications so they retrieve data as quickly as possible.

Additional security protects the SAP HANA database system from external attacks.

Deploy Services Faster

SUSE helps deploy services faster, both on-premises and in the cloud, by fully automating the installation process, including the SAP software stack.

One important way SUSE speeds migration to SAP S/4HANA is by importing sizing information and using the configuration information to automatically install the new environment.

Best practices documented in the SAP Notes are fully integrated into the installation process, so no additional time is needed for tuning or to reduce errors that require time to troubleshoot.

Reduce IT Complexity

SUSE gives IT staff the tools to spend less time managing the infrastructure, so they can spend more time helping the organization deliver value-added services.

A comprehensive dashboard ensures all systems have the correct configurations and software levels. Updates are performed automatically.

Maintenance tools are either fully automated, or a wizard guides system administrators through configuration updates or troubleshooting steps.

SUSE experts around the world work with SAP Support to provide 24/7 priority to customers that require special attention or a higher level of expertise.

Deliver a platform for SAP S/4HANA. Without the Drama.

The SUSE platform enables you to deliver the promise of SAP S/4HANA with improved reliability and uptime, rapid delivery of new business offerings and optimized performance. SUSE helps you conquer any complexity that arises to quickly take advantage of insights into new revenue streams and upsell or cross-sell opportunities that fuel top-line growth.
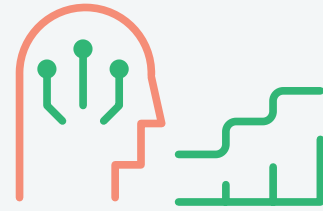
Maximum Business Growth

- Improve reliability and service uptime
- Optimize performance
- Deploy new services rapidly
- Leverage business insights
- Gain new revenue streams
- Identify upsell or cross-sell opportunities

Improved Customer Retention

- Gain fast, flexible service delivery
- Reduce risk with deployment automation
- Experience the freedom to adapt
- Deliver innovative products and services
- Maintain customer loyalty
- Increase competitive-ness or a higher level of expertise

True Operational Excellence

- Improve service reliability
- Experience optimized performance
- Enhance data security
- Gain new insights
- Make timelier decisions
- Maximize financial stability

SAP Endorsed Apps
Premium Certified

Unlock the promise of SAP S/4HANA

SUSE has been a leader in delivering innovative solutions on open-source platforms for over 20 years. Importantly, about 85% of SAP HANA deployments run on SUSE Linux Enterprise Server for SAP applications – an application that is endorsed by SAP. In fact, SAP is also a long-time customer of SUSE, running many of their internal and customer-facing solutions on SUSE products.

In the SAP on Linux world, SUSE is the clear market leader for many important reasons.

Market Leadership

- Preferred platform for SAP HANA
- Broad partner ecosystem

Technical Expertise

- First support for SAP solutions
- SAP-specific technical expertise

Innovation

- SAP co-innovation partner and customer
- Features that improve IT productivity

How SUSE delivers the promise of SAP S/4HANA

Our broad range of hardware vendors, virtualization partners and cloud partners work closely with us to deliver SAP platforms to meet a diverse set of customer requirements.

SUSE is unmatched in delivering open, innovative features to help IT organizations lead the change that transforms traditional SAP infrastructures to ones that deliver the promise of SAP S/4HANA.

The SUSE platform optimizes your SAP S/4HANA environment for maximum performance, minimal downtime and secure data. Built-in automation and ease of use features reduce the time and effort IT administrators spend on routine maintenance.

SUSE is the market leader for a reason. We help any organization deliver the promise of SAP S/4HANA – to help grow revenue, minimize customer turnover and improve operational excellence with higher employee productivity.

Thank You