

Key Steps to SAP Modernization

This article walks through a few points to keep in mind while modernizing SAP. It offers a summary of some key benefits and features available to businesses upgrading to SAP S/4HANA.

SAP SE is a multinational company that set the global standard for enterprise resource planning (ERP) software in 1973.

Before SAP introduced its ERP software to the market, traditional companies ran a decentralized data management system. They stored operational data for each business unit separately.

Consequently, interdepartment access to information by employees was limited to physical interaction, phone, and email requests. This limitation inadvertently led to duplication of data.

SAP provided a single-platform approach that made it possible for businesses to centralize data and management in core areas like finance, production, and sales. Companies using SAP ERP have streamlined and centralized their workflows. As a result, they are more productive and are able to deliver better customer experiences.

As modern businesses keep shifting their functionality and data to the cloud, back-end resource management improves. Organizations migrating to the more recent SAP S/4HANA can take advantage of a fuller suite of modern, IT-supported efficiencies and integrations.

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Four Steps to SAP Modernization

The roadmap to a modernized SAP implementation includes migrating from monolithic, on-premises architectures to modular systems in the cloud. It also includes automation wherever possible—especially for core business routines. The application of artificial intelligence (AI) and machine learning (ML) to the outputs of your system is essential.

The result for your business is remarkable interconnectedness and data sharing. These capabilities help your business become more proactive by generating predictive insights and analytics. Transitioning to a modern system provides your business the operational cohesion to grow and adopt new business models, maximize profit, and improve perceived brand value.

Embrace the Cloud

Gartner [predicts](#) that “40% of all enterprise workloads will be deployed in [cloud infrastructure and platform services] by 2023, up from only 20% in 2020.” Restrictions during the pandemic demonstrated the importance of implementing infrastructure for remote connectivity. Given the growing demand for deeply connected, distributed systems, there’s never been a better time to embrace the cloud.

Moving your data to the cloud helps all aspects of your business. It reduces your total cost of ownership (TCO) and improves data sharing, connectedness, and competitiveness.

Delaying migrating your workload to the cloud is expensive in the long term. It can be challenging to supply great on-premises hardware with its attendant capital expenditure (CapEx). And don't forget supporting a consistent upgrade schedule for your databases and networking infrastructure while maintaining 99% uptime.

Software licenses and skilled personnel present additional operational expenses that would otherwise be included in a cloud subscription. Additionally, the limited storage and data processing of on-premises solutions cannot meet the demands of your business's growth or spikes in demand.

When your business does grow, there's also the possibility of a marked decline in the level of standardization. This can happen when resources are launched to address an immediate need. But they aren't correctly configured based on the principle of least privilege, not devolved where ideal, or not terminated after use.

Cloud providers, however, bear a varying yet often significant level of responsibility for the infrastructure running your services. A cloud provider handles enough of the infrastructure that you only need to manage internal configurations and operating expenditure (OpEx). Storage is limitless and data processing is relatively inexpensive to access on demand.

Modern SAP ERP software lets your business take advantage of the benefits of cloud architectures. Under the hood, SAP S/4HANA Cloud connects to other business APIs to make your operations more efficient. Plus, it's prepared for integration with the Internet of things (IoT).

The platform is enterprise-secure, compliant with every widely recognized industry standard, and available as a public or private cloud to meet your privacy needs. It receives updates regularly to keep you competitive and current with industry changes. And the production version of S/4HANA offers a System Availability SLA of 99.7%. It also supplies crucial insights based on data from real-time processes, dynamic planning, and analysis by AI and ML.

Increase Automation

SAP modernization opens a broad field of automation possibilities, which modern enterprises have embraced—especially in the core areas of their businesses. Automation reduces the amount of time your personnel spend on tasks that are tedious and prone to operator error.

SAP S/4HANA offers robotic process automation (RPA). This feature uses critical business data stored in mainframe applications to provide attended and unattended automation for enterprise processes. RPA is flexible enough to integrate into web services or traditional APIs like .NET or HLLAPI. Its no-code or low-code operation empowers teams inside and outside of IT to quickly build and maintain powerful SAP solutions.

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For example, most banks have introduced “attended” chatbots to respond to customer non-dispense complaints. The bots check the affected account’s balance and transaction history to validate and log reversal tickets.

In attended RPA, an end-user can start a business process and use bots to automate repetitive tasks, such as interactions with desktop, web, and legacy applications. Take the Events Mapper module in OpenText™ Reflection Desktop for example. You can configure a macro that automates login to legacy systems and retrieves variables when they’re logged in to an approved host in a valid session.

In contrast, unattended RPA features enterprise processes orchestrated from start to finish by bots, usually to meet a specific demand or scheduling trigger. It’s commonly used on servers and metric dashboards.

Leverage New Features

Upgrading to S/4HANA gives you access to new features that integrate automation, AI, and embedded ML in some way.

For example, on the S/4HANA Fiori App, you can reduce manual data entry when you create and edit sales orders. You can also filter and bulk edit multiple sales documents with the [Mass Change of Sales Documents](#). You do this by configuring the SAP intelligent bot to scan and extract details from PDF purchase orders received via email. Then you upload the data to the Sales Order application. SAP’s embedded ML feature dynamically reviews the fields in documents and presents them as selectable options that you can easily change in bulk.

The In-House Repair app uses embedded ML to display existing warranty agreements. It checks their validity against a given product so that the quality of service given is consistent with the return policy. The app keeps both the service provider and customer informed about how many orders are in each stage of service.

S/4HANA offers several features to help you generate documents and handle inventory, including a Classify Packaged Dangerous Goods app. You can also monitor levels of stock with the Projected On-Hand Alerts app. It displays an alert chart showing the real-time consumption trajectory of stock.

Functionality to track contract consumption is available via the Manage Central Purchase Contracts app. This app lets your personnel track delays in the approval, payment, delivery, and distribution phases of a contract.

More info on price volatility and contract negotiations are available through the Price History for Central Purchase Contract Items app. It leverages embedded ML to provide graphical analyses of pricing and condition history gleaned from central purchase contract documents.

The Manage Assignment app in S/4HANA also uses embedded ML to match intercompany documents where predefined rules fail to catch similarities.

Additionally, S/4HANA offers [SAP Data Intelligence](#), which you can use to obtain vital insights from your distributed data.

For example, producing autonomous vehicles relies heavily on ingested streaming data to train AI and requires the ability to process petabytes of data. Ingesting, cleaning up, integrating, and orchestrating the data to transform it into useful information requires tight integration between internal and third-party tools.

SAP promotes flexibility by making SAP Data Intelligence available on SAP cloud or as a BYOL (bring your own license) product. You can deploy it on public cloud providers, in a private cloud, or on premises.

Test Often

Often, the pace of modern software development results in weekly release timelines across different media. To keep quality high, you need robust testing solutions and more frequent testing. Modern testing tools can give you greater insight into modern iterative development workflows and help avoid or mitigate major IT incidents.

OpenText™ is a long-time partner of SAP and an industry leader in software quality assurance. Our products specialize in functional, performance, and security testing.

The solutions help ensure that software in production functions as intended, performs well under load, and identifies vulnerabilities to patch.

For functional testing, we designed [OpenText™ UFT One](#) to accelerate automated testing by using AI to recognize text and images. It can run automated tests on a variety of digital touchpoints. Instead of four scripts, you only need one to test a UI across any web and mobile app implementations for Android and IOS. If the UFT One AI doesn't recognize your object, you can request a resolution from the SAP Team using the AI feedback feature.

The OpenText™ UFT platform is also available in more specialized variants. Companies needing to test on a wide range of physical devices can use OpenText™ UFT Digital Lab to emulate many different digital touchpoints. You can use OpenText™ UFT Developer if your teams need parallel execution or deeper integrations with their IDEs, programming languages, and testing frameworks.

High-performing applications must be able to withstand the full range of demands in a production environment. You can use [OpenText™ LoadRunner](#) solutions to simulate a diverse set of network conditions. Our load testing tools can simulate hundreds of thousands of users making concurrent requests to your applications and infrastructure.

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Modernizing an ERP can be a challenging undertaking. Fortunately, an SAP partner like [OpenText](#) can make the upgrade simpler, more affordable, and more transparent.

You can further guarantee product compliance by auditing your tests with [OpenText™ ALM Quality Center](#). It offers end-to-end traceability, management, and analysis.

Finally, the [Fortify product line](#) strengthens your application's cyber resilience by auditing your code for vulnerabilities.

Conclusion

The objective behind modernizing SAP is to align current business prospects and prepare for the future IT landscape. Modernization involves:

- Embracing cloud solutions.
- Adopting automation for core business processes.
- Leveraging AI and ML for predictive insights and analysis.
- Testing often.

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