

Meine

ESA+



Zusammen sind wir stark

ESA in a nutshell

- Wholesaler in the Swiss Automotive aftermarket, B2B customers only
- Cooperative - owned by over 7000 co-owners (garages / body shops / petrol stations), active in Swiss market only
- Product range from commodities (tires, oils, parts, accessories, etc.) to investment goods (lifts, painting and drying booths, carwash, etc.)
- Over 500 employees, including 70 apprentices
- Over 100 sales reps and 30 field technicians throughout Switzerland
- Annual turnover of MCHF 342 in 2016
- Approx. 60% of all orders come in via eShop
- Currently on SAP ECC 6.0, implemented in 2001

SAP project history

- First discussions in the management board about S/4 HANA in August 2016
- Workshop with itelligence about ESA specifics, initial offering received by end of September 2016
- Elaboration of S/4 HANA Business Case with 3 potential courses of action
- Recommendation and budget approval by the board of directors in November 2016
- Beauty contest with 3 potential implementation partners in December (itelligence, Oneresource, TeamWork)
- Final decision in favor of itelligence taken by December 28th, 2016

Business Case: 3 implementation options



A. SAP ESA ECC

- Stay on ECC
- Add. developments
- Temporary solution
- Support until 2025



A1. Without DB-Migration

- Stay on Oracle



A2. With DB-Migration

- DB-Migration to HANA



B. New ERP Evaluation

- Process Analysis
- Fit - Gap Analysis
- Longlist / Shortlist
- ERP Selection
- Full implementation



C. SAP S/4HANA

- Greenfield approach
- Stay on SAP Standard
- Latest SAP generation (launch in 2015)

Business Case: S/4 HANA SWOT



Strengths

- Consistent return to SAP Standard
- Investment in long-term solution (approx. 12 years)
- New functionality:
 - Enterprise Warehouse Management
 - Universal Ledger
 - Businesspartner model
 - Retail functionality
 - Embedded Reporting/Live Analytics
- Performance improvements (both SAP and eShop)
- User Interface optimization



Weaknesses

- High demand on internal resources (key users)
- Extensive Change management required (process changes)
- Significant investment
- High training needs



Opportunities

- Innovation leadership
- Faster implementation of new Business Models («B2B2C»)
- Higher SAP- and Partner-Attention



Threats

- ESA as First/Second Mover on a new SAP generation
- Change resistance within the organization
- NO resources for other important projects

S/4 HANA Greenfield Implementation – Evaluation of ‘First Mover’ Risk by SAP Implementation Partner

How do you rate the ‘First Mover’ risk of the current S/4HANA release?

- SAP HANA as a database: stability and maturity are proven
- SAP HANA Enterprise Mgt.: it has already reached a high level of maturity. E.g. prominent customers like BKW go live in November 2016 on S/4 HANA Enterprise Management. The ‘compatibility pack’ can be used as a fall back.
- Current project timeline is based on release 1709.

SAP S/4 HANA Greenfield Implementation – Risk mitigation by waiting?

Does it make sense from a risk perspective to wait 1 to 2 years with the implementation project?

- The main risk in ESA's project is the willingness of the organisation to go back to standard processes. This risk will be the same in 1 to 2 years time.
- Waiting leads to investments in old not forward-looking solutions and postpone innovations and standardisation.
- Availability of S/4 consultants will be at risk in 2 to 3 years time.

SAP S/4 HANA Greenfield Implementation – Risk Mitigation

What commercial points can be contributed by the implementation partner to mitigate the risks?

- The partner has a big interest in having the ESA project as a reference.
- The partner is open to provide commercial securities. E.g. definition of KPI's (milestones or cost estimates) linked to major payments.
- Retaining: CHF 100'000 of price will be retained after project sign off.

Lessons learned (at end of Blueprint):

- Preliminary project (6 months) for high-level scope definition was very important → no show-stoppers so far
- Keeping a strong focus on process redesign is key
- Key users tend to be reluctant to take decisions during Blueprint phase
- S/4 HANA offers a wide path for 'Standard implementation' → stick to it whenever possible, set this as a project goal and urge your implementation partner to do the same
- Decision for implementation partner proved to be correct
- So far, project is on time and budget