How to help meet your business priorities?

Our guide to creating a successful transformation for manufacturers with SAP S/4HANA®.
Breaking down your journey into manageable stages

Today’s executives are aware that the future of manufacturing is digital. One in which digital manufacturing has become essential to solving complex production problems and improving overall business results.

Digital manufacturing allows you to create production processes that adapt dynamically to different demands, setups, and workflows, while using Industrial Internet of Things (IIoT) and networks to integrate every machine, partner, and employee. With this in place, you can bring data-driven processes and operational flexibility to an entire business.

The companies that embrace digital manufacturing are seeing:
- Greater speed-to-market
- Reduced risk
- Increased margins
- Enhanced market position

As ERP migration is at the heart of digital manufacturing, it can help you break down silos in processes, increase visibility across operations, and drive customer-centric strategies. More importantly, these intelligent businesses are now achieving much higher levels of efficiency and optimization while delivering new business and service models.
Making your journey easier

To help explain your best route to transformation, and make it easier to take all these challenges in your stride, we’re breaking your prospective journey down into three parts:

- **Evolve phase** – assessing the business priorities and designing plans to meet them
- **Innovation phase** – introducing the new technologies you need to meet those business priorities
- **Empower phase** – taking advantage of the new capabilities available to your people

The first phase involves coming up with a plan that meets your all-important business priorities, and this first eBook in the trilogy covers this initial part of the journey.

SAP S/4HANA transformation can take even the biggest manufacturers out of their comfort zone, so enlisting the support of an experienced partner, like Fujitsu, is a popular way of ensuring success. Fujitsu has both the experience and expertise to guide your decision-making every step of the way. So, let’s get started on this together.
How do we know where to start?

Not every organization begins the journey in the same place, and it's hard to know where to start to keep every stakeholder in your business happy. Manufacturing decision makers need to improve overall equipment effectiveness (OEE) and to ensure a smooth rollout of new products and processes. Plant Managers, on the other hand, are more concerned with production targets and labor shortages.

Fujitsu can help you migrate to a platform that supports these diverse aims in a unified fashion. With us, you're heading towards a stronger, cloud-based SAP estate that can transform the performance of your business.

Getting your move right takes time and expertise that you might not currently have within your organization. And getting it even just a little bit wrong can have damaging consequences. To your business, your data, and your reputation.
Begin by focusing on your business priorities

Success in this journey requires an unwavering focus on your business priorities and outcomes. You will need to encourage collaboration among multi-disciplinary teams, where individuals come together to work on specific projects and then splinter again when their skills are no longer needed for that particular purpose. Agility is one of the key secrets to a smooth transition.

But there are challenges you'll need to face and overcome along the way. Most of these are likely to center around the initial price and scale of the project, as you compete with other internal business demands for budget approval. This is what every organization is struggling with. However, you shouldn't find it difficult to demonstrate what savings would be made and how productivity would be increased; such is the strength of the business case for S/4HANA.

There can also be nervousness regarding the best approach to take for migration and the new people skills that will be required. You need to live with these concerns. Change is never easy, but the rewards at the end of your journey likely outweigh the risk involved. On the other hand, lose your nerve and refuse to move forward and your competitors are sure to leave you behind in their wake.

By the year 2025, the World Bank estimates that some $60 trillion of business is at risk of 'redistribution' – that's a polite way of saying 'lost to new competitors', so the time to act is now.
Partner with Fujitsu and we can help you ask all the right questions. Better still, we have the expertise to provide all the right answers for your organization.

Rethinking your operations requires a methodical strategy. You need to understand where you are now in terms of your SAP ERP system, the core of your business, and where you want to be over the medium- and long-term.

Your main focus should be on business processes, not technology. An intelligent enterprise does more than just connecting things with each other (like equipment, machines and systems). It primarily forms an intelligent network that centers around people and processes.

That is precisely what Fujitsu Smart Factory, our unique approach for transformation in manufacturing, does. It enables you to protect your current investments, optimize your return on investment (ROI) and achieve maximum flexibility for realizing the digitalization of your business across all levels.

Moving towards the business processes of the future requires more than simply investing in ERP applications to digitalize existing processes. Organizations now have the perfect opportunity to reinvent the entire business process by reducing the number of steps and documents required to achieve an outcome, while increasing security and regulatory compliance.

With the current need for agility and digitalization, the right hardware available, and the capability of networks today, it does seem as though the stars are perfectly aligned for those ready for transformation.
Success is all about adopting the right frame of mind. Transformation is not a one-time event. It’s a constant and a methodology. That’s why the case for S/4HANA is linked to your ability to rethink your priorities when the world changes and reimagine your goals.

To help you keep your business priorities in focus throughout the journey, we have broken this part of the story down into eight key areas that will all need consideration before you choose your own path.

**Quick answer:** There is no linear, straightforward path for such a complex customer journey, so each transformation is as unique as the organization’s individual circumstances. But the help of an experienced partner like Fujitsu can help make light work of these uncertainties.
What do I need to know about ERP evolution?

Each client’s business case for S/4HANA is different, but most will involve implementing enabling digital technologies such as Robotic Process Automation (RPA), the Internet of Things (IoT), and Blockchain technology.

You will need to prepare a business case for your upgrade, with return on investment (ROI) at its heart. In a best-case scenario, your ERP evolution will pay for itself.

Naturally, you’ll want to reduce the total cost of ownership (TCO) of running SAP and maximize value from your investment with affordable IT for the years ahead.

You will most likely already know that you need better data insight and better integration between the different parts of your business. However, it can be hard weighing up the potential rewards with the time, trouble, and expense involved.
You’re moving towards seamless integration

You will want to simplify operations, achieve seamless integration, and bring together the wider SAP products and offerings. Not only will S/4HANA reduce costs, it will also uncover valuable insights that will drive your business forward.

But ultimately this is all about achieving your business goals in a way that is simply not possible with the technologies currently at your disposal.

Why partner with Fujitsu?

Fujitsu has so much experience supporting manufacturers in this area and has even recently undergone its own successful SAP S/4HANA transformation. With the help of our partners, we can provide end-to-end capability from the platform to applications and support services and full digital technology capabilities.

Working with us, your SAP estate can be where you want it to be. We can help you partner with all the ‘hyperscalers’ including Azure, Amazon Web Services (AWS), and Google.

Quick answer: ERP evolution lies at the core of your business development. You need buy-in from the highest levels of your organization to enable the smoothest and most complete transformation possible.
How can we improve our organizational agility?

“My business has been run successfully like this for years – why should I change now?” This is no longer a question worth asking. The game has changed and if you want to keep pace with your competitors then you need to change too.

An agile approach will provide focus for your business priorities and enable you to take full advantage of the new profit-enabling technologies such as AI, 3D printing and digital twins. To thrive in today’s marketplace, agility is king. A business model that isn’t adaptable can’t cope with shifting demands and future innovations.
Use new agile working models

Implementing new technologies requires a level of organizational agility. Without this, your ongoing success is at risk. Use new agile working models with transient teams being brought together for individual projects and then disbanded when the job is completed.

Above all, align your teams and individuals with the company goals, so you are all pulling in the same direction. To enable you to achieve greater productivity, S/4HANA will help you break down the silos in your business.

Why partner with Fujitsu?

Our IT and consulting teams work hand-in-hand to deliver a pragmatic approach to organizational agility. Adding to our expertise, we have recently undergone our own change program to become a fully-fledged digital experience (DX) organization. This hands-on knowledge enables us to help you avoid the pitfalls you may encounter on your own journey.

Quick answer: Many organizations are naturally resistant to change, so work needs to be done for your people to adjust to new flexible ways of doing business.
How will S/4HANA and Fujitsu help with our operational efficiency?

Operational efficiency is often a good barometer of business performance. But how do you measure it and how can you improve it? And, above all, how can you benchmark your organization’s operational efficiency against that of your competitors? These questions are easily answered with the increased capability provided by S/4HANA with Fujitsu.
You can benefit from further automation

Ongoing improvement will be possible with your operational efficiency as things like online transactions become the norm. With an open mind and a modern operating system, you can benefit from further automation and self-service.

Let the machines get on with the routine, mechanical tasks. Your people are then free to make the real decisions that align to your business priorities. Decisions made easier by having all the information they need assembled from every corner of the business.

You will be able to prevent wastage

With these new insights available, you will enjoy better integration with your supply chain. Your organization will be able to prevent wastage that you’re not even currently aware of. And you’ll know that everything is secure and compliant with industry and government regulations.

Why partner with Fujitsu?

Fujitsu initially built a reputation as a pioneer over many years with technology products ranging from televisions to printers, and we have more recently developed a name for innovation within the world of digital technologies. With this versatility and breadth of experience, we understand that operational efficiency needs to be baked into any manufacturer’s ways of working until it is part of the cultural mindset.

We’ve seen that software is driving hardware, leading to products like Google’s Echo and Amazon’s Alexa. There are benefits for manufacturers. Thanks to IoT and greater innovation, software can change and repurpose machines. So that means greater automation – and more innovation. Tesla, for example, frequently update the operating systems of their cars. This improves the performance and features of their cars without changing the hardware at all.

The knowledge we can bring to the partnership will help you overcome your own specific challenges. We can, for example, oversee a transition to 5G, which has provided a step-change for many manufacturing organizations that have struggled to get reliable Wi-Fi in their buildings.
Keeping one eye on the future with ProMinent GmbH

One example of the kind of things we can do is the support we provided for ProMinent GmbH. Since 1960, the ProMinent company Group has been manufacturing components and systems for metering liquids and water treatment. They were looking for a robust 24/7 data availability solution for the global operation of their SAP landscape, which was about to be migrated to SAP HANA.

The solution provided by Fujitsu and VEEAM delivered a new level of data availability without increasing complexity.

The backup software from VEEAM now generates snapshots via a special storage plug-in for ETERNUS. Quickly generated, these snapshots of the system require very little memory and can be used for backups or virtual test environments. The Recovery Point Objective (RPO) and Recovery Time Objective (RTO) times have also been reduced.

ProMinent’s IT landscape was recently validated as being ready for SAP HANA during an HWCCT test. They exceeded many of the KPIs required by SAP by as many as 10 times.

Quick answer: With S/4HANA, you can improve your operational efficiency by accessing your data wherever you may be, gaining valuable insights with artificial intelligence (AI), machine learning (ML), and predictive analytics.
How can we achieve better asset optimization?

There is a widespread need for all organizations to ensure company assets are being used in the most productive and cost-efficient ways possible.

This means knowing where they are, what condition they’re in, and how they’re being used, every minute of the day. All this is linked to a desire to reduce Capex for the business.
You will have the insight to better manage your assets

Optimization can be achieved by bringing your data together with S/4HANA, so you can make informed decisions to better manage your assets.

With assets such as vehicles or machinery, the focus is on predictive maintenance to ensure these assets remain available when required. Dynamic scheduling of tasks that use assets will ensure the number of vehicles or machines needed will remain as low as possible.

New technologies will lead to new efficiencies

Technologies like IoT and tracking sensors will bring new efficiencies to assets like agricultural equipment. (These items used to be purely mechanical, but now GPS, IoT, and sensor technology exist in most modern tractors.)

A business that sells spare parts, for example, will be able to use the data at their disposal to understand where parts are and how they can get them into the field as quickly as possible to minimize, or even eliminate, downtime.
Why partner with Fujitsu?

We have the know-how to be able to build a business case and execute an asset strategy that is right for your business. Many customers believe asset optimization technology is new and unproven, but much of it has been in the field for some years now and the benefits are well established and well known to us.

Quick answer: With all the information to hand, you know exactly what you have, where it is, what condition it is in and when it is likely to need replacing. So, you can do things like report availability, streamline supply chains, and predict delivery performance – all in real time. Then use intelligent systems to keep everything moving, and there when you need it.
What kind of competitive advantage can S/4HANA give us?

Competitive advantage can mean different things to different organizations but, essentially, the better you understand your products, your processes, your costs, your customers, and your competition, the easier it will be for you to find.
Benefit from the latest technologies

Using new technologies such as IoT and tracking to understand customers, you will become masters of customer experience management. Using AI can help you to perform better than your peers with many manufacturing firms viewing AI as absolutely critical to success.

You will be able to know what your customers really want and your organization will be agile enough to meet their changing needs in a seamless way.

With better supply chain management, you will also be able to get new services and products into the marketplace faster.

With predictive maintenance, operational analytics, connected products, workplace safety and connected facilities you can innovate business processes and create new ones to stand out from the competition.

Why partner with Fujitsu?

Fujitsu can offer a range of leading-edge technologies including Robotic Process Automation (RPA), the Internet of Things (IoT) and quantum computing. These technologies can be brought together with traditional applications such as ERP and BI data to give you the edge you need.
Giving Hunter Douglas a competitive advantage

Hunter Douglas is the world’s leading manufacturer of window coverings, as well as a major manufacturer of architectural products found in millions of homes and commercial buildings around the globe.

They needed a new partner to deploy SAP Manufacturing Execution and SAP MII at its Mexico plant, as they believed their existing solution was compromising their order fulfilment capability. They then wanted to roll out the solution to their other North American facilities.

On SAP’s recommendation, they chose Fujitsu and we quickly designed their environment to work with SAP software and to deliver new efficiencies in existing processes.

We provided a best practice blueprint for further implementation across North America. Game-changing benefits that resulted for Hunter Douglas included total visibility of their inventory across multiple businesses, improved on-time delivery, optimized inventory levels by 30% and instant access to accurate, real time data.

Quick answer: With S/4HANA, faster access to all the data that matters will enable you to reduce cost and increase quality, while offering better customer service and faster delivery.
How might migration lead to greater customer satisfaction?

Customer satisfaction is no longer just about a questionnaire. Customers are constantly being made aware of competitor services and products. They are now more demanding and more willing to change providers if service is not maintained and improved, year on year.

Customers’ expectations are changing fast. They want on-demand availability. They also want customization, even personalization. They’re driving small batch production, local to them. They want to know the provenance of every part.
Take advantage of an optimized CRM system

Continuous feedback from customers is the way forward. Your organization needs an optimized CRM system. You need to understand the best way to engage with your customers and you also need to know what your customers are thinking.

Let’s not beat about the bush - you need this knowledge fast, as some of your competitors already have it and are busy conducting more meaningful dialogue with customers.

To this end, Honeywell, a US manufacturer, has set up a special Customer Experience Center. This lets potential customers try out equipment in virtual factories and mock remote sites. Customers can purchase then and there – or save for later.

New technologies help enhance customer satisfaction

Technology can improve customer satisfaction. So, for example, a global car manufacturer introduced a new technology into its vehicles so that, when something fails, the customer is immediately notified where to take the car. This new service means that the spare parts will already be waiting for them at the specified location.
Why partner with Fujitsu?

With our consulting services, Fujitsu always has the customer experience at the center of our thinking. It’s never just a case of recommending technology for technology’s sake, as we help create strategies that will meet your business priorities and can be deployed to increase customer satisfaction.

Quick answer: S/4HANA will bring all your data together so you can add more value for customers, using opportunities with data analytics.
What can we do to reduce our costs?

Configure your SAP setup to suit your own individual business needs and priorities. You don’t need to waste time and money on systems you aren’t going to use.

A fully integrated ecosystem of connected customers, suppliers, factories, functions and other participants, will enable the ability to optimize the 'end-to-end' supply chain resulting in reduced cost and improved service.

You can also reduce your overheads by consolidating maintenance plans, task lists, and catalogues. And choose a billing option that works for your organization.
Save money by rationalizing licenses

Most organizations don’t get around to conducting a complete assessment of their SAP estates, end to end, to see where savings can be made. You might find you can save money simply by terminating licenses for SAP functionality you no longer use. Quicker implementations, automation tooling for testing, and process improvements will also save your organization money.

However, a word of warning. A determination to save money and reduce expense, at all costs, can very often be counterproductive. Often, it makes better business sense to invest more in S/4HANA transformation to secure bigger savings.

Why partner with Fujitsu?

Savings start from the moment you move to the cloud and introduce automation into your processes, and Fujitsu can point you in the right direction to reduce your costs at every turn.
Reducing costs for AdvanSix

A pioneer in resin and chemical production, AdvanSix is a new public company with roots that stretch back more than 90 years. They needed to quickly build an ERP platform to migrate their SAP systems, enabling them to thrive as an independent company. AdvanSix wanted to explore the public cloud option but needed an experienced partner to guide them.

Working with Fujitsu, AdvanSix transitioned to Linux®-based SAP HANA® on Microsoft Azure®, including over 50 interfaces with non-SAP systems. At the same time, the company moved to a Microsoft SQL Server® platform from an Oracle database.

The new ERP systems improved performance and reliability, and the cloud approach has worked out 10 percent cheaper than a traditional data center. As a result of Fujitsu’s involvement, AdvanSix was also able to exit its original service six months early, saving further expense.

Quick answer: Cost reductions can be made by reducing duplicate applications, moving to the cloud, and improving your helpdesk which will increase the likelihood of solving a problem at the first opportunity.
What kind of revenue growth can we expect?

What are the revenue opportunities you are currently missing out on? As the saying goes, you don’t know what you don’t know. To provide the answers you need, you require a better understanding of every aspect of your own business to appreciate where the best revenue opportunities lie.
Richer data will lead to increased revenue

Good data is at the heart of everything, and that’s what adoption of S/4HANA can provide. You need tools that provide better customer data and can deploy it faster and easier. These include things like dashboards that monitor information in real time.

Richer data will give you a better understanding of your customers and key demographics to enable you to target the right audiences with the right marketing messages. S/4HANA enables customer segmentation which reveals who is spending the greatest amounts and which type of customer is most profitable.

Why partner with Fujitsu?

Fujitsu can help you understand the make-up of your revenue streams and unlock the information in your data to further optimize revenue opportunities. Working with us, you can customize your own intuitive dashboards to enable you to monitor all your key data in real time, informing faster and better decision making to increase revenues.

Quick answer: SAP application development will provide the data from your ERP system to drive your revenue.
How do we find the right technology partner?

As a successful S/4HANA transformation depends on a highly personalized approach, you need to choose a technology partner that delivers solutions ‘with you’, not ‘to you’.

Fujitsu can offer the operational excellence, technical expertise, sector expertise and people-centric approach to guide you on your personalized journey to S/4HANA transformation. We believe in putting your business priorities first.

We take a holistic approach to your manufacturing needs, starting with business and technical assessments and the identification of use cases. Then, moving on to the fine tuning of business cases, the definition of road maps and the design of the solution architecture. You always have complete transparency – from start to finish – when it comes to appraising the benefits that digital transformation will deliver to your business.
Look for a partner that can unlock the potential of your people

We understand the need to combine evolution, innovation, and empowered people. This enables us to help your business deliver value, navigate complexity, and unlock the potential in your people.

We provide a self-serve digital experience that helps customers at any stage of their SAP transformation journey. And we can deliver end-to-end capability that includes platform, application, and support services.

You need the support of a company with plenty of migration experience

If you’re looking for reassurance, we’ve completed hundreds of SAP migrations and system upgrades for our clients, and even our own company, including many large-scale moves to S/4HANA.

The fact that SAP has teamed up with Microsoft to leverage the advantages of Azure is important. But we believe that it’s equally important to get external advice. That’s what Fujitsu, a global partner for both SAP and Microsoft, can provide. A wide perspective that’s focused on your business priorities with pinpoint precision.

Quick answer: Fujitsu can help you overcome all challenges from both a process and technology standpoint, build a better business case, and execute an asset strategy.
What next?

So, with your business priorities agreed and a plan in place, you’re ready to move to the next stage of your SAP S/4HANA journey.

The Innovate phase focuses on the technologies you’ll need to put your plan into action and is covered by the second in this series of three eBooks, entitled: ‘What technology do you need?’.

If you’d like to discuss your SAP estate in more detail right away, please email askfujitsuHQ@fujitsu.com, and we’ll put you in touch with one of our experts.