

Understanding the Business Benefits of SAP S/4HANA in a Better Way

1. Introduction

SAP S/4HANA is the most effective and successful ERP framework provided by SAP.

Unfortunately, during meetings in Germany, UK and US, User Groups presented that most of the small and medium-sized organizations, so far, are unable to recognize the benefits of **SAP S/4HANA** for their businesses.

If the businesses have other priorities rather than to convert to the **SAP S/4HANA** it is fine.

However, the incorrect truths and lack of information about **SAP S/4HANA** should not be the reason.

Most of the businesses still have confusion in moving towards the **SAP S/4HANA**; they want to observe a few more instances by different businesses of their size. This is correct; currently there are many successful references available for the **SAP S/4 HANA** migrations.

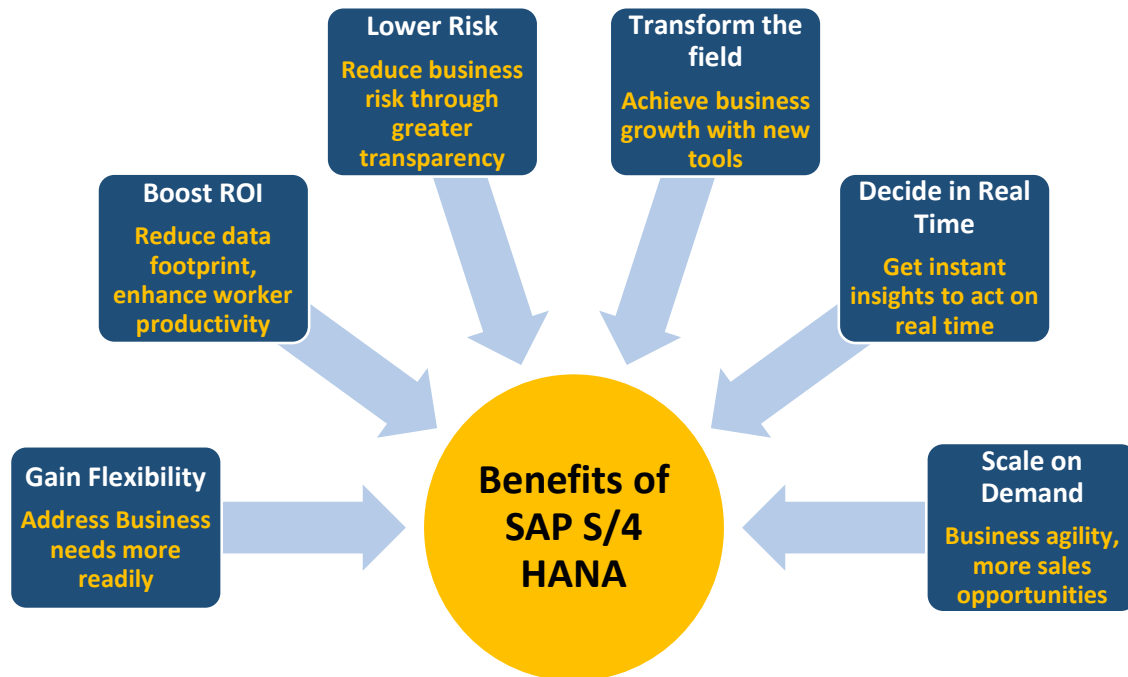
In the upcoming year, the long-lasting SAP customers require:

- a superior user interface,
- easier maintenance,
- lower of operation,
- improved integration with other applications,
- mainly services in the cloud,
- new business procedures for customer interaction and
- customer service from their ERP system

All these features are available in **SAP S/4HANA**, but still, there are much more features.

2. Business Benefits of SAP S/4HANA

Below a figure showing in summary the benefits from SAP S/4HANA.



a. SAP S/4HANA is a substitute to the current SAP Business Suite:

Within ten years, there will be continuous enhancement and maintenance, which would be found in the SAP Business suite ECC. It is the major support for many companies all over the world and after the introduction of the **SAP HANA** database the Business suite grows much better in some crucial areas. The latest resolutions developed for **SAP S/4HANA** will be verified for their deployment in the suite as well. For example, the SAP Fiori self-service scenarios. It is fine to remain in the **SAP S/4HANA** business suite for the predictable future.

Different frameworks exist next to it. With respect to the data model simplicity, an in-memory database of **SAP HANA** enables an entirely different application architecture and a new idea. Although the maximum business functionality of the **SAP HANA** business suite is going to be carried on the **SAP S/4HANA**, along with these functions the new workflows, superior transaction volumes, real-time analytics on transactional data, excellent flexibility while varying reporting structures and the real-time simulation of the business situation are possible. All these functionalities are included in the entirely new user interface and a new framework created for modifications and extensions. To cope up with the latest requirements of the digital age, **SAP S/4HANA** will be enhancing at a different speed. It is determined that in the future, there must be a system where all the data kept entirely in memory, by using a single copy of the data in a columnar store and the transactional processing is made extremely simple.

b. SAP S/4HANA executes only on SAP HANA:

Yes, it is true, the **SAP S/4HANA** runs only on SAP HANA, which is the only database. With the fast development of cloud-based applications, it is clearly visible that the fundamental technology stack must be rearranged. The largest competitors of SAP, i.e., Salesforce, Oracle, Workday, NetSuite, and Microsoft, etc. paying attention to their contributions on a single database. The massive potential of an in-memory database required to be broken completely to reform the way in which the enterprise applications are designed, which cannot be negotiated by finding the lowest common denominator while making use of multiple databases.

As a result, observing a significant simplification of the application code. The various challenges in enterprise applications can be solved with the help of new solutions provided by the **SAP HANA** database family, which gives the SAP S/4HANA system a significant benefit over the competition. In addition to the **SAP S/4HANA**, it supports different application scenarios which starts with big data or scientific research to new IoT applications. With the help of data federation, the **SAP HANA** can be integrated flawlessly with other databases.

c. How complete is SAP S/4HANA?

The **SAP S/4HANA** is a complete product, due to this reason most of the companies have maximum long-term plans for SAP S/4HANA. It is a challenge to reform the wealth of functionality of the business suite, however, now the financial, deals, and logistics are accessible, and a large portion of the business arrangement will track soon.

To reduce the probable conflicts between the industries, SAP wants to obtain improved segregation between the sectors. It is required to evaluate each transition case from SAP ECC 6.0 to **SAP S/4HANA** individually; however, most of the installed case should be covered by now. For quite a while there is dependably a constellation, where the suite is the complete solution for a particular customer. That should be taken as a compliment to the suite and should not be considered as a weakness of **SAP S/4HANA**.

Numerous customers get comfortable with **SAP HANA** by moving the business warehouse onto SAP S/4HANA or begin with entirely new ventures in product research or administration including Internet of Things (IoT) situations.

d. Hardware costs for SAP S/4HANA:

A few clients state that the hardware costs for **SAP S/4HANA** are unaffordable.

The **SAP S/4HANA** runs firmly on standard Intel x86 servers, but now it also runs on IBM power servers.

The data footprint reduction reaches up to a factor of ten and more, where the columnar store has answerable for a factor 5, and the removal of aggregates and the restructuring of data tables added another factor of two.

It is recommended to divide the transactional data into actual and historical partitions. It depends on the type of business that how long the data can be kept in the old partition online. The traditional historical data can be easily archived on HADOOP and accessed by **SAP HANA** to reduce the online footprint. It means that a ten terabyte ERP system becomes a one terabyte system or less and thus decreases the backup time and restore the actual data by ten times and more and allows to use a single CPU board with greater speed data access from everywhere.

The largest customers will not require a scale-out configuration for their actual data partitions. Well, a copy of the actual data is enough for development and test systems.

e. Why does the database speed matter?

The **SAP S/4HANA** has provided the most significant business benefit, i.e., the simplicity of database layout which also enables the higher data entry speed, incredible enhancements, and complete flexibility in reporting by utilizing the exterior hierarchies. These hierarchies can be changed whenever required, for example, restructuring, acquisitions, etc. without any alteration to the database.

The new **SAP S/4HANA** user interface is clear and easy to use and understand. However, it is possible to implement the new processes due to the speed of **SAP HANA**. It is a fact that any of the fields in a table are used as an index without any database administrator's involvement. This system is growing again in functionality and turn out to be the support for the new digital world.

The speed of database has given various advantages such as the management gatherings now able to utilize the live information to demonstrate the existing scenario of their company's business, the predictive analytics and simulations help to open up a window into the future in real time. With the help of speed database, the digital boardroom becomes interactive on current data.

f. Deployment of SAP S/4HANA in the Cloud or On-Premises:

Deploying a system in the Cloud Platform gives numerous and the tremendous benefits, however, if the regional preferences require implementation of on-premises, it would be merely a distinct aspect of cost.

One needs to understand that the deployment of any system in the cloud platform has a primary benefit when the new functionality must be implemented.

The best example is the new online sales with the different income creation and recognition practices. Well, these features are going to be required by most of the firms quickly. SAP provides a test movement of SAP ECC 6.0 systems in the cloud platform, and therefore the client will decide later wherever to run the assembly system.

g. SAP S/4HANA is disruptive:

All the master and transactional data are going to be migrated, all the business procedures are still on the market, the very new user interface is simple to understand, and the application configuration may also be taken forward.

The new UI is created with the contribution of many long run customers. The end users, consultants, domain experts, and developers intermingle with each other to find out the complete solution by applying the design thinking principles.

Removing the pre-defined common data and the system provides the greatest flexibility in reporting and evaluating business information. The initial step that should be taken on an SAP S/4HANA project is the evaluation of the complete system without any modifications and extensions, but it is required to use the client production dataset. Several new features must be included and will create the changes outdated.

Once the information is carried over **SAP S/4HANA**, everything is abundant quickly. The former UI will still be accessible if an on-premises or hosted deployment is required to carry out the transition phase smoothly.

h. SAP S/4HANA only for Larger Companies:

It is fascinating to find out the regional variations within the speed of adoption, as it is just like the introduction of SAP R/3 framework which is created for the smaller companies. But with the introduction of **SAP S/4HANA**, the companies of almost all sizes will achieve a lot of benefits, as they could be able to drop their vast majority of the modifications and diminishes the TCO and have more creative users, who are going to achieve more business benefits.

i. Complexity Reduction:

With the introduction of **SAP S/4HANA**, the complexity of the business suite is reduced to some extent and simplified. This simplification of the user interface saves time and money. The business functionality of the transactions is the same as before, but it is much more efficient and effective.

The deployment of extensions on the **SAP HANA** platform is the most sophisticated approach to improve the **SAP S/4HANA** systems as well as to create the entire new applications. SAP S/4HANA integrates the demonstrated set of main business functionality in various languages with the capability to endeavor into the entirely new scope of applications. This ability of SAP

S/4HANA would be of great importance when the business procedures are emerging at an ever-increasing speed. This decrease in complexity also reduces the threshold for the small companies so that they can shift towards the SAP S/4HANA.

SAP S/4HANA is the newest thoughts for sales, customer support, and product development. Once the main application in sales, logistics, and finance are simplified, the growth of new functionality has started and unrolled in a brief unleash cycle.

It is predominating that SAP and its community learns the way to expeditiously touch upon the shorter trigger cycles, without introducing any instability. There are a few more benefits provided by the **SAP S/4HANA** such as reduction in complexity of the data model, and the elimination of transactional data combination enhances the robustness.

The focus on the **SAP HANA** platform permits for higher applications, because of the technical benefits of **SAP HANA** currently be exploited inconsiderably for compliance with different platforms.

SAP trust in running the new system in the cloud as well as on-premises platform, but this can only be achieved with the help of **SAP S/4HANA** which will also decrease the TCO and speed up the required step in the future. This is just the reason which must be considered for an earlier migration to SAP S/4HANA.

With the help of SAP HANA, it is possible to access the other databases such as SAP HANA Vora or Hadoop. This will help to incorporate with IoT situations, or data for weather, geography, etc. without replicating the data in the ERP system.

SAP has reported a large group of innovations for SAP in Barcelona, which includes the new logistics components, business planning and the restoration of a few deals' administration capacities.

Conclusion:

The **SAP S/4HANA** is the best ERP framework provided by SAP to the market.

SAP delivers an exclusive product suite in conjunction with the new customer-facing applications such as from hybrid, the SaaS from SuccessFactors, Ariba Field glass, concur and the IoT projects with **SAP HANA Vora**, these applications can be installed easily and activated quickly.

The **SAP HANA** Cloud platform permits for easy executions of extensions so that the other products or bespoke applications can be incorporated effectively.

Subsequently, the new product provides a transparent, competitive benefit for comparatively low prices.