Deloitte.



Three ways to revolutionise supply chains using SAP S/4HANA®

Growing expectations across the supply chain bring new demands, more layers of interaction, and more insights for the enterprise. As challenges grow exponentially, companies are seeking solutions that allow them to respond rapidly.

All supply chain leaders experience every day how the supply chain itself is the subject of endless scrutiny from the business at large. When times are tough, it's a natural target for cost-cutting and optimisation and, in times of growth, supply chain planning can play a big role in addressing increased demand. As a result, many view the supply chain as a constant work in progress.

In fact, that's exactly how we see it in Deloitte, too. Having worked many years with companies helping them align their supply chain to changing business conditions, we have experienced how many improvements have been made in efficiency, productivity and compliance. It has been a huge task with great complexity and many companies have come a long way in trying to move past the inflexible processes of the past.

However, on the back of a global pandemic, which is so rapidly changing both demand and supply, it's time to realise that there is still work to be done in order to streamline processes, unlock essential insights, and improve decision-making across the entire value chain end-to-end.

For many companies, core supply chain operations processes are still far too fragmented, too vulnerable, and too difficult to control while their front-ends towards customers are becoming more global and seamless. As we have seen with the pandemic, many leaders are largely left in the dark when it comes to effectively preparing for and responding to sudden disruptions. There has to be a better way forward. For companies running SAP, this is where SAP S/4HANA® comes into the picture – the number one digital core ERP and business transformation platform in the world for optimising end-to-end supply chain.

Here are just three out of many ways in which SAP S/4HANA® can pave the way for a revolutionary supply chain transformation:

1. A huge leap in visibility and control

The rapidly-evolving digital global economy means manufacturing and distribution activities are becoming more consolidated and more complex, which in turn drives the need for efficient planning, execution and management.

Deployed effectively, SAP S/4HANA® can help organisations develop the competitive edge they desperately need, supporting their ability to make decisions rapidly and accurately across the entire spectrum of their operations. The solution's strength lies at the intersection of analytics and functionality as well as its in-memory processing capabilities for handling massive amounts of data.

Manufacturers, for example, might face complex questions about sourcing-related costs in rapidly moving markets. For example, they may need instant information on incidental expenses for expediting freight – or one-time supplier charges for special orders. Need to make ad hoc changes for massive orders? SAP S/4HANA® can help ensure that production and distribution can keep flowing. And it can do a lot more. Ultimately, it can help you transform decision-making and take customer service to the next level.

The analytics capabilities of SAP S/4HANA® provide real-time functionality that enables end-users to create and personalise reports, KPIs, or any other analytical artifacts as needed to monitor and improve operational performance. All is enabled by the simplified SAP data model, which supports operational, financial and predictive data analysis at the most granular levels.

Across the supply chain processes, you can enable reliable, real-time decision-making by leveraging data across the entire digital enterprise. For the first time, you will get instant answers on costs, spending and resources, simulate alternative scenarios, and make proactive decisions with a bird's eye view as important events unfold.

2. Integrated, robust but flexible processes

Whether we are looking at purchasing, production, warehouse operation and transportation, asset management, after-sales or overall planning, what is evident is that rising expectations across the supply chain bring new demands, more layers of interaction, and more data for the enterprise to process. As challenges grow exponentially, organisations seek solutions that allow them to respond rapidly to evolving challenges.

SAP S/4HANA® is not just a game-changing digital core, but integrates natively with the full spectrum of SAP supply chain application components, including SAP Ariba, SAP IBP (Integrated Business Planning), SAP EWM (Extended Warehouse Management), and SAP TM (Transportation Management).

It is worth remarking that what many customers refer to as the SAP monolith, the core of SAP has shrunk since the rearchitecting of SAP S/4HANA®. SAP has massively rationalised its table structure and module relationships, optimising data access in real-time and increasing flexibility. Its core application is much smaller than before while industry-specific and functional area solutions are now typically launched as cloud-native-satellites around the core, connecting via open APIs Therefore, it's also a solution that is greater than the sum of its parts, in that the integration of its components allows companies to achieve new levels of cohesion and collaboration across the organisation and with customers and suppliers.

With SAP S/4HANA® companies can maintain a robust backbone for their business operations while having the flexibility to develop new solutions to respond to changes in market conditions or to adopt intelligent cloud-based solutions.

3. Reconfiguring the business for the future

Needless to say, a supply chain transformation driven by SAP S/4HANA® is only one element of the vast efforts through which companies are right now trying to navigate in a difficult environment, ultimately reconfiguring, reorganising, and reinventing their business for the future.

SAP S/4HANA® is not only a state-of-the-art technology, but also a method for constantly aligning technology with your business needs and with your vision for the future in order to stay ahead of expectations and evolving market forces.

From experience we know that these transformational journeys are already taking place. In the late summer of 2020, we asked almost 1100 C-level executives around the world, including the Nordics, how they are adjusting their cost structure in order to boost performance and build long-term competitiveness1.

1. Deloitte: Save-to-thrive - Enterprise transformation and performance improvement strategies during the COVID-19 pandemic

Here are some of the most interesting findings:

- Globally and across all regions, roughly two out of three companies expect to pursue automation, making it the clear leader in transformation actions arising from the COVID-19 crisis.

- The fastest growing revenue sources in the future will be digital channels (vs. physical channels); new products and services (vs. existing pre-COVID offerings); and domestic operations (vs. international operations) in order to counter the risks of global supply chains.

- The top operating model priorities during the next normal are expected to be enhanced IT infrastructure (78%), the enabling of remote work (76%) and the pursuit of pre-sale, sale, and post-sale activities through digital channels (72%).

What SAP S/4HANA® offers organisations is a digital core that can deliver on these strategic priorities, realise even more value throughout the supply chain, engage customers more meaningfully, empower the workforce in new ways, and leverage analytics to get new insights for decision-making across the enterprise.

The result is a supply chain, which is more agile, more efficient and much easier to control, ultimately delivering the horsepower and steam that companies need right now to move within, through and beyond the crisis.

Learn more about Deloitte's SAP and supply chain capabilities

With a global network of more than 25,000 business and technology professionals focused specifically on SAP, Deloitte is recognized around the world for our depth, experience, and leadership in helping our clients manage their digital transformations. Clients choose to work with us because we combine business insights with technical know-how to deliver practical, results-driven solutions that work in alignment with larger strategic goals.

Keeping up with the exponential evolution in data and processes involved in supply chains requires a strategy. More than that, it requires understanding what's possible with SAP S/4HANA® and building a vision of the business you want your organisation to become. Ready to see where you can go? Contact us to get the conversation started.

Contact us:

Erik Andresen
SAP Offering Lead Norway - Director
Tel: +47 95 70 76 44
Email: erandresen@deloitte.no

Chanakya Sharma
SAP | Enterprise, Technology & Performance - Director
Tel: + 47 46 93 70 03
Email: chsharma@deloitte.no

Jason Rowe
Partner
Tel: +47 952 68 725
Email: jrowe@deloitte.no

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, personnel or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2020. For information, contact Deloitte Touche Tohmatsu Limited. All rights reserved.