

SAP S/4HANA Services 2023-2024 RadarView

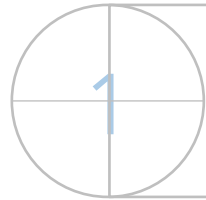
Reducing time to market through
industry-specific solutions and Gen AI

January 2024

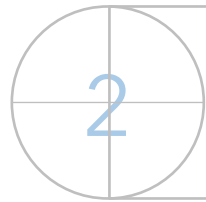
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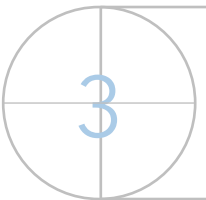
About the SAP S/4HANA Services 2023-2024 RadarView



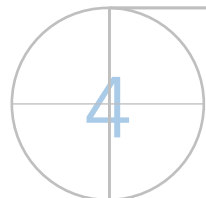
As the demand for SAP S/4HANA services continues to increase, service providers are deploying solutions to reduce time to market through focused solutions equipped with preconfigured workflows for key business processes in multiple industries, including manufacturing, retail, and healthcare. Service providers are also investing in generative AI solutions to strengthen horizontal capabilities, such as test script generation, quality assurance, and documentation.



Avasant evaluated 37 providers using a rigorous methodology across the key dimensions of practice maturity, partner ecosystem, and investments and innovation. Through its analysis, Avasant recognized 27 providers that brought the most value to the market over the past 12 months.



The *SAP S/4HANA Services 2023-2024 RadarView* aims to provide a view into the leading service providers offering SAP S/4HANA services. Based on our methodology, these service providers are categorized into four broad segments: leaders, innovators, disruptors, and challengers.



To enable decision-making, Avasant has provided an overview of the major service providers in the industry. The RadarView profile for each service provider includes a list of its top enterprise clients, customer success stories, key IP assets/solutions and partnerships, and major industry verticals. This is supported by an analyst's take on the provider across the three key dimensions mentioned in the second point above.

Note: Please refer to Avasant's [SAP S/4HANA Services 2023-2024 Market Insights](#) for demand-side trends.



Executive summary

Key definitions




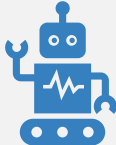
SAP S/4HANA

- SAP S/4HANA is an intelligent ERP suite that runs on the SAP HANA in-memory database. It is available for on-premises, hosted, cloud, or hybrid deployments.
- It includes intelligent technologies and integrated business processes with real-time analytics.

SAP S/4HANA services

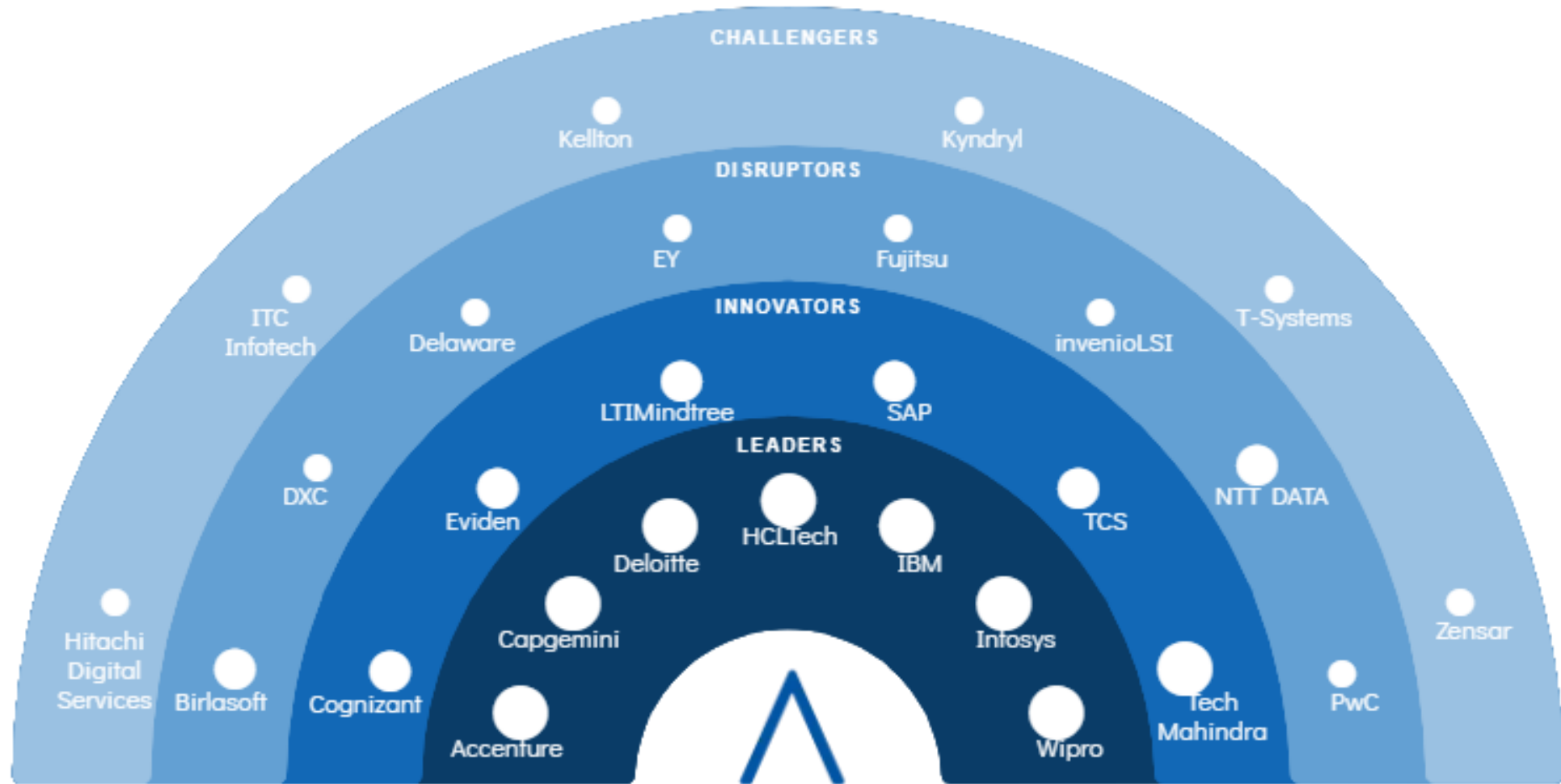
- The SAP S/4HANA services considered in this report include assessment, consulting, implementation, and managed services of applications to address both brownfield and greenfield migration of legacy systems on private, public, or hybrid clouds.

Key components of SAP S/4HANA

	SAP HANA database	In-memory database for real-time processing
	SAP Leonardo ML	Predictive analytics and ML capabilities for data-driven insights
	SAP Fiori	Role-based user experience across all devices
	Automation	Automation enablement, including the use of unstructured data

Avasant recognizes 27 top-tier providers supporting the enterprise adoption of SAP S/4HANA

Practice maturity 



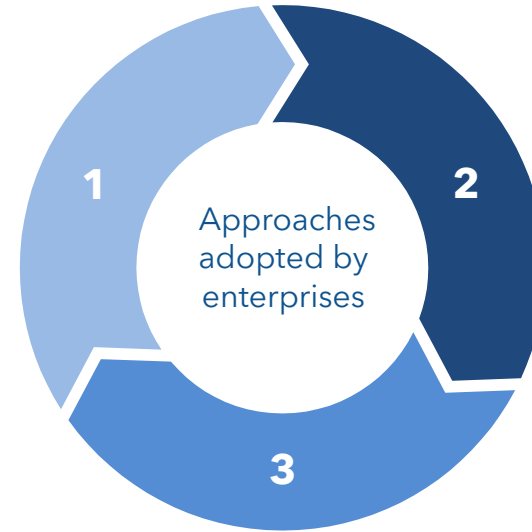


State of the market

Enterprises revisit their transformation strategies and look for quicker ROI amid macroeconomic headwinds

Reassessing implementation strategy

- Enterprises are reassessing their SAP S/4HANA implementation strategy to identify the optimal path out of greenfield, brownfield, and hybrid implementations.
- This helps them preserve existing investments in ERP applications and data landscapes and maximize ROI.



Seeking quicker ROI

- Customers are looking to divide large SAP S/4HANA transformation projects into small milestones with predefined deliverables and clearly measured business KPIs
- This helps them consistently track ROI and assess service provider performance.

Maximizing value from existing SAP ECC investments

- Organizations are leveraging microservices-based architectures and add-on solutions to optimize existing SAP ECC systems.
- This enables them to reduce time to market for subsequent SAP S/4HANA implementations.

Illustrative examples

- A global beverage manufacturer shifted from greenfield to brownfield SAP S/4HANA implementation for its LATAM business units after project milestones failed to succeed.
- An industrial products manufacturer shifted to brownfield SAP S/4HANA migration for business units, which had limited transformation opportunities,




- Over nine months in FY 2023, SNP Group reported a 40% YOY growth in order entry volume from its CrystalBridge platform, which enables selective data transition to SAP S/4HANA through SNP's BLUEFIELD™ approach. For the same period, order entry volume from SAP S/4HANA projects increased by 114% YOY.
- In contrast, SNP Group's order entry volume from SAP S/4HANA projects rose 9% YOY in FY 2022. This signifies customers' increasing interest in selective data transition to SAP S/4HANA. This approach helps them preserve their existing IT investments by eliminating the need to completely redesign legacy systems.

SAP S/4HANA drives centralized operations and expedites financial closing processes for manufacturers

Manufacturing industry continues to be a leading consumer of SAP S/4HANA services, contributing to about one-fourth of the total revenue for service providers*.

Illustrative list of examples




Centralized manufacturing

BMW Group is leveraging SAP solutions to execute its iFACTORY program to automate manufacturing processes and integrate manufacturing facilities. The initial implementation took place in Oxford, UK, where BMW utilized SAP S/4HANA and SAP's supply chain logistics solutions through RISE with SAP to standardize and unify parts logistics, finance, and customs processes.



Furukawa Electric Group implemented SAP S/4HANA integrated with SAP Mill and SAP Ariba under its OneFIT program to standardize sales, accounting, and procurement processes across 12 product manufacturing divisions and aggregate data. The initiative enhanced cross-functional collaboration and business scalability.



Automated financial closing

Foxconn leveraged SAP S/4HANA Financial Closing Cockpit to streamline financial closing processes through automated workflows and templates for accounting and reporting, leading to a 43% decrease in financial closing cycle time. It deployed SAP Fiori applications to improve UX and reduce manual effort in financial reporting.



A consumer electronics manufacturer deployed SAP S/4HANA to automate financial accounting, and controlling processes, production planning activities. It leveraged SAP Fiori applications to enhance the visibility of profitability and cost metrics. This initiative resulted in an 80% reduction in manual effort for production planning and accelerated the month-end financial closure by 3-4 days.



*Refer to Avasant SAP S/4HANA Services 2023-2024 RadarView for more information on supply-side trends.

Source: Avasant SAP S/4HANA Services RadarView Survey, June-August 2023; Avasant research

Enterprises continue to implement specialized solutions with preconfigured industry-specific workflows, reducing time to market

Obramax

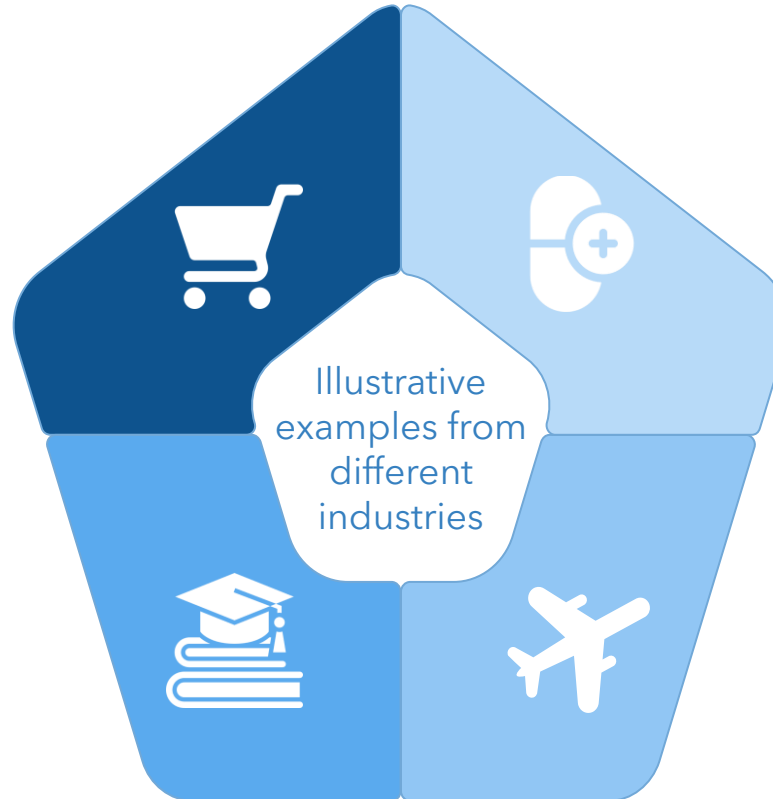


Migrated its ERP systems from SAP ECC to SAP S/4HANA and implemented Delaware's FAST-Retail solution to streamline sales and distribution processes and generate analytical insights. This enhanced process efficiency and transparency and improved the UI.

Air University



Deployed SAP S/4HANA and used invenioLSI's StudentOne solution to automate student life cycle management processes. The university unified data across disparate systems, integrating information for around 240,000 students across diverse programs.



A pharmaceutical company



Implemented SAP S/4HANA and utilized Zensar's ZenLife solution to automate reporting while integrating data from inventory, process orders, and R&D projects. This augmented order tracking and inventory monitoring capabilities throughout various manufacturing stages.

A global aerospace company



Leveraged HCLTech's Base90 aerospace and defense template for SAP S/4HANA deployment to standardize and unify aircraft manufacturing and supply chain operations across business units, enhancing real-time data visibility and reporting.

Enterprises track supply chain sustainability metrics and boost ESG reporting through SAP S/4HANA-powered solutions

Typical use cases addressed by sustainability solutions for enterprises



Enabling sustainable procurement

Businesses leverage procurement data from SAP S/4HANA and integrate external sustainability parameters to derive the sustainability performance of suppliers and products.



Monitoring manufacturing sustainability

Manufacturers use IoT-enabled solutions integrated with SAP S/4HANA to connect shop floor assets and track sustainability metrics, such as energy consumption and carbon emissions generated.



Driving sustainable supply chain planning

Enterprises integrate metrics, such as GHG emission factors and Global Warming Potential, with SAP IBP and use data from SAP S/4HANA transactions to identify sustainable modes of transportation.



Enhancing ESG reporting capabilities

Organizations integrate ESG reporting solutions with SAP S/4HANA, incorporating multiple emissions factors and reporting standards and improving data visualization through dashboards.

Illustrative examples of enterprise adoption

An automotive components manufacturer



- Implemented a sustainable supply chain planning solution using SAP IBP and SAP S/4HANA to evaluate the overall carbon footprint of finished goods by linking the carbon emissions generated from the production of each component along with the emissions from electricity and fuel consumption and procurement of raw materials.
- Deployed SAP S/4HANA environment, health, and safety modules to capture material and energy consumption data and measure greenhouse gas (GHG) emissions, including sulfur oxides, nitrous oxides, carbon dioxide, and methane, across the organization, enabling a thorough evaluation of its carbon footprint.

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Kellton profile

Kellton: RadarView profile



Practice Maturity ★★★★★

Partner ecosystem ★★★

Investments & Innovation ★★★

Leverages its Smart Questionnaire tool to identify business process inefficiencies. Aims to expand its presence in the Europe and APAC regions through local partnerships.

Practice overview		Client case studies	
<ul style="list-style-type: none"> Active since: 2016 Practice size: 150+ Active clients: 20+ External certifications: 45+ Delivery highlights: Dedicated SAP CoE. Delivery presence in the US, Europe, and APAC 		<ul style="list-style-type: none"> Deployed SAP S/4HANA at Momentive Technologies to standardize and unify production planning, plant maintenance, financial management, sales, and distribution processes across four countries, boosting process efficiency and data visibility. This led to a 30% rise in quarterly revenue. Implemented SAP S/4HANA at C2FO to streamline finance, controlling, asset accounting, and material management operations for six countries, reducing period-end closing process time and improving reporting accuracy. It leveraged SAP Fiori applications to enhance UX. Helped Doosan roll out an SAP S/4HANA solution for a new manufacturing plant to streamline finance and procurement processes, optimizing business operations and boosting reporting capabilities. It drove a 70% improvement in user onboarding through SAP Fiori applications. Implemented SAP S/4HANA Retail at a US-based retailer to integrate point-of-sale systems, distribution channels, and external vendors. This boosted supply chain visibility and generated customer behavior insights, enabling the client to deliver an omnichannel customer experience. 	
<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid gray; padding: 5px; text-align: center;"> <p><\$100M SAP S/4HANA services revenue, YTD June 2023</p> </div> <div style="border: 1px solid gray; padding: 5px; text-align: center;"> <p>20%-30% SAP S/4HANA services growth, YTD June 2023</p> </div> </div>			
Key IP and assets		Key partnerships	Sample clients
<ul style="list-style-type: none"> Smart Questionnaire: A tool to gather and analyze customer requirements during SAP S/4HANA implementations Intelligent Custom Code Analyzer: A tool to assess code readiness and custom objects in brownfield SAP S/4HANA migrations Web Order Center: A portal to help vendors place sales orders in SAP ERP systems 		<p>Cloud platform providers</p> <p>Technology partners</p>	<ul style="list-style-type: none"> A furniture company A US-based retailer A PCB manufacturing company C2FO Doosan Momentive Technologies Sinomax
		Industry coverage	
		<ul style="list-style-type: none"> Aerospace & defense Banking Financial services Government Healthcare & life sciences High-tech Insurance <li style="background-color: #2e8b57; color: white;">Manufacturing Nonprofits <li style="background-color: #2e8b57; color: white;">Retail & CPG Telecom, media & entertainment Travel & transportation Utilities & resources 	

Darker color indicates higher industry coverage through digital services ●●●●●

Analyst insights

Practice maturity



- Kellton offers SAP S/4HANA advisory, implementation, and managed support services through its dedicated SAP CoE, focusing on on-premises deployment for manufacturing and retail and CPG industry customers. It utilizes its Smart Questionnaire tool to analyze existing business processes, identify process inefficiencies, and create tailored SAP S/4HANA implementation road maps to ensure alignment with SAP best practices.
- It reduces time to market in brownfield SAP S/4HANA migrations through its tools and assets. Its Intelligent Custom Code Analyzer tracks the readiness of source code, orchestrates functional SQL changes, and identifies custom objects that can be remediated automatically. It has collated a conversion runbook comprising checklists, frequently encountered issues, and resolution measures for preparatory, migration, and post-migration phases.
- It helps customers improve UX and adoption in greenfield and brownfield SAP S/4HANA implementations by deploying SAP Fiori applications based on their business cases. It analyzes existing performance inefficiencies and infrequently used applications in SAP Fiori launchpad and devises the optimal combination of regular and lighthouse SAP Fiori applications.

Partner ecosystem



- Kellton is a Partner Centre of Excellence partner with SAP, which allows access to better support incident management and knowledge transfer capabilities.
- It utilizes its alliance with AWS to deploy SAP workloads on the AWS cloud. It optimizes infrastructure costs for its customers by sharing high-availability and disaster recovery systems with non-productive workloads and dynamic system provisioning.
- It collaborates with Basis Cloud Solutions to leverage its Symphony cloud orchestration platform. The platform accelerates the migration of SAP systems to cloud platforms and on-premises systems by automating key operational activities, including system refresh, system provisioning, kernel patch upgrades, and scaling of SAP instances on cloud platforms.

Investments and innovation



- Kellton aims to improve its presence in markets such as India, the UAE, Saudi Arabia, Singapore, Japan, and the Benelux region by leveraging local partnerships.
- It plans to build AI-powered solutions on the SAP Business Technology Platform to automate troubleshooting, predictive maintenance, capacity planning, and network management for SAP applications.
- It has implemented multiple SAP S/4HANA environment, health, and safety modules at a ceramics products manufacturer named Momentive Technologies. The solutions address use cases, such as capturing resource consumption and carbon emission data across the organization, handling occupational safety incidents and mitigating risks, maintaining product compliance reports, and generating safety data sheets with guidance on handling hazardous materials.

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Appendix:
About RadarView

Avasant's SAP S/4HANA Services RadarView assesses service providers across three critical dimensions



Practice maturity

- This dimension considers the current state of a provider's SAP S/4HANA practice in terms of its strategic importance for the provider, the maturity of its offerings and capabilities, and client engagement.
- The width and depth of the client base, usage of proprietary/outsourced tools and platforms, and quality of talent and execution capabilities are crucial aspects of this dimension.

Partner ecosystem

- This dimension assesses the nature of the provider's partner ecosystem, the objectives of the partnerships (codevelopment and co-innovation), and its engagement with solutions providers, startup communities, and industry associations.
- Evaluation of joint development programs around offerings, go-to-market approaches, and the overall depth in partnerships are vital aspects of this dimension.

Investments and innovation

- This dimension measures the strategic direction of the service provider's investments and resultant innovations in the offerings and commercial model and how it aligns with the future direction of the industry.
- The critical aspects of this dimension include both organic and inorganic investments toward capability and offering growth, technology development, and human capital development, along with innovative solutions developed with strategic partners.

Research methodology and coverage

Avasant based its analysis on several sources:

- Public disclosures** Publicly available information such as Securities and Exchange Commission (SEC) filings, annual reports, quarterly earnings calls, and executive interviews and statements
- Market interactions** Discussions with enterprise executives leading digital initiatives and influencing the selection of and engagement with SAP S/4HANA service providers
- Provider inputs** Inputs collected through an online questionnaire and structured briefings during June 2023–August 2023

Of the 37 service providers assessed, the final 27 featured in the SAP S/4HANA services 2023–2024 RadarView are:



Note: Assessments for Accenture, Delaware, Deloitte, DXC, EY, Fujitsu, IBM, NTT Data, PwC, SAP, and TCS have been conducted based on public disclosures and market interactions only.

Reading the RadarView

Avasant has recognized service providers in four classifications:



Leaders show consistent excellence across all key dimensions of the RadarView assessment (practice maturity, partner ecosystem, and investments and innovation) and have had a superior impact on the marketplace. These providers have shown true creativity and innovation and have established trends and best practices for the industry. They have proven their commitment to the industry and are recognized as thought leaders in their space, setting the standard for the rest in the industry to follow. Leaders display a superior quality of execution and a reliable depth and breadth across verticals.



Innovators show a penchant for reinventing concepts and avenues, changing the very nature of how things are done from the ground up. Unlike leaders, innovators have chosen to dominate a few select areas or industries and distinguish themselves based on superior innovation. These radicals are always hungry to create pioneering advancements in the industry and are actively sought after as trailblazers, redefining the rules of the game.



Disruptors enjoy inverting established norms and developing novel approaches that invigorate the industry. These providers choose to have a razor-sharp focus on a few specific areas and address those at a high level of granularity and commitment, which results in tectonic shifts. While disruptors might not have the consistent depth and breadth across many verticals like leaders or the innovation capabilities of innovators, they exhibit superior capabilities in their areas of focus.



Challengers strive to break the mold and develop groundbreaking techniques, technologies, and methodologies on their way to establishing a unique position. While they may not have the scale of the providers in other categories, challengers are eager and nimble and use their high speed of execution to great effect as they scale heights in the industry. Challengers have a track record of delivering quality projects for their most demanding Global 2000 clients. In select areas and industries, challengers might have capabilities that match or exceed those of the providers in other categories.

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