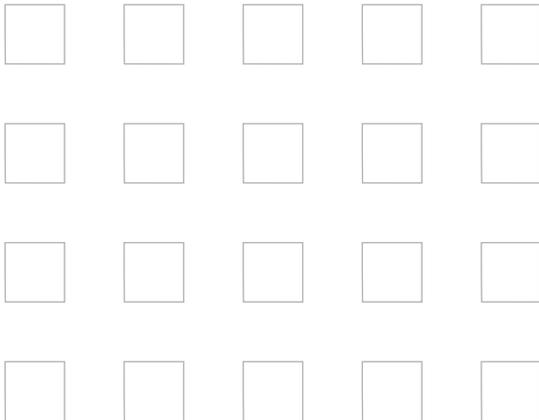




How Organizations Can Minimize Their Risk Whether They Migrate to S/4HANA or Not



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Introduction

Rimini Street recently worked with IDG to undertake a survey of IT leaders¹ at companies with revenues of US\$250 million or more that have deployments of a range of SAP software systems and releases. Among many interesting findings, the survey found that:

95%

of respondents said their current SAP system satisfies most business needs

96%

said risk reduction is of moderate-to-critical importance during the SAP roadmap evaluation process

59%

of respondents reported that the pandemic had accelerated the need for innovation

So, why are organizations increasing their risk profile and replacing their ERP, particularly when they're happy with what they have? And especially during a pandemic. You cannot spell pandemic without the letters P-A-N-I-C — yet many organizations are not assessing their options, likely due to SAP being the loudest voice in the room.

Even if you have moved to S/4HANA, you will still need to innovate to thrive, and not just survive, in these current economic times. With the significant investment already sunk into this system, the need to optimize spend becomes even more critical. This lack of resources is an added risk to being able to drive impactful business outcomes. So what do you need to consider?

A worldwide IDG survey found that reducing risk is an imperative when organizations evaluate their SAP roadmap. Organizations can help mitigate this risk by choosing a long-term strategic partner who can support them in whichever direction they take.

Evaluating Business Risk



Some of the risk consideration is the sheer expense of an ERP migration — for many organizations, it leaves the IT department’s budget almost barren. And as most SAP licensees know, cost overruns are a common scenario with large-scale SAP projects.

The high expense of SAP’s support service is daunting as well, not to mention the often inadequate responsiveness, scope, accountability, and experience of SAP support engineers — all of which adds risk to your business.

Another inherent risk is in the substantial scope of an ERP migration, because organizations are under the impression that they need to take everything with them as part of their move to S/4HANA.

Furthermore, there can be intrinsic risk in early adoption — the extensive expertise required for planning, migration, and support is simply not there. It could take years for that expertise to develop, and in the meantime your business may be affected by delays, budget blowouts, and poor support.



Client Spotlight: Ampol Limited

- For the past 20 years, Ampol, Australia’s leading transport fuels provider, has relied on its robust SAP Business Suite which is a key enabler of its business and operations.
- It previously made the decision to migrate to S/4HANA. But the COVID-19 pandemic hit and the economic environment across the globe became uncertain. The company then needed to look at ways to be more efficient and effective with its costs and technology. Ampol decided to defer the S/4HANA migration and to drive innovation “around the edges” — so it turned to Rimini Street to support its SAP Business Suite applications and SAP HANA database.
- Not only was the organization able to defer the costs of the expensive migration, but it is also able to maintain its current IT operations, while reducing its annual SAP support fees.
- And when Ampol is eventually prepared to migrate, Rimini Street will be ready to support this too.

The Reality:

You’re probably going to migrate to S/4HANA at some stage, for at least a portion of your SAP footprint. If it’s not by 2027 — and you can stay past the SAP-mandated deadline with the assistance of third-party support — it may be soon after. But you do not have to lock yourself into an SAP-dictated roadmap for your entire ERP software strategy.



A Migration is a Big Move

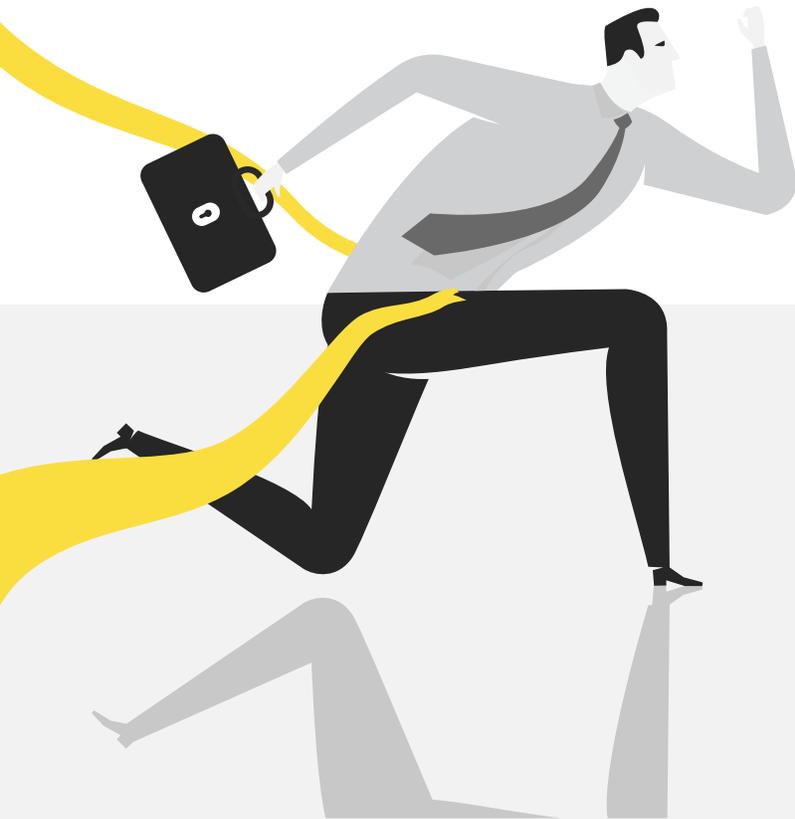
It's akin to moving to a new house — and like any move, you wouldn't take things with you that have no place in your new home.

You wouldn't bring these items with you if they didn't serve a purpose, right?

Certain pieces of furniture may not fit the new house; you may no longer need that dresser; or it may be a better fit to downsize from a king bed to a queen.

But it doesn't have to be this way, because it doesn't have to be done SAP's way.

So with this in mind, here are a few easy steps to help minimize the risk you face in any ERP migration, particularly one as daunting, sizeable, and expensive as an S/4HANA migration that replaces your existing SAP footprint.



Step 1

Take a step back and look at the effectiveness of your current system

Step 2

Design your dream home

Step 3

Take a broom and do some spring cleaning before you move

Step 4

You've moved to your new digs — now what?

Step

1



Take A Step Back And Look at the Effectiveness of Your Current System

As previously mentioned, 95% of businesses say their current SAP systems satisfy most business needs. So why change?

You should assess whether it's time to move to a new house or stay put and renovate. The same applies with your SAP environment: why go through the risky, time-consuming, and costly move if your current needs are being met? And if it's only a few components of your system that need improvement, why not consider a renovation to modernize your environment?

It's worth asking the same question: what are those business needs that your current SAP system meets, and what needs are unmet?

This is an opportunity to fully consider your future IT roadmap for your business: what are the parts of my SAP system that work well? What parts need an update, and is there a better alternative to meet my current needs? What aspects do I no longer need?





Step

2

Many SAP users are loyal to SAP and will retain some, if not most, of their functions when they eventually make the move to S/4HANA.

Many current SAP systems were deployed with the processes of over 10 years ago in mind. Some aspects are no longer required, and other parts of the platform are being outpaced by superior alternatives in the market.

If you plan to make a move to a new home in the future, now is the time to decide what your dream home looks like, what extra components you want added, and what you would change. Should you take your washing machine with you, or would you want to upgrade it? And if it's the latter, are you sure you want to stick with the same manufacturer as before?

SAP has not cornered innovation on many fronts. A look at the market will quickly reveal best-in-class options to any organization willing to go searching for them. Functions such as HR, CRM, and analytics are increasingly available to organizations, and they can be implemented around the core SAP system.

Design Your Dream Home



SAP licensees can select the parts they want to migrate to S/4HANA, such as finance, and keep other functions, such as HR, right where they are for as long as they need to properly evaluate their options. Or they can use the SAP-driven HR function, and engage with an alternative company like Workday.

SAP has gifted its licensees an opportunity to design their dream house. S/4HANA is a big move, but there is no rush — now is the time to look at optimizing your technology choices and to determine the ways your organization can reduce risk, complexity, and costs. For many, it's time to reduce the reliance on the SAP ecosystem and look towards alternative solutions once deemed the sole domain of the SAP ERP.



Step 3

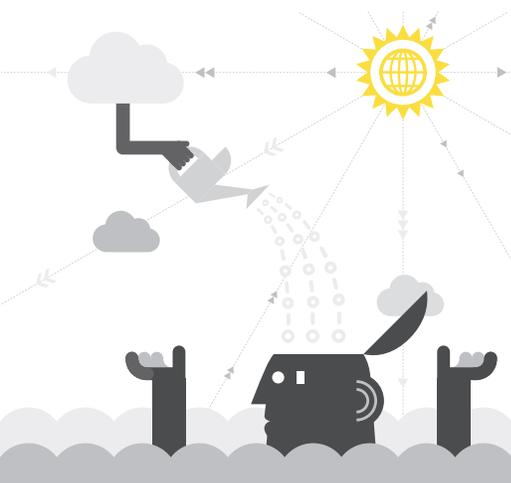


Take A Broom And Do Some Spring Cleaning before You Move

The IDG survey also found that, of those evaluating their SAP roadmap, 96% said that the total cost of ownership (TCO) was a critical factor to their evaluation. Further, 96% also said maximizing their existing SAP investment was of moderate-to-critical importance.

SAP has presented its licensees an opportunity to do some spring cleaning and to optimize their current investment. Part of that could entail painting some walls, patching the occasional hole in the roof, and steam cleaning the carpets — doing so can buy significant time for you to analyze what you want your dream home to look like before moving.

Typically, you wouldn't do this all by yourself. You would engage experts to help out. A good place to start is to reduce your TCO, remove unnecessary support costs, and optimize your current SAP deployment. And when you're ready to move, you can just take what you need to survive and thrive.



Third-party ERP support options, such as those provided by Rimini Street, help organizations maintain their current systems beyond the planned vendor-mandated end-of-full-support deadlines for their current SAP environments. This can help organizations maintain their systems beyond the SAP deadline. This not only reduces the TCO of your current system but also allows a significant amount of time to consider all of your options before making the migration to S/4HANA.

Now is also the time to be cleaning up your systems. Organizations are leveraging solutions like Celonis for business process optimization and customization reviews. This establishes an archiving strategy that enables data management and integrates automation to minimize manual processing.

These cleanup activities can be done to improve the current state of your business, as well as to provide you with the flexibility and agility to adopt new solutions as your business needs evolve and change. Modernizing your existing SAP ERP not only helps extend the life of your current system, but also optimizes the current deployment, reducing risk and complexity, if a migration to a new system is performed (be it S/4HANA and/or an alternative solution).



Client Spotlight: Bluescope Steel

- BlueScope Steel is Australia's largest steel manufacturer. It leverages SAP's ECC for its Finance, Payroll, HR, Sales, and Procurement functions. It also relies on SAP's supply chain management solution.
- BlueScope is implementing MS Dynamics and leveraging Azure and Salesforce® for other aspects of its business.
- Its SAP maintenance and support is now provided by Rimini Street, which provides superior, dedicated, follow-the-sun support at a fraction of the total support costs.
- With third-party support for SAP from Rimini Street, the steel manufacturer dictates its own IT roadmap. It is just one of many companies that has opened its eyes to the waters that exist outside of the SAP well.

When it comes to innovation, plenty of the world's largest companies are already looking outside of the SAP bubble to meet their future business needs.





Step

4

You've taken the plunge and moved to your new S/4HANA digs — you've kept some, if not all, of your mission-critical back-office functions within SAP, but other functions you may have moved to third-party support options.

But just moving to S/4HANA is not the end game for innovation; far from it. What the move for many organizations may mean is that they're simply keeping up with their competitors. To push forward and take the lead, they need to find ways to innovate.

Think of it this way: if you move into a new home, you would remodel to put your own personal touch on the place you're calling home for at least the next decade.

The issue is that, for many organizations, they've spent a huge chunk of their IT budget on the migration and could be bogged down by maintenance and support fees mandated by SAP for years to come. In short: it's hard to remodel without a budget.

You've Moved to Your New Digs — Now What?



SAP may not be too happy about losing your business — unnecessarily expensive and limited scope maintenance contracts — but, it's not up to them and you have every right to choose the options that are best for your business. By shifting SAP maintenance and support to third-party support providers like Rimini Street, organizations can immediately lower the annual maintenance burden by at least 50%; or in some cases, reduce total support costs by as much as 90%.

Furthermore, organizations can access award-winning SAP support services. Clients are assigned dedicated primary support engineers who have an average of 15 years of experience. And Rimini Street can manage the entire suite of SAP products an organization has deployed, including S/4HANA.

With these newly available IT funds, organizations will be better able to remodel using other non-ERP-focused digital transformation initiatives, and deliver innovation — after the costly migration — that could allow them to outpace their competitors.

So Why Not
Create Some
Room in the
Budget Where
You Can?



Before Making the Move, Do Your Homework

No one is saying don't migrate to S/4HANA — many businesses have a migration planned in their IT roadmap, whether it's before or after the SAP-driven end-of-full-support deadline of 2027.

But before you move into a new home, you'd normally do a viewing of the home, have it inspected by a professional, and do your due diligence. Now is the time to do the same before you begin the long, expensive, and possibly risky move towards S/4HANA. SAP is gifting you this opportunity to look at your roadmap, and you would be remiss not to take it.

A migration is not as urgent as SAP may have you believe. If you're happy with your current platform, you can keep it with third-party support options while modernizing it where necessary. Rimini Street commits to maintaining an organization's current SAP system for at least 15 years from the contract date — that should be plenty of time to take stock, clean house, and take only what you need.

And if you've already migrated to S/4HANA, Rimini Street can provide support and maintenance of your entire SAP environment. This helps you lower your annual IT spend in the aftermath of an expensive migration, achieve ROI faster, and fund innovation.

Navigating the Future of SAP

To assess the current challenges and plans of organizations using SAP technology, IDG conducted a survey of SAP customer attitudes and roadmaps in December 2020. The study surveyed 250 SAP system managers, architects, and leads, as well as senior IT managers, at organizations with revenues of \$250 million or higher. The organizations, representing more than a dozen different industry sectors, were based in 10 different countries within North America, South America, Europe, and Asia. [View the full survey findings.](#)

References

¹ IDG, "[Navigating the Future of SAP](#)," June 9, 2021.

For information about how Rimini Street can help you optimize the performance and value of your existing SAP systems, help chart an SAP roadmap aligned with your organizational needs and budgets, and/or support your SAP environment post-S/4HANA migration, see <https://www.riministreet.com/solutions/sap/>



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