

Innovation of the Enterprise Information System

Brownfield Conversion of SAP ECC 6.0 to SAP S/4HANA

Situation

- The company has been a long-standing customer of SAP and its ERP system. As part of its integration into the global Würth Group and the need to support the company's growth, a strategic decision was made in recent years: the further development of the SAP information system would be directed toward the SAP S/4HANA version.
- The first step was the transition to the SAP HANA database. This was carried out independently, along with a complete renewal of the hardware on which the SAP system operates.
- This step significantly simplified some operations and improved system responsiveness. However, the plans for further innovation did not stop there, and the company decided to complete the transition to the SAP S/4HANA system using the system conversion method (brownfield approach).
- A decisive impetus for a rapid transition was the decision to implement the SAP Extended Warehouse Management (SAP eWM) system, which is an integrated component of the S/4HANA version.

Challenges

- Proper database sizing with respect to the company's planned growth
- Migration of SAP systems to the new database and hardware infrastructure
- Adjustment of historical custom developments for compatibility with the new SAP S/4HANA version
- Reimplementation of functionalities that have been innovated in the S/4 version (e.g., sales rebates, etc.)
- Conversion testing by key users
- Relicensing of the existing license agreement
- Changes to the SAP system infrastructure/landscape (e.g., separate HR and Fiori Gateway systems)

Solution (part 1)

- The transition to the HANA database was carried out as part of the "regular" operations of the Elfetex IT department in cooperation with the basis team from MIBCON a.s.
- Within the internal IT team, a project was subsequently designed that resulted in the successful productive conversion of the system to the SAP S/4HANA version. With the support of the implementation partner, the plan was expanded to include the necessary technical steps

Solution (part 2)

- Basic system adjustments were made to enable the conversion, most notably the introduction of so-called Business Partners, which was the largest and most visible change
- The first trial conversion (Sandbox No. 1) followed, performed with the aim of confirming that there were no technical obstacles to the migration
- Based on high-quality tools provided directly by SAP, it was necessary to perform checks and adjustments to custom developments
- Similarly, it was essential to identify and reimplement functionalities that had been innovated or newly replaced
- The functionalities of the SAP HR and payroll systems were moved to newly established standalone systems. A second trial conversion was carried out in Sandbox No. 2 — this time to confirm the correct data conversion
- As part of the transition, a newly defined licensing agreement (contract conversion) was established. Users are now licensed under SAP S/4HANA, and all retail processes and branches are covered by the SAP S/4HANA Retail for Merchandise Management license
- In the final step, the productive system was converted to SAP S/4HANA, and all modifications were transported from the development system

Benefits

- Significant performance improvements in certain functionalities
- SAP eWM implemented as an integrated system
- Ability to access SAP via mobile devices (phones and tablets) — especially for management and sales representatives
- Simplified system basis administration through the separation of HR, ERP, and eWM into dedicated systems

Future plans and solution development

- Implementation of the SAP Extended Warehouse Management system on the SAP S/4HANA platform
- Expansion of reporting capabilities using the SAP Fiori platform
- Implementation of enterprise planning on the SAP Analytics Cloud
- Deployment of optimized retail processes within the retail add-on

Industry

- Wholesale
- Electrical Engineering

LoB

- Finance
- Logistics

Customer

ELFETEX, spol. s r.o.

Headquarters

Pízeň, Czech Republic

Products and services

Wholesale sales of electrical installation materials

Number of employees

>300

System environment

SAP S/4HANA 1809 SP2

Reference

Tomáš Schneider, Head of IT Department