

# Special

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*Making Digital Transformation happen – Enabling the transformation process is the topic at hand, discussed by Prof. Dr. Tilo Böhmman (University Hamburg), Dr. Rolf Werner, Head of Central Europe Fujitsu, Michael Straub, Head of SAP Service Portfolio Fujitsu EMEIA, Gerhard Göttert, CIO, Tank&Rast, Heiko Henkes, Director Advisor, Experton Group (left to right).*

# Enabling Digital





Why exactly do we need digital transformation?



Peter M. Färbing

## Sustainability Once Again

„Sustainability“ is one of the most-often misunderstood terms. In short, sustainability means resource-protecting action to increase, rather than deplete, resources. Added value may be expected. Digital transformation should follow this principle.

**B**is Digital transformation has often been invoked, defined and desired. This is why Fujitsu decided to issue a special publication on enablement of digital transformation – the next step in terms of quality. Digital transformation is similar to cybernetics. Everything is connected to everything else. In the end, the whole is supposed to be more than the sum of its parts. That isn't an easy task for management.

The central function of digital transformation, however, is sustainability. The transformation process is not an end in itself or merely a technical release change. The temporary end of the process is not to be a digital solution that doesn't functionally differ from its predecessor version, but something truly new! Digital processes are to protect resources and deliver added value – that is more than improving or optimizing existing processes. The first process step is to result in a second one, a third one, and so on. Each step is to be more resource-protecting, streamlined and efficient than the one before it – and in the end, with a view to the SAP-Community, all of it is to take place in real time based on the SAP-Hana database.

Is digital transformation unachievable because it is supposed to be perfect at everything? SAP technical director Bernd Leukert likes to quote one example: The Italian state railway generously equipped its locomotives with sensors to monitor the engines and gears. This comprehensive IoT-project supplies a real-time representation of the operating conditions. These hundreds of thousands of sensor data points are used to calculate a maintenance model via a Hana database and the SAP-Framework PAL (Predictive Analysis Library). The statistic failure probability is calculated anticipatively and a flexible maintenance plan is derived from this.

Why is foresighted maintenance an example of digital transformation? It is not about optimizing an existing process, but about completely re-organizing the maintenance of machines and vehicles. In the past, one might have tried to centralize the spare parts storage, introduced multiple-shift operation or place spare locomotives in strategic locations. Successful digital transformation starts at the source and challenges the business processes as a whole. IoT and Hana are a gentle revolution, rather than a continuum of small optimizations. Digital transformation does not improve existing business processes, but changes the processes as such.

The process change of digital transformation should and will not come to a standstill – that is also part of sustainability. It is not about improving a badly programmed algorithm once, but about continuous – sometimes even revolutionary – further development. The successful results are to be the basis for something new. One good idea is to provide fuel to the next one. That is what transformation means. Sustainable process changes are a continuum. The digital offers by SAP and Fujitsu help drive this transformation in a way that protects resources and runs almost entirely self-sustained.

Peter M. Färbing, Editor-in-chief, E-3 Magazine

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A discussion round on enabling Digital Transformation

# It came to stay

The digital transformation has been hotly evaluated and discussed for many years, but now it has become an integral part of business and IT planning. The focus on new digital business processes and IoT (Internet of Things) is no longer a fancy hobby but a survival strategy that is critical to the business. Fujitsu organized a discussion round to determine where we stand and how the digital transformation can be enabled.

**T**he successful enablement of the undisputed digital transformation was the general theme during a discussion with Gerhard Göttert, CIO of SAP customer Autobahn Tank & Rast in Bonn and a member of the executive board of the German SAP User Group (DSAG) since 2013, where he is responsible for the application portfolio section; with Prof. Dr. Tilo Böhmann from the University of Hamburg, who is the

head of the Department of Informatics and the IT Management and Consulting research group; with Heiko Henkes, who as Director Advisor at Experton Group is responsible for strategic business and advisor management; with Dr. Rolf Werner, who is Head of Central Europe at Fujitsu, responsible for the business in Germany, Austria and Switzerland and also the Chairman of the Board at Fujitsu Technology Solutions GmbH; and

with Michael Straub, Head of SAP Service Portfolio at Fujitsu for the EMEIA region.

“I do not view the digital transformation as something that started at a certain point in time and will end at some point in the future. We are speaking about something that already started decades ago,” is how Rolf Werner from Fujitsu defines his point of view – shared by all participants – at the outset of the discussion. As is the case with many developments

Fujitsu discussion round: Gerhard Göttert, Peter Färbinger, Michael Straub, Heiko Henkes, Rolf Werner and Tilo Böhmann (from l. to r.)







Professor Böhmann, university Hamburg

in business and computer sciences, many of the first signs are visible long before generally accepted concepts are developed. Today, the “digital transformation” is a recognized and established concept – although there does not seem to be a uniform process for implementation and enablement. In addition, there are few generally applicable references for the “going live” process. At the same time, the SAP community and its partners, such as Fujitsu, are already a few steps ahead of the general IT scene with numerous PoC (proofs of concept). “The digital transformation has become a routine topic of discussion because it is increasingly mentioned by users,” explains and observes Fujitsu head Rolf Werner.

“I would even say that the end customer now has much more influence on the business models,” confirms CIO Götttert from Tank & Rast. Together with its tenants, Tank & Rast operates approximately 350 gas stations and 390 rest stops (including 50 hotels) in the German highway network. Approximately 500 million travelers visit a Tank & Rast service operation every year. As CIO, Gerhard Götttert is directly confronted with the digital transformation in the consumer market at the interface to the back office. The influence of consumers has become very evident since smartphones became widely available in 2007. “Connectivity became tangible,” Götttert describes the



Advisor Heiko Henkes, Experton: Awareness of the speed of the transformation

situation, “which subsequently also made its way into business processes. To illustrate the point, I would once again like to stress that I am examining the customer’s side in this context. On the other side, we have the business processes in the companies, which do not necessarily affect the end customer business. Here, we have classic process models.”

Rolf Werner explains this situation from Fujitsu’s point of view: “In the past, we developed a so-called computerization of business processes and offered it in the market.” IT providers mainly fulfilled the classic push function. In contrast, today much is driven by the end customer. “Hence rather a transformation based on the digital devices that people use every day,” adds Werner. This has created a pull effect. “Of course,

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Prof. Dr. Tilo Böhmann,  
University of Hamburg

now I also want to be able to apply all of the things and functions that make my personal life easier in my business processes,” is how the head of Fujitsu describes the requirements confronting today’s C-level management in light of the digital transformation. “On the user side, we need very agile and very flexible products to be able to follow the market trends that have been described,” adds Gerhard Götttert and concludes: “Hence waterfall models, which have been the standard model for introducing business processes in companies for decades, are certainly no longer the only solution for properly responding to markets.”

“I see the digital transformation as a triad,” concludes Tilo Böhmann from the University of Hamburg. For him the first item – in the widest sense – is automation. “Today, I can push the automation of processes much farther than originally designed.” The second issue is the digital engagement: “Someone once said: Software is no longer static, software is a discussion,” Böhmann defines another part of the transformation process. “That is exactly the phenomenon of the digital channels and apps that do not stand still but keep developing and are modified by new customer requirements. Needs are changing; one needs to react to that, and that becomes the platform for new business models.” This premise of the digital transformation is the third item: opening



CIO Gerhard Göttert, Chief Editor Peter M. Färbinger and Michael Straub, Fujitsu (from l. to r.)

Dr. Werner, Head of Central Europe Fujitsu

up business processes and thinking more heavily in terms of platforms.

“At the center of the company there must still be a place that provides stability,” warns Tank & Rast CIO and DSAG director Gerhard Göttert. The CIO is bringing not just his own experience to the discussion, but also knows a lot about the desires, fears and visions of the SAP community and DSAG members. “We do not know exactly where this road will lead, how long some transformations will take and how much time we need. But we see that each change is happening faster.” Providers are introducing new applications and products to the market at ever faster speeds, which means that companies and users are faced with an entirely new set of tasks. “It means that business models, as they exist on the market today, must be scrutinized,” says the CIO, based on his practical experience. There are fewer and fewer companies that can say that the current status will still be around ten years from now. And Gerhard Göttert also gives an example: “The past 15 years have shown that top companies have disappeared from the market. The best example in this regard is Kodak. The inventor of digital photography no longer exists.” In another discussion, the former head of Cisco, John Chambers, said that half of today’s companies will not

survive in their current form. “We have arrived at a situation in which we think that we have all of the tools, our processes are available,” warns Rolf Werner. “But as providers and users, we must always match the enormous speed we see in the aforementioned end customer segment. That is why we are now talking about disruptive technologies, a digital transformation at great speed.”

But this digital transformation has neither a starting nor an end point. “And that makes all the difference,” explains the head of Fujitsu, “compared to ten or 15 years ago, when we were not faced with this high speed from the end customer market.” When such a discussion round comes around to the topic of speed, naturally each of the participants is reminded of the statements by the analysts from Gartner, with the concept of IT at different speeds and the idea of bimodal IT. “Does one really need an IT at two different speeds?” asks CIO Göttert with regard to this scenario. “From the viewpoint of the user and as an affected CIO, I would say that we are looking closely at this issue, and we still do not have a final answer. But there is a trend in that we are seeing divisions with very dynamic processes. In this context, the term digitization may be the wrong word because it is more of a business transfor-

mation.” Advisor Heiko Henkes agrees: “But that is how it usually works. There is not enough of a strategic approach. Only very few companies have thought about what digitization can and should mean for their business strategy.”

“This discussion is very important,” says Rolf Werner, “because I believe that one cannot plan an integrated digital transformation. I cannot plan for the kind of disruptive situation in which many companies find themselves.” At this time, there are a lot of changes happening (and very quickly) at the end customer, which have a big impact, so that companies can in any case only proceed on a step-by-step basis. “If it were different, I could implement new business processes from one day to the next, and the digital transformation would be complete,” Werner continues. Advisor Henkes agrees, but also says: “But first I have to create awareness for this speed at the management level. Here, we must establish the conditions for being able to perceive these changes.”

The digital transformation is perhaps a disruptive continuum – small, revolutionary steps. “That only works with an approach of gradual harmonization and not a one-time operational guideline,” says Rolf Werner with conviction. “I can set up guide rails left and right, so that





nothing veers off course. I can enable in order to reach this speed. I need agile methods – in the end, that which is defined by software and communication is nothing more than agility,” is how the head of Fujitsu defines the challenges of the digital transformation. In the discussion round, this development approach is called “scrum”: You work four weeks in a team and then present something. If it works, it will go in this or that direction. “The knowledge of ‘if we start here we will end there’ no longer exists in the traditional sense,” knows Werner about the changing behavior of providers and users. Michael Straub at Fujitsu has also observed this new situation in his own daily practice: “The processes at customers are very different from the past patterns. Today, we are much more open in terms of the result. We do not define digitization as a finished and closed product that we roll out as a template at the customer.”

A ready-made automation plan is not realistic: “Of course there are standard models and verified methods for digital enabling that we bring to the company,” explains Straub. “But it is very different from before, when the approach consisted of 80 percent pre-defined methods

and 20 percent adjustments. You can argue about the exact percentages, but what matters is that the process has turned towards a discussion that is more open in terms of the result.” Of course Fujitsu comes with a pre-defined, structured concept. “But the customer must decide a lot on his own – we can enable and support him and help him to digitize his IT-supported processes. But in the end, the customer himself must define the way to the goal. At the same time, our methods can facilitate the way there and add security to the process,” explains Michael Straub with respect to the Fujitsu offer. Advisor Henkes from Expertion welcomes this approach: “If you want to help the customers with their own further development, you have to first advise them that there is an internal and external digital transformation. As a company, I have to continue developing, digitize processes and make them ready for IT.”

Fujitsu manager Straub: “We can help the customer to standardize and finally to automate. But it is his experience and requirements that must be digitized.” Previously, implementing ERP referred to an abstract process, which is no longer the case today. Now challenges must be ad-

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Dr. Rolf Werner,  
Head of Central Europe Fujitsu

dressed with co-innovation (in the sense of a partnership), whereby the template approach is largely outdated, as explained by Michael Straub: “Therefore enabling means to develop solutions on the basis of a much closer partnership with the customer.” It appears that the role between provider and user is being re-defined as part of the digital transformation. The proofs of concept found in the SAP community, of which there are many, provide a glimpse of this new reality. It is a planned and evaluated disruption. This also creates clear boundaries and new expectations. “What is not possible: that a provider or IT provider invents



CIO Göttert: The speed is accelerating.



Michael Straub, Head of SAP Service Portfolio EMEA Fujitsu: A finished plan is unrealistic.



and revises a business model at the user. The concept of copying an example from another industry and then implementing it at the customer certainly does not work with the digital transformation," knows Rolf Werner from many discussions with existing customers. And the head of Fujitsu warns of false expectations and rapid solutions: "That is unfortunately a common mistake. You are asked to tell how it works in other industries or at a competitor – and then they want to do it just like them and better. That does not work, of course. We can only enable. We can offer the complete tool set. We can offer all methods. But we cannot invent or specify how the customer should design and operate his business." Werner continues to emphasize that Fujitsu can moderate the way to a solution. "Here we can help and support," he emphasizes. And the discussion round agrees that in the end, it is the customer who must run the business. "Yes, that's the way it is," adds CIO Göttert.

"We as the customer must say where the journey is supposed to go. Without a plan, it will be impossible to demand and use the right products – and to start the transformation process," adds Gerhard Göttert. How does the digitization process start? What must companies do in advance to ensure that the offered tools and methods are accessible – that enabling can take place? What is the influence of digitization on the end customer business? "There is a process of dematerialization," says Göttert and explains: "Things such as maps were previously available as a physical product, whereas now they are apps on a smartphone. Does this affect my business model? If the answer is yes, then it is almost impossible not to do something," says the CIO. And these challenges for enablement apply to all members of DSAG and the entire SAP community: "It begins with a business transformation," says Göttert, based on many discussions with DSAG members. What will we do with existing business models in the future? Then enabling follows the digital transformation. "I have to think about at which points in the end-to-end process I need a higher degree of digitization. And only then comes the IT transformation. These are the steps that must be adhered to. Only then can I think about which tools and methods I will use," is how Göttert describes his

proven approach. When one takes a look at the medium-sized business sector, as represented by DSAG, it is evident that organizations are now tackling this transformation. "Of course many companies have started a flurry of activities," says Göttert, based on numerous other discussion rounds. This approach gives rise to the well-known front end apps. "But companies are also in the process of examining their business processes end-to-end and including their partners. We are convinced that in today's society, no company can be successful in the end customer market by itself because anyone wanting to force through their processes on their own will probably run into difficulty." Göttert knows the com-

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Dr. Rolf Werner,  
Head of Central Europe Fujitsu

plexity of enabling: "In the digital transformation, one needs partners." Different ecosystems will emerge. Understanding this can become difficult for the entire business and IT community because the digital transformation is not as tactile. "This will also involve a cultural transformation," says Göttert. He is ready for collaboration: "At the end of the day, we need the support and advice from the IT providers who are working with us. And as users, we rely on the idea that our partners are well-prepared for this transformation. The future does not come as quickly as one would hope perhaps. But support cannot consist of telling us how an IT product works, but rather how we can integrate the solutions and methods. Which conditions must be created for the enabling process? What methods must be used? What steps must be taken?"

The successful enablement of the digital transformation is turning into a holistic, comprehensive and sustained challenge. "We must get out of our comfort

zone to enable the digitization process," emphasizes advisor Heiko Henkes and seems to be somewhat skeptical: "But when you look at the provider scene, we have found that there are only a few that implement this approach of a complete business transformation and can then make it available to users. Only few IT providers are able to manage a continuous digitization process with regard to Big Data, IoT, Security, Mobile, etc. Moreover, they must also offer advisory services and change management, including the relevant range of products and solutions." But the participants of the discussion round agree that this wide range of products and services can also be achieved with partners. The digitization process creates large global ecosystems, allowing specialists to offer niche solutions.

Therefore the individual, as part of the business and IT processes, is at the center of the digital transformation. This human-centric approach for IT and business is also the main focus of the Fujitsu Forum 2016 in Munich. And the professor from Hamburg also states: „Of course we need another big step forward in the development of the business processes." The important end-to-end approach is mentioned several times during the discussion round. But Professor Böhm does not find it easy to determine or define the digital transformation. "At first glance, these terms always sound so familiar," he explains, "because it is not the first time that we hear of the importance of thinking through business processes end-to-end. But in this case, it is really so, and it is not a process from administrator to administrator, but rather definitely from end customer to end customer without interruption and a break in media – and of course automated." Anytime a process tracking tool is used, people may suspect that the process is not good enough yet. One is interested in the end result, and what happens in-between is not considered as relevant. But the digital transformation does not work that way. Traditional patterns of thinking must be scrutinized. "What is needed today is a good and deep understanding of what customers want and need, so that business processes can be revised and made more efficient," explains Tilo Böhm, who knows, based on numerous studies and research work, that there are





Advisor Heiko Henkes, Experton Group, and Rolf Werner, Fujitsu: Analyzing one's own skills and obtaining the relevant knowledge.

new methods for this aspect: "Either one is willing to undertake a real customer journey, or one turns to deep design thinking," demands the professor. And he warns that there is no such thing as complete planning security, even if the new methods such as design thinking are used correctly. In the end, starting these processes requires agility – an aspect that has been repeatedly mentioned in the discussion round. "The planning process then becomes a learning process, which takes place continuously. In a study we conducted we thought long and hard about a term for this transformation process, and at the end we arrived at the concept of data-driven agility," reports Tilo Böhmann from his research practice

and adds: "That seems to be important, as in the future we will be required to work quickly not just in terms of development but also in terms of delivery and implementation. The key is to learn from real customer behavior. In the end, that is the basic model of any digital innovation, namely that we no longer just plan but let ourselves be measured, that we learn and observe whether the customer is really using our product." Enablement is also a reality check for the digital transformation: You can observe and orient your actions to reality. You can learn from customer behavior. Will the customer really use it? "This demonstrated use is worth more than any hierarchy," concludes Professor Böhmann.

At the same time, advisor Henkes also sees pitfalls and obstacles: "This can also get dangerous because many companies are not yet at the stage where they can store the enormous amount of personal data securely and in a structured form. The mission today is to establish a 1:1 customer approach. Usually, there is not enough courage and time to draw the required conclusions to influence the modern customer through the main stations of opinion formation during the course of the digital customer journey and to convert the value process from push to pull. This is where the disruption is buried." In his capacity as an IT provider, Rolf Werner asks: "This is the challenge: Are we as IT providers





CIO Gerhard Göttert: The alignment between business and IT must be designed.

able to speak to our B customer about his C customers in terms of B-to-B-to-C?" In terms of the aforementioned global end-to-end processes of the digital supply chain, an examination of Business-to-Business-to-Consumer of course takes on special significance. The head of Fujitsu asks himself: Do we have this knowledge in-house? "In the case of public clients, we have the knowledge about these continuous B2B2C processes. The same applies to manufacturing, machine building and the retail segment, where we are a leader," says Rolf Werner in reference to the company's strengths. And if not, there are advisors, analysts and research and development. Werner emphasizes: "At the end of the day, it is always about collaboration in the sense that software is a dialogue and that agility is also communication. We can only be a part of the whole – regardless of the actual size of a company, we are always a part of a complete solution. But sometimes it is difficult to understand that the whole is made up of many parts and that our partners and even much larger companies can only be a part of an integrated digital transformation." This also requires some humility because the business of providers such as Fujitsu and SAP depends not just on having great developers, sending them out and making interesting speeches at the customer for placing a product, solution and hosting, but also on working together with all participants to

develop an ecosystem. "That of course is an entirely new approach," says Rolf Werner and adds: "Before, you went to the customer and told him of a solution that you wanted to sell. Today, we have a totally different approach because the old models do not work anymore." Fujitsu manager Michael Straub once again offers a clear definition: "Think of the customers of your customer, precisely this B2B2C idea."

Today, this works with use cases in terms of a co-innovation and proofs of concept. The customer must also contribute his creativity and experience. "We then use existing technologies such as SAP Hana or S/4 to develop these use

cases," adds Straub based on his work at Fujitsu. It is a bottom-up approach: It is all about data and agility – which is very different from the approach that was used just a couple of years ago. "We need a partner who develops innovations with us," adds Gerhard Göttert and elaborates: "You can say openly that many companies do not always have the required competence for the digital transformation. Which can be explained because the speed that we are currently faced with is much too fast." B2B2C using an end-to-end review means that the degree of digitization is rising. "It is clear that IT partners cannot simply say that they have the solutions for a particular scenario. Because that would mean that the providers know the locations in the company in which additional automation would create meaningful added value," is how Göttert describes the new provider-user relationship. There are new roles in the enablement of the digital transformation, which must be filled.

The alignment between business and IT must be designed. For the purpose of the digital transformation, the collaboration between the functional divisions and IT must be raised to an entirely new level. "And in this way we arrive at the culture in the company," underlines Tank & Rast CIO and DSAG chairman Gerhard Göttert. "Once I know what needs to change in my company in terms of business processes, I need partners who help me to create a technology-based and viable IT environ-



The "Enabling Digital" discussion round



ment.” In the digital age, IT companies must contribute such a willingness to cooperate. And in this area, the providers (including SAP) enjoy a good position. Maybe at times too fast, says CIO Göttert, but Fujitsu and SAP are providing some orientation in this context. “You should not expect SAP and other providers to arrive with finished solutions. One has to become involved and contribute,” warns Göttert and explains his own viewpoint: “We cannot just consume but must jointly develop the digital transformation in co-innovation projects – sometimes with SAP and sometimes with SAP partners such as Fujitsu. The future does not come as quickly as many people want – it is a process. As an analogy, it does not help if 20 people are running towards the front – just to speed up the process – while 3000 people are standing in the back and watching.” The new digitization process must also make room for a culture of failure. “Before, a project was not really allowed to fail in the face of long project periods, big project budgets and many project participants,” says Göttert about the past. Today, it is expected that failed digital initiatives will give rise to new know-how. And never is a solution that seems unusable at first glance discarded in all aspects. This culture of change must be developed, according to CIO Göttert. It is almost impossible to advance the digital transformation using the old processes – and certainly not at the required speed. “Therefore we need user friendliness. It cannot be that someone has to subject his employees to weeks of training for each new innovation. What is needed are usability and user experience. And precisely this culture of failure,” demands Gerhard Göttert from the discussion round.

This culture of failure is also extremely important for enabling the digital transformation, according to Professor Tilo Böhmann: “Not so much a planned failure in the sense that I develop and test two prototypes, with the knowledge that one will not survive the process. Rather, this process is about the agile and rapid development of solutions, testing what may work, and what finally is suited to drive forward the digital transformation. We must create this culture and think about the infrastructure that is required for that purpose.



Professor Böhmann: It is all about the agile development of solutions – what could work?



**Dr. Rolf Werner (Fujitsu), Head of Central Europe, Chairman of the Board Fujitsu Deutschland**

Rolf Werner is responsible for Fujitsu's operations in Germany, Austria and Switzerland. He is also the Chairman of the Board at Fujitsu Technology Solutions GmbH. Based in Munich, he is responsible for the business in one of Fujitsu's most important markets. Before Dr. Rolf Werner joined Fujitsu in 2016, he worked for T-Systems for several years in a variety of management positions. Most recently, he was a member of the management team at T-Systems “Multimedia Solutions” and responsible for expanding the company's sales and growth at both the national and international level.



**Michael Straub (Fujitsu), Head of SAP Service Portfolio for the EMEA region**

Michael Michael Straub joined Fujitsu (previously TDS) on 1 January 1995. Today, he is responsible for the SAP service portfolio for the EMEA region. Following his studies in computer sciences and business management at the University of Stuttgart, he was involved in the establishment of the Application Hosting division for SAP R/3 at TDS. Starting in 2007, he was responsible for managing the service portfolio, at first for TDS and then (as of 2013) for Fujitsu in the Central European (CE) region. He has been responsible for Fujitsu's Europe-wide SAP service portfolio since the beginning of 2016.



**Heiko Henkes (Experton), Director Advisor**

In his capacity as Director Advisor, Heiko Henkes is responsible for strategic business and advisor management at the Experton Group. He also manages the consolidation of IT trend topics in the context of the digital transformation and appears as a keynote speaker on current and future IT trends. Heiko Henkes advises both ICT providers and users with regard to his specialty areas social business, cloud computing and mobility. In this context, his focus in the case of ICT providers is primarily on the go-to-market and strategic portfolio development, along with the alignment of marketing and sales.



**Prof. Dr. Tilo Böhmann (University of Hamburg), manager of the Computer Science division and the research group IT Management and Consulting**

Böhmann's research interests focus on service systems engineering and IT management, as well as innovative digital services and their service business models. Tilo Böhmann was instrumental in the establishment of the Competence Center for Customer- & User-Driven IT (CUDIT), which is financed by industry, and also coordinates the practice network IT Management and Consulting for the master studies program of the same name at the University of Hamburg. He is also a member of the scientific advisory board of the Fujitsu NEXT user association.



**Gerhard Göttert (Autobahn Tank & Rast), CIO**

Gerhard Göttert is the CIO of Autobahn Tank & Rast in Bonn. Together with its tenants, Autobahn Tank & Rast operates approximately 350 gas stations and 390 rest stops (including 50 hotels) in the German highway network. Approximately 500 million travelers visit an Autobahn Tank & Rast service operation every year. The responsibilities of Gerhard Göttert include the development and operation of information systems for Autobahn Tank & Rast. Göttert has also been a member of the Executive Board of the German SAP User Group (DSAG) since 2013, where he is responsible for the application portfolio section.



# Using the right road map to safely arrive at the destination

The introduction of Hana and S/4 Hana is a big challenge for many companies. The project promises success if a road map with clearly defined steps points the way to the goal. What could that look like? What do companies have to consider during the implementation process?

By *Andre Weller, Fujitsu*



André Weller  
is the Head of SAP Commerce Manager SAP Commerce & Analytics  
at Fujitsu.

Society, the economy and industry are undergoing a transformation. The digital transformation not only changes processes within companies at a rapid speed – sometimes with an as of yet uncertain outcome – but also entire business models. This also has the effect of changing the requirements for the organization of the IT architecture, creating a need for solutions that can be flexibly and quickly adapted to changing conditions. Hana and S/4 Hana address exactly these challenges and pave the way towards successful value-added processes in the digital economy. Rapid database technologies and the consolidation of data and processes on one platform considerably simplify business processes and depict them across systems. This provi-

des companies with a new “look” at their data and processes. According to a study conducted by analyst firm Pierre Audoin Consultants (PAC) in 2015, 62 percent of companies surveyed are convinced that every SAP customer will have to implement S/4 Hana sooner or later. Forty-three percent believe that the solution provides concrete benefits over the current SAP applications. Ninety percent are observing improved performance in data analysis and SAP-supported processes. Fifty-five percent confirm the improved user friendliness of the SAP applications, and half of those surveyed confirm that back end processes are more efficient. The results of the PAC study show: The majority of those surveyed confirm the strategic importance of Hana and S/4 Hana against the background of the digital transformation.

## Clearing up reservations

Many companies have already put the introduction of such systems on their agenda. Nevertheless, IT managers and decision-makers still have concerns regarding the implementation of Hana or S/4 Hana. They include the expenses for the conversion, which are difficult to estimate, and the high costs for new software licenses. How can companies do away with these concerns and benefit from the solutions without limitations? First of all, they must consider whether a complete migration to Hana or S/4 Hana is even required at this time. It is possible that it would make more sense, given the current conditions, to gradually get the departments involved ready for the digital transformation, for example by outsourcing certain processes or migrating an existing business

management system to Hana. This can be followed by additional measures in the direction of digital process optimization.

It is only at the next step that companies must ask themselves how the systems can be introduced professionally, with a high probability of success and reasonable requirements, as well as reasonable costs. Those in charge of the IT systems are well advised to use an approach consisting of careful planning, well thought-out strategies and gradual implementation. A sound analysis of the existing business processes at the company should be the starting point of any Hana or S/4 Hana implementation project. Therefore the status quo must be determined. It is important that the stock-taking process is honest and comprehensive, for example in the form of audits with managing employees and affected users and supported by process mining tools. In this way, the status quo can not only be analyzed but also visualized.

## Improvement potential and objectives

The second step defines the destination of the journey: Based on the problems that have been identified, this step is about investigating where the potential for improvement lies and the ideal target state that is to be achieved with the introduction of Hana or S/4 Hana. Which key performance indicators can be used in this context, according to which the desired successful outcomes can be measured? The definition of targets also requires precise information regarding dates: By what date should the introduction of Hana or S/4 Hana be completed? And by when should the corresponding



process improvements take effect? Once the objectives are clear, the company must develop a strategy that can be used to realize the intended outcomes. To this end, it is important to discuss how Hana or S/4 Hana can contribute to improving processes and consistently aligning them to the defined objectives. This must include an investigation as to the concrete integration and optimum use of the software solutions and the required preparations.

Once the strategic preliminary deliberations have been completed, it is possible to develop a concrete road map that describes the various implementation steps. This requires the definition of clear deadlines, hence a chronology of the intended progress of the project, such as specific information as to when e.g. the analysis phase must be completed, which preparatory activities are required, for example data migrations, when the implementation can begin and by what date the improved processes are supposed to take effect.

### Consulting professional partners

Many companies are not able to implement the recommended project steps on their own. They do not have the internal

resources that are required for a successful implementation process. Frequently they also lack the know-how or the time – or both. And often it is not worth acquiring the complete know-how for a one-time conversion. Therefore companies are well advised to consult a professional external partner when implementing Hana or S/4 Hana. With Process/4, Fujitsu offers valuable support in this area. In line with a consistent all-in-one package, the IT partner supplies all services required for a successful project from one source. This process begins with a fact-based process analysis, the so-called process mining, and ends with the hardware. Fujitsu offers end-to-end services from one hand, made in Germany.

The most important criteria for a successful implementation process are developed together with the customer in several analysis workshops on the issues “Added value of S/4 Hana”, existing processes and code assessment. The experts from Fujitsu also provide advice for the conceptualization of a high-end IT architecture as the basis for the stable operation of Hana or S/4 Hana and neighboring systems. Important: Not just SAP processes but also processes outside of SAP are captured and evaluated. In addition, Fujitsu provides support services for preparatory activities, for example with

Unicode migration and customer-specific adjustments. The implementation of Fiori apps provides user-friendly and flexible customization and mobile, browser-based access to all applications in S/4 Hana. Finally, Fujitsu also supports the entire change management process with intensive coaching.

### Tailor-made services

Fujitsu has the experience of several hundred successful Hana projects. During the implementation of Hana or S/4 Hana, the service provider displays flexibility when it comes to assisting companies with the services that they actually need. This means that solutions are always tailored to the company's individual starting situation. A distinction is made whether the company has never operated a SAP solution before, uses a traditional SAP ERP system without Hana technology or already has some experience with Hana, e.g. because it already migrated its SAP business management system to Hana. With Process/4, Fujitsu has added valuable functions for process analysis to SAP Activate, the project acceleration tool for implementing S/4 Hana, with a focus on the entire system environment.

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More technology, and more efficiency, by itself does not make a digital transformation.

# Digital transformation, co-creation & KI

E-3 chief editor Peter Färbinger speaks with Joseph Reger, Fujitsu Chief Technology Officer EMEA, about the enablement of the digital transformation, artificial intelligence and the roles and tasks of users and providers.

Dr. Reger, the concept of the digital transformation is well known, but who and what can trigger it?

**Joseph Reger:** We are in the fortunate position that the topic of the digital transformation has reached the executive board level, which means that it is finally being recognized and acknowledged accor-

dingly. This also creates the required level of pressure on organizations.

But what triggers the transformation?

**Reger:** The digital transformation – and I have actually observed this in many companies – should be triggered by an insight and the understanding at the management

level. C-level management now sees that it is facing not just a technology trend but a fundamental change in the entire value chain. The operative B2B2C model of every company – and yes, in some cases the entire business model – changes because the digital transformation is a comprehensive, holistic and sustained trend.





What drives the transformation process?

**Reger:** That depends on what one understands by “drive”. The digital transformation is not a technical term. It is primarily a transformation of the business. But implementation projects are often based on the technical feasibility of the innovation ideas. Maybe we should say: The digital transformation is triggered by a desire for business innovation and driven by ICT projects.

What is the aspect of the desire for business innovation?

**Reger:** This almost always involves aspects related to IoT and also increasingly machine learning, which is often – and not very precisely – referred to as artificial intelligence. A systematic approach and the establishment of a common platform (which can subsequently become a standard), a country, a region or even an industry segment, as in the case of Industry 4.0 in Germany, could be a great advantage – even a competitive advantage. Whether this innovation and reorganization puts humans in front and center depends both on the client as well as the contractor in the ICT industry.

So this requires cooperation between client and contractor?

**Reger:** At Fujitsu, we are convinced that this aspect is very important. This is why we developed our “Human Centric Innovation” business model and the “co-creation” methodology. This approach emphasizes the idea that added value can only be created together with the customer and user.

“Enabling Digital” also stands for the automation of business processes. Are humans not a hindrance in this context, and will artificial intelligence soon be able to do everything better than humans?

**Reger:** AI will be better at doing a lot of things that are done by an employee today. But we are far away from a time in which AI can assume the task of innovation. Machines are already able to work more efficiently and complete routine tasks in many areas. A new feature is that AI is gradually making its way into areas that no longer have anything to do with manual and mechanical activities.

So what is left for humans in that case?

**Reger:** Innovations, in particular the introduction of innovations, are not activities that can be done by AI. Humans are in the way if they are supposed to perform a task that could be automated. Since this will happen in any case, our task is to upgrade existing positions by changing the occupational profile and to create new positions that cannot be performed by AI.

How do humans create innovations and solutions?

**Reger:** They are definitely not created automatically. From our point of view, the best projects come about when the business side – represented by the customer and in particular the customer’s employees – works closely with the technical side. This co-creation accelerates innovation, delivers better and more in-depth – one could also say more radical – results.

What can co-creation do?

**Reger:** It brings about the integration of techniques for company management, operational management and information technology, i.e. business technology, operations technology, information technology. With respect to these dimensions and in particular the consolidation of these dimensions, creativity knows virtually no bounds. The best results come about almost like a by-product.

Who can and should be responsible for enabling a digital transformation?

**Reger:** That is a hot topic here in Germany – and interestingly a topic that is not

considered quite as important in other countries. The challenge: The will to action must be anchored in management – and the same is true for responsibility.

And IT?

**Reger:** IT is also a part of that. During the implementation phase, many things should happen as they do in start-ups, which are often admired by C-level executives. But these work mostly without hierarchies, are flexible and project-oriented. Many companies create the position of CDO (Chief Digital Officer), while others give this task to the existing CIO. Both solutions have advantages and disadvantages. It seems to me that success or failure has rather more to do with the individuals than the system.

“Enabling Digital Transformation” – a revolution or evolution?

**Reger:** Evolution can also bring about revolutions, if we look at history. But seriously: More technology, and more efficiency, by itself does not make a digital transformation; we merely have more technology. As I said at the beginning, the digital transformation is primarily a transformation of the business – and possibly the business model. It is achieved by a hitherto unknown expansion of the value chains. In this way, a manufacturer can become a service provider and live off the monthly service income instead of sales revenues. For many, this will probably feel like a revolution.

Thank you for the interview.



Fujitsu Fellow Dr. Joseph Reger: It will feel like a revolution.



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