

Case study

# Guiding an industrial manufacturer through update from legacy system



# The client

Founded over 100 years ago, the client is one of the largest steel producers in Europe, specialising in both electroplated steel and un-plated, cold-rolled steel strips used across various industries. They maintain a raw material inventory of low-carbon, ultra-low carbon and high-strength, low-alloy steel substrates, supplying an assortment of electro-plated products.

The client's parent company generates annual revenues of over \$30 billion and employs around 32,000 people. The project was implemented primarily with the client's US-based subsidiary, starting in their Chicago office and being expanded to other sites around the United States.



# The challenge

The client had been running SAP R3 4.7 at its Chicago office for almost twenty years and had barely undertaken any significant updates since. As a result, the system in place was outdated to the point where it could start putting business operations at risk; SAP's support for their existing system was expiring and there would no longer be any maintenance or technical support available. As a result, the client was seeking a migration to SAP S/4HANA cloud.

NTT DATA's brief was to facilitate that update while maintaining the same functionality of the legacy system. Specifically, the client was looking for a system that would facilitate out-of-the-box usage of SAP's business process capabilities, with particular focus on transitioning to cloud-based operations to avoid the expense of infrastructure maintenance inherent in strictly on-premise solutions. This upgrade was carried out with an eye on guaranteeing continuity during the migration process, and securing future operational stability.

NTT DATA was tasked with identifying and mapping out deliverables and documentation for the new system. The project was complicated by the high volume of data flow between SAP and the client's existing shop-floor application, to which NTT DATA had no access. This required very close cooperation between NTT DATA's team and the client's own IT and business teams.



# The solution

SAP RISE, as a predefined solution for transition to cloud-based architecture, was chosen as the basis for a Hybrid Greenfield implementation, using SAP BP2020 to configure the solution. The project was undertaken in three phases, with a key prerequisite being to keep the client's system essentially unchanged from functional, organisational structure and business processes points of view.

The first phase involved gaining a comprehensive understanding of their existing system's functionalities, requirements and their business processes, as well as preparing and validating their master data. The second phase featured extensive testing, bug fixing, user acceptance testing and staff training. The third phase, data cutover, included the final prep and migration of data and going live with the new SAP S/4HANA architecture.



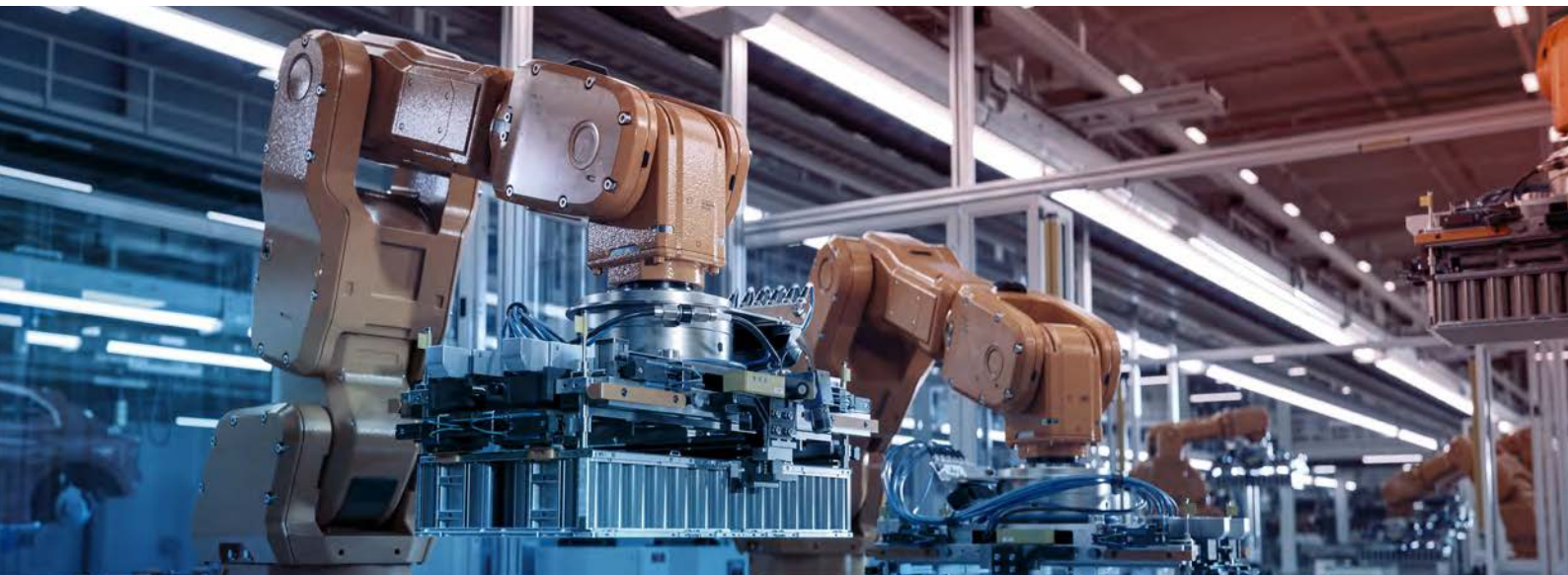
The core SAP modules in use within the client's system architecture include Sales and Distribution, Finance and Control, Material Management, Production Planning and Quality Management and Security. Technical support was also provided on Security and Order to Cash modules, which while not visible to the solution's users, are critical within the architecture's 'back office' elements.

# The result

The test project was initially implemented at the client's Chicago office, before being extended to their other locations across the United States. The new system architecture was proved in testing, and in implementation has functioned exactly as planned.

All existing functionalities have been successfully transferred to SAP S/4HANA, resulting in very limited change management requirements. The client's shop floor application has been seamlessly integrated for production order alterations and the alert mechanism to monitor order release and update process, and send the email alerts for any failures, has been modernised. This provided the client with a holistic view of the end-to-end process flow, helping to decide on the necessary actions to carry out shop floor activities.

The client's end users now use the SAP S/4HANA browser-based UI for business functionalities, with user-friendly and intuitive navigation and access to the architecture from non-SAP systems as standard. Very positive feedback has been received; the move from the legacy system to the cloud-based version solved the client's concerns around maintenance costs going forward, as well as the likelihood of complete loss of system support had they not updated their architecture. As a relatively small subsidiary, the client did not have an extensive budget for maintaining the existing infrastructure and the switch to SAP S/4HANA has eliminated this concern.



**The client's shop floor application has been seamlessly integrated for production order alterations and the alert mechanism to monitor order release and update process, and send the email alerts for any failures, has been modernised.**

# Why NTT DATA

The client came to NTT DATA about this project and was impressed by the approach, which stood apart from other proposals and featured a dedicated SAP team who would take them through the process from start to finish. The team's expertise and proven track record of successful SAP S/4HANA implementation projects were the driving force behind their selection.

The client was well aware of NTT DATA's ability to convert a complex request into a tangible solution and the willingness to tailor that to their specific business and operational needs. As a SAP-certified partner with an extensive track record of successful collaboration on similar migrations, NTT DATA was the stand-out candidate for this project.

The support of experienced functional consultants and a knowledgeable SAP architect proved invaluable to the client throughout the project. The team's highly dedicated ABAP developer was able to resolve various issues which arose during SIT testing, and also helped fix production issues during hypercare. NTT DATA also facilitated the adoption of industry-leading practices, ensuring the client will be able to adhere to process improvements offered by the system moving forward.



## What's next

The guidance provided by NTT DATA has given the client the seamless transition they needed as they updated their system architecture. After completing this initial stage of the project successfully, NTT DATA is well-placed to compete both for later stages of this upgrade, as well as for additional projects for the same client.

Furthermore, NTT DATA is also now well-placed to undertake similar SAP S/4HANA deployment initiatives and will continue to provide advisory services regarding best practices and marketplace standards.

**NTT DATA is well-placed to undertake similar SAP S/4HANA deployment initiatives with the client in the future.**

Using the experience gained on the project, NTT DATA will be better able to set expectations for future change management processes within the business. Furthermore, they will oversee SAP training initiatives for the client's internal staff, as well as implementing standard objects and enhancements to support any business-process changes. They will continue to collaborate with the client on maintaining design and process documentation that will form the baseline template for any future SAP documentation.



