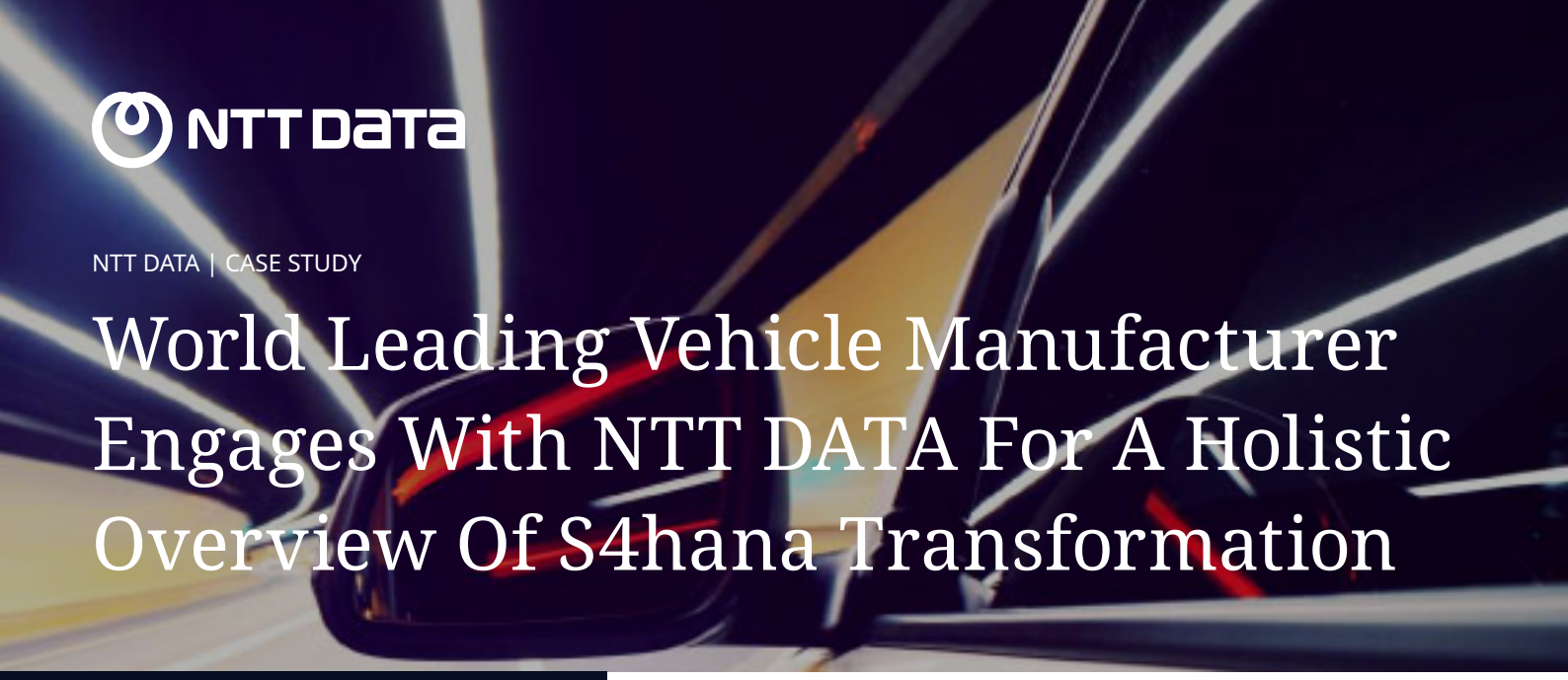

NTT DATA | CASE STUDY

World Leading Vehicle Manufacturer Engages With NTT DATA For A Holistic Overview Of S4hana Transformation

Client profile

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From their beginnings in the late nineteenth century, they now operate in over 200 countries, and are one of the world's most instantly recognizable brands in the automotive industry and beyond.

The challenge

This project focuses on three facilities in the client's home territory. The principal challenge NTT DATA must overcome is posed by the wide range of both systems and processes in use across the three locations.

NTT DATA were asked to assess the client's needs for transformation to a unified and holistic system in those locations. This meant a holistic approach, analyzing not only the legacy SAP ECC systems in place, but non-SAP systems being used alongside them. In the last 20 years, ongoing changes, additions and personalization at each of the three sites in an effort to tailor systems to their differing requirements had resulted in considerable divergence between the processes.

Aware that maintenance for SAP ECC is coming to an end in 2027, the client recognized an opportunity not only to upgrade to a modern system with ongoing support, but to harmonize processes across their sites and introduce best practice across their operations. Furthermore, they needed an IT system which would interface smoothly with any non-SAP legacy systems which had to remain in place.

An additional aspect of the challenge posed by the project is current disruption in the automotive industry, and inevitable further changes it will go through in the coming years. Some of those changes are foreseeable, such as the end of fossil-fuel combustion engines, and the likelihood of driverless vehicles becoming commonplace. However, the client needs an IT landscape that can future-proof it against those unforeseeable but inevitable industry changes. Without a flexible solution, large-scale operational changes might be enforced upon them.

> “This was more than a technical upgrade – this was a business and IT transformation.”

The solution

NTT DATA took a 'best practice leverage' approach to what was, given its scope, a business and IT transformation. Best practice leverage examines not only what other companies in the client's sector do, but adopts best practice from any sector's transversal industry processes. Rather than define a new system from a blank sheet of paper, which presents the possibility of the client falling back into old habits and diverging from best practice, a Fit/Gap analysis is implemented.

In Fit/Gap analysis, best practice in those universal and repetitive processes—such as, for example, invoice processing and payment—is implemented, unless there is a proven reason not to do so. This allows for industry templates to be set up, as well as permitting interfaces with essential legacy systems to be designed.

Therefore, the first stage of the solution was carried out by using Celonis process mining. This permits a data-driven analysis of the various legacy systems, producing a transparent overview of current processes and laying the groundwork for a transformation roadmap. Furthermore, process mining assists with building a framework for ongoing post-implementation improvements, by analyzing if best practice is being adhered to.

The project's second phase is the production of the project roadmap and timing plan, laying out the steps ahead. The third element of the solution will be an Indicative Business Case. This demonstrates not only the cost benefits, operational streamlining and process automation that the transformation will bring to the client, but illustrates broader possibilities for change across the entire business. An Indicative Business Case would show, for example, an overall indication of how the client could produce more work with fewer people, without having to actually make anybody redundant. This is achieved by reducing the need to hire replacements for retiring workers.

An Indicative Business Case also lays down guidance on adherence to best practice, governance, automation and any other area where the transformation could positively impact the client's business.

Expected results

While the project is still underway, sufficient top-down progress has already been made to predict expected results. Anonymized data is being analyzed by technical, process and SAP experts to provide a holistic understanding of the scale of the project, which typically lasts around three months in similar cases.

The client will transition to SAP S/4HANA across the three sites, with NTT DATA's Automotive Industry Template forming the basis for the migration from the legacy systems. This includes standard processes for the industry, and is customizable by client. It's a growing template which can act as an out-of-the-box solution, offering a starting point for SAP transformation.

Transformation across the three sites can either be undertaken entirely in one 'Big Bang' implementation, or by selecting processes or operational areas to change one at a time. Risk, impact and budgetary implications of various transformation options, as well as Fit/Gap assessments, will allow the client to understand total cost, complexity and timelines for the project.

Greenfield transformation would mean a new start for the client, leveraging the Automotive Industry Template, while Brownfield transformation would require selecting the best of what the client already has and integrating it with SAP S/4HANA architecture to produce a hybrid of old and new. Both are possible options.

At the end of this extensive assessment, the client will have a draft of the high-level project approach, the high-level project plan, and the high-level cost case. Essentially, the client will have a holistic overview of what migration to S/4HANA will look like, how it will be carried out, and how much it will cost.

Why NTT DATA

NTT DATA's success lies not in the hard sell of Process Mining, but because of their neutral explanation of its benefits for processes, organizations and systems. Alongside a Fit/Gap Analysis, it provides a demonstrable business case for transformation, as well as a clear roadmap and financial implications for the project.

Moreover, NTT DATA demonstrated the utility of Process Mining well beyond initial transformation. It is more than just an analytical tool for transformation readiness; Process Mining is a link between organizations, systems and processes, providing the data from which ongoing monitoring of KPIs can be undertaken, for example.

NTT DATA combines their expertise of SAP, and enabling technologies like AI and robotic process automation, with extensive knowledge of the automotive industry. This specialist knowledge has permitted the creation of the Automotive Industry Template. Together with a strong working relationship with the client cemented through the provision of unbiased guidance on what was necessary, NTT DATA were able to provide a compelling case for being the chosen partner in this transformation.

NTT DATA's global reach and independence of SAP places them in a position to offer the right guidance—advising on, rather than simply selling, SAP services. NTT DATA offers a reliable, honest, end-to-end consultancy.

What's next

Should they be successful in responding to the Request for Proposal and selected to go forward, NTT DATA's next steps will be to take current indications, made possible by the initial assessment, to produce a Transformation Roadmap for the project.

The next phase will be the SAP S/4HANA pre-project, defining the scope, timeline, and budget for the client approval. Should the project be approved, the project will then move on to implementation of SAP S/4HANA and the Celonis Process Mining Rollout. The total timeline for this stage is anticipated to be around three months.