How Retailers Can Ensure a Seamless Migration to SAP S/4HANA Retail

With consumer prices increasing, lingering supply chain issues, and customers "trading down" to cheaper options, it's a tough time to be in the retail business.

Retailers are searching for smarter ways to work that can help them save money and improve their profits.

Implementing SAP S/4HANA Retail is one way to do just that. While the transition to a new ERP is anything but a point-and-click upgrade, after helping several retail clients make the transition, we've found several things you can do to ensure a successful outcome.

Focus On the Why

Like with any business transformative initiative, make sure you understand why your organization is making this leap. Establishing the program's strategy and objectives will ensure your team's focus on achieving the desired outcomes. Limiting the focus to two or three critical benefits and prioritizing communication around them works well.

Here are the business challenges we see retailers getting the most value from solving with S/4HANA Retail:

Building a Robust Supply Chain

During the recent pandemic, you probably struggled to keep shelves stocked due to disruptions in your supply chain.

A robust supply chain and strong partnerships with your vendors can result in cost savings, competitive advantages, and improved customer satisfaction.

Optimizing Inventory Visibility

We see our retail clients struggle with store inventory accuracy and visibility. SAP S/4HANA provides an integrated solution that allows retailers to optimize their inventory positions.

This can lead to increased inventory turns, reduced stock-outs, increased sales, and lower overall inventory carrying costs.

Optimizing Pricing and Promotion

The retail industry operates on razor-thin margins, so managing prices is critical to your success. You're

probably doing a lot of promotions, which adds overhead to the process.

SAP S/4HANA and the Promotion Management for Retail (PMR), a supporting application from [SAP's Customer Activity Repository (CAR)](#) solution, can help you optimize your promotional dollars.

By optimizing price and promotions, you can maximize your revenue and profitability by setting the right price for each product and offering promotions to incentivize customers to buy more.

Build the Right ERP Rollout Team

Retailers typically operate with lean staffing, particularly in corporate-level store-support roles. Despite this, having the right team to support your transformation is critical.

Start at the top by getting executive engagement and commitment. Lack of executive or business sponsorship is a death sentence to any initiative. We've seen the most success when client projects are business-led and IT-enabled.

When forming the program team, engage your top talent in the transformation, no matter how difficult. If it's easy to backfill the people you're staffing the program with, they

are not the right people. They need to be trusted leaders and effective decision-makers.

This is true for business and IT resources. The most trusted SAP program team requires specific talents and personalities.

Live by the principle that **projects are run by people** – placing the right people in the right roles and doing the right things is imperative to the success of your program.

Establish the Right Governance

Lastly, develop the proper governance process that helps your transformation succeed.

Building a structure that supports proactive program management and timely decision-making will help the team focus on the right objectives.

Effective governance includes:

Making Decisions Effectively

Timely decisions are essential to keeping programs on track. Be sure to foster an environment of proactive ownership for decisions.

Empower your teams by giving them access to essential, real-time information to use while making decisions. Once your team makes a decision, your leadership should support them and not revisit the process.

Using Common Industry Practices

Every organization goes into these large-scale initiatives believing that they are different.

This might be true for some aspects of the business, but common industry practices rule the day in most areas. SAP builds its solutions on a foundation of industry standards.

Use this experience to avoid customizing your solutions wherever possible. As a result, your project costs and rollout schedule will be more predictable.

Ensuring Extensibility

In SAP S/4HANA, "clean core" is a framework for a modern, adaptable, and compliant cloud-based ERP, where extensions are kept strictly separate from the root SAP application. We advise clients to keep the SAP core as clean as possible but we realize most businesses will need to customize or extend the core application to meet all their business requirements.

Using the SAP Business Technology Platform to build these customizations will help you keep your SAP core clean and make it easier to update in the future.

Use Partners, Not Vendors

Transformation programs are challenging – you'll probably need additional resources beyond your organization, including implementation partners like Rizing.

Partner with organizations that:

- Share your values
- Are committed to your success
- Have a track record of delivering similar programs

Develop candid relationships that allow you to take advantage of their experience. Rely on their quick, unfiltered guidance through any hurdles you encounter.

The stakes are always high with ERP projects. You want to give your organization the best opportunity to succeed. Things will go wrong, so build the sustenance needed to handle setbacks appropriately. Learn quickly from mistakes to ensure your project succeeds.

There are no guarantees, but follow the guidelines outlined here and you'll position your organization to benefit from the value of SAP S/4HANA solutions.