

Hexaware's Triadic Framework for SAP S/4HANA Transformation

By Kartik Subramaniam

Briefing Note

Reprint

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SUMMARY & KEY TAKEAWAY

Hexaware gives enterprises a structured S/4HANA adoption approach by assessing their maturity, business context and IT complexity. Hexaware leverages its proprietary Triadic framework to carry out SAP S/4HANA transformation assessments for its customers. It evaluates the client environment from three dimensions: business model, landscape complexity and appetite to move to the cloud.

BRIEFING NOTE

Hexaware recently briefed ISG on the company's Triadic framework for SAP transformation. Hexaware implements SAP S/4HANA by building a well-rounded understanding of changing business models, needs and customer journeys within an organization. Enterprise business models have been changing as the lines blur across vertical-focused functions within industries. For example, manufacturing enterprises are not restricted to manufacturing alone and have adopted retail processes such as customer active repositories. Likewise, retail enterprises have started producing their own goods as well.

Enterprise needs differ according to size. Large enterprises seek rationalization for their applications and the customizations that they have built in their landscape. On the other hand, midmarket enterprises prefer plain SAP business processes and take a minimalist outlook to customization. From a cloud perspective, some enterprises look for complete cloudification or conversion. Others use a low-risk framework by starting with a non-production environment or disaster recovery system and take their entire environment to the cloud later.

Hexaware addresses the S/4HANA requirements of both midmarket and large enterprises. It offers vanilla S/4HANA on public cloud. It also offers tier 2 ERP models for complex application landscapes, by consolidating geographies under a single instance of a single-tenant cloud edition. It then manages the smaller geographies in a public cloud instance of S/4HANA with Central Finance. Although most providers carry out SAP S/4HANA implementations using proprietary assets and frameworks, emphasis should be given to business models for industry/vertical and customized implementation. Hexaware, with its Triadic framework, focuses on this important aspect.

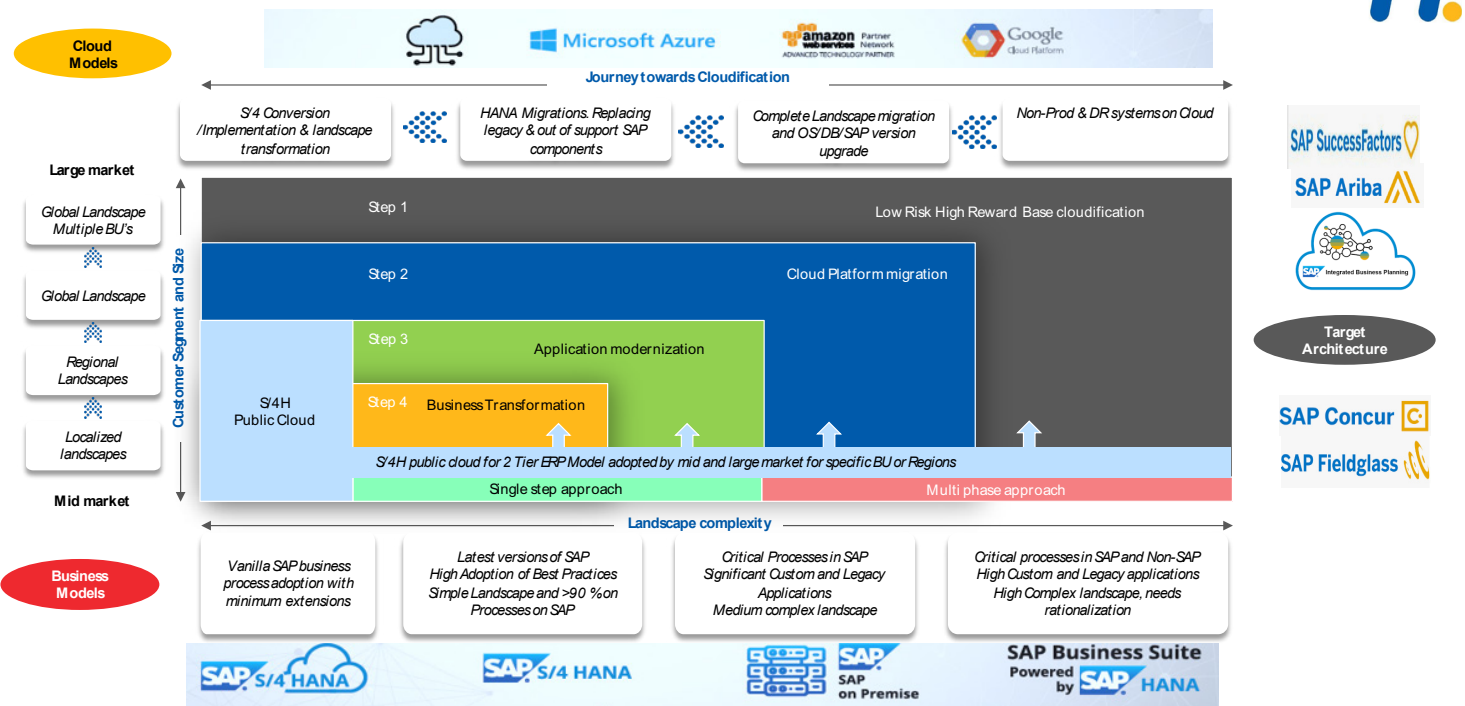
Hexaware's Triadic framework operates on two axes: company model and landscape complexity (Figure 1). The company model (y-axis) indicates where it meets the enterprise requirements according to the enterprise size and segment. The degree of landscape complexity (x-axis) varies by enterprise size; the midmarket has localized environments, while large enterprises have a global SAP landscape across multiple business units. A less complex landscape (left side) comprises a vanilla-flavored SAP business process with minimal extensions, while the landscape on the right has a high degree of complexity in both SAP and non-SAP processes and requires application rationalization.

The Triadic approach serves midmarket enterprises that have a less complex landscape and are looking for a plain S/4HANA public cloud with a single-step implementation approach. It also serves large enterprises with complex landscapes that require a multi-phase approach to S/4HANA adoption.

The Triadic framework reinforces the above three dimensions (business model, landscape complexity and cloud appetite) collectively and offers enterprises a choice between a single-step or multi-step approach for the S/4HANA transformation journey. For enterprises that use disparate systems in areas such as

Figure 1: Triadic Framework

Hexaware's TRIADIC SAP Transformation approach



Source: Hexaware Technologies

transportation management and go through an entire change management journey after S/4HANA adoption, Hexaware offers a low-risk, high-reward cloudification model.

Step 1: Migrating Non-production DR Systems

The model places non-production disaster recovery systems on the cloud along with Suite on HANA (SoH) in a multi-phase approach. This step includes baselining the cloud foundation and cloud journey before migrating the critical production systems.

Hexaware also checks the operating system/database (OS/DB) cloud platform compatibility for cloud migration as part of the technical evaluation in this step.

Step 2: Cloud Platform Migration

In this stage, Hexaware migrates the complete landscape to cloud. There are no changes to application versions, but there could be changes to the OS/DB. With this step the company helps overcome performance challenges arising from maintaining large, outdated operating systems and databases and their versions.

Step 3: Application Modernization

When enterprises take up application modernization, Hexaware supports them in the shift from ECC to S/4HANA or from ECC to Suite on HANA. The company helps baseline the cloud foundation and cloud journey before the business transformation with S/4HANA.

Step 4: Business Transformation

The last stage involves cloud, application and business transformation. This covers landscape transformation, cloud migration and digital transformation with S/4HANA. Midmarket enterprises that are looking for a complete transformation can go with this single-step

approach. For large enterprises, this step is the final stage in their landscape and application transformation journey.

Hexaware also uses the **Triadic approach** to map different adoption options such as on-premise, HANA Enterprise Cloud (HEC), single-tenant or multi-tenant as per enterprise requirements. It also evaluates aspects such as business criteria, organizational change management and S/4HANA transformation's bottom line impact.

Cloudification for S/4HANA Transformation

Hexaware uses its Triadic framework to plan and assess S/4HANA transformation covering the landscape, application and business areas.

Landscape transformation includes core enterprise resource planning (ERP) deployments, cloudification, tier 2 architecture, user channels, user experience, technology rationalization and new technology adoption to provide platform reliability and agility to enterprises. Business modernization covers aspects around corporate restructuring, mergers, acquisitions and divestitures, including consolidating landscapes (to a simplified architecture with a hybrid target operating model). It also covers business process optimization that bridges the gaps between an enterprise and its end customer by adopting centralized services for finance or procurement for S/4HANA.

Large enterprises follow a multi-phase approach starting with landscape transformation (cloud migration), followed by application and business transformation. Midmarket enterprises mostly execute these phases in one step. Hexaware also works closely with leading platform players such as AWS, Azure and Google in their integrations with sub-solutions and point-to-point interface models to facilitate faster integration for SAP and non-SAP solutions as part of its cloudification approach.

Application Integration for the Retail, Manufacturing and CPG industries

Integration is a key aspect in the manufacturing and retail industries because enterprises are involved with many players and their respective disparate systems across the entire supply chain. The target architecture defines the foundation for an integrated landscape. The architecture may include a hybrid landscape with best-of-breed SaaS solutions such as SuccessFactors, Ariba, IBP, Concur, Fieldglass or S/4HANA on-premise. Hexaware offers integration services by using the SAP Cloud Platform to tie these various systems together.

Retail

Retail players use a host of systems to serve different functions across the industry chain. This includes Hybris or Salesforce for e-commerce needs, which are integrated into the systems of co-manufacturers, and a combination of IBP and S/4HANA manufacturing to manage co-manufacturers' requirements. Co-manufacturers also use retail transportation management and transportation warehouse management solutions to support end customer delivery, while the SAP Cloud Platform is used to facilitate tracking and traceability in the retail supply chain. Hexaware blends these different service areas with the SAP Cloud Platform and offers services for retail customers in an integrated manner.

Manufacturing and CPG

Multi-echelon planning is delivered with SAP Integrated Business Planning (IBP) as a solution from a planning and integration perspective with S4/HANA in manufacturing. Inventory management in warehouses, real-time tracking, monitoring while in transit, and combining these functionalities with the global trade services solution has been made possible with these solutions. Hexaware offers consulting services to help

enterprises piece these different aspects together to address specific scenarios with an end-to-end solution. CPG clients are adopting business partner collaboration platforms. The consensus forecast in IBP is shared with suppliers using SAP Ariba, and confirmations are received. This accelerates the recursive planning cycle in the supply chain. Hexaware offers collaborative SaaS services to provide integrated solutions to customers.

NET IMPACT/GUIDANCE

To address the varying business needs of enterprises, a customized approach is required to achieve S/4HANA transformation. Hexaware's Triadic framework offers a structured route that covers application landscape assessment and mapping according to enterprise business requirements. It offers solutions such as Suite on HANA and S/4HANA Public Cloud based on the client's maturity level, and guides the client to reach a successful SAP S/4HANA implementation. Over the next few years, an expected increase in SAP S/4HANA Public Cloud (SaaS) adoption among large and midmarket enterprises that have low landscape complexity and seek minimal involvement in managing the solution will give Hexaware ample opportunity to continue helping customers with its proven Triadic framework and holistic approach.

ASSOCIATED RESEARCH

- [ISG Provider Lens™ Next-Gen Application Development & Maintenance \(ADM\) Services - Global 2019-20 - Next-gen ADM](#)
- [ISG Provider Lens™ SAP HANA and Leonardo Ecosystem Partners - Global 2019 - SAP S/4HANA & Business Suite on HANA Transformation](#)

ISG PLACEMENTS AND RECOGNITION

Hexaware was positioned in the ISG Provider Lens™: Next-Gen Application Development & Maintenance (ADM) Services Global report 2019

- Leader in Continuous Testing
- Product Challenger in Agile Development
- Contender in Next-Gen Application Development & Maintenance (ADM) Services

ADDITIONAL HEXAWARE FACTS

- Headquarters: Navi Mumbai, India
- Revenue: \$793.3 million with more than 19,999 employees
- Offerings: Application transformation management solutions, business intelligence and analytics services, business process services digital assurance services and enterprise solutions
- Key competitors: Western and Indian Heritage IT services firms, BPO providers and system integrators

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